FUND OBJECTIVE

To provide above average and growing income along with long term capital growth managed as a euro fund.

OUTSOURCING

In early 2021, the RCB Investment Committee in conjunction with RCB Executive Committee approved a decision to outsource the investment management of assets previously managed in-house to external fund managers. Subsequent to this approval, a review of the fund’s investment objectives and a request for proposal process from leading providers of investment management service, three external fund managers were selected. Following the implementation of the out-sourcing plan during the fourth quarter €175.3m equity assets are now managed by two equity fund managers, €87.8m in a Global Equity fund and €87.5m in a Euro Equity fund. In addition, €49.6m assets are managed by an external fund manager with specialist fixed income (bond) management expertise.

INVESTMENT COMMENTARY

Global Economy/Market outlook

The IMF latest forecasts provide a favorable background for markets as we begin 2022 with increases in global economic growth of 5.9% in 2021 to be followed by 4.4% growth in 2022 projected. However rising inflation has increasingly dominated economic headlines in recent months with US inflation rising to 7% for the year ended 31 December 2021 while Eurozone inflation reached 5%. Higher than targeted inflation is not necessarily negative for financial assets, but if Central Banks withdraw monetary support and raise rates more aggressively than markets anticipate, equity and bond markets may not react positively. Financial market returns in 2022 are likely to be a lot more modest than 2021.

Equity Markets

The Equity Benchmark return for the year to end December 2021 was 28.7%. The wider European equity index produced a positive return of 25.8% (2020 -1.5 %). The US market fared better once again (as in recent years) with the benchmark S&P index gaining 38.1% (2020 +8.7%). Following a (Covid impacted) year of two halves in 2020, equity markets continued their recovery trend from the second half of 2020 throughout 2021 as the successful roll-out of Covid 19 vaccines alongside continued monetary and fiscal stimulus support provided a favorable platform for performance. Equity Earnings recovered strongly relative to both prior year returns and analyst forecasts.

Bond Markets

European and US bond yields rose (prices decreased) as economic forecasts improved with 10-year yields in the US rising from a little under 1% to 1.5% by the end of the year. German yields rose from -0.5% to -0.1% during the reporting period. The Bond Benchmark return for the year was -1.3%. These yield levels continue to be incompatible with the Fund’s objectives; hence the fund continues to adopt a diversified strategy owning higher yielding (lower rated) bonds. Bond market exposure remains below benchmark allocation to fixed income securities.

Other Asset Classes

Property investments (IPUT) generated a 5.1% return comprised of income 3.8% / capital 1.3%. Allocations to Private Equity ventures displayed returns of close to 50% approx., significantly higher than the Equity Benchmark as investments recovered well from Covid related valuation mark-downs in 2020.
PERFORMANCE

Total Returns as at 31 December 2021 (3 Years & 5 Years Annualised):

<table>
<thead>
<tr>
<th>Annualised Total Returns %:</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>RB General Unit Trust (RI)</td>
<td>21.7</td>
<td>12.5</td>
<td>7.2</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>17.6</td>
<td>13.5</td>
<td>8.3</td>
</tr>
<tr>
<td>RB General Unit Trust (RI) Capital</td>
<td>18.6</td>
<td>10.1</td>
<td>4.3</td>
</tr>
<tr>
<td>ROI Inflation (CPI)</td>
<td>5.5</td>
<td>1.9</td>
<td>1.4</td>
</tr>
</tbody>
</table>

*Benchmark from 1 January 2019: Equities 65%, Bonds 30%, Cash 5% (50% Stoxx Europe 600, 15% S&P 500, 20% Euro broad market, 10% Sterling broad market, 5% Cash).

In 2021, the capital value of the Fund increased by 18.6% while the total return (capital and income) was plus 21.7%. Performance was ahead of benchmark as a result of outperformance of the Fund’s deliberate higher exposure to dividend paying stocks, (a reversal of the prior year outturns). The Investment Committee, as part of its oversight and supervisory duties, has endorsed this strategy which has, over time, delivered against the fund’s objective and has affirmed its intention to continue this strategy via in the investment guidelines agreed with the newly mandated external managers.

The historic price of a unit is detailed in the below chart

![Historic Unit Price Chart]

Unit Price

| Unit Price | 350.0 425.8 462.9 532.1 1352.5 234.3 3253.8 253.1 1271.9 303.2 2336.2 2383.2 2378.0 391.7 394.4 4392.2 419.6 401.2 475.9 |

[Graph shows the unit price trend from Jun 04 to Dec 21]
TRUST ASSET COMPOSITION

The market value of the investments, including the value of the capital deposit account was €272.7m.

The investment profile in terms of distribution of the assets (by value) at 31 December 2021 is displayed in the following chart:

INCOME DISTRIBUTION TO UNIT HOLDERS

The interim and final distributions were maintained at the 2020 levels of 4.2 cent per unit and 7.3 cent per unit respectively, resulting in a total distribution for the year of 11.5 cent per unit.

The Trust has a dividend reserve policy that targets a level of 2% of Fund value. The Dividend Equalisation Reserve (DER) will not be allowed to exceed 4% of Fund value and at least 80% of net income in any individual year will be distributed to unit holders. A healthy reserve aids the management of a stable and sustainable distribution going forward.

Based on the value of a unit at 31 December 2021 of €4.759, and a full year distribution of 11.5 cent, the distribution yield was 2.42%. (The comparative figures for 31 December 2020 showed a yield of 2.86% based on a unit value then of €4.014 and a full year distribution of 11.5 cent). During the year there was a withdrawal of €0.215m from the Dividend Equalisation Reserve resulting in a DER of €4.945m or 1.8% of the net asset value of the fund.

There were net withdrawals of €3.8m from the Fund for the year to 31 December 2021, reflecting new cash of €3.1m from unitholders less redemptions of €6.9m from unitholders.
Environmental and Social Governance (ESG)

In the reporting period, the Investment Committee monitored and carried out an assessment of individual stock holdings within the various portfolios and reported to the Representative Body that it was satisfied that the investment managers remain sensitive to the Church’s concerns and expectations with regard to Environmental, Social and Governance (ESG) issues. The RCB’s ESG policy is incorporated into each of the external fund managers’ investment guidelines via their respective Investment Management Agreements. Environmental sustainability remains high on the agenda and the Committee is continuing to monitor best practice and developments in this area and to seek to lower the climate change impact within its portfolios.

Income Distributions (2012 – 2021) - Financial Year-End 31 December 2021

(Financial Year-End June 30th up to June 2019, six-month period to end December 2019, full year to 31st December thereafter)

OUTLOOK

The near-term outlook for economies and financial markets will most likely be determined by Central Bank’s management of monetary policy particularly if rising inflation proves to be less transitory than previously anticipated. Once again, a note of caution must be expressed at the relatively high valuation metrics of equity markets, although it is noted higher than forecast earnings have facilitated a reduction in this metric (in recent months) while at the same time US and European markets both traded at all-time highs. The fund is invested on the longer-term horizon and as such will not be immune to any market correction or retracement in markets, but it is noted that this strategy has generated strong capital returns in recent years. The continuing normalization of markets and a return to dividend payouts by companies in 2022 to pre Covid levels will determine the fund’s ability to pay a sustainable dividend without relying on any additional support from the Dividend Equalisation Reserve (DER). In this regard it is hoped that the fund will generate sufficient income in the year ahead without having to rely on support from the DER as in 2019 and 2020 in order to pay the fund distribution.

In-house Investment team
The Representative Church Body
January 2022