



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 2014*

## **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 at least maintain the capital value of the Fund in real terms 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.

### **PURCHASES/SALES**

Units in the Trust may be bought or sold on the first day of every month. 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 2014

### Investment Performance

The capital value of a unit in the Trust rose by 3.7% while the total return (capital and income) was 7.6%. This compares with the fund benchmark of 11.0% which is based on a much higher equity holding. The Fund underperformed in H1 as the market rewarded risk. Defensive blue chip companies and dividend stocks underperformed on a relative basis whilst small cap growth companies and highly valued technology stocks raced ahead. The more conservative positioning of the fund reflects a long-term approach to protecting capital (as per fund objective). It follows, that during bouts of short-term exuberance, the fund may not keep pace with indices.

The Portfolio performed better in H2 but more importantly the 3 and 5 year returns show a strong outcome.

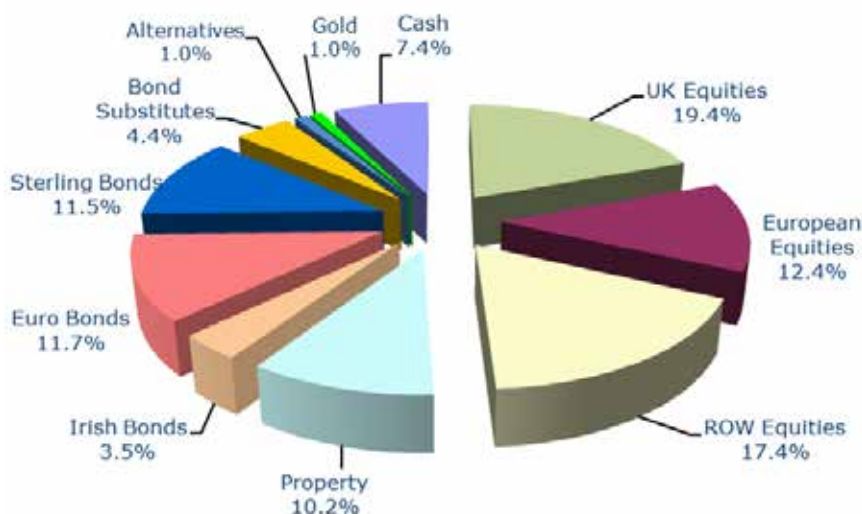
Annualised returns of the Trust compared with the Fund Benchmark and inflation over the past five years were:

Annualised Total Returns %	6 Months	1 Year	3 Years	5 Years
<b>RB General Unit Trust (NI)</b>	<b>6.1</b>	<b>7.6</b>	<b>9.6</b>	<b>13.2</b>
<b>Benchmark*</b>	3.2	11.0	7.4	11.3
<b>RB General Unit Trust (NI) Capital</b>	3.8	3.7	5.1	8.6
<b>UK Inflation (CPI)</b>	0.6	1.9	2.4	2.9

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

### Portfolio Composition

The investment profile of the Trust (by value at 30 June 2014) is displayed in the following chart:



**The ten largest equity holdings at 30 June 2014 were:**

	% of Fund		% of Fund
Vodafone	1.9	Eni	1.6
Kinder Morgan	1.8	Dragon Oil	1.6
Fairfax Financial	1.8	Fortum	1.5
Yara	1.7	Sanofi	1.5
Healthcare REIT	1.7	Unilever	1.5

**Unit Details**

Date	Unit Value (Pence)	Number of units in issue	Fund Value
30 June 2013	295.04p	13,669,596	£40.331m
30 June 2014	305.94 p	14,147,616	£43.283m

**Income Distributions**

The ex dividend and payment dates and the pence per unit paid by the Trust in the year ended 30 June 2014 were:

Half year to	XD date	Payment date	Pence per unit
31 December 2013	30/11/13	31/12/13	4.3p (4.3p)
30 June 2014	31/05/14	30/06/14	6.0p (6.0p)

As shown above, income distributions totalling 10.3 pence per unit were paid in the year ended 30 June 2014 (year ended 30 June 2013, 10.3 pence).

