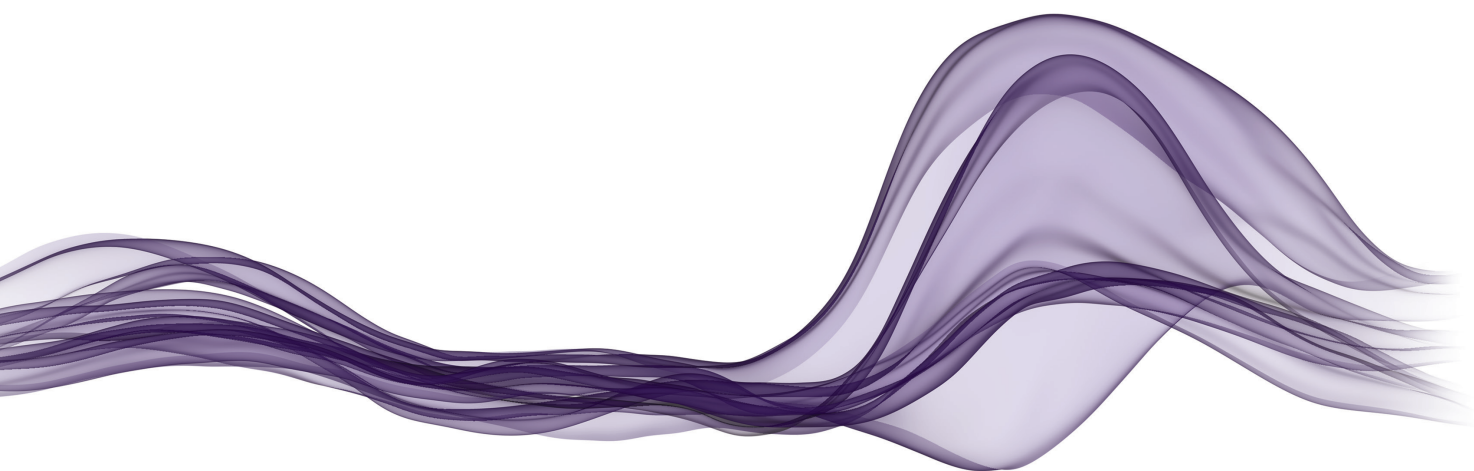


# **Royal London Sustainable World Trust Annual Report**

For the year ended 30 September 2024



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\* The Authorised Fund Manager's Report comprises these items (subsequent references to the Manager's Report).

## Trust Information

### Trust Status

The Trustee is HSBC Bank plc which holds the title to the Trust's investments on behalf of unitholders. The Royal London Sustainable World Trust (the Trust) is a "wider-range" investment under the Trustee Investments Act 1961. It is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000 and is a UCITS Scheme under the Financial Conduct Authority Collective Investment Schemes Sourcebook. Copies of the Trust Deed may be inspected at the offices of the Manager: 80 Fenchurch Street, London EC3M 4BY.

### Manager

#### RLUM Limited

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

### Directors of the Manager

J.M. Brett (Independent Non-executive Director) (Chairman)

H.I. Georgeson

J.S. Glen

A.L. Hunt

J.M. Jackson (Independent Non-executive Director)

R. Kumar

S. Spiller

### Trustee

#### HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

### Administrator

#### HSBC Securities Services (UK) Limited

1-2 Lochside Way, Edinburgh Park, Edinburgh EH12 9DT

Authorised and regulated by the Financial Conduct Authority.

### Registrar

#### RLUM Limited

RLUM Limited has delegated responsibility for safekeeping and maintenance of the register to **Capita Life and Pensions Regulated Services Limited**

The Register may be inspected at:

Churchgate House, 56 Oxford Street, Manchester M1 6EU

### Independent Auditor

#### KPMG LLP

#### Chartered Accountants and Statutory Auditor

15 Canada Square, London E14 5GL

Prior to 6 April 2024 the appointed auditor was

**PricewaterhouseCoopers LLP**

### Investment Adviser

#### Royal London Asset Management Limited

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

### Advisory Committee

Benjamin Yeoh (Chairman)

Professor Alex Edmans

Rachel McEwen

Nicola Parker

## Manager's Investment Report

The Royal London Sustainable World Trust (the Trust) is an authorised unit trust scheme, the Manager of which is RLUM Limited. The Manager has appointed Royal London Asset Management Limited to undertake the portfolio management for the Trust.

Royal London Asset Management Limited is the fund management arm of The Royal London Group and is independently authorised by the Financial Conduct Authority to provide asset management services.

We have a long and successful history of managing our customers' money and our specialist fund management service offers a distinctive approach to responsible investing across all of the funds that we manage. For example, we fully integrate consideration of financial, environmental, social and governance issues throughout the investment process when selecting companies for investment and we also vote at every Annual General Meeting of companies we hold, the exception being where voting would prevent trading.

### Investment Objective and Policy

The investment objective is to achieve capital growth over the medium term, which should be considered a period of 3–5 years, by investing mainly in the shares of companies globally listed on stock exchanges that are deemed to make a positive contribution to society.

At least 50%, up to a maximum of 85%, of the Trust must be invested in companies globally. These will be businesses that are listed on stock exchanges in their respective countries. Of the remaining assets not invested in shares, at least 80% will be invested in sterling-denominated (or hedged back to sterling) investment grade corporate bonds, up to a maximum of 40% of the Trust's assets. Sub investment grade bonds are limited to a maximum of 2% of the Trust's assets.

The Trust may invest up to 10% in other investment funds, known as collective investment schemes. Typically only a small portion of assets will be invested in cash.

The Trust may also invest a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for investment purposes and efficient portfolio management (EPM).

Investments in the Trust will adhere to the Investment Adviser's Ethical and Sustainable Investment Policy. Investors can view the current policy at [myisa.royallondon.com/](https://myisa.royallondon.com/). The Trust is actively managed.

Effective 20 November 2023, the Trust changed from following RLUM's Ethical & Sustainable Investment Policy to following the Investment Adviser's Ethical and Sustainable Investment Policy.

### Risk and Reward Profile



#### About this indicator

- This Synthetic Risk and Reward Indicator (SRRI) is calculated according to European Securities and Markets Authority (ESMA) regulations, to allow investors to compare funds on the same basis. According to this methodology the Trust has been classed as category 5.
- The scale shows that the higher the risk, the higher the potential for greater returns. The numerical indicator which is referenced on the scale, is a measure of how much the unit price of this Trust has risen and fallen (over the last five years) and, therefore, how much the Trust's returns have varied.
- The Trust is shown in risk category 5 because its unit price has shown a medium to high level of volatility historically. As an investment, bonds are typically more volatile than money market instruments but less volatile than shares. This Trust has a mixture of all these investments.
- The risk rating has moved down from category 6 to category 5 during the financial year.

#### Investors should note

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of this Trust.
- The lowest rating does not mean 'risk free' and it does not measure the risk that you may suffer a capital loss.
- The risk and reward profile shown is not guaranteed to remain the same and may change over time.

## Manager's Investment Report (continued)

### Cumulative Performance (% change to 30/09/24)

	1 year total return %	3 year total return %	5 year total return %
Royal London Sustainable World Trust, Class A Income	16.21	7.71	45.06
Royal London Sustainable World Trust, Class B Accumulation	16.32	8.31	47.11
Royal London Sustainable World Trust, Class B Income	16.32	8.26	46.68
Royal London Sustainable World Trust, Class C Accumulation	16.60	9.09	48.87
Royal London Sustainable World Trust, Class C Income	16.60	9.14	48.87
Royal London Sustainable World Trust, Class D Accumulation	16.79	9.61	50.04
Royal London Sustainable World Trust, Class D Income	16.75	9.59	49.98
IA Mixed Investment 40-85% Shares Total Return (TR)	13.83	7.53	25.48

**Past performance is not necessarily a reliable indicator of future performance. The value of investments and the income from them is not guaranteed and may go down as well as up, and investors may not get back the amount originally invested.**

Source: Royal London Asset Management Limited and Morningstar, as at 30 September 2024. Returns are net of management fees. Investors should note that the total return is calculated on the Trust's official midday price whereas the Trust has been valued as at close of business for the Net Asset Value quoted within the Comparative Table. For further information, including ongoing performance and Trust breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Investment Review and Outlook

#### Performance overview

In the 12-month period under review, the Trust delivered positive absolute returns and outperformed its peer group. Over the three-year and five-year period, returns were also positive and outperformed the peer group.

#### Market overview

For much of the past year or so, market focus has been on high inflation across developed economies, and the use of higher interest rates to help bring this down. 2024 started with expectations that inflation would fall sharply and that central banks would cut interest rates early and cut several times. However, as the year has progressed, those expectations changed. Inflation data was generally stronger than expected, meaning that central banks only cut in the summer, with the European Central Bank cutting rates in June, followed by the Bank of England in August and the US Federal Reserve in September. Meanwhile, the macroeconomic backdrop has been uncertain and political factors have added another element of volatility this year with elections in the UK and France, and the forthcoming US elections in November.

