Rathbones
Look forward

Rathbone Global Sustainability Fund

Annual report for the year ended 30 April 2021

Authorised Corporate Director (ACD)

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A member of the Rathbone Group
Authorised and regulated by the
Financial Conduct Authority and member
of The Investment Association

The Company

Rathbone Global Sustainability Fund
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MM Webb – Chief Executive Officer
JR Chillingworth – Chief Investment Officer
JM Ardouin – Finance Director
MS Warren – Non-Executive Director
J Lowe – Non-Executive Director

Administrator

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In the year ended 30 April 2021, our fund gained 37.0%, while the FTSE World Index returned 33.9% and the IA Global sector 33.5%.

The last 12 months have had a profound impact on all our lives. The pandemic has changed the way we live, work and communicate. It has also had a devastating impact on so many. At time of writing, we are all moving forward with increasing hope of an end being in sight. It's uncertain what changes in society will persist as the world reopens, but it's clear to us that sustainability trends have accelerated in the last year and are more firmly embedded than ever before.

Our focus on owning quality companies — those with strong cash flow, more reliable earnings and less debt — was more important than ever for performance in 2020. As COVID-19 spread around the world and effectively shut down much of the global economy, we were able to quickly reach out to management teams and understand how they were reacting. We wanted to understand how their businesses would adapt to the changing environment and, even more critically, how they would think about all their stakeholders. We found a clear commitment to employees, supply chains and wider communities. Moreover, many of our companies' competitive positioning strengthened because of this long-term strategy: they remained partners for customers and suppliers when others were not and reaped the rewards. Thankfully, we did not find many bad stewards of capital at such a critical time.

While there has been significant government action around the world to promote investment in green infrastructure, we are also seeing an acceleration in many industries making these changes off their own bat. Because they realise that it's the best thing for the future of their business. A good example is the automotive industry. Companies are proactively investing in vehicle electrification technology at a much faster pace than anybody could have anticipated 12 months ago. The same is true of the global power grid, with renewable energy making up 80% of all new generation in 2020. becoming the clear focus for future investment. Yet, in both cases we are still at the early stage of a long-term journey — electric vehicle penetration is still below 5% of the global transport fleet and renewable share of power production is below 40%.

An exciting search

As more capital flows into the sustainability space we see a growing number of potential businesses to invest in. We can go anywhere in the world to find the best ideas. We can look at companies of all sizes (down to $1 billion market cap), which means we can find some 'hidden gems' that are often underappreciated, misunderstood or just plain missed by the masses. This makes us very excited for the future. Yet, at the same time, we remain wary of 'greenwashing' — of companies pretending to be something they aren't. As the concept of sustainability has rocketed into the mainstream, we are increasingly seeing companies with poor principles and cultures trying to pass themselves off as well-intentioned. This is why our investment process and philosophy of only owning quality businesses with a clear and demonstrable commitment to sustainability is more important than ever. We want to invest on the evidence, not the bluster.

We bought several new stocks during the year. The first is **PayPal**, the US-listed payment processing business. We believe the company is extremely well positioned to make the most of changing consumer payment preferences. PayPal's strong franchise in online payments seems pitch-perfect for the recent ramp up in e-commerce. That's because the recent COVID-driven leap in online shopping is only a change in quantum, not direction. Retail spending has been steadily shifting online for years, and PayPal has been developing its business with that digital future in mind. The upheaval that was 2020 introduced so many new millions of people to the possibilities and conveniences of online shopping. They are unlikely to go back; they will instead start to do yet more digital spending as they grow in confidence and more businesses offer the option. We think this will create its own momentum to power yet more growth in online spending. We think that the market continues to underappreciate the potential scale of this shift, given the relatively low penetration online retail has globally. From a sustainability perspective, PayPal has a number of programmes promoting financial inclusion in developing and developed markets, and it works with external partners to help low-income entrepreneurs succeed.

Another new holding is **Nidec**, a Japanese electric motors manufacturer. Electric vehicles have come on in leaps and bounds, as have electric-assisted bikes and scooters. Nidec's sophisticated motors are used in all sorts of gadgets. From ultra-thin, shock-resistant cooling fans for computer hard-disk drives, to motors for wind turbines (helps bring them to a stop) and automobiles and electric bikes and scooters (helps them go). Nidec should benefit from several rising trends, including electric vehicles, renewable energy and cloud technology (its motors go into the servers). It would also get a boost from increased industrial production, warehouse activity and general economic growth because its motors go into forklifts, cars and other machines that companies and households tend to buy more of when things are going well. Especially if people take the opportunity to switch to cleaner-energy alternatives.

Another addition that ties into those themes of recovery, new-age cars and an increasingly digital environment is **Taiwan Semiconductor Manufacturing Company (TSMC)**. Ever faster and smaller computer chips are central to the dizzying progress in digital technology. Essentially, everything has a chip in it these days. They allow you to set the home thermostat from your smartphone, they make your car smart enough to calibrate its engine on the fly, and they make the shared computing power of the cloud a reality. Because of the blistering pace of improvement, there are only a handful of suppliers for top-of-the-line computer chips. TSMC is one; it manufactures more than half of all third-party chips worldwide. Short-term, the industry can't print chips quick enough for the demand. Automakers have had to shut down production because of a late-pandemic shortage. We think this puts TSMC in a strong position both in the medium term and the longer term. This company has a very transparent supply chain as well, which is vital for our confidence in investing in this space.

We also bought **Jungheinrich**, a German warehouse automation and forklift truck business. It should benefit from the recovering global economy as well as the changing shape of supply chains in many industries. Jungheinrich offers a number of solutions, from electric forklifts to fully automated process improvements. We like its focus on innovation and research and development, supported by a long-term focus (in what can be a cyclical sector). The company is majority owned by a foundation, which means we have purchased the non-voting preference shares. We are happy with this as we believe the ownership structure is positive for developing more sustainable solutions and making the economic moat more durable.

We also added Dutch payment processing company **Adyen** to the portfolio. Adyen works with its merchant customers to provide a better and more integrated payment infrastructure. As noted above, we believe that the shift to more digital payments and ecommerce will persist in the long run. Adyen allows companies to accept payments from multiple digital sources and works to do this at a lower cost. From a sustainability perspective, we believe the evolution of the payment ecosystem is important as it potentially allows for better financial inclusiveness.

In late 2020, we sold our holding in **Kingspan**, the Irish-listed building products and insulation business. We believed that investors' valuation expectations had become too elevated, given the outlook for the next five years or so.

