FUND OBJECTIVE

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

INVESTMENT COMMENTARY

Global Economy/Market outlook
The International Monetary Fund (IMF) forecasts a slight decline in global growth to 2.9% in 2024, down from 3% in 2023 and 3.5% in 2022. However, much of this growth is made up of emerging markets activity, while growth in advanced economies remains tepid and there are widening divergences among regions.

The economy ended 2023 in better shape than expected and several risk factors have receded on account of the resolution of US debt ceiling tensions and Swiss and US authorities' having acted decisively to contain financial turbulence. Although the likelihood of a hard landing has abated, the balance of risks to global growth remains tilted to the downside. China's property sector crisis, intensifying geoeconomic fragmentation and on-going political tensions remain potential risk factors.

While inflation expectations have been pared back across all regions and some central bankers have signalled likely interest rate cuts, the pace and extent of these will be an area of interest. Core inflation is projected to decline more gradually and is not expected to return to target until 2025 in most cases. The key issue now is whether inflation will stay on its moderating path, and whether Central Banks will cut rates as aggressively as investors currently expect.

Equity Markets
The Equity Benchmark, which reflects a portfolio of stocks yielding a higher income in line with the mandate of the Unit Trust, had a total return for the year to December 31st 2023 of 5.8%. The FTSE All Share returned 7.6% with the Global MSCI High Yield equity index up 3.4% (in GBP terms).

GBP based investors in foreign markets were impacted by a strong pound which rose by 2% vs Euro and a shade over 5% vs the US Dollar. Growth stocks outperformed their defensive and value counterparts as the focus on Artificial Intelligence led to exceptional gains in the Tech sector. Geographic positioning helped (underweight US and UK/ overweight Europe) offset a lower Tech exposure as did the restriction on owning companies involved in the extraction of fossil fuels as energy prices fell. Both external Managers outperformed benchmarks.

The year was interspersed with bouts of volatility giving way to a strong rally across the final two months of the year in particular. Inflation expectations, having been stickier than forecast in H1, moderated in the second half and Central Banks in the US and Europe suggested rates may have peaked and began to look towards possible rate reductions which markets took positively along with an increasing conviction that a soft landing was in store for the economy.

Bond Markets
Bond markets, having fell heavily in 2022, performed well in 2023 with the UK Broad market Index gaining 5.1%. This figure masks the volatility in Fixed Income as an asset class over the year as markets underestimated the peak of interest rates leading to negative returns for most government bond indices in Q2 and a flat Q3 before rallying sharply in Q4.

The exposure of the portfolios to Corporate Bonds and High Yield proved beneficial and contributed to performance. There were tender offers for a number of legacy bonds which, at an attractive premium to market prices, boosted returns and resulted in improved liquidity on reinvestment. Government bond yields fell sharply in Q4 with the UK 10-year yield falling by 20 basis points to end the year at 3.5%.

Other Asset Classes
Allocations to Cash, Property investments (-7.4%) and Alternative Assets, namely Infrastructure and private Equity (+1.4%) detracted in 2023.