Global equities rallied over the period, with the US market hitting all-time highs later in the period, helped by the so-called 'magnificent seven' stocks (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla), a group of companies that performed well led by trends in technology, in particular artificial intelligence (AI) which is triggering significant investments in technology infrastructure – notably semiconductors. The financial sector benefitted from the diminished expectations of interest rates cuts. Finally, utilities benefitted from increased demand for electricity driven in part by the growth of datacentres. Cyclically sensitive sectors such as industrials and consumer discretionary were among the worst performers, impacted by deteriorating activity data.

One of the most impressive characteristics over the last year has been the ability of corporate earnings to grow despite higher interest rates. That has never been more the case than in the US economy, where employment trends have been robust and as a result the credit cycle has remained benign compared to history.

## Manager's Investment Report (continued)

### Portfolio commentary

We continue to apply our tried and tested investment process focusing on finding the most attractive companies from a sustainability and financial standpoint as we believe these companies can offer high and more durable long-term growth as well as being more resilient.

Within the equity element of the portfolio, Taiwan Semiconductor Manufacturing Company Limited TSMC, was among the top contributors to performance for the period under review as well as industrial companies such as Schneider Electric and Trane Technologies. Taiwanese semiconductor manufacturer TSMC is benefitting from demand for semiconductors used in artificial intelligence applications. The trends towards greater infrastructure investment to re-engineer the physical world to be fit for purpose is driving long-term growth opportunities in electrification, data centres and factory automation benefitting companies such as Schneider Electric and Trane Technologies. Detractors included UK pest control company Rentokil and agricultural equipment manufacturer AGCO.

Within the corporate bond portfolio, our exposure to bank and insurance bonds were standouts, with M&G and Aviva contributing strongly.

### Investment outlook

Markets have moved significantly over the last 12 months, pricing in peak interest rates, yet history has taught us the macroeconomic environment can change quickly. We are not macroeconomic forecasters and refrain from predicting the direction of interest rates or inflation, but evidence is accumulating that we might be at peak interest rates. However, the path to lower interest rates remains in flux.

While the macroeconomic environment remains uncertain, the microeconomic trends are strengthening, notably in digitalisation through artificial intelligence, infrastructure through electrification and healthcare through obesity drugs. These are all areas which are highly investable for the Trust. Areas which the Trust does not invest in, such as oil & gas extraction and armaments, have benefited from elevated geopolitical tensions which may not continue. Overall, we believe we are entering into an innovative period which should allow the companies we invest in to grow their profits over the coming years, which should benefit the Trust.

In an uncertain environment we will continue to follow our disciplined process which has served us well over the years and believe our portfolios are diversified and focused on high quality sustainable and financial companies that are well positioned to drive long-term performance.

**Mike Fox, George Crowdy and Sebastien Beguelin**  
**Trust Managers**  
**Royal London Asset Management**  
**30 September 2024**

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to [www.rlam.com](http://www.rlam.com).

This report covers investment performance, activity and outlook. For a wider look at the Trust, our RLUM Limited Annual Assessment of Value Report March 2024 (published July 2024) is available on [www.rlam.com](http://www.rlam.com).

The Task Force on Climate-related Financial Disclosures (TCFD) Report can be found in the "Our funds" section on the website [www.rlam.com](http://www.rlam.com) under the Trust's name. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change.

The views expressed are the authors' own and do not constitute investment advice and are not an indication of future Trust performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management Limited, unless otherwise stated.



## Portfolio Statement

As at 30 September 2024

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Fixed Income – 13.87% (30/09/23 – 13.72%)</b>			
<b>Commercial Mortgage Backed Securities – 0.30% (30/09/23 – 0.30%)</b>			
£1,150,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058*	797	0.02
£895,000	Income Contingent Student Loan 2.5% 24/7/2056	495	0.02
£2,242,000	PCL Funding IX FRN 16/7/2029	2,244	0.07
£3,834,000	Sage AR Funding FRN 17/11/2051	3,805	0.12
£1,130,000	Sage AR Funding No. 1 FRN 17/11/2030	1,128	0.04
£1,120,000	UK Logistics 2024-1 DAC FRN 17/5/2034	1,126	0.03
<b>Total Commercial Mortgage Backed Securities</b>		<b>9,595</b>	<b>0.30</b>

<b>Corporate Bonds – 13.45% (30/09/23 – 13.42%)</b>			
£1,209,000	3i Group 3.75% 5/6/2040	954	0.03
£1,500,000	3i Group 5.75% 3/12/2032	1,563	0.05
£2,999,000	AA Bond 5.5% 31/7/2050	2,968	0.09
£1,411,000	AA Bond 6.85% 31/7/2050	1,438	0.04
£1,200,000	AA Bond 7.375% 31/7/2050	1,251	0.04
£3,340,000	Akelius Residential Property 2.375% 15/8/2025	3,244	0.10
£1,000,000	Amicushorizon Finance 5.25% 13/3/2043	952	0.03
£2,104,000	Annington Funding 3.685% 12/7/2034	1,764	0.05
£1,668,000	Annington Funding 3.935% 12/7/2047	1,200	0.04
£2,304,000	Annington Funding 4.75% 9/8/2033	2,129	0.07
£2,260,000	Arqiva Financing 5.34% 30/12/2037	2,259	0.07
£1,200,000	Arqiva Financing 7.21% 30/6/2045	1,282	0.04
£4,000,000	Assicurazioni Generali 6.269% perpetual	4,014	0.13
£2,276,000	AT&T 2.9% 4/12/2026	2,194	0.07
£1,480,000	AT&T 4.375% 14/9/2029	1,449	0.05
£1,771,000	Aviva 6.125% variable 12/9/2054	1,761	0.05
£2,519,000	Aviva 6.875% variable 27/11/2053	2,646	0.08
£7,501,000	Aviva 6.875% variable 20/5/2058	7,784	0.24
£2,400,000	Banco Santander 2.25% variable 4/10/2032	2,182	0.07
£1,838,000	Bazalgette Finance 2.375% 29/11/2027	1,688	0.05
£1,294,000	Bazalgette Finance 2.75% 10/3/2034	1,028	0.03
£1,367,000	Beyond Housing 2.125% 17/5/2051	744	0.02
£1,427,000	Blend Funding 2.467% 16/6/2063	745	0.02
£3,077,000	Blend Funding 3.508% 4/5/2059	2,204	0.07
£1,400,000	BNP Paribas 1.25% 13/7/2031	1,101	0.03
£2,519,000	BPCE 2.5% variable 30/11/2032	2,627	0.08
£2,800,000	BPCE 5.375% 22/10/2031	2,801	0.09
£3,451,000	BUPA Finance 4.125% 14/6/2035	2,893	0.09
£984,000	Cadent Finance 5.625% 11/1/2036	979	0.03
£3,169,000	Close Brothers Finance 1.625% 3/12/2030	2,508	0.08
£1,042,000	Close Brothers Group 11.125% variable perpetual	1,079	0.03
£1,010,000	Close Brothers Group 7.75% 14/6/2028	1,054	0.03
£4,105,000	Community Finance 5.017% 31/7/2034	4,104	0.13
£585,000	Coventry Building Society 8.75% variable perpetual	604	0.02
£2,612,000	CPUK Finance 3.69% 28/2/2047	2,444	0.08
£2,100,000	Credit Agricole 1.874% variable 9/12/2031	1,948	0.06
£3,200,000	Credit Agricole 4.875% 23/10/2029	3,211	0.10
£3,100,000	Credit Agricole 5.75% variable 29/11/2027	3,144	0.10
£2,100,000	Credit Agricole 7.5% variable perpetual	2,132	0.07
£1,130,000	Delamare Finance 6.067% 19/2/2029	1,169	0.04
£4,562,000	Derby Healthcare 5.564% 30/6/2041	4,114	0.13
£2,393,000	Derwent London 1.875% 17/11/2031	1,929	0.06
£2,000,000	Direct Line Insurance 4% 5/6/2032	1,704	0.05
£1,871,000	DWR Cymru Financing UK 5.75% 10/9/2044	1,872	0.06
£1,992,000	East Japan Railway 5.562% 4/9/2054	1,996	0.06
£7,119,000	Eversholt Funding 2.742% 30/6/2040	4,942	0.15
£1,300,000	Eversholt Funding 3.529% 7/8/2042	1,044	0.03
£800,000	Eversholt Funding 6.697% 22/2/2035	638	0.02
£3,281,000	Folio Residential Finance No. 1 1.246% 31/10/2037	2,932	0.09
£1,600,000	Freshwater Finance 4.556% 3/4/2036	1,423	0.04
£2,027,000	Freshwater Finance 5.182% 20/4/2035	1,890	0.06
£2,243,000	GB Social Housing 5.193% 12/2/2038	2,187	0.07
£2,510,000	Genfinance II 6.064% 21/12/2039	2,676	0.08
£1,068,000	Great Portland Estates 5.375% 25/9/2031	1,061	0.03
£2,980,000	Great Rolling Stock 6.5% 5/4/2031	2,211	0.07
£1,272,000	Great Rolling Stock 6.875% 27/7/2035	672	0.02