We also sold UK consumer brands conglomerate **Unilever** completely. We felt more exciting opportunities could be found elsewhere. The company has spread itself across an extraordinary range of products and markets, which made us wonder whether it was approaching the limit of benefits that a large consumer brands business could garner from scale before it falls victim to simply unwieldy complexity and size. We also sold UK storage provider **Big Yellow**. We felt its valuation had become less compelling and we had other businesses that we thought were more exciting.

We sold our holding in **Orsted**, the Danish renewable energy company. Orsted was one of the first energy businesses to fully divest its carbon assets and it has become one of the global leaders in offshore wind. While we think momentum in wind power will continue in the coming years, benefiting Orsted, we became concerned that barriers around the business diminished in the past several months. Incumbent integrated energy companies are bidding aggressively for offshore wind contracts and we are seeing potential signs of value destruction. We felt the original thesis for ownership was no longer valid, so we sold out of the holding.

Another exit was German remote desktop software developer **TeamViewer**. We bought this company almost a year ago because we saw huge potential in its technology as a service for businesses – particularly those that require complicated systems on site. Allowing engineers, architects, surveyors and other skilled operatives to access software on site that would otherwise be back at the office seemed valuable to us. As did their plans to help manufacturers improve production line operations using augmented reality technology. However, in March TeamViewer announced a £235 million sponsorship deal with Manchester United. This seemed to be a diametric change of strategy aimed at mass market retail, and of limited value for acquiring business clients. It is also tremendously expensive: each of the five annual sponsorship bills is 12% of the company's total sales in 2020. We sold the stock immediately.

Human ingenuity

Even in the early days of the pandemic I was confident that we would be able to beat the virus. The story is complicated, the path convoluted, but important issues usually are. I thought betting against human ingenuity and tenacity was never going to be the right call. Given the technology we have today, mixed with the simple necessity of solving an urgent problem, I had faith. This has played out, so far at least. Businesses and households have adapted to the new environment and carried on living. A tremendous amount of government support and accommodation by central banks gave us the time we needed to create and roll out vaccines and adjust to a new reality. And another, post-pandemic reality will no doubt arrive in the coming years.

That's what we've been trying to focus on for your fund: what will the future look like and which businesses and technologies should help us get there.

We will continue to invest for the future, trying to ride out short-term ructions in markets. With lots of changes still to come and a bunch of economic measures still to right themselves after a year of intense seesawing, these market wobbles will no doubt continue. For the rest of the year at least and probably well into next year as well.

Barring something completely leftfield, the developed world seems to be coming out the other side of the pandemic. Even Europe, after a botched initial vaccination programme, seems to have turned a corner recently. America has well and truly catapulted out of its lockdowns, with economic activity running extremely hot. The UK is outpacing expectations too, helped along by a deep embrace of ecommerce that has allowed people to spend and businesses to keep running safely. Company earnings have followed suit, with most businesses posting strong numbers in the first quarter. There's that human knack for adaptation again.

A helping hand

In the emerging world, however, it's a completely different story. And one that could read a lot worse before it gets better. One of the most affected nations is Brazil, where the virus has spread like wildfire. Brazil's tragedy is now a South American problem; microbes respect no national borders. Cases and hospitalisations in neighbouring Paraguay, Uruguay and Argentina have soared. Allowing such rapid transmission also increases the chances of more virulent strains of COVID-19 developing, which has duly happened. One new strain, traced to Brazil, could be as much as twice as infectious as the original virus. It has been spotted all round the world. Similarly, India is also in crisis.

On one sad day in April, 349,691 new cases were announced there, more than a third of the world's daily total. At that rate, India will record the UK's 4.4 million total cases in a little over a dozen days. But it will be much faster than that, because the daily case numbers are increasing exponentially. And worst of all, these reported numbers are likely to be vastly underplaying the reality.

It really is true: we are all in this together. If one country runs a poor response, or lacks the resources to fight the pandemic, the virus multiplies and grows stronger. It will get out and spread around the world again. Putting that to one side, there are people living in these countries. They are suffering and dying and enduring gruelling economic hardship. This pandemic could wipe out decades of progress on global poverty and living standards. Western nations in a position to help must do so, so it is heartening to see the US offering to swiftly send healthcare workers and supplies to India.

Wider vaccination is crucial. Worldwide, administered vaccine doses have doubled in less than a month, and most poorer countries have now started to vaccinate. Yet it is those people in wealthy nations that are most likely to be inoculated. High-income countries, home to just shy of a fifth of the world's population, have administered roughly half of all vaccine doses. Low-income countries account for just 0.2% of jabs. They need our help to catch up.

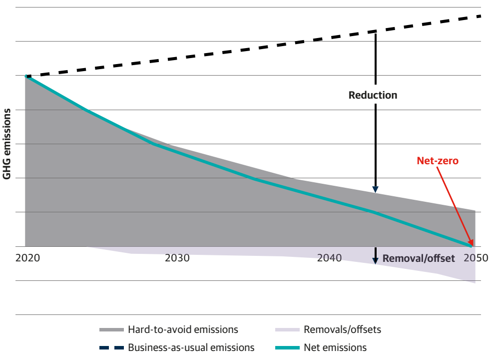
David Harrison
Fund Manager
12 May 2021

2020 was the year the world went net-zero – in ambition at least. What had previously been a steady flurry of corporate decarbonisation targets among leading organisations snowballed into the mainstream, with the likes of Royal Dutch Shell and Rio Tinto joining the net zero club. But, as with almost every sustainability issue that we look at, the devil is in the detail as to what these ambitions mean and how they will be translated into action.

What is net-zero?

A net-zero target is one that is in line with global efforts to limit warming to no more than 1.5C above pre-industrial levels – a level where the scientific consensus suggests we stand a good chance of avoiding the worst effects of climate change. This pathway requires a halving of greenhouse gas emissions by 2030 and reaching net-zero emissions by 2050.

Net-zero is not only about cutting emissions. Even under the most ambitious reduction plans, there will always be some level of residual emissions that are difficult or impossible to eliminate. Carbon offsets and negative emissions technologies will therefore play a critical role in reaching net-zero, as the chart below illustrates. These removals could take the form of natural carbon sinks such as soil, forests or the oceans. Or they could involve technological interventions such as carbon capture and sequestration.



