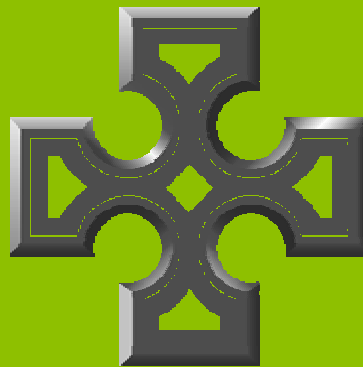


**THE REPRESENTATIVE BODY  
OF THE  
CHURCH OF IRELAND**

**RB GENERAL UNIT TRUST  
(REPUBLIC OF IRELAND)**



*Summary of Annual Report and Financial Statements*

*Year ended 30 June 2009*

## **WHO MAY INVEST IN THE RB GENERAL UNIT TRUST (RI)**

The RB General Unit Trust (RI) 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 the Republic of 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 (RI)**

### **STATUS**

The Trust was established on 1 January 1991 under a Deed of Trust granted by the Commissioners of Charitable Donations and Bequests for Ireland (the “Charity Commissioners”) in accordance with the statutory provisions of the Charities Act, 1961.

### **AIMS**

The Trust aims:

- to maintain a balanced spread of investments primarily in Irish, UK and Continental European equities, or a mix of equities and fixed interest stocks, depending on market conditions.
- to generate a stable income base and, over the longer term, to seek to provide an increasing income stream with capital appreciation.

### **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 which is partly reimbursed by means of a 0.2% charge on the capital value of the Trust to be taken from income (subject to the maximum permitted under the Trust Deed approved by the Charity Commissioners).

### **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 Charity Commissioners.

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 TO 30 JUNE 2009

### Investment Performance

The capital value of a unit in the Trust fell by 33.5% while the total return (capital and income) was -30.3%. As in 2008, the Fund's weighting in financials once again detracted from performance, particularly in Ireland with Allied Irish Banks and Bank of Ireland falling by 82% and 69% respectively over the period. UK banks also underperformed, with the FTSE UK Banks Index falling by 45% in Euro terms.

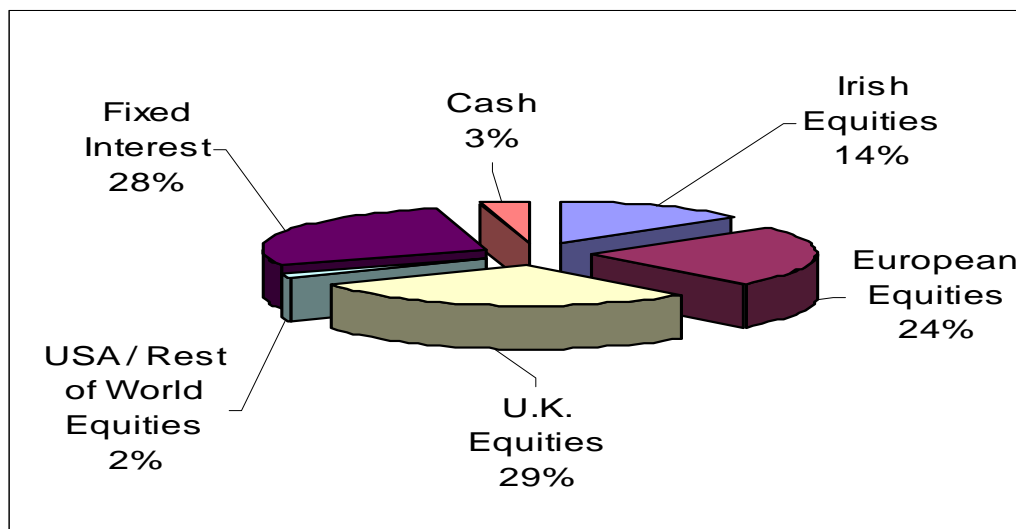
Annualised total returns of the Trust compared to market indices over the past ten years were:

Benchmarks	1 Year	3 Years	5 Years	10 Years
ISEQ Overall	-46.6%	-26.9%	-10.9%	-3.4%
ISEQ Financial	-78.6%	-52.7%	-30.1%	-12.4%
FTSE All-Share (€)	-26.3%	-12.7%	-1.7%	-2.4%
DJ Eurostoxx 50	-25.0%	-9.5%	0.5%	-1.6%
ISEQ Bond Index Total	5.2%	3.1%	3.6%	N/A
<b>RB General Unit Trust (RI)</b>	<b>-30.3%</b>	<b>-16.6%</b>	<b>-4.0%</b>	<b>0.2%</b>

### Portfolio Composition

At 30 June 2009, 65% of the Trust's assets were invested in Irish and other Euro denominated securities (including international securities) and cash, while 35% were denominated in sterling (UK holdings and cash).

The trust asset distribution within the geographical areas was:



The ten largest equity holdings at 30 June 2009 were:

	% of Fund		% of Fund
<b>CRH</b>	<b>6.1</b>	<b>Royal Dutch Shell</b>	<b>2.3</b>
<b>Total</b>	<b>4.6</b>	<b>BG Group</b>	<b>2.3</b>
<b>E.On</b>	<b>3.6</b>	<b>BP</b>	<b>2.2</b>
<b>BHP Billiton</b>	<b>2.4</b>	<b>GlaxoSmithKline</b>	<b>1.7</b>
<b>ENI</b>	<b>2.4</b>	<b>Scottish &amp; Southern</b>	<b>1.6</b>

## Unit Details

Date	Cent per unit	Number of units in issue	Fund Value
30 June 2008	352.50c	51,901,013	€182,949,341
30 June 2009	234.32c	52,135,842	€122,164,032

## Income Distributions

The ex dividend and payment dates and the cent per unit paid by the Trust in the year ended 30 June, 2009 were:

Half year to	XD date	Payment date	Cent per unit
31 December 2008	30/11/08	31/12/08	5.0c (6.0c)
30 June 2009	31/05/09	30/06/09	7.8c (11.1c)

As shown above, income distributions totalling 12.8 cent per unit were paid in the year ended 30 June 2009. This level of distribution represents a decrease of -25.1% over the previous financial year.

## Dividend Policy

It is the policy of the Trustee and the Manager to seek to provide unit holders with some stability, from year to year, in relation to the income they receive from their holding. To this end a Dividend Equalisation Reserve was created when the Trust was established. Over the past numbers of years this Dividend Equalisation Reserve has been credited with any exceptional income received in any year (e.g. where a company has paid an extra dividend in a year due to changes in its payment dates). In communication letters issued to unit holders in both December 2008 and April 2009 it was highlighted that there would likely be a drawdown from this reserve to cushion the level of reduction in distribution to unit holders. The actual drawdown from the Dividend Equalisation Reserve during the 2008/09 financial year amounted to €855,915, leaving its balance at the financial year end equal to €2.28m (representing 34.3% of the past year's distribution).