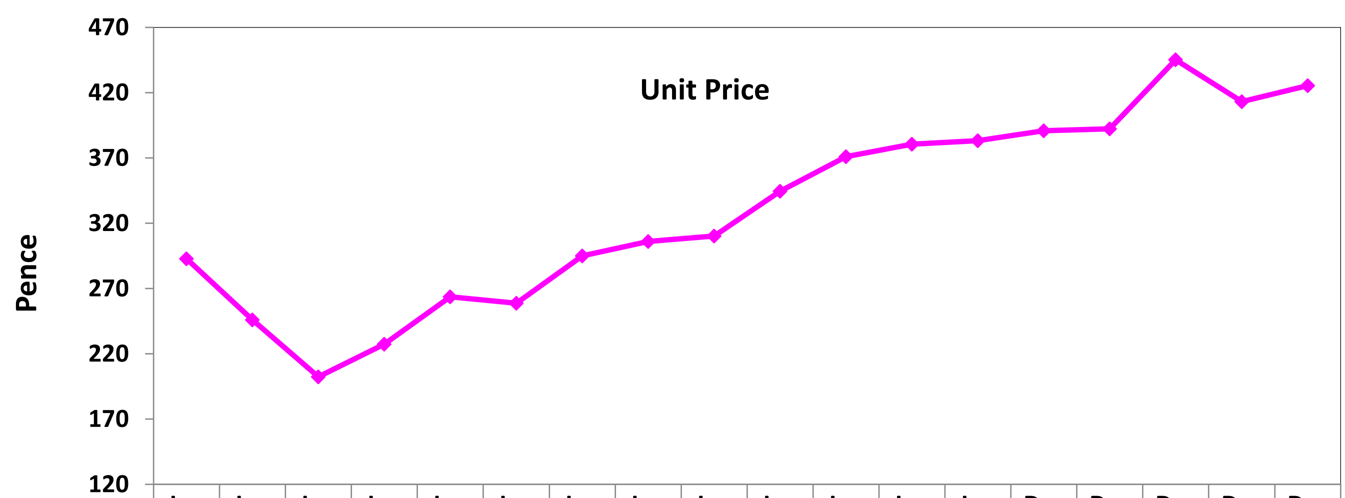
PERFORMANCE

Annualised total returns (capital plus income) %			
Fund	1 year	3 years	5 years
RB General Unit Trust (NI)	**7.0**	**6.4**	**6.9**
RCB Benchmark*	**5.6**	**3.8**	**6.1**
RB General Unit Trust (NI) Capital	**3.0**	**2.8**	**3.5**
UK Inflation (CPI)	**7.3**	**6.3**	**4.3**

** Benchmark from 1 January 2022: Equities 70%, Bonds 30% (40% FTSE All-Share, 30% MSCI World High Dvd Yield £ net, 30% ML Sterling broad market).*

In 2023, the Fund had a total return (capital and income) of 7.0% ahead of benchmark at 5.6%. The UK stock market underperformed its European and US peers in 2023 (local currency) and the position in European equities helped. The UK market has a large exposure to Energy which underperformed as energy prices fell but the portfolio has a restriction on Companies involved in the extraction of Fossil Fuels which was a positive in 2023. The Investment Committee, as part of its oversight and supervisory duties, monitors the various Fund managers' performance against the fund's objectives and Benchmarks and has no significant concerns at the current time.