Illustrative net-zero pathway

Company action

According to the Science Based Targets initiative (SBTi), over 500 companies worldwide have set, or are committed to setting, net-zero targets. These include companies within the fund such as:

- **Mastercard**: The global payments company has committed to reducing scope 1 and 2 emissions by 28% between 2016 and 2025, with a longer term target to reach net zero by 2050.
- **Kone**: A leader in elevators, escalators and automatic doors, the group is aiming to reach carbon neutrality by 2030 through a 50% reduction in scope 1 and 2 emissions alongside a 40% reduction in the lifecycle emissions linked to its products and services. Remaining emissions will be offset.
- **Ørsted**: The Danish energy group aims to be carbon neutral within its operations by 2025 and to meet the same goal across its supply chain and energy trading operations by 2040. Its 2025 ambition includes a 98% reduction in emissions, through measures such as the phase of out coal in energy generation, the installation of 20GW in renewable energy capacity and switching its company car fleet to electric vehicles.

Of course, not all net-zero targets are equal. It is important to look beyond the headlines to understand what the real world impact of a company's commitments will be and whether this will result in the scale and pace of change needed to address climate change.

Key elements that we look for in determining whether a climate target is credible include:

- **A focus on reducing emissions, with offsetting as a last resort**. This ensures that companies are addressing their real-world impacts to the best of their abilities, rather than shifting the burden of action onto others. In practical terms, it's also important to remember that many technological interventions such as carbon capture and storage or direct air capture haven't been affordably demonstrated at scale so targets that rely heavily on them are at greater risk of being missed. And if you're looking at more natural offsetting techniques such as reforestation, then we simply do not have enough land to offset unabated emissions.
- **Long-term objectives backed up by short- and medium-term targets**. 2050 is a long-time away, particularly when you consider the average tenure of a CEO is around five years. Interim climate targets, ideally linked to executive pay, are therefore critical in ensuring continued progress against long-term goals.
- **Covering key impact areas**. It's often within the small print that you get a true picture of how ambitious a company is on climate. Headline commitments need to apply to the entirety of a company's operations and, ideally, also key parts of its broader value change that impact on the climate.

Rathbone Greenbank Investments (their ethical, sustainable and impact research team)
May 2021

Net asset value per share and comparative tables

I-class income shares

	30.04.21 pence per share	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share			
Opening net asset value per share	105.25p	102.07p	100.00p
Return before operating charges*	42.24p	5.56p	4.10p
Operating charges	(1.21p)	(0.94p)	(0.66p)
Return after operating charges*	41.03p	4.62p	3.44p
Distributions on income shares	(1.30p)	(1.44p)	(1.37p)
Closing net asset value per share	144.98p	105.25p	102.07p
*after direct transaction costs[1] of:	0.24p	0.39p	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	38.98%	4.53%	3.44%

Other information

Closing net asset value	£4,448,184	£714,807	£141,479
Closing number of shares	3,068,214	679,174	138,615
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.18%	0.37%	0.19%

Prices***

Highest share price	149.87p	115.97p	103.00p
Lowest share price	103.98p	88.44p	87.27p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

I-class accumulation shares

	30.04.21 pence per share	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share			
Opening net asset value per share	108.42p	103.41p	100.00p
Return before operating charges*	43.21p	5.97p	4.09p
Operating charges	(1.25p)	(0.96p)	(0.68p)
Return after operating charges*	41.96p	5.01p	3.41p
Distributions on accumulation shares	(1.33p)	(1.47p)	(1.37p)
Retained distributions on accumulation shares	1.33p	1.47p	1.37p
Closing net asset value per share	150.38p	108.42p	103.41p
*after direct transaction costs[1] of:	0.25p	0.40p	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	38.70%	4.84%	3.41%

Other information

Closing net asset value	£24,369,851	£4,743,254	£496,094
Closing number of shares	16,205,468	4,374,946	479,743
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.18%	0.37%	0.19%

Prices***

Highest share price	154.68p	118.34p	103.35p
Lowest share price	106.82p	90.24p	87.57p

** The fund was launched on 16 July 2018.

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Net asset value per share and comparative tables *(continued)*

S-class income shares

	30.04.21 pence per share	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share			
Opening net asset value per share	105.01p	101.56p	100.00p
Return before operating charges*	42.19p	5.56p	3.41p
Operating charges	(0.88p)	(0.68p)	(0.49p)
Return after operating charges*	41.31p	4.88p	2.92p
Distributions on income shares	(1.30p)	(1.43p)	(1.36p)
Closing net asset value per share	145.02p	105.01p	101.56p
*after direct transaction costs[1] of:	0.24p	0.39p	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance			
Return after charges	39.34%	4.81%	2.92%
Other information			
Closing net asset value	£34,269,851	£4,560,740	£1,980,868
Closing number of shares	23,631,513	4,343,103	1,950,350
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	0.18%	0.37%	0.19%
Prices* **			
Highest share price	149.83p	115.65p	102.50p
Lowest share price	103.75p	88.21p	86.77p

** The fund was launched on 16 July 2018.

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S-class accumulation shares

	30.04.21 pence per share	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share			
Opening net asset value per share	107.90p	102.96p	100.00p
Return before operating charges*	43.42p	5.63p	3.45p
Operating charges	(0.90p)	(0.69p)	(0.49p)
Return after operating charges*	42.52p	4.94p	2.96p
Distributions on accumulation shares	(1.34p)	(1.46p)	(1.36p)
Retained distributions on accumulation shares	1.34p	1.46p	1.36p
Closing net asset value per share	150.42p	107.90p	102.96p
*after direct transaction costs[1] of:	0.24p	0.39p	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	39.41%	4.80%	2.96%

Other information

Closing net asset value	£19,479,503	£4,267,972	£516,797
Closing number of shares	12,949,816	3,955,376	501,956
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	0.18%	0.37%	0.19%

Prices***

Highest share price	154.65p	118.03p	102.90p
Lowest share price	106.59p	90.03p	87.11p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Risk and reward profile as published in the fund's most recent Key Investor Information Document

Lower potential risk/reward
(Not risk-free)

Higher potential risk/reward

This indicator is a measure of the fund's past volatility (the extent and rapidity of up-and-down movements of the value of an investment). It may not be a reliable indication of the fund's future risk. The risk category shown is not a target or a guarantee and may change over time.

Discrete annual performance, quarter ending 31 March 2021

	2017	2018	2019	2020	2021
I-class shares	–	–	–	2.15%	44.25%
S-class shares	–	–	–	2.38%	44.59%
FTSE World Index	–	–	–	-6.00%	39.93%

Source performance data Financial Express, mid to mid, net income reinvested.

Past performance should not be seen as an indication of future performance.

