



The Representative Body of the
Church of Ireland
Supporting and serving the church community

RB GENERAL UNIT TRUST (NORTHERN IRELAND)

Summary of Annual Report and Financial Statements

Year ended 30 June 2019

WHO MAY INVEST IN THE RB GENERAL UNIT TRUST (NI)

The RB General Unit Trust (NI) is open to charitable trusts donated and bequeathed to, or accepted by, The Representative Church Body (RCB) for specific/general purposes of the Church of Ireland and for parishes and dioceses in Northern Ireland.

It is also open to trust funds administered by trustees other than the RCB where the specific purposes of the trusts are for the benefit of the Church of Ireland.

The RCB must receive all necessary documentation/information (copy of will or governing instrument, terms of trust, etc) prior to date of investment.

In some instances the RCB may request a disclaimer to be completed by a parish, diocese or other trust fund prior to investment in order to indemnify The Representative Church Body in its role as trustee, fund manager and administrator.

Inquiries or clarification on the acceptance of new trusts should be addressed to the Head of Trusts, The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6 (telephone + 353 1 4978422).

RB GENERAL UNIT TRUST (NI)

STATUS

The Trust was established on 1 January 1991 under a Deed of Trust granted by the Department of Finance and Personnel, Stormont, Belfast, in accordance with the statutory provisions of Section 25 of the Charities Act, (Northern Ireland) 1964.

FUND OBJECTIVE

To maintain and ideally grow the capital value of a unit over time while paying a stable, sustainable and competitive distribution rate.

VALUATION

The Trust portfolio is valued at market prices at the end of each month and the price of new units acquired reflects the income accrued by the Trust in the period.

Unit prices are available from the Church of Ireland website (<https://www.ireland.anglican.org/about/central-offices/investments/valuation-calculator>) and are updated quarterly. Valuations are also available upon request to the RCB Finance Department for year-end accounts and audit confirmation purposes. All valuation queries should be directed to unittrusts@rcbdub.org.

PURCHASES/SALES

Units in the Trust may be bought or sold on the first day of every month at the then quoted “bid” and “offer” rates.

INCOME

Distributions are paid twice a year (interim distribution in December and the final distribution in June).

Income acquired on new units on any issue date is reflected in the unit distribution at the end of the distribution period. Income accrued since the previous distribution date is not reflected in the price of a unit when units are sold.

CHARGES

A charge of 1% to cover market transaction costs is included in the purchase price of new units. No charge is made on unit sales.

The costs of administering the Trust are borne by The Representative Church Body. However, in order to defray these costs, a 0.2% charge on the capital value of the Trust is taken from income (in accordance with the Trust Deed approved by the Department of Finance and Personnel).

TRUSTEE AND MANAGER

The Representative Church Body (which is an incorporated trustee body for the Church of Ireland with full charitable status) is Trustee under the terms of the Trust Deed approved by the Department of Finance and Personnel.

The Investment Committee of The Representative Church Body, and its investment team, formulate investment policy and manage the Trust on behalf of the Trustee.

MANAGER'S REPORT – YEAR ENDED 30 JUNE 2019

Investment Performance

During the year under review the capital value of a unit of the Fund increased by 0.7% while the total return (capital and income) was 4.0%. Performance was below benchmark as a result of the Fund's relatively defensive posture in the context of the on-going bull market in global equities and due to the lack of exposure to highly rated Tech and growth stocks. 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.

Annualised returns of the Trust compared with the Fund Benchmark and inflation over the past five years were:

Annualised Total Returns %	1 Year	3 Years	5 Years
RB General Unit Trust (NI)	4.0	7.0	8.2
Benchmark*	6.7	9.4	9.5
RB General Unit Trust (NI) Capital	0.7	3.6	4.6
UK Inflation (CPI)	2.0	2.4	1.5