## The effect of the adverse market conditions on current and future distributions

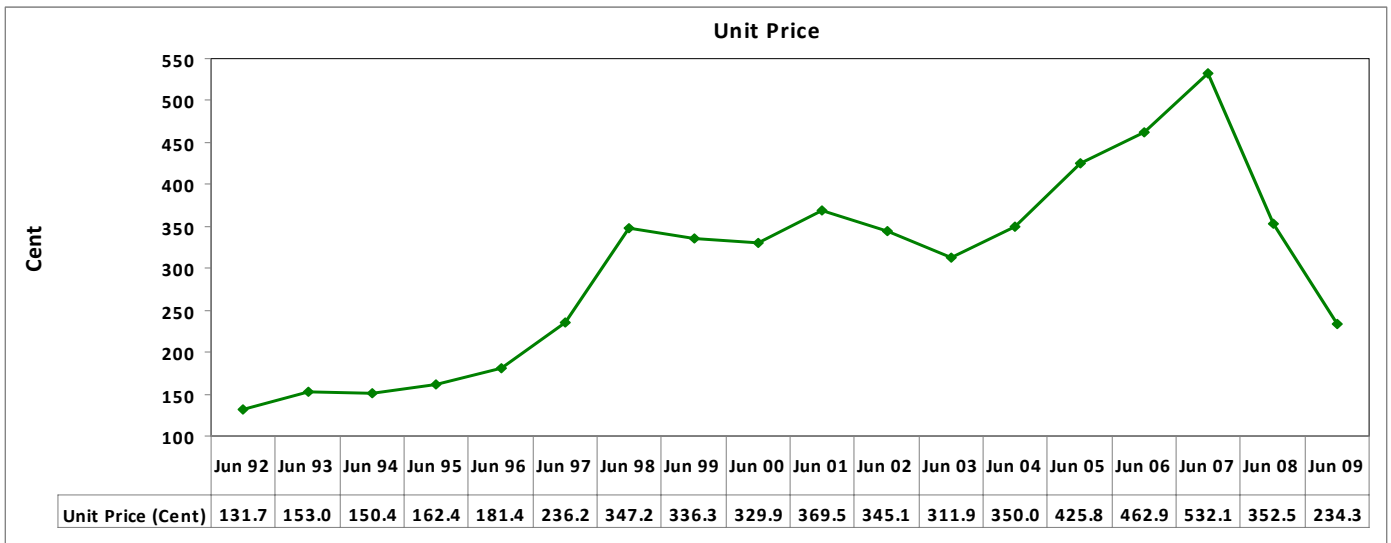
Due to the magnitude of dividend cuts and omissions, the Trust had no option but to decrease its interim distribution from 6.0 cent to 5.0 cent and its final distribution from 11.1 cent to 7.8 cent. This amounts to a 25% reduction in the full year distribution to 12.8 cent (2008: 17.1 cent) for the unit trust year ending 30 June 2009. This level of reduction was necessary (despite, as noted above, the decision by the Trustee to supplement the projected income of the Fund by beginning to draw on the Dividend Equalisation Reserve) due to the scope and breadth of dividend cuts by companies across a variety of sectors and geographies.

Based on the value of a unit at 30 June 2009 of €2.343, and a full year distribution of 12.8 cent, the distribution yield was 5.4%. (The comparative figures for 30 June 2008 showed a yield of 4.8% based on a unit value then of €3.525 and a full year distribution of 17.1 cent).

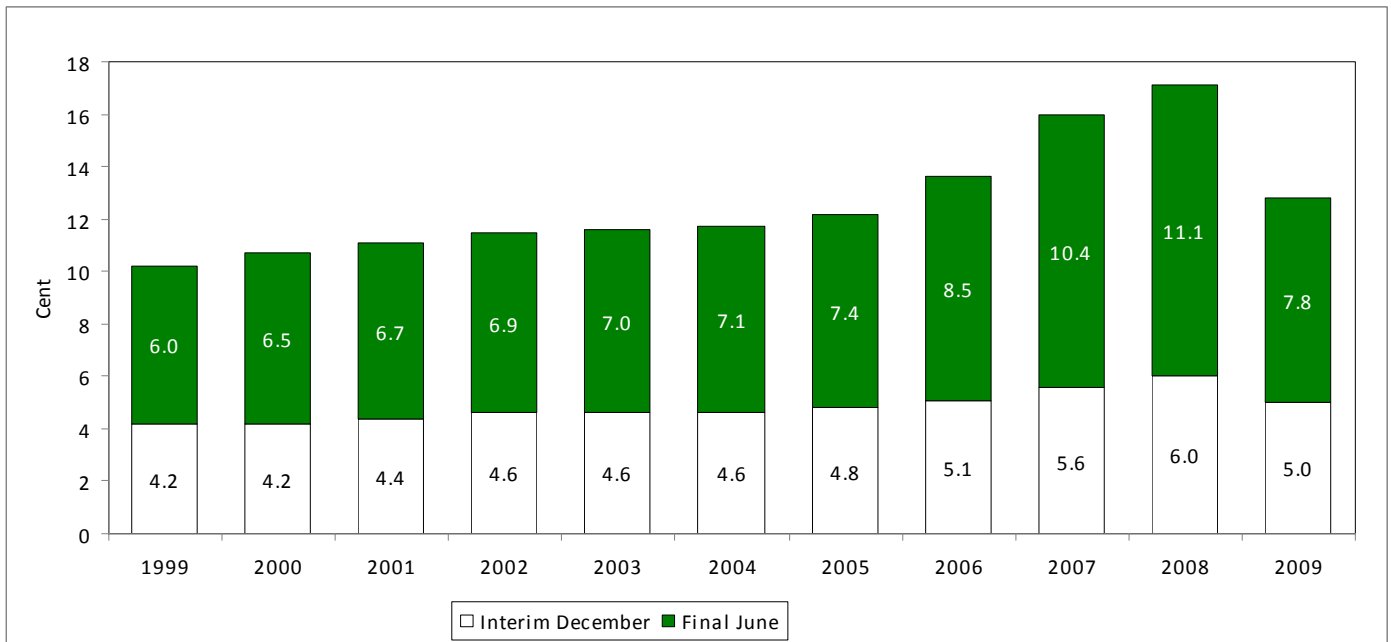
The Fund has taken steps to support income through a number of channels; the weighting in fixed income securities has been increased and additions have been made to equities which appear to be committed to preserving dividend payments. The Trustee is mindful that the underweight position in sectors which omitted/reduced dividends may result in the Fund being underexposed to any rebound and capital appreciation in these areas.