The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Portfolio and net other assets as at 30 April 2021

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Chemicals (30.04.20: 5.49%)			
11,700	Ecolab	1,893,650	2.29
10,700	Linde	2,208,549	2.68
		4,102,199	**4.97**
Industrial Engineering (30.04.20: 8.03%)			
58,100	Jungheinrich Preference	2,185,285	2.65
23,800	Kone 'B'	1,355,388	1.64
99,000	SIG Combibloc	1,752,991	2.12
57,000	Tomra	2,060,859	2.50
54,000	Vestas Wind Systems	1,618,119	1.96
		8,972,642	**10.87**
Industrial Services (30.04.20: 0.00%)			
18,200	Alfen Beheer	**1,046,759**	**1.27**
Automobiles and Parts (30.04.20: 2.35%)			
20,300	Aptiv	**2,109,100**	**2.55**
Electronic and Electrical Equipment (30.04.20: 7.22%)			
25,100	Badger Meter	1,689,226	2.05
56,000	Halma	1,448,720	1.75
10,400	Littlefuse	1,991,590	2.41
23,600	Nidec	1,971,108	2.39
37,000	Trimble	2,191,058	2.65
		9,291,702	**11.25**
Construction and Materials (30.04.20: 4.22%)			
92,000	Assa Abloy 'B'	1,912,703	2.32
28,000	Trex	2,182,890	2.64
		4,095,593	**4.96**
Real Estate (30.04.20: 3.75%)			
48,500	Hannon Armstrong	**1,834,842**	**2.22**
Food Producers (30.04.20: 0.00%)			
17,500	Christian Hansen	**1,164,175**	**1.41**

Portfolio and net other assets as at 30 April 2021 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Healthcare Equipment and Services (30.04.20: 12.48%)			
32,500	Edwards Lifesciences	2,242,173	2.71
20,000	Eurofins Scientific	1,431,987	1.73
26,000	GN Store Nord	1,698,626	2.06
5,100	Sartorius Stedim Biotech	1,684,111	2.04
5,800	Thermo Fisher Scientific	1,969,834	2.39
		9,026,731	**10.93**
General Retailers (30.04.20: 1.38%)			
10,200	PayPal	1,932,294	2.34
86,000	RELX	1,619,580	1.96
86,000	RELX Rights	–	–
		3,551,874	**4.30**
Banks (30.04.20: 4.25%)			
17,300	First Republic Bank	**2,289,465**	**2.77**
Life Insurance (30.04.20: 3.04%)			
220,000	AIA	**2,022,301**	**2.45**
General Financial (30.04.20: 4.53%)			
770,000	Legal & General	**2,097,480**	**2.54**
Financial Services (30.04.20: 5.44%)			
7,400	MasterCard	2,041,995	2.47
12,400	Visa 'A'	2,093,908	2.54
		4,135,903	**5.01**
Software and Computer Services (30.04.20: 14.09%)			
5,550	Adobe	2,037,692	2.47
1,220	Adyen	2,165,483	2.62
6,100	Ansys	1,610,307	1.95
20,500	Cadence Design System	1,952,205	2.36
11,100	Microsoft	2,021,738	2.45
1,940	Shopify 'A'	1,656,934	2.01
		11,444,359	**13.86**
Technology Hardware and Equipment (30.04.20: 4.11%)			
5,400	ASML	2,540,956	3.08
23,900	Taiwan Semiconductor	2,015,157	2.44
		4,556,113	**5.52**

Portfolio and net other assets as at 30 April 2021 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Alternative Energy (30.04.20: 2.20%)			
68,000	Ballard Power Systems	**1,073,128**	**1.30**
Pharmaceuticals and Biotechnology (30.04.20: 2.55%)			
21,200	Abbott Laboratories	**1,838,033**	**2.23**
Household Goods (30.04.20: 1.61%)			
10,200	Clorox	**1,342,565**	**1.63**
Electricity (30.04.20: 2.02%)			
66,000	EDP Renováveis	1,137,347	1.38
7,300	Ørsted	772,395	0.94
		1,909,742	**2.32**
Industrial Transportation (30.04.20: 0.00%)			
14,300	DSV	**2,314,713**	**2.80**
Total value of investments (30.04.20: 93.64%)		80,219,419	97.16
Net other assets (30.04.20: 6.36%)		2,347,970	2.84
Total value of the fund as at 30 April 2021		**82,567,389**	**100.00**

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Sectors eliminated since the beginning of the year:

Personal Goods	2.69%
General Industrials	2.19%

Summary of portfolio investments

	Value £	Percentage of total net assets
Equity Securities	80,219,419	97.16
Total value of investments	**80,219,419**	**97.16**

Statement of total return for the year ended 30 April 2021

	Note	30.04.21 £	30.04.21 £	30.04.20 £	30.04.20 £
Income					
Net capital gains/(losses)	2		**7,834,122**		(144,114)
Revenue	3	**456,898**		143,858	
Expenses	4	**(273,551)**		(72,642)	
Interest payable and similar charges		**(270)**		(7)	
Net revenue before taxation		**183,077**		71,209	
Taxation	5	**(28,096)**		(8,677)	
Net revenue after taxation			**154,981**		62,532
Total return before distributions			**7,989,103**		(81,582)
Distributions	6		**(421,621)**		(133,626)
Change in net assets attributable to shareholders from investment activities			**7,567,482**		(215,208)

Statement of change in net assets attributable to shareholders for the year ended 30 April 2021

	30.04.21 £	30.04.21 £	30.04.20 £	30.04.20 £
Opening net assets attributable to shareholders		**14,286,773**		3,135,238
Amounts receivable on issue of shares	**64,207,678**		18,058,335	
Amounts payable on cancellation of shares	**(3,791,125)**		(6,844,373)	
		60,416,553		11,213,962
Dilution adjustment		**4,813**		16,018
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		**7,567,482**		(215,208)
Retained distributions on accumulation shares		**291,768**		136,763
Closing net assets attributable to shareholders		**82,567,389**		14,286,773

Balance sheet as at 30 April 2021

	Note	30.04.21 £	30.04.21 £	30.04.20 £	30.04.20 £
Assets					
Fixed assets:					
Investments			**80,219,419**		13,378,567
Current assets:					
Debtors	7	**942,507**		518,105	
Cash and bank balances		**1,649,962**		702,958	
Total current assets			**2,592,469**		1,221,063
Total assets			**82,811,888**		14,599,630
Liabilities					
Creditors:					
Distribution payable on income shares		**(192,238)**		(36,160)	
Bank overdrafts		**(814)**		–	
Other creditors	8	**(51,447)**		(276,697)	
Total liabilities			**(244,499)**		(312,857)
Net assets attributable to shareholders			**82,567,389**		14,286,773

1 Accounting policies

a) Basis of accounting

The annual financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014 and as amended in June 2017.