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

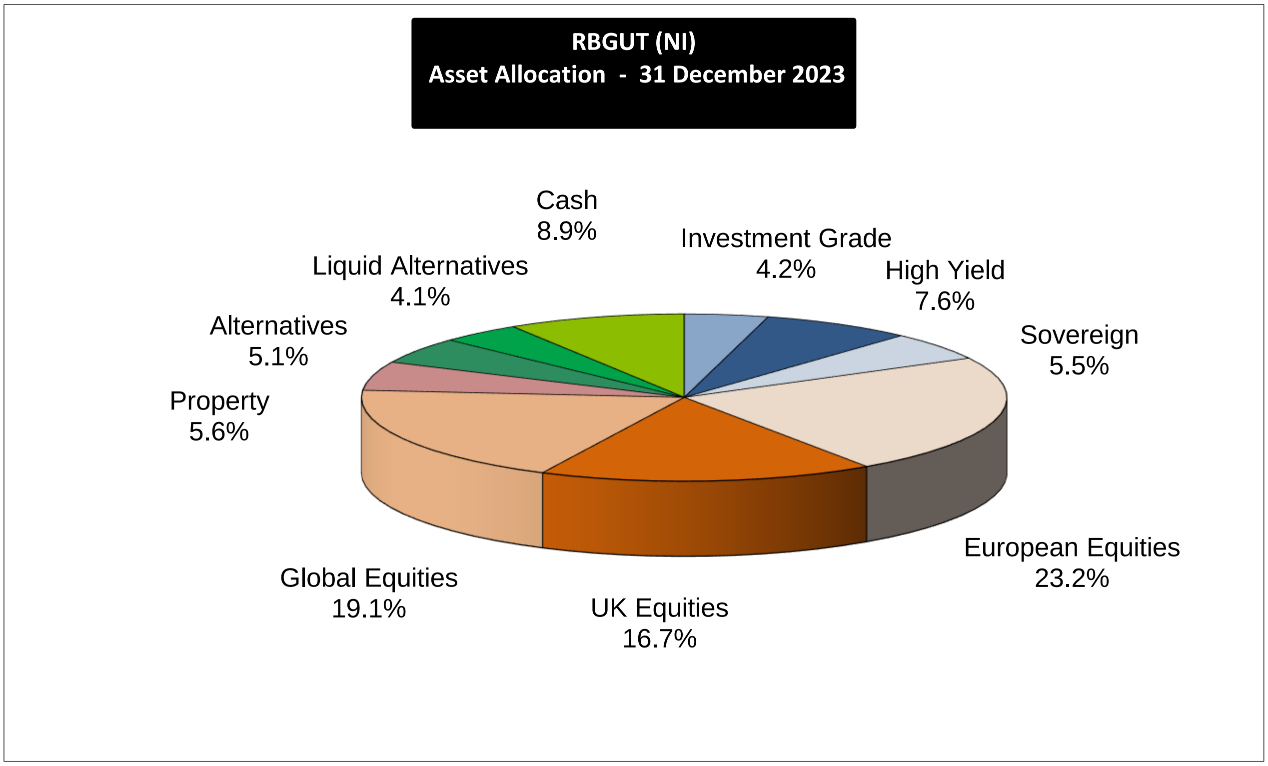


	Jun 07	Jun 08	Jun 09	Jun 10	Jun 11	Jun 12	Jun 13	Jun 14	Jun 15	Jun 16	Jun 17	Jun 18	Jun 19	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23
Mid price	292.7	245.9	202.4	227.3	263.6	258.8	295.0	305.9	310.1	344.6	370.9	380.6	383.2	390.9	392.3	445.2	413.1	425.5

TRUST ASSET DISTRIBUTION

The market value of the investments, including the value of the capital deposit account was £66.3m.

The investment profile in terms of distribution of the assets (by value) at 31 December 2023 is displayed in the following chart:



INCOME DISTRIBUTION TO UNIT HOLDERS

The June distribution was maintained at the 2022 level of 6.3 pence with a small increase to the December distribution to 5.5 pence (from 5.0 pence per unit in 2022), resulting in a total distribution for the year of 11.8 pence per unit.