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£4,302,000	Greater Gabbard OFTO 4.137% 29/11/2032	2,485	0.08
£1,601,000	GreenSquareAccord 5.25% 30/11/2047	1,488	0.05
£3,400,000	Gwynt y Môr OFTO 2.778% 17/2/2034	1,827	0.06
£1,200,000	Harbour Funding 5.28% 31/3/2044	1,194	0.04
£2,936,000	Hexagon Housing Association 3.625% 22/4/2048	2,084	0.07
£2,806,000	High Speed Rail Finance 4.375% 1/11/2038	2,624	0.08
£5,323,000	HSBC 5.844% variable perpetual	5,612	0.17
£3,336,000	HSBC 8.201% variable 16/11/2034	3,672	0.11
£4,000,000	ING Groep NV 5% variable 30/8/2026	3,997	0.12
£3,700,000	ING Groep NV 6.25% variable 20/5/2033	3,787	0.12
£2,862,000	International Finance Facility for Immunisation 2.75% 7/6/2025	2,820	0.09
£400,000	Intu Metrocentre Finance 4.125% 6/12/2028	261	0.01
£1,537,000	Just Group 6.875% 30/3/2035	1,536	0.05
£2,686,000	Just Group 8.125% 26/10/2029	2,903	0.09
£3,116,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	1,998	0.06
£4,145,000	Land Securities 4.75% 18/9/2031	4,146	0.13
£2,250,000	Land Securities Capital Market 2.375% 29/3/2029	2,122	0.07
£1,500,000	Land Securities Capital Markets 2.399% 8/2/2031	1,366	0.04
£2,469,000	Leeds Building Society 1.375% 6/10/2027	2,240	0.07
£2,500,000	Legal & General 4.5% variable 1/11/2050	2,330	0.07
£4,097,000	Legal & General 5.5% variable 27/6/2064	3,911	0.12
£1,250,000	Lloyds Bank 6% 8/2/2029	1,333	0.04
£3,900,000	Lloyds Bank 7.5% 22/3/2032	2,665	0.08
£3,482,000	Lloyds Bank 7.625% 22/4/2025	3,524	0.11
£1,250,000	Lloyds Banking Group 6.625% variable 2/6/2033	1,287	0.04
£1,989,000	London Quadrant Housing Trust 2% 31/3/2032	1,613	0.05
£758,000	M&G 5.625% variable 20/10/2051	735	0.02
£6,283,000	M&G 5.7% variable 19/12/2063	6,027	0.19
£5,413,000	M&G 6.25% variable 20/10/2068	5,056	0.16
£2,200,000	MassMutual Global Funding II 4.625% 5/10/2029	2,202	0.07
£1,090,000	Meadowhall Finance 4.986% 12/1/2032	485	0.02
£2,000,000	Metropolitan Housing Trust 1.875% 28/7/2036	1,413	0.04
£1,930,000	Metropolitan Life Global Funding 0.625% 8/12/2027	1,707	0.05
£2,031,000	Metropolitan Life Global Funding I 5% 10/1/2030	2,064	0.06
£2,772,000	Mizuho Financial Group 5.628% 13/6/2028	2,842	0.09
£2,401,000	Morhomes 3.4% 19/2/2040	1,949	0.06
£1,500,000	Motability Operations Group 5.625% 11/9/2035	1,582	0.05
£1,591,000	Motability Operations Group 5.625% 24/1/2054	1,603	0.05
£1,628,000	Motability Operations Group 5.75% 17/6/2051	1,672	0.05
£2,600,000	Myriad Capital 4.75% 20/12/2043	2,351	0.07
£3,000,000	National Australia Bank 1.699% variable 15/9/2031	2,798	0.09
£3,300,000	National Express 4.25% variable perpetual	2,996	0.09
£100,000	National Grid Electricity Distribution 2.671% IL 1/6/2043	167	0.01
£600,000	National Grid Electricity Distribution 5.35% 10/7/2039	585	0.02
£4,560,000	National Grid Electricity Distribution 5.75% 16/4/2032	4,704	0.15
£4,310,000	Nationwide Building Society FRN 24/2/2031	4,266	0.13
£2,000,000	NatWest Group 2.105% variable 28/11/2031	1,875	0.06
£1,880,000	NatWest Group 7.416% variable 6/6/2033	1,981	0.06
£2,742,000	New York Life Global Funding 0.75% 14/12/2028	2,364	0.07
£3,262,000	New York Life Global Funding 4.35% 16/9/2025	3,245	0.10
£4,030,000	NGG Finance 5.625% variable 18/6/2073	4,024	0.13
£1,094,000	NIE Finance 5.875% 1/12/2032	1,152	0.04
£833,000	Northumbrian Water Finance 5.5% 2/10/2037	785	0.02

## Portfolio Statement (continued)

As at 30 September 2024

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Corporate Bonds – 13.45% (30/09/23 – 13.42%) – continued</b>			
£1,184,000	Northumbrian Water Finance 6.375% 28/10/2034	1,222	0.04
£2,479,000	Notting Hill Genesis 2% 3/6/2036	1,774	0.06
£3,318,000	OP Corporate Bank 1.375% 4/9/2026	3,107	0.10
£2,110,000	OP Corporate Bank 3.375% 14/1/2026	2,076	0.06
£1,530,000	Orbit Capital 3.5% 24/3/2045	1,163	0.04
£2,800,000	OSB Group 8.875% variable 16/1/2030	3,039	0.09
£1,793,000	OSB Group 9.5% variable 7/9/2028	1,948	0.06
£2,964,000	OSB Group 9.993% variable 27/7/2033	3,226	0.10
£1,323,000	Paradigm Homes Charitable Housing 5.25% 4/4/2044	1,301	0.04
£2,256,000	Peabody Capital No.2 2.75% 2/3/2034	1,854	0.06
£1,979,000	Peabody Capital No.2 4.625% 12/12/2053	1,725	0.05
£1,976,000	Pension Insurance 3.625% 21/10/2032	1,635	0.05
£2,284,000	Pension Insurance 5.625% 20/9/2030	2,220	0.07
£1,818,000	Pension Insurance Corporation 6.875% 15/11/2034	1,840	0.06
£1,885,000	Pension Insurance Corporation 8% 13/11/2033	2,048	0.06
£2,216,000	Phoenix Group 5.625% 28/4/2031	2,149	0.07
£5,522,000	Phoenix Group 5.867% 13/6/2029	5,505	0.17
£1,600,000	Places for People Homes 5.875% 23/5/2031	1,654	0.05
£1,546,000	Places For People Treasury 6.25% 6/12/2041	1,626	0.05
£1,655,000	Porterbrook Rail Finance 4.625% 4/4/2029	1,627	0.05
£3,250,000	Porterbrook Rail Finance 7.125% 20/10/2026	3,398	0.11
£2,639,000	Principality Building Society 8.625% 12/7/2028	2,881	0.09
£2,346,000	Protective Life Global Funding 5.082% 15/4/2031	2,382	0.07
£5,211,000	Protective Life Global Funding 5.248% 13/1/2028	5,316	0.17
£2,278,000	PRS Finance 1.5% 24/8/2034	1,740	0.05
£6,063,000	PRS Finance 1.75% 24/11/2026	5,115	0.16
£989,000	RAC Bond Co 8.25% 6/5/2046	1,075	0.03
£500,000	Retail Charity Bonds 4.25% 30/3/2026	474	0.01
£3,666,000	Rothsay Life 3.375% 12/7/2026	3,556	0.11
£1,485,000	Rothsay Life 7.019% 10/12/2034	1,533	0.05
£1,613,000	RSA Insurance 5.125% variable 10/10/2045	1,599	0.05
£3,000,000	Saltair Finance 4.818% 1/12/2033	3,082	0.10
£8,969,000	Santander UK 7.098% variable 16/11/2027	9,321	0.29
£1,279,000	Schroders 6.346% variable 18/7/2034	1,304	0.04
£473,000	Scottish Hydro Electric Transmission 2.125% 24/3/2036	349	0.01
£1,231,000	Scottish Hydro Electric Transmission 5.5% 15/1/2044	1,210	0.04
£2,427,000	Scottish Widows 7% 16/6/2043	2,576	0.08
£973,000	Severn Trent Utilities Finance 5.25% 4/4/2036	949	0.03
£3,593,000	Society of Lloyds 4.875% variable 7/2/2047	3,533	0.11
£1,982,000	South West Water Finance 6.375% 5/8/2041	2,040	0.06
£1,655,000	Southern Housing Group 2.375% 8/10/2036	1,213	0.04
£2,245,000	Southern Housing Group 3.5% 19/10/2047	1,602	0.05
£1,595,000	SSE 3.74% variable perpetual	1,555	0.05
£2,557,000	Swan Housing Capital 3.625% 5/3/2048	1,939	0.06
£2,783,000	Telereal Securitisation 1.3657% 10/12/2033	1,460	0.05
£2,450,000	Telereal Securitisation 4.9741% 10/12/2033	717	0.02
£1,085,000	Telereal Securitisation 5.634% 10/12/2031	1,095	0.03
£2,278,000	Telereal Securitisation 6.1645% 10/12/2033	1,790	0.06
£1,174,000	Telereal Securitisation A3 3.5625% 10/12/2036	1,073	0.03
£2,235,100	Telereal Securitisation A4 3.5625% 10/12/2036	2,052	0.06
£3,500,000	Telereal Securitisation FRN 10/12/2033	998	0.03
£1,800,000	Tesco Property 5.744% Sink 13/4/2040	1,603	0.05
£9,191,000	Tesco Property 5.8006% 13/10/2040	8,330	0.26
£3,600,000	Tesco Property Finance 6 5.4111% 13/7/2044	3,091	0.10
£2,278,000	Thames Water Kemble Finance 4.625% 19/5/2026	71	0.00
£1,964,000	Thames Water Utilities 2.875% 3/5/2027	300	0.01
£2,180,000	Thames Water Utilities 7.75% 30/4/2044	1,658	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£5,519,000	The Co-operative Bank 9.5% variable 23/5/2028	6,056	0.19
£2,500,000	THFC Funding 5.2% 11/10/2043	2,440	0.08
£2,700,000	THFC Funding 6.35% 8/7/2041	2,987	0.09
£4,559,000	Transmission Capital Partners Dudgeon OFTO 3.158% 12/11/2038	3,308	0.10
£5,613,000	TSB Bank FRN 22/6/2028	5,591	0.17
£1,161,000	University of Oxford 2.544% 8/12/2117	608	0.02
£2,683,000	UPP Bond Issuer 4.9023% 28/2/2040	2,032	0.06
£1,251,000	Virgin Money 7.625% variable 23/8/2029	1,362	0.04
£3,767,000	Virgin Money UK 8.25% variable perpetual	3,860	0.12
£1,900,000	Vodafone 3.375% 8/8/2049	1,297	0.04
£2,100,000	Vodafone 4.875% variable 3/10/2078	2,080	0.06
£1,000,000	Vonovia 5.5% 18/1/2036	974	0.03
£1,000,000	Wellcome Trust 2.517% 7/2/2118	516	0.02
£1,690,000	Welltower 4.5% 1/12/2034	1,571	0.05
£1,853,000	Welltower 4.8% 20/11/2028	1,841	0.06
£4,120,000	Wessex Water Services Finance 1.25% 12/1/2036	2,567	0.08
£1,500,000	Wessex Water Services Finance 1.5% 17/9/2029	1,222	0.04
£1,164,000	Wessex Water Services Finance 5.125% 31/10/2032	1,091	0.03
£715,000	Western Power Distribution 1.75% 9/9/2031	575	0.02
£3,494,000	Westfield Stratford City 1.642% 4/8/2031	3,249	0.10
£2,500,000	Woods Transmission 3.446% 24/8/2034	1,551	0.05
£2,739,000	Yorkshire Building Society 3.375% variable 13/9/2028	2,568	0.08
£3,191,000	Yorkshire Building Society 6.375% variable 15/11/2028	3,307	0.10
£2,446,000	Yorkshire Building Society FRN 24/5/2029	2,446	0.08
£2,617,000	Yorkshire Water Finance 5.5% 28/4/2035	2,409	0.08
£4,603,000	Zurich Finance 5.125% variable 23/11/2052	4,458	0.14
<b>Total Corporate Bonds</b>		<b>432,672</b>	<b>13.45</b>
<b>Government Bonds – 0.12% (30/09/23 – 0.00%)</b>			
£3,700,000	UK Treasury 5% 7/3/2025	3,704	0.12
<b>Total Government Bonds</b>		<b>3,704</b>	<b>0.12</b>
<b>Equities – 84.79% (30/09/23 – 84.71%)</b>			
<b>Canada – 2.31% (30/09/23 – 2.96%)</b>			
Industrials – 2.31%			
856,493	Canadian National Railway	74,207	2.31
<b>Total Canada</b>		<b>74,207</b>	<b>2.31</b>
<b>Channel Islands – 0.00% (30/09/23 – 3.11%)</b>			
<b>Denmark – 1.98% (30/09/23 – 2.23%)</b>			
Healthcare – 1.98%			
723,765	Novo Nordisk	63,551	1.98
<b>Total Denmark</b>		<b>63,551</b>	<b>1.98</b>
<b>France – 4.18% (30/09/23 – 7.55%)</b>			
Consumer Goods – 1.47%			
141,282	L'Oreal	47,256	1.47
Industrials – 2.71%			
443,846	Schneider Electric	87,191	2.71
<b>Total France</b>		<b>134,447</b>	<b>4.18</b>
<b>Germany – 0.00% (30/09/23 – 0.33%)</b>			