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 33, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

b) Recognition of revenue

All dividends on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits. Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

c) Treatment of scrip and special dividends

Any stock received in lieu of cash dividends is credited to capital in the first instance, followed by a transfer to revenue of the cash equivalent being offered, and this forms part of the distribution made by the fund.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

d) Treatment of expenses

All expenses (other than direct costs of purchase and sale of investments) are charged against capital.

e) Distribution policy

Revenue arising from the fund's investments accumulates during each accounting period. If, at the end of the accounting period, revenue exceeds expenses, the net revenue of the fund is available to be distributed to shareholders.

For the purpose of calculating the distribution available to shareholders, the ACD's charge is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

In order to conduct a controlled dividend flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

f) Basis of valuation of investments

The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If no market price is available we use two different vendors (at least one being independent) to obtain a price and verify it against. If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

All assets are recognised and derecognised on trade date. Any trades occurring between valuation point and close of business are included in the financial statements.

g) Exchange rates

The functional currency of the fund is pound sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at the closing middle exchange rates ruling on that date.

1 Accounting policies *(continued)*

h) Taxation/Deferred tax

i) Corporation tax is provided for at 20% on taxable revenue, after deduction of expenses.

ii) Where overseas tax has been deducted from taxable overseas revenue, that tax can, in some instances, be set off against the corporation tax payable by the fund, by way of double taxation relief.

iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax assets can be offset. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

2 Net capital gains/(losses)

	30.04.21 **£**	30.04.20 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	**7,871,304**	(160,871)
Currency (losses) /gains	**(37,182)**	16,757
Net capital gains /(losses)	**7,834,122**	(144,114)

3 Revenue

	30.04.21 **£**	30.04.20 £
Dividends — UK Ordinary	**137,139**	42,846
— Overseas	**310,692**	95,945
— Property income distributions	**9,060**	4,212
Bank interest	**7**	855
Total revenue	**456,898**	143,858

4 Expenses

	30.04.21 **£**	**30.04.21** **£**	30.04.20 £	30.04.20 £
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		**217,943**		58,549
Other expenses:				
Registration fees	**55,608**		14,093	
		55,608		14,093
Total expenses		**273,551**		72,642

*Audit fees for 2021 are £8,250 excluding VAT (30.04.20: £7,950 excluding VAT). These are borne by the ACD.

5 Taxation

	30.04.21 £	30.04.20 £
a) Analysis of charge for the year		
Overseas tax	**28,096**	8,677
Total taxation charge (note 5b)	**28,096**	8,677

b) Factors affecting current tax charge for the year

The tax assessed for the yearis lower than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (30.04.20: 20%). The differences are explained below.

	30.04.21 £	30.04.20 £
Net revenue before taxation	**183,077**	71,209
Corporation tax at 20%	**36,615**	14,242
Effects of:		
Revenue not subject to taxation	**(84,263)**	(27,301)
Tax relief on overseas tax suffered	**(467)**	(69)
Excess management expenses not utilised	**48,115**	13,128
Corporate tax charge	–	–
Higher tax rates on overseas withholding tax	**28,096**	8,677
Total taxation charge (note 5a)	**28,096**	8,677

c) Deferred tax

At the year end the fund had surplus management expense of £317,674 (30.04.20: £77,098). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £63,535 (30.04.20: £15,420) has not been recognised in the financial statements.

6 Distributions

The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	30.04.21 £	30.04.20 £
Interim	**116,823**	93,054
Final	**409,282**	97,409
	526,105	190,463
Add: Amounts deducted on cancellation of shares	**5,923**	15,034
Deduct: Amounts received on issue of shares	**(110,407)**	(71,871)
Net distribution for the year	**421,621**	133,626
Reconciliation of net distribution for the year to net revenue after tax:		
Net distribution for the year	**421,621**	133,626
Expenses allocated to capital:		
ACD's periodic charge	**(217,943)**	(58,549)
Registration fees	**(55,608)**	(14,093)
Tax relief on expenses	**4,724**	1,126
Equalisation on conversions	**(1)**	(7)
Balance brought forward	**(538)**	(109)
Balance carried forward	**2,726**	538
Net revenue after taxation	**154,981**	62,532

7 Debtors

	30.04.21 £	30.04.20 £
Amounts receivable for issue of shares	**562,882**	479,820
Sales awaiting settlement	**195,384**	–
Accrued revenue	**164,666**	35,142
Taxation recoverable	**19,557**	3,143
Income tax recoverable	**18**	–
Total debtors	**942,507**	518,105

8 Other creditors

	30.04.21 £	30.04.20 £
Amounts payable for cancellation of shares	**2,960**	52,252
Purchases awaiting settlement	**–**	216,609
Accrued expenses	**9,883**	1,599
Accrued ACD's charge	**38,604**	6,237
Total other creditors	**51,447**	276,697

9 Reconciliation of shares

	I-class income	I-class accumulation	S-class income	S-class accumulation
Opening shares issued at 01.05.20	679,174	4,374,946	4,343,103	3,955,376
Share movements 01.05.20 to 30.04.21				
Shares issued	2,876,812	13,467,552	19,795,986	9,396,228
Shares cancelled	(477,427)	(1,614,580)	(515,437)	(426,704)
Shares converted	(10,345)	(22,450)	7,861	24,916
Closing shares at 30.04.21	3,068,214	16,205,468	23,631,513	12,949,816

10 Related parties

ACD fees paid to Rathbone Unit Trust Management Limited (the ACD) are disclosed in note 4 and amounts outstanding at the year end in note 8.

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Global Sustainability Fund during the year (30.04.20: nil).

All other amounts paid to or received from the related parties, together with the outstanding balances are disclosed in the financial statements.

At the year end there were no significant shareholders (30.04.20: nil).

11 Shareholder funds

The fund has two share class: I-class and S-class. The annual ACD charge on I-class is 0.75% and S-class is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 8 to 11.

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.04.20: nil).

13 Risk disclosures on financial instruments

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for liquidations and debtors for accrued revenue.

There is little exposure to credit or cash flow risk. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions.

The fund does not make use of derivatives.