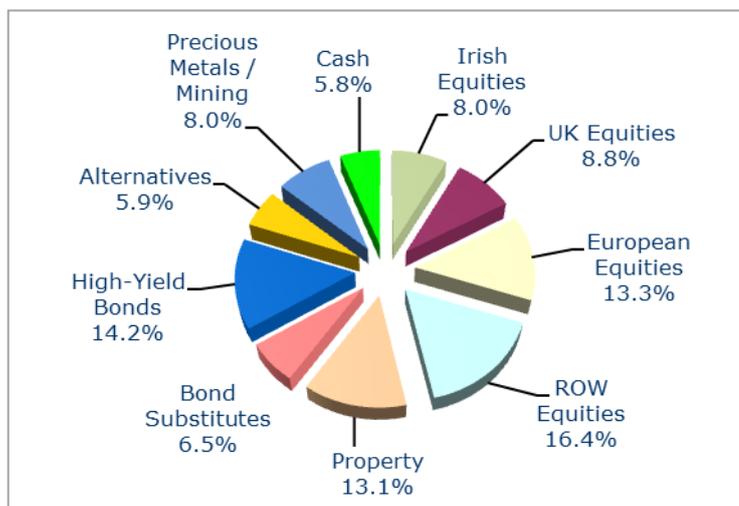
* Benchmark from 1 January 2014: Equities 70%: 2/3 Stoxx Europe 600; 1/3 S&P 500, Bonds 30%: Sterling Broad Market

* From 01/01/2018 the 30% Bond component was changed to ½ Euro broad market and ½ Sterling broad market.

* From 1 January 2019: Equities 65%: 25% Stoxx Europe 600; 25% FTSE All-Share, 15% S&P 500, Bonds 30%: 20% Sterling Broad Market; 10% Euro Broad Market; 5% Cash.

Portfolio Composition

The investment profile of the Trust (by value at 30 June 2019) is displayed in the following chart:



The ten largest holdings at 30 June 2019 were:

	% of Fund		% of Fund
Cash	5.8	Viridian 4.75% 2024	2.2
Irish Property Unit Trust	3.8	Gold SPDR ETF	2.0
Avenue Properties (NI)	3.6	Bank of Ireland 10.1% Pref	2.0
AIB 12.5% 2035	2.4	CRH	2.0
Vaneck Gold Miners ETF	2.4	Brit Insurance 6.625% 2030	1.8

Unit Details

Date	Unit Value (Pence)	Number of units in issue	Fund Value
30 June 2018	380.64p	14,841,550	£56.492m
30 June 2019	383.21p	15,290,120	£58.593m

Dividend Policy

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.

At 30th June 2019 a transfer of £0.079m was made to the Dividend Equalisation Reserve resulting in a DER of £1.18m or 2.10% of the net asset value of the fund.

Income Distributions

The ex dividend and payment dates and the pence per unit paid by the Trust in the year ended 30 June 2019 were:

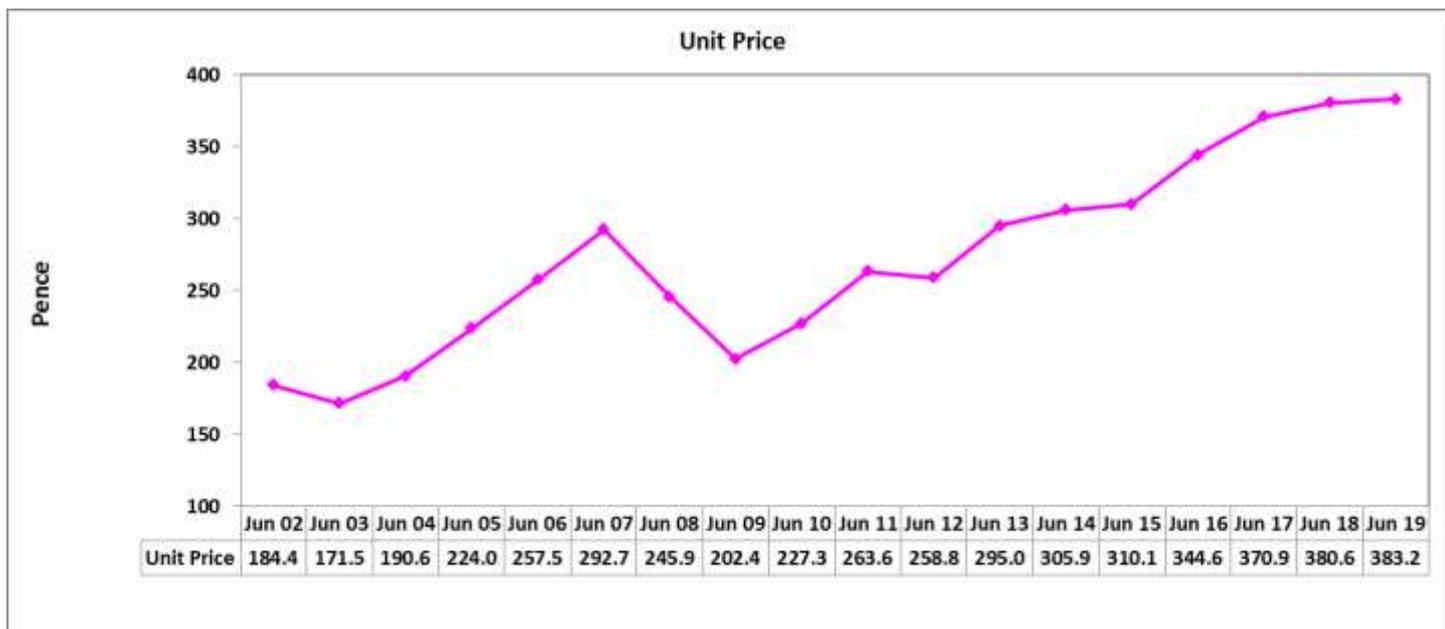
Half year to	XD date	Payment date	Pence per unit
31 December 2018	30/11/18	31/12/18	4.5p (4.5p)
30 June 2019	31/05/19	30/06/19	6.3p (6.3p)

