FUND OBJECTIVE

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

INVESTMENT COMMENTARY

Global Economy/Market outlook
The IMF is forecasting that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024 which is slightly higher than what was being projected in October 2022. The re-opening of China following a shift in the 'zero tolerance' Covid policy and a moderation in the pace of inflation have added to investor risk appetites and resulted in a strong start to 2023 across equity markets.

The backdrop remains challenging with volatility set to persist as rising interest rates and the war in Ukraine continue to weigh on economic activity. To date economic growth has been more resilient than forecast, driven in part by a strong consumer and pent-up post covid demand. Latest evidence suggests that the US Consumer is now saving at the lowest rate since 2005 with the personal savings rate as a percentage of disposable income having dipped to 2.3% in October. The balance of risks remains tilted to the downside as the scope for downward revisions to both corporate earnings (which have been resilient up to now with consensus growth of 3% forecast for 2023) and economic growth remain key and will depend on several factors such as inflation, monetary policy and geopolitical tensions.

That said, equity markets are forward looking and as central banks conclude their tightening cycles and uncertainty diminishes investors will look to global equity valuations which are back to their long-run averages. Whilst the US continues to trade at a premium, other markets including the UK and Europe offer Price earnings multiples of less than 12x down from 17x at the end of 2021.

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 2022 of -5.1%. The wider European equity index produced a negative return of -9.9% (2021 +25.8 %). Global high yield stocks held up relatively well as defensive and value stocks outperformed growth on account of dislocation in markets.
The year was volatile with pockets of recovery but marked by bouts of volatility as inflation proved higher than predicted and Central Banks took hard and fast action but managed to avoid a recession, at least in 2022. The third quarter brought some signs of stabilisation as the pace of inflation moderated and markets reacted positively before falling off again in December.

Bond Markets
Bond markets, which usually provide some protection in a down market, fell heavily as bond yields rose at a greater pace and magnitude than anticipated. The Bond benchmark for the year was -16.9% but the Fixed Income Manager outperformed this with a return of -13.3%.
The Federal Reserve raised rates by 425 basis points in 2022, the largest increase in a calendar year since 1980 to end the year at 4.5%. The European Central Bank and Bank of England hiked by 250 bp and 325bp to end the year at 2.5% and 3.5% respectively.
US bond yields rose (prices decreased) with 10-year yields in the US rising from 1.5% to 3.9% by the end of the year. German yields rose from -0.2% to 2.6% during the reporting period.
These yield levels offer more attractive entry points for fixed income, particularly in the context of an improving inflation backdrop and increasing visibility regarding terminal rates.

Other Asset Classes

Allocations to Property investments (-3.5%) and Alternative Assets, namely Infrastructure and private Equity (+11.8%) provided some welcome diversification over the year and contributed to relative returns. These assets did give back some relative gains in Q4 as higher yields fed through to asset valuations.