13 Risk disclosures on financial instruments *(continued)*

The main risks arising from the financial instruments are:

(i) Foreign currency risk, being the risk that the value of investments will fluctuate as a result of exchange rate movements. The value of some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

The table below shows the foreign currency risk profile at the balance sheet date:

	30.04.21 **£**	30.04.20 £
Currency:		
Danish krone	**7,568,028**	673,027
Euro	**15,166,896**	3,493,506
Hong Kong dollar	**2,022,301**	433,822
Japanese yen	**1,974,533**	–
Norwegian krone	**2,060,859**	401,389
Swedish krona	**1,927,260**	258,262
Swiss franc	**1,752,991**	312,340
US dollar	**44,243,206**	6,630,647
Pound sterling	**5,831,740**	2,080,637
	82,547,814	14,283,630
Other net assets not categorised as financial instruments	**19,575**	3,143
Net assets	**82,567,389**	14,286,773

If GBP to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £6,974,189 (30.04.20: £1,109,363). If GBP to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the fund would have increased by £8,524,008 (30.04.20: £1,355,888). These calculations assume all other variables remain constant.

13 Risk disclosures on financial instruments *(continued)*

(ii) Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate charges.

The table below shows the interest rate risk profile at the balance sheet date:

	30.04.21 **£**	30.04.20 £
Floating rate assets:		
Euro	**–**	135,761
Pound sterling	**1,845,346**	567,197
	1,845,346	702,958
Floating rate liabilities:		
Danish krone	**(195,384)**	–
US dollar	**(814)**	–
	(196,198)	–
Assets on which no interest is paid:		
Danish krone	**7,763,412**	673,027
Euro	**15,166,896**	3,493,506
Hong Kong dollar	**2,022,301**	433,822
Japanese yen	**1,974,533**	–
Norwegian krone	**2,060,859**	401,389
Swedish krone	**1,927,260**	258,262
Swiss franc	**1,752,991**	312,340
US dollar	**44,244,020**	6,711,495
Pound sterling	**4,230,079**	1,609,688
	81,142,351	13,893,529
Liabilities on which no interest is paid:		
Euro	**–**	(135,761)
US dollar	**–**	(80,848)
Pound sterling	**(243,685)**	(96,248)
	(243,685)	(312,857)
Other net assets not categorised as financial instruments	**19,575**	3,143
Net assets	**82,567,389**	14,286,773

Due to the proportion of interest bearing assets held within the portfolio, no sensitivity analysis has been prepared illustrating the impact changes in yields would have on the value of the fund's portfolio.

The floating rate financial assets and liabilities comprise bank balances that earn or pay interest at rates linked to the UK base rate or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities, other than equities and collective investment schemes, which do not have maturity dates.

13 Risk disclosures on financial instruments *(continued)*

(iii) Market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than currency or interest rate movements.

The investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy set out in the Prospectus. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and Prospectus and the rules of the FCA's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices had increased by 10% as at the balance sheet date the net asset value of the fund would have increased by £8,021,942 (30.04.20: £1,337,857). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £8,021,942 (30.04.20: £1,337,857). These calculations assume all other variables remain constant.

(iv) Counterparty risk, being the risk that the counterparty will not deliver the investments for a purchase, or the cash for a sale after the fund has fulfilled its responsibilities.

(v) Fair value. There is no material difference between the carrying value and fair value of the financial instruments disclosed in the balance sheet.

(vi) Leverage. In accordance with the IA SORP issued in May 2014 we are required to disclose any leverage of the fund. There is no significant leverage in Rathbone Global Sustainability which would increase its exposure.

14 Portfolio transaction cost

For the year ended 30 April 2021

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	69,482,127	34,711	0.05	25,419	0.04
Total purchases before transaction costs	69,482,127	34,711		25,419	
Total purchases including commission and taxes	69,542,257				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	10,576,905	5,352	0.05	57	–
Total sales including transaction costs	10,576,905	5,352		57	
Total sales net of commission and taxes	10,571,496				

Commissions and taxes as % of average net assets

Commissions	0.11%
Taxes	0.07%

14 Portfolio transaction cost *(continued)*

For the year ended 30 April 2020

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	18,956,540	9,221	0.05	21,050	0.11
Total purchases before transaction costs	18,956,540	9,221		21,050	
Total purchases including commission and taxes	18,986,811				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	8,361,145	4,451	0.05	250	–
Total sales including transaction costs	8,361,145	4,451		250	
Total sales net of commission and taxes	8,356,444				

Commissions and taxes as % of average net assets	
Commissions	0.14%
Taxes	0.23%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.10% (30.04.20: 0.12%).

15 Fair value of investments

The fair value of investments has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 30 April 2021

Category	1	2	3	Total
Investment assets	**£**	**£**	**£**	**£**
Equities	80,219,419	–	–	80,219,419
	80,219,419	–	–	80,219,419

For the year ended 30 April 2020

Category	1	2	3	Total
Investment assets	**£**	**£**	**£**	**£**
Equities	13,378,567	–	–	13,378,567
	13,378,567	–	–	13,378,567

16 Share price movement since the balance sheet date

Subsequent to the year end, the net asset value per share of the fund has increased using the share prices at the year end date compared to 22 June 2021. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments.

Share type	30.04.20 mid price	22.06.21 mid price
I-class income	146.45p	145.97p
I-class accumulation	151.16p	151.41p
S-class income	146.50p	146.07p
S-class accumulation	151.20p	151.51p

Effective 14 June 2021 the Rathbone Global Sustainability Fund will be changing name to Rathbone Greenbank Global Sustainability Fund.

Distribution tables for the year ended 30 April 2021

Distribution tables (pence per share)

Interim
Group 1 – Shares purchased prior to 1 May 2020
Group 2 – Shares purchased on or after 1 May 2020 and on or before 31 October 2020

I-class income shares	Net income	Equalisation	Paid 31.12.20	Paid 31.12.19
Group 1	0.58	–	0.58	0.72
Group 2	0.22	0.36	0.58	0.72

I-class accumulation shares	Net income	Equalisation	Accumulated 31.12.20	Accumulated 31.12.19
Group 1	0.59	–	0.59	0.73
Group 2	0.23	0.36	0.59	0.73

S-class income shares	Net income	Equalisation	Paid 31.12.20	Paid 31.12.19
Group 1	0.58	–	0.58	0.71
Group 2	0.11	0.47	0.58	0.71

S-class accumulation shares	Net income	Equalisation	Accumulated 31.12.20	Accumulated 31.12.19
Group 1	0.59	–	0.59	0.73
Group 2	0.10	0.49	0.59	0.73

Notes for corporate shareholders
Corporate shareholders should read the important information on the reverse of the tax voucher in respect of this distribution. The relevant information required by a corporate shareholder is as follows:

Franked investment income	100.00%
Unfranked investment income	0.00%
Depositary net liability to corporation tax	nil pence per share

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Distribution tables (pence per share) *(continued)*