The interim and final distributions were maintained at the 2018 levels of 4.5 pence per unit and 6.3 pence per unit respectively, resulting in a total distribution for the year of 10.8 pence per unit, (year ended 30 June 2018, 10.8 pence).

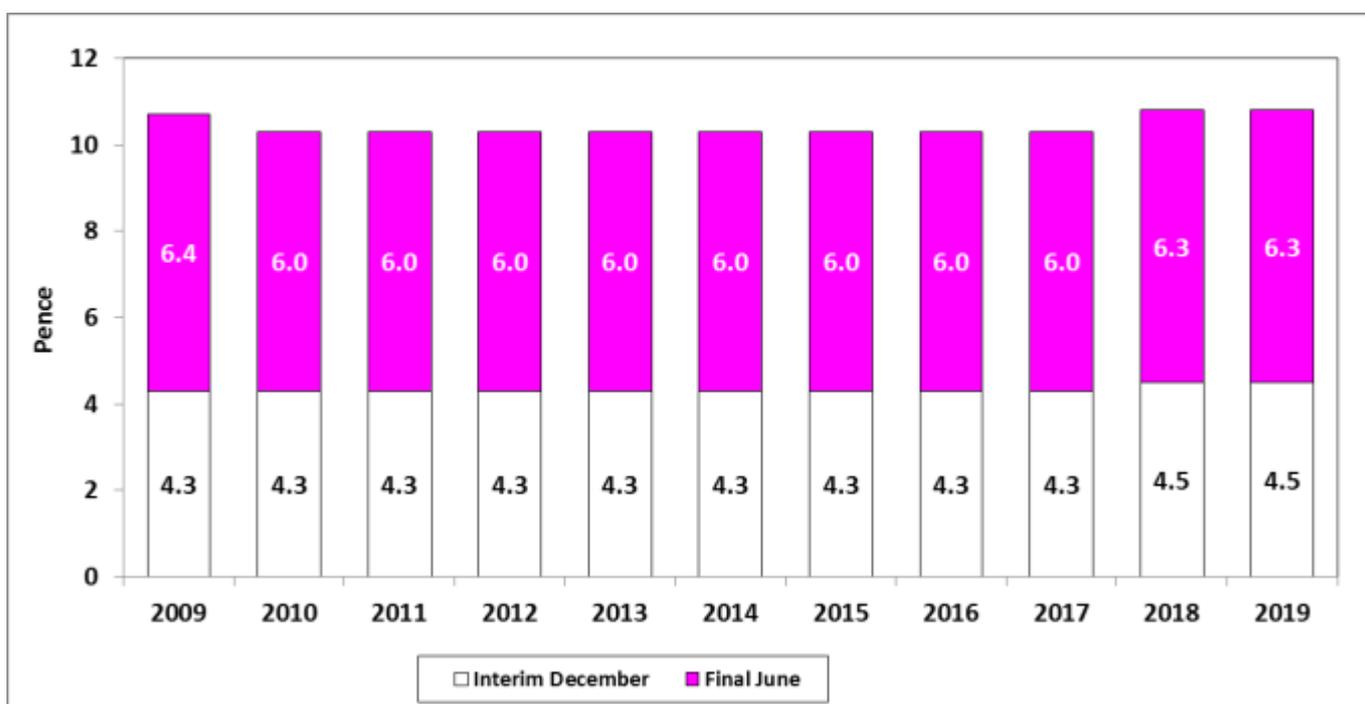
Current Yield

Based on the value of a unit at 30 June 2019 of £3.83, and a full year distribution of 10.8 pence, the distribution yield was 2.82%. (The comparative figures for 30 June 2017 showed a yield of 2.84% based on a unit value then of £3.81 and a full year distribution of 10.8 pence). Note: As the price of a unit increases the distribution yield falls.

PERFORMANCE STATISTICS (Unit Value in Pence)



Income Distributions (2009 – 2019) - Financial Year-End 30 June



A cash investment of £1,000 on 1 January 1991 (date of inauguration)

- would have bought 1,000 units
- was worth £3,832 at 30 June 2018 – an increase of 283%
- has increased its income from £60 p.a. in the first year to £108 p.a. in the financial year ended 30 June 2019 – an increase of 80%

A cash investment of £1,000 on 1 July 2019

- would have bought 257.9 units based on the offer price of 387.79 pence (259.6 units on 1 July 2018)
- will provide an expected annual income of circa £28 in the first year (based on an interim distribution of 4.5 pence and an estimated final dividend of 6.3 pence)

Past performance is not necessarily a guide to the future and the value of the units can go down as well as up.

ACCOUNTS

The accounts of the Trust are audited by PricewaterhouseCoopers, Chartered Accountants and Registered Auditors. The following abstract from the audited figures summarises the period under review.