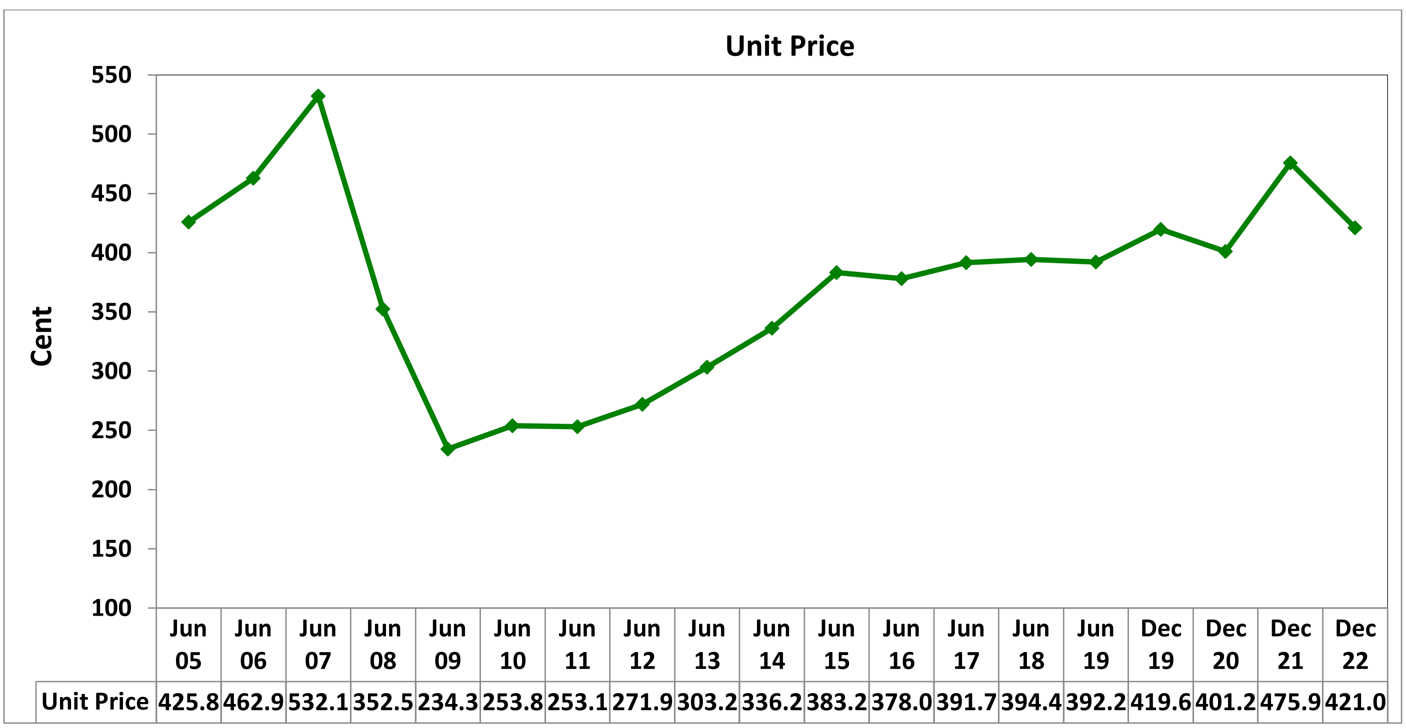
PERFORMANCE

Annualised total returns (capital plus income) %			
Fund	1 year	3 years	5 years
RB General Unit Trust (RI)	**-7.7**	**3.5**	**4.6**
RCB Benchmark*	**-8.7**	**3.2**	**5.0**
RB General Unit Trust (RI) Capital	**-11.5**	**0.1**	**1.3**
ROI Inflation (CPI)	**9.2**	**4.6**	**3.3**

** Benchmark from 1 January 2022: Equities 70%, Bonds 30% (40% Stoxx Europe 600, 30% MSCI World High Dvd Yield € net, 30% ML Euro broad market).*

In 2022, the Fund had a total return (capital and income) of -7.7% ahead of benchmark at -8.7%. Exposure to Property and Alternatives helped as did outperformance on the Fixed Income side and a higher weighting to European Equities and exposure to value/income stocks. 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.