In the October 2009 communication letter issued to unit holders the Trustee indicated its intention to (i) reduce the December 2009 distribution to 4.0 cent per unit (as against 5.0 cent per unit in December 2008), and (ii) to deliver a payment of 7.0 cent per unit for the June 2010 distribution (as against 7.8 cent per unit in June 2009) in light of the continuing downward trend in income. The level of the June 2010 distribution will be kept under review and a rate formally declared nearer the pay date. A further draw on the Dividend Equalisation Reserve will be required.

## PERFORMANCE STATISTICS (Unit Value in Cent)



## Income Distributions (1999-2009) - Financial Year-end 30 June



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

- would have bought 787.56 units
- was worth €1,845 at 30 June 2009 – an increase of 85%
- has increased its income from €60 p.a. in the first year to €101 p.a. in the financial year ended 30 June 2009 – an increase of 68%

### A cash investment of €1,000 on 1 July 2009

- would have bought 421.36 units based on the offer price of 237.33 cent (280.10 units on 1 July 2008)
- would provide an expected annual income of circa €46 in the first year (based on an interim distribution of 4 cent and an *estimated* final dividend of 7 cent)

*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>2009</i>	<i>2008</i>
	<i>€'000</i>	<i>€'000</i>
<i>Income</i>	6,170	10,303
<i>Expenses</i>	<u>(1)</u>	<u>(1)</u>
<i>Net Income available for distribution</i>	6,169	10,302
<i>Distribution</i>	<u>(7,025)</u>	<u>(9,287)</u>
<i>(Deficit)/Surplus Income after distribution</i>	(856)	1,015
<i>Transfer from/(to) Dividend Equalisation Reserve</i>	<u>856</u>	<u>(1,015)</u>

### *BALANCE SHEET*

	<i>2009</i>	<i>2008</i>
	<i>€'000</i>	<i>€'000</i>
<i>Investments at Market Value</i>	<u>117,896</u>	<u>168,730</u>
<i>Current Assets</i>		
<i>Debtors</i>	6,942	1,194
<i>Cash at Bank</i>	<u>4</u>	<u>16,239</u>
	6,946	17,433
<i>Current Liabilities</i>		
<i>Creditors</i>	(401)	(81)
<i>Net Current Assets</i>	<u>6,545</u>	<u>17,352</u>
<i>Trust Capital Fund</i>	<u>124,441</u>	<u>186,082</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.

RS Neill  
Chairman of Investment Committee  
16 November 2009

***TRUST DEED***

Dated 5 February 1991  
[Charities Act 1961]

***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 & College Green  
Dublin 2

**RCB INVESTMENT COMMITTEE  
(at 16 November 2009)**

RS Neill (Chairman)

TB McCormick	TH Forsyth
WL Dermot	DAC Smith
D Gillespie	JW Wallace