## Portfolio Statement (continued)

As at 30 September 2024

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Hong Kong – 1.28% (30/09/23 – 2.23%)</b>			
Financials – 1.28%			
6,161,800	AIA	41,191	1.28
<b>Total Hong Kong</b>		<b>41,191</b>	<b>1.28</b>
<b>India – 1.50% (30/09/23 – 1.74%)</b>			
Financials – 1.50%			
1,031,905	HDFC Bank ADR	48,120	1.50
<b>Total India</b>		<b>48,120</b>	<b>1.50</b>
<b>Indonesia – 1.56% (30/09/23 – 1.66%)</b>			
Financials – 1.56%			
204,966,800	Bank Rakyat Indonesia	50,263	1.56
<b>Total Indonesia</b>		<b>50,263</b>	<b>1.56</b>
<b>Ireland – 7.26% (30/09/23 – 6.03%)</b>			
Basic Materials – 2.11%			
191,096	New Linde	67,898	2.11
Healthcare – 2.06%			
366,010	Steris	66,178	2.06
Industrials – 1.74%			
193,141	Trane Technologies	55,940	1.74
Technology – 1.35%			
386,601	TE Connectivity	43,524	1.35
<b>Total Ireland</b>		<b>233,540</b>	<b>7.26</b>
<b>Japan – 1.90% (30/09/2023 – 0.53%)</b>			
Consumer Goods – 0.68%			
155,300	Shimano	21,959	0.68
Financials – 1.22%			
2,478,000	Sumitomo Mitsui	39,223	1.22
<b>Total Japan</b>		<b>61,182</b>	<b>1.90</b>
<b>Netherlands – 5.57% (30/09/23 – 4.16%)</b>			
Basic Materials – 2.60%			
645,845	IMCD Group	83,748	2.60
Technology – 2.97%			
154,025	ASML Holding	95,552	2.97
<b>Total Netherlands</b>		<b>179,300</b>	<b>5.57</b>
<b>Spain – 1.78% (30/09/23 – 0.00%)</b>			
Financials – 1.78%			
7,097,025	Banco Bilbao Vizcaya Argentaria	57,325	1.78
<b>Total Switzerland</b>		<b>57,325</b>	<b>1.78</b>
<b>Switzerland – 0.95% (30/09/23 – 3.03%)</b>			
Basic Materials – 0.95%			
123,683	Sika	30,607	0.95
<b>Total Switzerland</b>		<b>30,607</b>	<b>0.95</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Taiwan – 2.50% (30/09/23 – 2.47%)</b>			
Technology – 2.50%			
621,567	Taiwan Semiconductor Manufacturing ADR	80,472	2.50
<b>Total Taiwan</b>		<b>80,472</b>	<b>2.50</b>
<b>United Kingdom – 13.73% (30/09/23 – 15.30%)</b>			
Consumer Services – 2.36%			
3,168,097	Compass Group	75,844	2.36
Industrials – 0.84%			
7,436,921	Rentokil Initial	27,100	0.84
Healthcare – 4.04%			
671,664	AstraZeneca	77,819	2.42
3,431,703	GSK	52,042	1.62
Financials – 5.24%			
810,442	London Stock Exchange	82,827	2.58
10,783,061	Standard Chartered	85,488	2.66
Utilities – 1.25%			
2,142,841	SSE	40,350	1.25
<b>Total United Kingdom</b>		<b>441,470</b>	<b>13.73</b>
<b>United States – 38.29% (30/09/23 – 31.38%)</b>			
Industrials – 7.46%			
258,938	AGCO Holdings	18,920	0.59
153,337	Agilent Technologies	16,971	0.53
195,806	Comfort Systems USA	56,986	1.77
309,516	Ferguson	45,811	1.42
148,351	Nordson Corporation	29,046	0.90
534,880	Wabtec Corporation	72,467	2.25
Consumer Services – 7.84%			
676,049	Amazon.com	93,896	2.92
2,284,784	Core & Main	75,646	2.35
54,221	MercadoLibre	82,837	2.57
Healthcare – 5.06%			
96,527	Intuitive Surgical	35,344	1.10
221,680	IQVIA Holding	39,140	1.22
191,493	Thermo Fisher Scientific	88,249	2.74
Financials – 2.72%			
426,883	Visa 'A'	87,445	2.72
Technology – 15.21%			
118,488	Adobe	45,732	1.42
887,139	Alphabet 'A'	109,723	3.41
173,662	Autodesk	35,662	1.11
857,084	Broadcom	110,184	3.44
75,253	Intuit	34,833	1.08
345,516	Microsoft	110,776	3.44
273,210	Texas Instruments	42,071	1.31
<b>Total United States</b>		<b>1,231,739</b>	<b>38.29</b>
<b>Total value of investments</b>		<b>3,173,385</b>	<b>98.66</b>
<b>Net other assets</b>		<b>43,095</b>	<b>1.34</b>
<b>Total net assets</b>		<b>3,216,480</b>	<b>100.00</b>

# Level 3 assets

All investments are listed on recognised stock exchanges and are "approved securities" within the meaning of FCA rules unless otherwise stated.