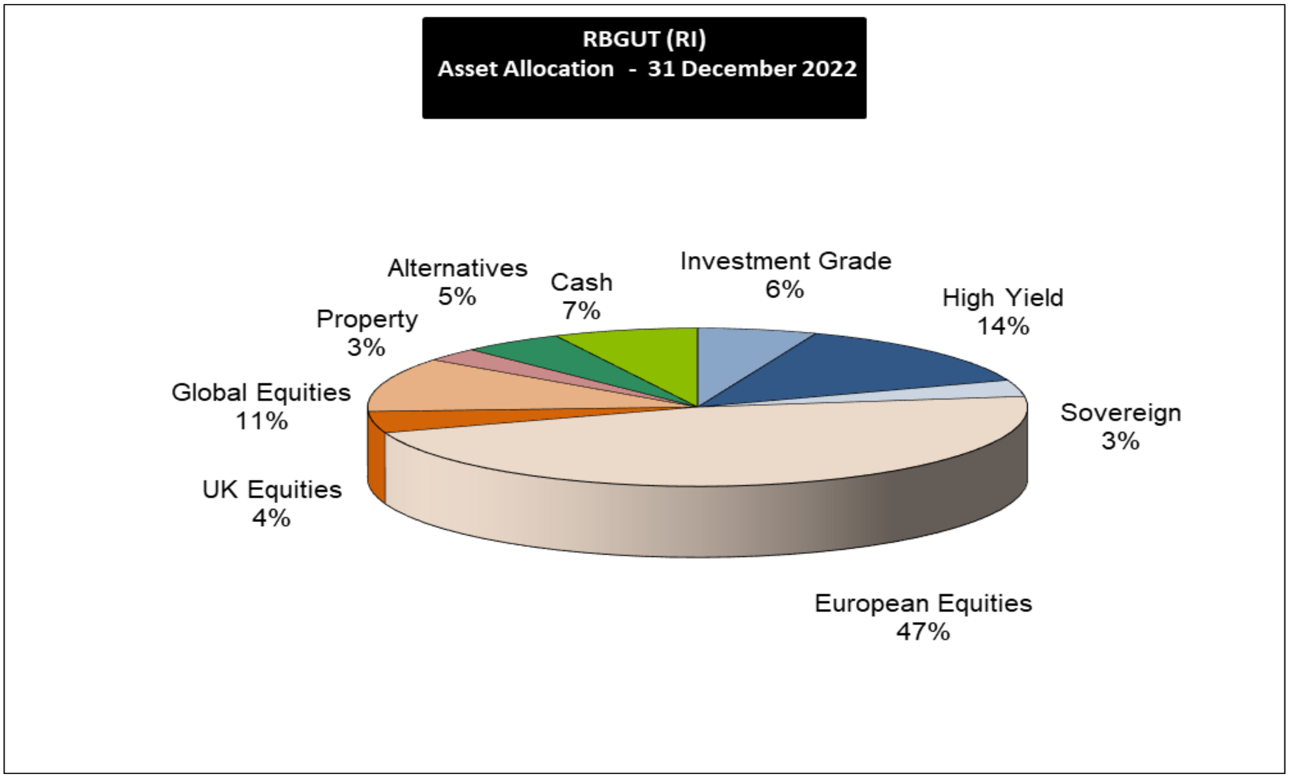
The historic price of a unit is detailed in the below chart:



TRUST ASSET COMPOSITION

The market value of the investments, including the value of the capital deposit account was €250.5m.

The investment profile in terms of distribution of the assets (by value) at 31 December 2022 is displayed in the following chart:



INCOME DISTRIBUTION TO UNIT HOLDERS

The June distribution was maintained at the 2021 level of 7.3 cent with a small increase to the December distribution to 4.7 cent (from 4.2 cent per unit in 2021), resulting in a total distribution for the year of 12.0 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.