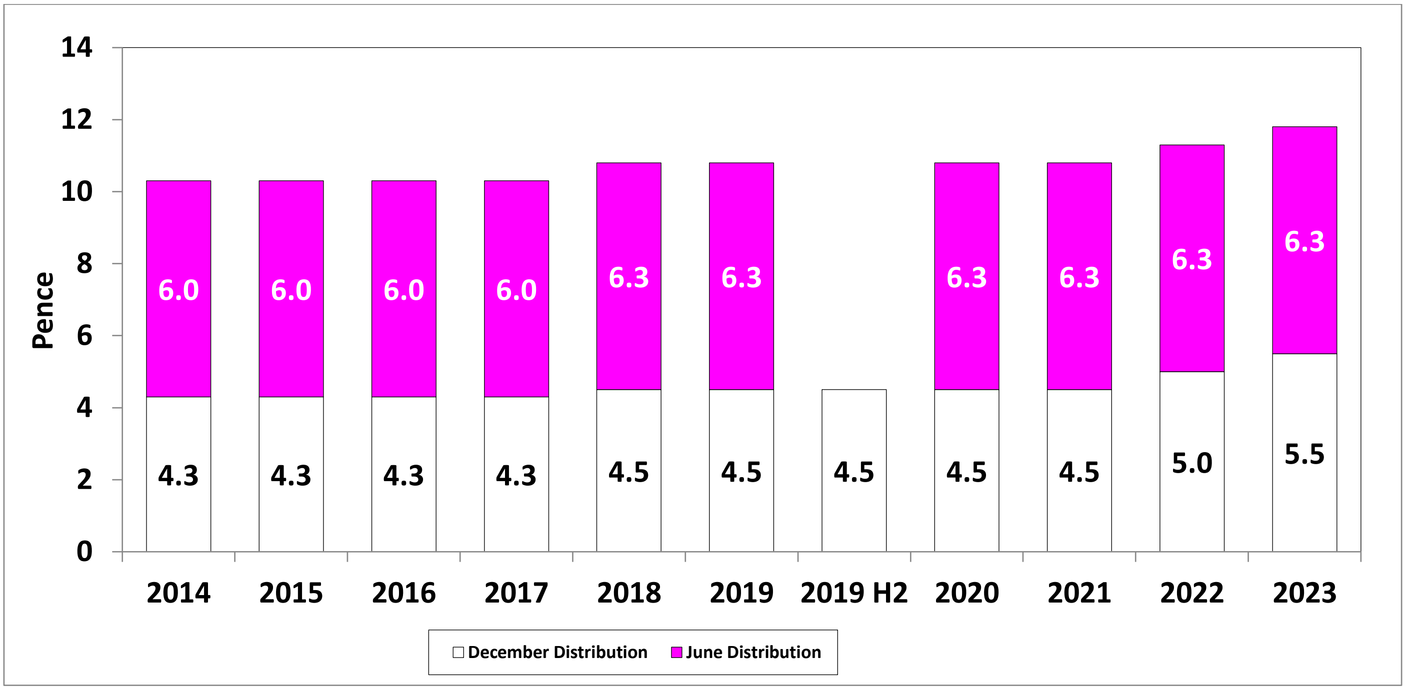
The Trust has a dividend reserve policy that targets a level of 2% of Fund value. The Dividend Equalisation Reserve (DER) will not be allowed to exceed 4% of Fund value and at least 80% of net income in any individual year will be distributed to unit holders. A healthy reserve aids the management of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

Based on the value of a unit at 31 December 2023 of £4.25, and a full year distribution of 11.8 pence, the distribution yield was 2.78%. (The comparative figures for 31 December 2022 showed a yield of 2.74% based on a unit value then of £4.13 and a full year distribution of 11.3 pence). During the year there was a transfer of £0.42m to the Dividend Equalisation Reserve resulting in a DER of £1.82m or 2.7% of the net asset value of the fund.

There were net inputs of £0.48m to the Fund for the year to 31 December 2023, reflecting new cash of £0.64m from unitholders less redemptions of £0.16m.

Environmental and Social Governance (ESG)
In the reporting period, the Investment Committee monitored and carried out an assessment of exposure to ESG risk. All Fund Managers are compliant with the RCB's ESG Investment policy and restrictions.

Income Distributions (2014 – 2023) - Financial Year-End 31 December 2023
(Financial Year-End June 30th up to June 2019, six-month period to end December 2019, full year to 31st December thereafter)



OUTLOOK
Global growth exceeded expectations in 2023. Despite co-ordinated monetary tightening from central banks around the world, the private sector proved to be resilient and positive fiscal and commodity price shocks also provided relief.

Whilst inflation data and economic demand are expected to soften, we remain cautious on the broader macro-outlook and performance of risk assets in 2024 due to building monetary headwinds, geopolitical risks and asset valuations that are close to long run averages.

We remain focused on long-term investment outcomes by maintaining balanced portfolios containing different strategies and, following a year of extreme market return concentration in the US, remain focused on achieving returns across sectors and asset classes. Our Investment Manager's look for companies with strong balance sheets and the ability to weather volatile markets and where cash generation capabilities ensure dividends are more likely to be maintained.

In-house Investment team
The Representative Church Body
February 2024