Final

Group 1 – Shares purchased prior to 1 November 2020
Group 2 – Shares purchased on or after 1 November 2020 and on or before 30 April 2021

I-class income shares	Net income	Equalisation	Payable 30.06.21	Paid 30.06.20
Group 1	0.72	–	0.72	0.72
Group 2	0.51	0.21	0.72	0.72

I-class accumulation shares	Net income	Equalisation	Allocated 30.06.21	Accumulated 30.06.20
Group 1	0.74	–	0.74	0.74
Group 2	0.51	0.23	0.74	0.74

S-class income shares	Net income	Equalisation	Payable 30.06.21	Paid 30.06.20
Group 1	0.72	–	0.72	0.72
Group 2	0.53	0.19	0.72	0.72

S-class accumulation shares	Net income	Equalisation	Allocated 30.06.21	Accumulated 30.06.20
Group 1	0.75	–	0.75	0.73
Group 2	0.55	0.20	0.75	0.73

Notes for corporate shareholders

Corporate shareholders should read the important information on the reverse of the tax voucher in respect of this distribution. The relevant information required by a corporate shareholder is as follows:

Franked investment income	100.00%
Unfranked investment income	0.00%
Depositary net liability to corporation tax	nil pence per share

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Directors' statement

This report is approved in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

MM Webb JR Chillingworth
for Rathbone Unit Trust Management Limited
ACD of Rathbone Global Sustainability Fund
14 July 2021

Statement of the ACD's responsibilities in relation to the report and accounts of the Rathbone Global Sustainability Fund

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue and of the net capital gains or losses on the property of the Company for that year. In preparing those financial statements, the ACD is required to:

1. select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. comply with the disclosure requirements of the SORP relating to financial statements of UK authorised funds issued by The Investment Association;
4. follow United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 to 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
6. keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Collective Investment Schemes Sourcebook. The ACD has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

1. there is no relevant audit information of which the Company's auditor is unaware;
2. the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
3. the ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the fund consist predominantly of securities that are readily realisable and, accordingly, the Company has adequate resources to continue in operational existence for the foreseeable future.

The ACD has considered the activities of the Company together with the factors likely to affect its future development, including those related to the COVID-19 pandemic. The assets of the Rathbone Global Sustainability Fund consist predominantly of cash and liquid securities that are readily realisable and therefore has adequate resources to continue in operational existence for the foreseeable future. The ACD has also considered the impact of the COVID-19 pandemic on the operations of the ACD and material third party service providers which continue to be maintained and fully functioning. Accordingly, the ACD continues to adopt the going concern basis in the preparation of the financial statements.

In accordance with COLL 4.5.8 R, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Scheme and authorised for issue on 14 July 2021.

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Rathbone Global Sustainability Fund (the Company) for the year ended 30 April 2021

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together the Regulations), the Company's Instrument of Incorporation and Prospectus (together the Scheme documents) as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

1. the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
2. the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
3. the value of shares in the Company is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
5. the Company's income is applied in accordance with the Regulations; and
6. the instructions of the Authorised Fund Manager (the AFM) are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Depositary of Rathbone Global Sustainability Fund
14 July 2021

Independent Auditor's Report to the shareholders of Rathbone Global Sustainability Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Rathbone Global Sustainability Fund (the 'company'):

- give a true and fair view of the financial position of the company as at 30 April 2021 and of the net revenue and the net capital gains on the property of the company for the year ended 30 April 2021; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- Individual notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and its sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 April 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
14 July 2021

UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbone Unit Trust Management Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS that it manages (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000	Headcount
Senior Management	1,371	5,459	6,830	6
Risk takers	1,390	3,318	4,708	14
Control functions	272	33	305	3
Other	114	159	273	1
Total remuneration code staff	3,147	8,969	12,116	24
Non-remuneration code staff	743	315	1,058	21
Total for the Manager	**3,890**	**9,284**	**13,174**	**45**

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2020, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages for discrete annual periods ending on 31 December each year. Consequently, it is not possible to apportion the variable award between calendar years.

Authorised status

The Rathbone Global Sustainability Fund (the company) is an open-ended investment company with variable capital, incorporated in England and Wales under registered number IC001117 and authorised by the FCA with effect from 10 July 2018.

On 21 December 2011, the Open Ended Investment Company Regulations 2001 (SI 2001/1228) (the Regulations) were amended to introduce a Protected Cell Regime (PCR) for OEICs. Under the PCR, each fund represents a segregated portfolio of assets and accordingly, the assets of each fund belong exclusively to that fund and shall not be used or made available to discharge the liabilities of any other fund.

Investment objective

The objective of the fund is to deliver a greater total return than the FTSE World Index, after fees, over any five-year period.

There is no guarantee that this investment objective will be achieved over five years, or any other time period.

We use the FTSE World Index as a target for our fund's return because we want to offer you higher returns than global stock markets.

We also compare our fund against the IA Global sector to give you an indication of how we perform against other funds in our peer group. Like us, the funds in this sector invest globally, although most of them don't invest using a sustainability framework.

Investment policy

To meet the objective, the fund manager will invest at least 80% of our fund in global shares, with the remainder in cash, short-term deposits and UK government debt.

Derivatives may be used by the fund for the purposes of efficient portfolio management and hedging.

The Manager may use all investment powers as permitted by the prospectus, outside the ranges described above, to ensure the fund is managed in the best interest of investors in times of market irregularities or stress.

The fund may invest at the fund manager's discretion in other transferable securities, money market instruments, warrants, cash and near cash and deposits and units in collective investment schemes. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA Rules.

Investment strategy

Sustainable investing means different things to different people. For us, sustainable investing is about long-term value creation for investors, society and the environment.

We invest in companies that operate sustainably and are committed to helping achieve the United Nations Sustainable Development Goals. We avoid companies that fail our rigorous sustainability criteria. We believe that companies displaying strong environmental, social and governance policies and practices are likely to be well positioned to deliver long-term value for investors. As shareholders we work with companies to encourage best practice and highlight any concerns we have.

When choosing investments we use our own trinity of risk framework: price, business and financial.

We look for businesses that offer good value and make strong and consistent profits with high quality earnings — those that are backed by real cash rather than accounting contrivance. Companies shouldn't have more debt than they can handle.

Ethical investment policy

The fund will seek to invest in companies that are aware of their wider responsibilities to society and the environment. In doing so, the fund will aim to invest in companies that support the achievement of the UN Sustainable Development Goals (SDGs) through their activities or ways of operating.