INCOME AND DISTRIBUTION

	2019	2018
	£'000	£'000
<i>Income</i>	1,862	1,793
<i>Expenses</i>	<u>(16)</u>	<u>(16)</u>
<i>Net Income available for distribution</i>	1,846	1,777
<i>Distribution</i>	<u>(1,767)</u>	<u>(1,697)</u>
<i>(Deficit)/Surplus Income after distribution</i>		
<i>Transfer to/(from) Dividend Equalisation Reserve</i>	<u>(79)</u>	<u>(80)</u>

BALANCE SHEET

	2019	2018
	£'000	£'000
<i>Investments at Market Value</i>	<u>55,341</u>	<u>52,839</u>
<i>Current Assets</i>		
<i>Debtors</i>	3,718	2,856
<i>Cash at Bank</i>	<u>871</u>	<u>2,029</u>
	4,589	4,885
<i>Current Liabilities</i>		
<i>Financial Instruments</i>	(130)	(105)
<i>Creditors</i>	(32)	(30)
<i>Net Current Assets</i>	<u>4,427</u>	<u>4,750</u>
<i>Trust Capital Fund</i>	<u>59,768</u>	<u>57,589</u>

Copies of the audited accounts with full portfolio details can be obtained by writing to the Chief Officer and Secretary of The Representative Church Body.

K Bowers
Chairman of Investment Committee

TRUST DEED

Dated 19 February 1992
[Section 25 of Charities Act
(Northern Ireland) 1964]

TRUSTEE

The Representative Church Body
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Telephone: +353 1 4978422
invest@rcbdub.org

AUDITORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

BANKERS

Bank of Ireland
Baggot Street
Dublin 2

RCB INVESTMENT COMMITTEE*

Mr Kevin Bowers (Chairman)

Ms Hilary Prentice	Mr William Galloway
Mr Roy Benson	Mr Henry Algeo
Ms Wendy Taylor	Mr David Lowe

Mr Tim McCormick (Advisor)
Mr Terence Forsyth (Advisor)

**members of the Investment Committee as at 1 October 2019*