**Dividend Policy**

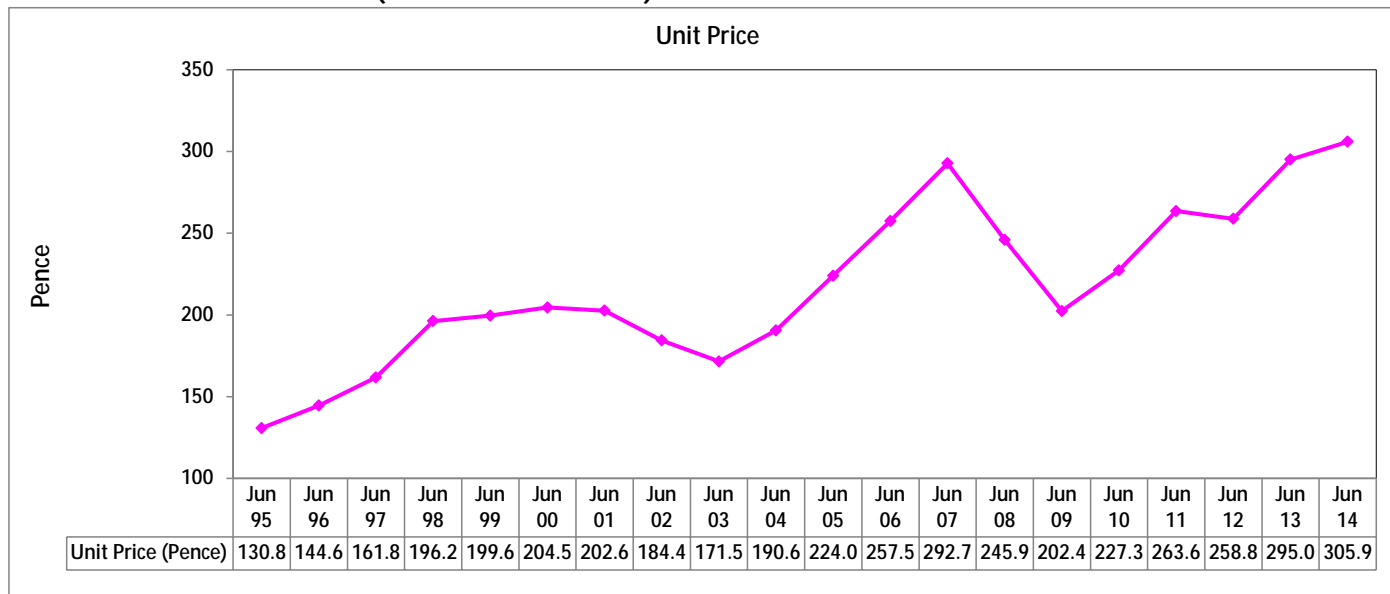
The Dividend Reserve policy targets a level of 2% of Fund value and will not be allowed to exceed 4% of Fund value. In addition, at least 80% of net income in any individual year will be distributed to unit holders. A healthy reserve aids the management of a stable and sustainable distribution going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

Moderate growth continued in dividends as corporate earnings remained resilient during the year and the Trust agreed to maintain its interim distribution at 4.3 pence and its final distribution at 6.0 pence. In addition, a sum of £0.04m was transferred to the Dividend Equalisation Reserve as at 30 June 2014 in line with the DER policy. The balance in the Reserve at the financial year end was £0.72m or 1.7% of Fund value (2013: £0.68m or 1.7% of Fund value).