The companies must, in the opinion of the Manager:

– Display leading or well-developed policies and practices in one or more key responsible business areas, and/or,

– have significant involvement in the provision of products or services aligned with sustainable development

The Manager will further apply ethical criteria and screening in order to avoid investing in companies involved in specific activities or engaged in behaviour that is considered to be of concern to ethical and sustainable investors.

Further details in relation to the current ethical and sustainability criteria may be obtained by contacting Rathbone Unit Trust Management. Investors should be aware that these criteria may change over time.

Fund benchmark

FTSE World Index.

Valuation of the sub-funds

The fund is valued on each business day at 12 noon for the purpose of determining prices at which shares in the fund may be bought or sold. Valuations may be made at other times on business days with the Depositary's approval.

Stewardship code

Rathbone Unit Trust Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council. Our statement on complying with the Code can be found on our website: rathbonefunds.com

Buying and selling of shares

The ACD is available to receive requests for the buying and selling of shares on business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for shares (obtainable from the ACD or the Administrator) should be completed and sent to the Administrator. In respect of telephoned orders, remittances should be sent on receipt of the contract note. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. Purchasers of shares are required to enter their registration details on the form supplied with their contract note. Once shares are paid for these details will be entered on the share register.

Shares can be sold by telephone, fax or letter followed by despatch to the Administrator of the authorisation to sell duly completed by all shareholders.

In the absence of clear written instructions signed by all the registered holders, a Form of Renunciation will be sent out together with the repurchase contract note. This will need to be signed by all registered holders, and returned to our Administrators before settlement can be made. Settlement will be made on whichever is the later of four business days after the dealing date or four days after the receipt of written confirmation.

Shareholders may sell shares on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of shares will not take place if dealing in the shares is suspended by operation of law or any statute for the time being in place. Sales, in retail units, constituting a 'large deal' of £50,000 or more may receive a lower price than the published price.

The minimum initial investment for I-class shares at present is to the value of £1,000 which may be varied by the ACD. Thereafter holders may invest additional amounts to the value of £500 or more from time to time as they wish. The minimum initial and additional investment for S-class shares is at Fund Manager discretion. Any number of shares may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

The ACD currently receives an annual remuneration for managing the I-class and S-class from the property of the fund at the rate of 0.75% and 0.5% respectively.

Statements

A distribution statement showing the rate per share and your shareholding will be sent half yearly on the 30 June and 31 December.

The current value of your shares is shown on a valuation statement, which shows the number of shares bought over the previous six months, the total number of shares in your account and their current value.

Twice yearly on 30 June and 31 December, shareholders will receive a consolidated valuation statement showing, where applicable, their ICVC, Unit Trust and ISA holdings for each fund held.

Prices

Prices are available on our website rathbonefunds.com

Other information

You can see the Instrument of Incorporation, the Key Investor Information Document and Supplementary Information Document, the Prospectus and the most recent half yearly report of each fund by visiting the registered offices of the ACD. Copies of the Prospectus, the Key Investor Information Document and Supplementary Information Document and the most recent half yearly report of each fund may be obtained free of charge on application to the ACD.

The Register of Shareholders can be inspected during normal business hours at the office of the Registrar, SS&C Financial Services International Limited, SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Further copies of this report are available upon request, free of charge, from Client Services Department, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

If you have any queries or complaints about the operation of the fund you should put them to the Compliance Officer, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer.

If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further details about the Financial Ombudsman Service are available on their website at financial-ombudsman.org.uk

ISA eligibility

The fund has been managed throughout the year to ensure that it is eligible to qualify and be included in an Individual Savings Account (ISA). The fund will at all times be invested in such a way that the units will constitute ‘Qualifying Investments’ for the purposes of the Individual Savings Account (ISA) Regulations 1998, as amended from time to time.

Risk factors

An investment in an investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates which can be favourable or unfavourable. Where the ACD’s charge is fully or partly taken out of the fund’s capital, distributable income will be increased at the expense of capital which will either be eroded or future growth restricted.

Value assessment

Our regulator, the Financial Conduct Authority (FCA), has asked us to assess the value of our funds. Assessing value is much more than just looking at the fees you pay or the performance of your fund in isolation. Considering this, we have designed an assessment which looks at nine criteria.

We have also appointed an independent research firm, Square Mile Investment Consulting & Research, to provide an impartial report on the value our funds offer compared with the market.

It is the responsibility of our board of directors to consider the outcomes of these assessments, ensure they are clear and fair, and then communicate to you, our investors, if we have delivered value or, if not, where we need to improve.

You can view the value assessments for the Funds four months after their period end on our website rathbonefunds.com

Other funds

Rathbone Unit Trust Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund
Rathbone Core Investment Fund for Charities
Rathbone Dragon Trust
Rathbone Ethical Bond Fund
Rathbone Global Opportunities Fund
Rathbone Heritage Fund
Rathbone Income Fund
Rathbone Spenser Fund
Rathbone Strategic Bond Fund
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Defensive Growth Portfolio
Rathbone Dynamic Growth Portfolio
Rathbone Enhanced Growth Portfolio
Rathbone Global Sustainability Fund
Rathbone Greenbank Defensive Growth Portfolio
Rathbone Greenbank Dynamic Growth Portfolio
Rathbone Greenbank Strategic Growth Portfolio
Rathbone Greenbank Total Return Portfolio
Rathbone High Quality Bond Fund
Rathbone Pharaoh Fund
Rathbone Quercus Growth Fund
Rathbone Sherwood Fund
Rathbone Strategic Growth Portfolio
Rathbone Strategic Income Portfolio
Rathbone Sussex Growth Fund
Rathbone Sussex Income Fund
Rathbone Total Return Portfolio

Further details

Should you need further details of this fund or any of the other funds managed by Rathbone Unit Trust Management Limited, a Prospectus, Key Investor Information Document and Supplementary Information Document or an application form for the purchase of shares or units, please write to:

Client Services Department
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

All literature is available free of charge. Information is also available on our website: rathbonefunds.com

Data protection

Where relevant, Rathbones' privacy notice for clients, together with our relevant terms of business, sets out how your personal data (as further detailed in the privacy notice) shall be processed by Rathbones. A copy of the privacy notice is available on request or on Rathbones' website.

From time to time Rathbone Unit Trust Management Limited may wish to communicate with you with information on other products and services offered by the Rathbone group. If you do not wish to receive these communications, please advise us in writing at the following address:

Data Protection Officer
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

Rathbones
Look forward

Rathbone Unit Trust Management Limited
8 Finsbury Circus, London EC2M 7AZ
Tel 020 7399 0000

Information line
020 7399 0399
rutm@rathbones.com
rathbonefunds.com

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