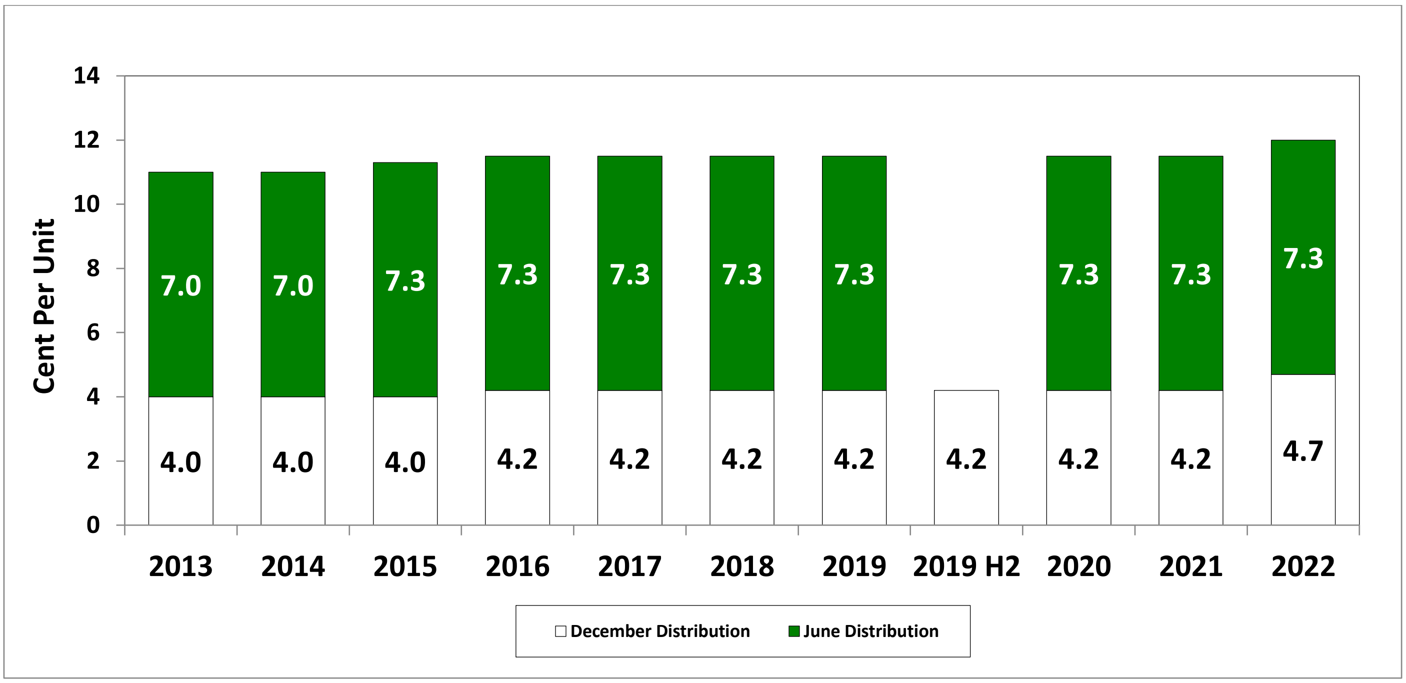
Based on the value of a unit at 31 December 2022 of €4.21, and a full year distribution of 12.0 cent, the distribution yield was 2.85%. (The comparative figures for 31 December 2021 showed a yield of 2.42% based on a unit value then of €4.759 and a full year distribution of 11.5 cent). During the year there was a transfer of €1.34m to the Dividend Equalisation Reserve resulting in a DER of €6.28m or 2.45% of the net asset value of the fund.

There were net inputs of €9.7m to the Fund for the year to 31 December 2022, reflecting new cash of €11.5m from unitholders less redemptions of €1.8m.

Environmental and Social Governance (ESG)

In the reporting period, the Investment Committee monitored and carried out an assessment of exposure to ESG risk using a new ESG reporting template to assist with standardising the process. All Fund Managers are compliant with the RCB's ESG Investment policy and restrictions.

Income Distributions (2013 – 2022) - Financial Year-End 31 December 2022
(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 backdrop for economies and financial markets looks positive with improving fundamentals around both inflation and Central Banks' ability to end the cycle of interest rate increases. Markets have pushed higher in January to the tune of 7% and the magnitude of this movement gives rise to some caution as headwinds remain but overall we remain constructive.

Further bouts of volatility are anticipated in 2023 which will create opportunities for longer term value-creation and we believe that companies with strong balance sheets and cash generation capabilities remain best placed to weather the slowdown in growth. We look for a soft landing in the US and will continue to monitor leading indicators that impact on corporate earnings and discuss with our Fund Managers as appropriate. Companies with these characteristics are more likely to maintain their dividend and meet the income objective of the Fund whilst simultaneously providing capital protection.

In-house Investment team
The Representative Church Body
January 2023