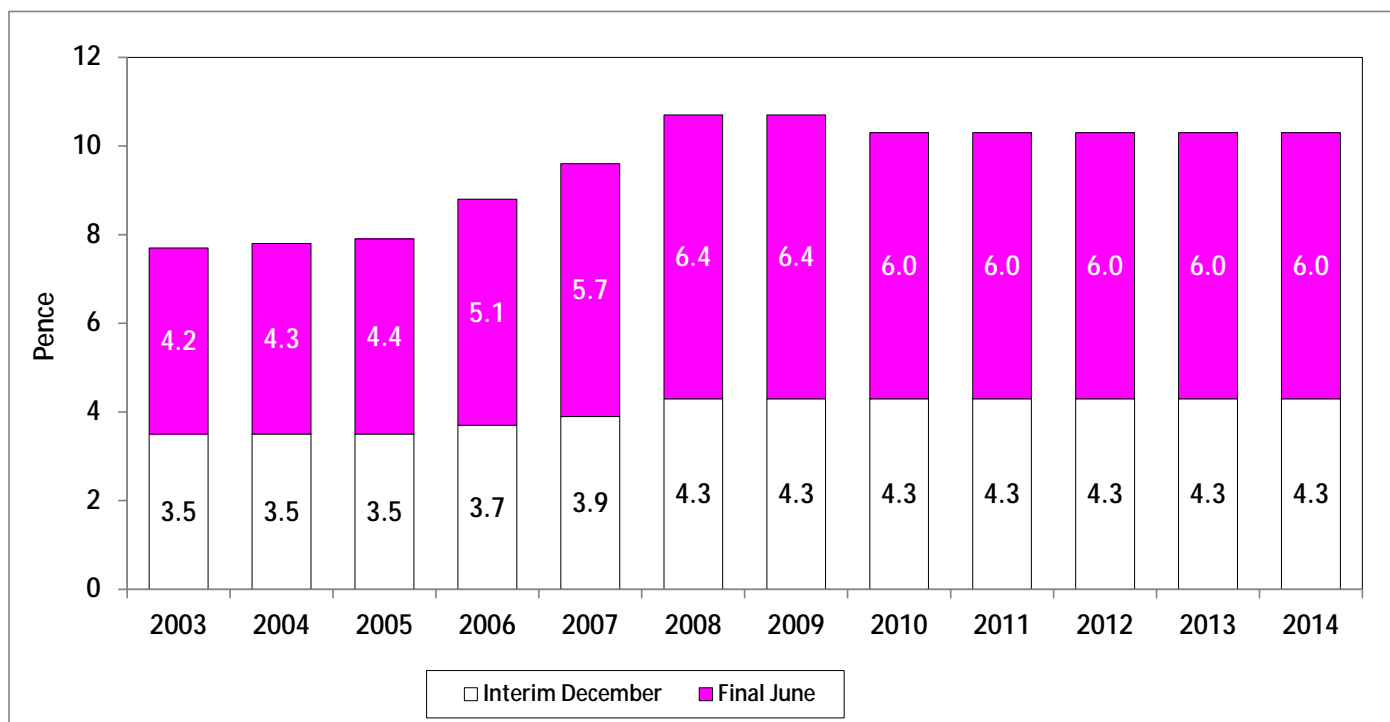
**Current Yield**

Based on the value of a unit at 30 June 2014 of £3.059, and a full year distribution of 10.3 pence, the distribution yield was 3.37%. (The comparative figures for 30 June 2013 showed a yield of 3.49% based on a unit value then of £2.950 and a full year distribution of 10.3 pence). *Note: As the price of a unit increases the distribution yield falls.*

## PERFORMANCE STATISTICS (Unit Value in Pence)



## Income Distributions (2003 – 2014) - 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 £3,059 at 30 June 2014 – an increase of 206%
- has increased its income from £60 p.a. in the first year to £103 p.a. in the financial year ended 30 June 2014 – an increase of 72%

### A cash investment of £1,000 on 1 July 2014

- would have bought 322.9 units (based on the offer price of 309.71 pence)
- will provide an expected annual income of circa £33 in the first year (based on an interim distribution of 4.3 pence and an *estimated* final dividend of 6.0 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

	<i>2014</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>
<i>Income</i>	<i>1,589</i>	<i>1,819</i>
<i>Expenses</i>	<u><i>(10)</i></u>	<u><i>(8)</i></u>
<i>Net Income available for distribution</i>	<i>1,579</i>	<i>1,811</i>
<i>Distribution</i>	<u><i>(1,539)</i></u>	<u><i>(1,478)</i></u>
<i>(Deficit)/Surplus Income after distribution</i>	<i>40</i>	<i>333</i>
<i>Transfer to/(from) Dividend Equalisation Reserve</i>	<u><i>40</i></u>	<u><i>333</i></u>

### BALANCE SHEET

	<i>2014</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>
<i>Investments at Market Value</i>	<u><i>44,349</i></u>	<u><i>40,394</i></u>
<i>Current Assets</i>		
<i>Debtors</i>	<i>742</i>	<i>686</i>
<i>Cash at Bank</i>	<u><i>-</i></u>	<u><i>-</i></u>
	<i>742</i>	<i>686</i>
<i>Current Liabilities</i>		
<i>Financial Instruments</i>	<i>(1,066)</i>	<i>(63)</i>
<i>Creditors</i>	<i>(22)</i>	<i>(6)</i>
<i>Net Current Assets</i>	<u><i>(346)</i></u>	<u><i>617</i></u>
<i>Trust Capital Fund</i>	<u><i>44,003</i></u>	<u><i>41,011</i></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.

HJ Saville  
Chairman of Investment Committee  
17 November 2014

***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

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invest@rcbdub.org

***AUDITORS***

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1

***BANKERS***

Bank of Ireland  
Baggot Street  
Dublin 2

**RCB INVESTMENT COMMITTEE  
(at 17 November 2014)**

Mr Henry Saville (Chairman)

Mr Tim McCormick      Ms Hilary Prentice  
Mr Terence Forsyth    Mr Roy Benson  
Mr David Smith