## Summary of Material Portfolio Changes

For the year ended 30 September 2024

### Significant Purchases

	Cost £'000
Amazon.com	98,126
Broadcom	97,621
Core & Main	74,386
Banco Bilbao Vizcaya Argentaria	62,050
GSK	56,796
MercadoLibre	55,347
UK Treasury 1% 22/4/2024	43,480
Sumitomo Mitsui	41,433
Comfort Systems USA	40,187
ASML Holding	31,361
<b>Subtotal</b>	<b>600,787</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>855,844</b>

### Significant Sales

	Proceeds £'000
BNP Paribas	54,628
Taiwan Semiconductor Manufacturing ADR	50,661
Unilever	44,094
UK Treasury 1% 22/4/2024	43,522
Texas Instruments	38,522
Nordson Corporation	37,198
Trane Technologies	34,535
Schneider Electric	34,405
Agilent Technologies	32,365
MercadoLibre	26,731
<b>Subtotal</b>	<b>396,661</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>847,728</b>

## Comparative Tables

### Class A Income

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	351.08	314.50	378.69
Return before operating charges*	60.06	43.22	(59.62)
Operating charges	(4.24)	(4.27)	(4.57)
Return after operating charges*	55.82	38.95	(64.19)
Distributions on income units	(2.84)	(2.37)	–
<b>Closing net asset value per unit</b>	<b>404.06</b>	<b>351.08</b>	<b>314.50</b>
* after direct transaction costs of:	0.15	0.20	0.10
<b>Performance</b>			
Return after charges	15.90%	12.38%	(16.95)%
<b>Other information</b>			
Closing net asset value (£'000)	113,615	103,958	98,037
Closing number of units	28,118,270	29,611,027	31,172,156
Operating charges	1.02%*	1.17%##	1.27%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	414.70	361.60	410.60
Lowest unit price	337.50	310.40	309.60

\* The AMC was further reduced on 1 April 2024 to 1%.

## The AMC was reduced from 1.25% to 1.15% on 1 June 2023.

### Class B Accumulation

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	312.12	277.05	332.75
Return before operating charges*	53.43	38.11	(52.49)
Operating charges	(3.56)	(3.04)	(3.21)
Return after operating charges*	49.87	35.07	(55.70)
Distributions on accumulation units	(2.75)	(2.82)	(0.78)
Retained distributions on accumulation units	2.75	2.82	0.78
<b>Closing net asset value per unit</b>	<b>361.99</b>	<b>312.12</b>	<b>277.05</b>
* after direct transaction costs of:	0.14	0.17	0.09
<b>Performance</b>			
Return after charges	15.98%	12.66%	(16.74)%
<b>Other information</b>			
Closing net asset value (£'000)	2	2	1
Closing number of units	500	500	500
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	369.80	319.70	361.00
Lowest unit price	300.10	273.50	272.60

### Class B Income

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	284.87	255.18	307.33
Return before operating charges*	48.76	35.08	(48.46)
Operating charges	(3.19)	(2.92)	(3.01)
Return after operating charges*	45.57	32.16	(51.47)
Distributions on income units	(2.56)	(2.47)	(0.68)
<b>Closing net asset value per unit</b>	<b>327.88</b>	<b>284.87</b>	<b>255.18</b>
* after direct transaction costs of:	0.12	0.16	0.08
<b>Performance</b>			
Return after charges	16.00%	12.60%	(16.75)%
<b>Other information</b>			
Closing net asset value (£'000)	2	1	1
Closing number of units	500	500	500
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	336.50	293.60	333.40
Lowest unit price	273.90	251.90	251.70

### Class C Accumulation

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	320.65	283.98	340.23
Return before operating charges*	54.94	39.08	(53.76)
Operating charges	(2.73)	(2.41)	(2.49)
Return after operating charges*	52.21	36.67	(56.25)
Distributions on accumulation units	(3.75)	(3.61)	(1.60)
Retained distributions on accumulation units	3.75	3.61	1.60
<b>Closing net asset value per unit</b>	<b>372.86</b>	<b>320.65</b>	<b>283.98</b>
* after direct transaction costs of:	0.14	0.18	0.09
<b>Performance</b>			
Return after charges	16.28%	12.91%	(16.53)%
<b>Other information</b>			
Closing net asset value (£'000)	1,985,558	1,786,529	1,729,220
Closing number of units	532,525,905	557,154,035	608,916,437
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	380.60	328.30	369.30
Lowest unit price	308.40	280.40	279.20

## Comparative Tables (continued)

### Class C Income

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	284.49	254.82	306.97
Return before operating charges*	48.72	35.06	(48.46)
Operating charges	(2.42)	(2.16)	(2.25)
Return after operating charges*	46.30	32.90	(50.71)
Distributions on income units	(3.32)	(3.23)	(1.44)
<b>Closing net asset value per unit</b>	<b>327.47</b>	<b>284.49</b>	<b>254.82</b>
* after direct transaction costs of:	0.12	0.16	0.08
<b>Performance</b>			
Return after charges	16.27%	12.91%	(16.52)%
<b>Other information</b>			
Closing net asset value (£'000)	220,841	201,916	200,194
Closing number of units	67,438,059	70,974,358	78,562,228
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	336.20	293.40	333.20
Lowest unit price	273.60	251.60	251.70

### Class D Accumulation

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	325.88	288.18	344.74
Return before operating charges*	55.87	39.67	(54.53)
Operating charges	(2.24)	(1.97)	(2.03)
Return after operating charges*	53.63	37.70	(56.56)
Distributions on accumulation units	(4.36)	(4.14)	(2.12)
Retained distributions on accumulation units	4.36	4.14	2.12
<b>Closing net asset value per unit</b>	<b>379.51</b>	<b>325.88</b>	<b>288.18</b>
* after direct transaction costs of:	0.14	0.18	0.09
<b>Performance</b>			
Return after charges	16.46%	13.08%	(16.41)%
<b>Other information</b>			
Closing net asset value (£'000)	869,378	675,290	556,318
Closing number of units	229,079,394	207,218,265	193,043,779
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	387.10	333.60	374.30
Lowest unit price	313.40	284.50	283.20

### Class D Income

Change in net assets per unit	30/09/24 (p)	30/09/23 (p)	30/09/22 (p)
Opening net asset value per unit	284.56	254.88	307.07
Return before operating charges*	48.76	35.06	(48.50)
Operating charges	(1.95)	(1.73)	(1.81)
Return after operating charges*	46.81	33.33	(50.31)
Distributions on income units	(3.80)	(3.65)	(1.88)
<b>Closing net asset value per unit</b>	<b>327.57</b>	<b>284.56</b>	<b>254.88</b>
* after direct transaction costs of:	0.12	0.16	0.08
<b>Performance</b>			
Return after charges	16.45%	13.08%	(16.38)%
<b>Other information</b>			
Closing net asset value (£'000)	27,084	23,635	28,359
Closing number of units	8,268,195	8,305,861	11,126,526
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.04%	0.06%	0.03%
<b>Prices<sup>^</sup></b>			
Highest unit price	336.40	293.70	333.40
Lowest unit price	273.70	251.70	251.90

<sup>^</sup> The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year.

It should be noted that past performance is not a reliable indicator of future performance and that the value of units, and the income derived from them, can vary.

## Statement of Manager's Responsibilities in Relation to the Report and Financial Statements of the Trust

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net income and net gains or losses on the property of the Trust for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of the Trustee's Responsibilities in Relation to the Financial Statements of the Trust

The Depositary in its capacity as Trustee of Royal London Sustainable World Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed 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 Trust and its investors.

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

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

## Report of the Trustee to the Unitholders of the Royal London Sustainable World Trust

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

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We, therefore, reserve the right to amend the report in the light of such circumstances.

**HSBC Bank Plc**  
**Trustee of Royal London Sustainable World Trust**  
**8 Canada Square, Canary Wharf, London E14 5HQ**  
**29 January 2025**



# Independent Auditor's Report to the Unitholders of Royal London Sustainable World Trust ("the Trust")

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of the Trust for the year ended 30 September 2024 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on page 19.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 30 September 2024 and of the net revenue and the net capital gains on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust or its sub-funds will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

# Independent Auditor's Report to the Unitholders of Royal London Sustainable World Trust (continued)

## Report on the audit of the financial statements – continued

### Fraud and breaches of laws and regulations – ability to detect – continued

#### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Trust's activities. Auditing standards limit the required audit procedures to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### Other information

The Manager (RLUM Limited) is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

### Manager's responsibilities

As explained more fully in their statement set out on page 13, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust'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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report to the Unitholders of Royal London Sustainable World Trust** (continued)

### **Report on the audit of the financial statements – continued**

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders 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 Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Christopher Berry**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
**Chartered Accountants**  
**15 Canada Square,**  
**London E14 5GL**  
**29 January 2025**

## Financial Statements

### Statement of Total Return

For the year ended 30 September 2024

	Note	30 Sep 2024 £'000	30 Sep 2023 £'000
Income			
Net capital gains	4	416,547	297,856
Revenue	5	58,797	55,601
Expenses	6	(22,710)	(20,811)
Interest payable and similar charges		–	(1)
Net revenue before taxation		36,087	34,789
Taxation	7	(2,925)	(2,554)
Net revenue after taxation		33,162	32,235
Total return before distributions		449,709	330,091
Distributions	8	(33,164)	(32,235)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>416,545</b>	<b>297,856</b>

### Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 September 2024

	30 Sep 2024 £'000	30 Sep 2023 £'000
<b>Opening net assets attributable to unitholders</b>	<b>2,791,331</b>	<b>2,612,130</b>
Amounts receivable on issue of units	161,876	131,353
Amounts payable on cancellation of units	(183,098)	(278,716)
	(21,222)	(147,363)
Change in net assets attributable to unitholders from investment activities	416,545	297,856
Retained distribution on accumulation units	29,826	28,708
<b>Closing net assets attributable to unitholders</b>	<b>3,216,480</b>	<b>2,791,331</b>

### Balance Sheet

As at 30 September 2024

	Note	30 Sep 2024 £'000	30 Sep 2023 £'000
<b>Assets</b>			
Investments		3,173,385	2,747,586
Current assets:			
Debtors	9	10,901	18,283
Cash and bank balances	10	39,713	32,889
<b>Total assets</b>		<b>3,223,999</b>	<b>2,798,758</b>
<b>Liabilities</b>			
Creditors:			
Other creditors	11	5,512	5,216
Distribution payable		2,007	2,211
<b>Total liabilities</b>		<b>7,519</b>	<b>7,427</b>
<b>Net assets attributable to unitholders</b>		<b>3,216,480</b>	<b>2,791,331</b>

The financial statements were approved on 29 January 2025 and signed on behalf of the Board of the Manager by:

R. Kumar (Director)

S. Spiller (Director)

# Notes to the Financial Statements

For the year ended 30 September 2024

## 1. Accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with applicable UK accounting standards, Trust Deed and in accordance with the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP) and amended in 2017.

As stated in the Statement of the Manager's Responsibilities in relation to the Report and Financial Statements of the Trust on page 13, the Manager has undertaken a detailed assessment, and continues to monitor, the Trust's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Trust continues to be open for trading and the Manager is satisfied the Trust has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern in preparing the financial statements.

The accounting policies outlined below have been applied on a consistent basis throughout the year.

### Basis of valuation of investments

The investments of the Trust have been valued at closing bid value on 30 September 2024 excluding accrued interest for fixed interest securities, the last valuation point in the accounting year. Market value is defined by the SORP as fair value, which is generally the bid value of each security.

If the closing bid price is not available the price used is the last available published price at the year end.

The Manager has assigned the responsibility to review and approve fair value pricing decisions to the Royal London Asset Management Limited Valuation Oversight Committee. In accordance with the Royal London Asset Management Limited Pricing and Ensuring Fair Value Policy, the Committee provide regular governance and oversight on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

### Exchange rates

The functional currency of the Trust is pound sterling.

Assets and liabilities denominated in foreign currencies have been converted to sterling at the closing rates of exchange on 30 September 2024.

Revenue and expenditure transactions are translated at the rates of exchange ruling at the date of transaction.

### Recognition of revenue

Revenue from equities and non-equity shares is recognised when the security is quoted ex-dividend.

Interest on debt securities is accounted for on an effective yield basis.

Other revenue is accounted for on an accruals basis.

All revenue is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Special dividends are treated as revenue or capital according to the nature of the event giving rise to the receipt.

The ordinary element of stock dividends is treated as income and forms part of the distribution.

Dividends from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Trust. A UK REIT may also carry out activities that give rise to taxable profits and gains, it is from these that the REIT will make a Non-PID distribution, these are treated for tax purposes in the same way as dividends from UK companies.

### Treatment of expenses

RLUM Limited's annual charge (A Income 1.00%; B Income and B Accumulation 1.00%; C Income and C Accumulation 0.75%; D Income and D Accumulation 0.60%) is calculated daily on the total net assets of the Trust.

All expenses are charged against revenue, except those relating to the purchase and sale of investments, which are charged against capital.

Expenses include irrecoverable VAT.

### Taxation

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

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

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only to the extent they are regarded as recoverable.

It should be noted that legislation governing taxation is liable to change. The information contained in this report is based upon RLUM Limited's understanding of the current position.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 2. Distribution policy

The excess of revenue over expenses and taxation charged to revenue, as disclosed in the financial statements, is distributable to unitholders. Any revenue deficit is deducted from capital.

Distributions are paid to unitholders semi-annually.

For Accumulation units, this revenue is not distributed but automatically reinvested in the Trust and is reflected in the value of the units.

For the purpose of the calculation of distribution, revenue from debt securities is computed on an effective yield basis.

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. 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 units for Capital Gains Tax purposes.

### 3. Risk management policies

In pursuing the Trust's objectives set out on page 4, the Trust holds a number of financial instruments which include:

- Equity shares, Corporate Bonds and Government securities held in accordance with the Trust's investment objectives and policies.
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations.

The main risks arising from the Trust's financial instruments are market price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. Numerical disclosures have been made for interest rate risk, foreign currency risk and credit risk. However, these risks are not significant at current levels.

These risks remain unchanged from the prior year.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements. The asset allocation of the portfolio is reviewed in order to manage the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual Fund Manager has responsibility for monitoring the existing portfolio selected in accordance with an overall asset allocation parameter and seeks to ensure that the Trust invests in a diversified fashion, to reduce the risk of exposure to a significant event affecting a single security, or industry, subject to the obligation under the Trust's objective to invest in securities which share certain characteristics.

#### Interest rate risk

The Trust invests in fixed and variable rate securities and any changes to interest rates relevant for particular securities may result in either revenue increasing or decreasing. In general, if interest rates rise the revenue potential of the Trust also rises but the value of fixed rate securities will decline. A fall in interest rates will, in general, have the opposite effect.

#### Foreign currency risk

The value of the Trust's investments may be affected by currency movements since a proportion of the assets are denominated in currencies other than sterling. The Manager may, from time to time, seek to mitigate the effect of these currency exposures by covering a proportion of its investments using forward currency hedges. However, no such arrangements were in place at the year end. The Trust may also be subject to short-term exposure to exchange rate movements, for example where there is a delay between dealing and subsequent settlement. However, the Manager considers that this does not pose a significant risk given the short-term nature of this exposure. The risk of currency movements on the income property of the Trust is minimised by converting income received in foreign currency into sterling on the date of transaction.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis. Certain transactions in securities that the Trust enters into expose it to the risk that a counterparty will not deliver the investment for a purchase, or cash for a sale after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty and these are reviewed on an ongoing basis.

#### Liquidity risk

The Trust's assets comprise mainly readily available realisable securities, which can be sold to meet funding requirements if and when necessary. The main liability of the Trust is the redemption of any units that investors wish to sell. Liquidity risk, mainly derived from the liability to unitholders, is minimised through holding cash and readily realisable securities which can meet the usual requirements of unit redemptions.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### Other risks

#### Potential implications of an epidemic and/or a pandemic

Epidemics and pandemics such as Covid-19, can seriously disrupt the global economy and markets. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Trust's investments or the Manager's operations and the operations of the Manager and the Company's service providers.

#### Political risk

Political conflicts and their consequences, including economic sanctions on Russia, are having a significant impact on global financial markets and commodity pricing. The Manager is closely monitoring the associated internal political developments in relation to inflation, volatile markets and security pricing. Please refer to the Manager's Investment Reports for commentary on the impact and outlook.

The Trust has no direct exposure to Russian companies and the Manager is complying with all restrictions and sanctions issued by the relevant authorities.

Risk disclosure breakdown is available on page 24.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 4. Net capital gains

	30 Sep 2024 £'000	30 Sep 2023 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	419,621	301,900
Currency losses	(3,067)	(4,019)
Activity fees	(7)	(25)
<b>Net capital gains</b>	<b>416,547</b>	<b>297,856</b>

### 5. Revenue

	30 Sep 2024 £'000	30 Sep 2023 £'000
UK dividends	9,860	10,068
Overseas dividends	28,017	26,475
Interest on debt securities	19,373	16,718
Bank interest	1,547	1,473
Stock dividends	–	867
<b>Total revenue</b>	<b>58,797</b>	<b>55,601</b>

### 6. Expenses

	30 Sep 2024 £'000	30 Sep 2023 £'000
<b>Payable to the Manager, associates of the Manager and their agents:</b>		
Manager's annual charge	22,147	20,286
<b>Payable to the Trustee, associates of the Trustee and their agents:</b>		
Trustee's fee	172	158
Safe custody charges	360	331
	532	489
<b>Other expenses</b>		
Audit fee	15	21
Dividend collection expenses	16	15
	31	36
<b>Total expenses</b>	<b>22,710</b>	<b>20,811</b>

Audit fee £13,603 (30/09/23: £19,711) inclusive of VAT.

### 7. Taxation

#### a) Analysis of charge for the year

	30 Sep 2024 £'000	30 Sep 2023 £'000
Irrecoverable overseas tax	2,648	2,201
Windfall overseas tax recoveries	–	(37)
Reclaimable tax written off	277	390
<b>Current tax charge for the year</b>	<b>2,925</b>	<b>2,554</b>

#### b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (30/09/23: lower) than the standard rate of corporation tax in the UK for a unit trust of 20%.

The differences are explained below:

Net revenue before taxation	36,087	34,789
Corporation tax 20% (30/09/23: 20%)	7,217	6,958
Effects of:		
Revenue not subject to taxation	(7,575)	(7,482)
Current year expenses not utilised	358	524
Irrecoverable overseas tax	2,648	2,201
Windfall overseas tax recoveries	–	(37)
Reclaimable tax written off	277	390
<b>Current tax charge for the year</b>	<b>2,925</b>	<b>2,554</b>

#### c) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £7,471,000 (30/09/23: £7,113,000) in relation to surplus management expenses. It is unlikely the Trust will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior years.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 8. Distributions

The distributions/accumulations take account of income received on the issue of units and income deducted on the cancellation of units and comprise:

	30 Sep 2024 £'000	30 Sep 2023 £'000
<b>Accumulation Units</b>		
Interim	12,461	10,248
Final	17,365	18,460
	29,826	28,708
<b>Income Units</b>		
Interim	1,371	1,167
Final	2,007	2,211
	3,378	3,378
	<b>33,204</b>	<b>32,086</b>
Add: Amounts deducted on cancellation of units	426	637
Deduct: Amounts received on creation of units	(466)	(488)
<b>Net distribution for the year</b>	<b>33,164</b>	<b>32,235</b>

Any reconciling items between the net revenue after tax and distribution paid is set out below:

Net revenue after taxation	33,162	32,235
Equalisation on conversions	2	–
<b>Net distribution for the year</b>	<b>33,164</b>	<b>32,235</b>

### 9. Debtors

	30 Sep 2024 £'000	30 Sep 2023 £'000
Amount receivable for issue of units	173	2,968
Sales awaiting settlement	–	6,478
Accrued revenue	10,292	8,357
Overseas tax recoverable	436	480
<b>Total debtors</b>	<b>10,901</b>	<b>18,283</b>

### 10. Cash and bank balances

	30 Sep 2024 £'000	30 Sep 2023 £'000
Cash and bank balances	39,713	32,889
<b>Total cash and bank balances</b>	<b>39,713</b>	<b>32,889</b>

### 11. Other creditors

	30 Sep 2024 £'000	30 Sep 2023 £'000
Amount payable for cancellation of units	1,214	2,119
Purchases awaiting settlement	2,286	1,120
Accrued expenses	2,012	1,977
<b>Total other creditors</b>	<b>5,512</b>	<b>5,216</b>

### 12. Reconciliation of number of units

	Class A Income
Opening units at 01/10/23	29,611,027
Units issued	547,500
Units cancelled	(2,022,900)
Units converted	(17,357)
<b>Closing units at 30/09/24</b>	<b>28,118,270</b>

	Class B Accumulation	Class B Income
Opening units at 01/10/23	500	500
Units issued	–	–
Units cancelled	–	–
Units converted	–	–
<b>Closing units at 30/09/24</b>	<b>500</b>	<b>500</b>

	Class C Accumulation	Class C Income
Opening units at 01/10/23	557,154,035	70,974,358
Units issued	14,774,200	3,002,400
Units cancelled	(37,597,100)	(6,294,400)
Units converted	(1,805,230)	(244,299)
<b>Closing units at 30/09/24</b>	<b>532,525,905</b>	<b>67,438,059</b>

	Class D Accumulation	Class D Income
Opening units at 01/10/23	207,218,265	8,305,861
Units issued	26,323,900	345,600
Units cancelled	(6,152,400)	(747,100)
Units converted	1,689,629	363,834
<b>Closing units at 30/09/24</b>	<b>229,079,394</b>	<b>8,268,195</b>

All classes within the Unit Trust have the same rights on winding up.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 13. Contingent liabilities and outstanding capital commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30/09/23: same).

### 14. Related party transactions

The Manager is a related party to the Trust as defined by Financial Reporting Standard FRS 102 'Related Party Disclosures' and is named on page 3. Fees received by the Manager are disclosed in note 6 of the financial statements. By virtue of the Regulations governing authorised unit trusts, the Manager is party to every transaction in respect of units of the Trust, which are summarised in the Statement of Change in Net Assets Attributable to Unitholders and within note 8, Distributions, for the revenue element.

Any amounts due to or from the Manager at the end of the accounting year are disclosed in notes 9 (Debtors) and 11 (Other Creditors).

At the year end £2,939,000 (30/09/23: £841,000) was due to RLUM Limited. These amounts are included in amounts receivable for issue of units in note 9 and amounts payable for cancellation of units and accrued expenses in note 11.

At the year end, 21.88% (30/09/23: 20.12%) of the units in issue were held by The Royal London Mutual Insurance Society.

RLUM Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 15. Risk disclosures

Risk management policies have been set out previously under note 3.

The fair values of the Trust's assets and liabilities are represented by the values shown in the balance sheet on page 18. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value. The Trust's currency exposure is analysed below:

Currency	30 Sep 2024 £'000	30 Sep 2023 £'000
Sterling	895,400	840,954
Danish krone	63,729	62,615
Euro	379,578	355,920
Hong Kong dollar	43,174	62,647
Norwegian krone	–	1
Swiss franc	30,607	30,464
US dollar	1,617,347	1,294,804
Japanese yen	61,822	14,766
Indonesian rupiah	50,263	46,192
Canadian dollar	74,560	82,968
<b>Total</b>	<b>3,216,480</b>	<b>2,791,331</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £232,108,000 (30/09/23: £195,038,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £232,108,000 (30/09/23: £195,038,000). These calculations assume all other variables remain constant.

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £317,339,000 (30/09/23: £274,759,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £317,339,000 (30/09/23: £274,759,000). These calculations assume all other variables remain constant.

### Interest rate risk profile of financial assets and financial liabilities

The holdings in the Trust of interest-bearing assets is considered insignificant, therefore, no interest rate sensitivity has been disclosed in the financial statements.

	30 Sep 2024		30 Sep 2023	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
<b>Credit breakdown*</b>				
Investments of investment grade	404,032	12.57	348,830	12.50
Investments of below investment grade	13,161	0.40	10,179	0.36
Unrated bonds	28,778	0.90	24,130	0.86
Equities	2,727,414	84.79	2,364,447	84.71
<b>Total value of investments</b>	<b>3,173,385</b>	<b>98.66</b>	<b>2,747,586</b>	<b>98.43</b>

\* Ratings supplied by S&P, followed by Moody's.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 16. Portfolio Transaction Costs

For the year ended 30 September 2024

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	687,212	313	0.05	522	0.08	27	–	688,074
Bond transactions	167,770	–	–	–	–	–	–	167,770
<b>Total</b>	<b>854,982</b>	<b>313</b>		<b>522</b>		<b>27</b>		<b>855,844</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	719,137	322	0.04	–	–	27	–	718,788
Bond transactions	128,940	–	–	–	–	–	–	128,940
<b>Total</b>	<b>848,077</b>	<b>322</b>		<b>–</b>		<b>27</b>		<b>847,728</b>

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.02%
Other expenses	0.00%

For the year ended 30 September 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	592,103	273	0.05	725	0.12	229	0.04	593,330
Bond transactions	94,796	–	–	–	–	–	–	94,796
Corporate actions	867	–	–	–	–	–	–	867
<b>Total</b>	<b>687,766</b>	<b>273</b>		<b>725</b>		<b>229</b>		<b>688,993</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	710,743	330	0.05	4	–	5	–	710,404
Bond transactions	105,817	–	–	–	–	–	–	105,817
<b>Total</b>	<b>816,560</b>	<b>330</b>		<b>4</b>		<b>5</b>		<b>816,221</b>

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.03%
Other expenses	0.01%

In the case of shares, commissions and taxes are paid by the Trust 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 the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

At the balance sheet date the dealing spread was 0.15% (30/09/23: 0.14%).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2024

### 17. Fair value of investments

The fair values of the Trust's assets and liabilities are represented by the values shown in the balance sheet. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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 September 2024

Level	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	2,727,414	–	–	2,727,414
Bonds	–	445,174	797	445,971
<b>Total</b>	<b>2,727,414</b>	<b>445,174</b>	<b>797</b>	<b>3,173,385</b>

#### For the year ended 30 September 2023

Level	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	2,364,447	–	–	2,364,447
Bonds	–	382,305	834	383,139
<b>Total</b>	<b>2,364,447</b>	<b>382,305</b>	<b>834</b>	<b>2,747,586</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit some other method of valuation to be used.

At the current year end, the level 3 assets held were the following debt security: Finance for Residence Social Housing 'A1' 8.369% 4/10/2058. The asset is priced by the Investment Manager, based on Bloomberg model prices which are derived from spreads using comparable bonds, same as prior year.

At the prior year end, the level 3 assets held were the following debt security: Finance for Residence Social Housing 'A1' 8.369% 4/10/2058.



## Distribution Tables

For the year ended 30 September 2024

### Distribution in pence per unit

#### Interim

Group 1 – Units purchased prior to 1 October 2023

Group 2 – Units purchased between 1 October 2023 and 31 March 2024

	Net Income	Equalisation	Distribution paid 31/05/2024	Distribution paid 31/05/2023
<b>Class A Income</b>				
Group 1	0.9705	–	0.9705	0.5620
Group 2	0.7387	0.2318	0.9705	0.5620
<b>Class B Accumulation</b>				
Group 1	1.0996	–	1.0996	0.8867
Group 2	1.0996	0.0000	1.0996	0.8867
<b>Class B Income</b>				
Group 1	1.0393	–	1.0393	0.7551
Group 2	1.0393	0.0000	1.0393	0.7551
<b>Class C Accumulation</b>				
Group 1	1.5687	–	1.5687	1.2704
Group 2	0.9377	0.6310	1.5687	1.2704
<b>Class C Income</b>				
Group 1	1.3918	–	1.3918	1.1399
Group 2	0.8597	0.5321	1.3918	1.1399
<b>Class D Accumulation</b>				
Group 1	1.8553	–	1.8553	1.5224
Group 2	1.1197	0.7356	1.8553	1.5224
<b>Class D Income</b>				
Group 1	1.6190	–	1.6190	1.3465
Group 2	0.9869	0.6321	1.6190	1.3465

## Distribution Tables (continued)

For the year ended 30 September 2024

### Distribution in pence per unit

#### Final

Group 1 – Units purchased prior to 1 April 2024

Group 2 – Units purchased between 1 April 2024 and 30 September 2024

	Net Income	Equalisation	Distribution payable 30/11/2024	Distribution paid 30/11/2023
<b>Class A Income</b>				
Group 1	1.8730	–	1.8730	1.8103
Group 2	0.9037	0.9693	1.8730	1.8103
<b>Class B Accumulation</b>				
Group 1	1.6500	–	1.6500	1.9360
Group 2	1.6500	0.0000	1.6500	1.9360
<b>Class B Income</b>				
Group 1	1.5160	–	1.5160	1.7100
Group 2	1.5160	0.0000	1.5160	1.7100
<b>Class C Accumulation</b>				
Group 1	2.1833	–	2.1833	2.3383
Group 2	1.0573	1.1260	2.1833	2.3383
<b>Class C Income</b>				
Group 1	1.9287	–	1.9287	2.0896
Group 2	0.9134	1.0153	1.9287	2.0896
<b>Class D Accumulation</b>				
Group 1	2.5051	–	2.5051	2.6211
Group 2	1.1885	1.3166	2.5051	2.6211
<b>Class D Income</b>				
Group 1	2.1768	–	2.1768	2.3050
Group 2	0.9510	1.2258	2.1768	2.3050

## Remuneration Policy (unaudited)

The Manager of the Royal London Sustainable World Trust, RLUM Limited (“the Manager”), is subject to remuneration policies, procedures and practices (together, “the Remuneration Policy”), as required under the UCITS Directive (“UCITS V”).

RLUM Limited and Royal London Asset Management Limited (“the Investment Adviser”) are wholly-owned subsidiaries of The Royal London Mutual Insurance Society, “the Group”. The Group maintains a “Group Remuneration Policy” that RLUM Limited has adopted which is consistent with and promotes sound and effective risk management. It is designed so that risk-taking is not encouraged where this is inconsistent with the risk profile of the Trust. The Group has appointed a Remuneration Committee which is made up of Non-Executive Directors and is advised by independent remuneration consultants. The Committee considers the advice by independent remuneration consultants and the Committee considers implications of remuneration policies across the Group, including for RLUM Limited.

The Group Remuneration Policy adopts performance related pay, with salaries determined by reference to both individual performance and the external market. Total Remuneration comprises a mix of fixed remuneration (including base salary and benefits), and variable remuneration in the form of incentives. The ratio between fixed and variable pay (both short-term and long-term incentives) is set by the Group to ensure that there is appropriate balance between the fixed and variable remuneration components. The Group Remuneration Policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the Trust and ensures that an individual cannot be involved in determining or approving their own remuneration.

The Remuneration Policy is updated annually and reviewed and approved by the Remuneration Committee. The most recent review included increases to the maximum incentive opportunities for executive directors of the Group, updates to reflect the Financial Conduct Authority’s (FCA) Consumer Duty principle and supporting rules which came into effect in July 2023, as well as minor wording changes to improve clarity. Details of the Remuneration Policy (provided in the form of the RLUM Limited Summary Remuneration Policy), includes a description on the purpose of the policy, how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. The RLUM Limited Summary Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Manager, upon request.

The Manager delegates investment management of the Trust to Royal London Asset Management Limited (“the Investment Adviser”). In accordance with the Group Remuneration Policy and the requirements of UCITS V, staff working for the Investment Adviser are not remunerated by the Manager, they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive.

RLUM Limited has a board of directors (“the Directors”). The Directors of the Company who are also employees of the Group, do not receive any remuneration in respect of their services as directors of RLUM Limited. The independent Non-Executive Directors receive fixed remuneration in respect of their services which is set at a level determined by the Group and is not performance related. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of RLUM Limited.

RLUM Limited has no employees and, therefore, there are no other controlled functions, or senior management employed and paid by RLUM Limited. However, for the financial year ending 31 December 2023, total remuneration of £17,127,659 was paid to 25 individuals whose actions may have a material impact on the risk profile of RLUM Limited, of which £6,116,357 related to senior management. The fixed element of the total remuneration mentioned above is £5,745,670 and the variable element is £11,381,989. For the 2022 prior year’s comparison, a total remuneration of £11,887,148 was paid to 23 individuals whose actions may have a material impact on the risk profile of RLUM Limited, of which £3,199,729 related to senior management. The fixed element of the total remuneration mentioned above is £4,624,325 and the variable element is £7,262,823.

## General Information

### Pricing and dealing

The prices of units are determined by reference to the underlying market value of the net assets of the Trust at the relevant valuation point.

Unit prices are normally calculated daily however, if the markets are exceptionally volatile the Manager may conduct more frequent valuations to reflect any significant changes in the value of the Trust's underlying assets.

Dealing prices, yields and details of risks and charges are published on our website, [www.rlam.com](http://www.rlam.com).

Dealing in units is conducted between 8.00am and 8.00pm Monday to Friday, and 8.00am and 5.00pm on Saturday.

### Buying units

Units may be bought on any business day via an authorised intermediary or from the Manager by telephoning the Customer Contact Centre on 0345 605 7777\*. Alternatively, an application form should be completed and sent to the Manager. Units will be allocated at the price ruling at the next valuation point and a contract note confirming the purchase will be issued immediately thereafter.

### Selling units

Units may be sold back to the Manager on any business day. Units can be sold by telephone by calling the Customer Contact Centre on 0345 605 7777\* or alternatively by putting your request in writing. The Manager will allocate the price calculated from the next valuation point and issue a contract note as evidence of the sale.

\* In the interest of investors' protection all telephone calls to the Customer Contact Centre are recorded.

### Cancellation rights

Where a person purchases units the Conduct of Business Sourcebook (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is not an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA or PEP related) intended to lead to a client agreement.

### UK taxation

The Trust is not subject to Capital Gains Tax.

Capital gains established when units are sold are subject to tax, but at the present time investors are not liable unless their total gains in any tax year from all disposals of assets exceed the Capital Gains Tax annual exemption.

Investors receive a distribution of net revenue with tax credit equivalent to the lower rate of income tax. Where the distribution is retained within the Trust and not paid out it should be included in investors' Income Tax Return. No further liability exists if they pay at the lower or basic rate, but higher rate tax will be payable as appropriate. If investors are not liable to tax they are unable to claim repayment of the tax credit from HM Revenue & Customs.

The treatment of distributions as received by corporate unit holders is detailed on the reverse of dividend warrants. The first distribution received after purchasing units includes an amount described as 'equalisation'. This is a repayment of capital and is, therefore, not liable to Income Tax. It should, however, be deducted from the initial cost of units for Capital Gains Tax purposes.

### Authorisation

RLUM Limited is authorised and regulated by the Financial Conduct Authority and is a subsidiary of The Royal London Mutual Insurance Society Limited.

### Trust Reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from RLUM Limited upon request.

### Advisory Committee

This is an independent committee providing oversight of both the universe of companies approved for the Sustainable Trusts and general environmental, social and governance issues that may impact it. It provides an independent check that all companies invested in the Trusts meet the stated objectives and criteria.

### Transfer of units

Subject to any restrictions in the Trust's Prospectus, unitholders are entitled to transfer their units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose.

Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

The Manager currently accepts transfers of title (including renunciation of title in the case of a redemption) to units on the authority of electronic instructions transmitted via electronic messaging systems.

Please refer to the Trust's Prospectus for further information.

## Contact Us

For further information  
please contact:

**Royal London  
Asset Management Limited**

80 Fenchurch Street,  
London EC3M 4BY

020 3272 5950

[bdsupport@rlam.co.uk](mailto:bdsupport@rlam.co.uk)

[www.rlam.com](http://www.rlam.com)

This report is issued by Royal London Asset Management Limited on behalf of RLUM Limited.

Royal London Asset Management Limited provides asset management services to RLUM Limited which is the authorised Manager of the Royal London Sustainable World Trust.

Royal London Asset Management Limited, registered in England and Wales number 2244297; Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439. RLUM Limited, registered in England and Wales number 2369965. All of these companies are authorised and regulated by the Financial Conduct Authority.

The marketing brand also includes Royal London Asset Management Funds Plc, an umbrella company with segregated liability between sub-funds, authorised and regulated by the Central Bank of Ireland, registered in Ireland number 364259, and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064. Registered office: 80 Fenchurch Street, London EC3M 4BY.

Ref: SREP RLAM PD 0342

