

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 year 2025 saw markets continue a remarkable rally with double digit returns across major indices both in US and international markets in local currency terms. Market strength hid significant volatility that occurred over the year in response to tariff announcements by the US President Donald Trump in April. The current US tariff rate at 14.4% is at its highest level since the 1930s. Despite concerns about the inflationary impact of tariffs, fears were not realized and inflation moderated, though remained above the Federal Reserve's target of 2%. The International Monetary Fund (IMF) projects global growth at 3.3 percent for 2026 and 3.2 percent for 2027 after growing by a predicted 3.3% in 2025.

After several years of US outperformance international markets took the lead. The Stoxx 600 rose by 27.3% and the FTSE All share by 23.9% vs the S&P at 9.7% (all in GBP terms). The US economy continued to grow strongly, posting real GDP growth of 4.4% in the third quarter of 2025. Despite concerns about US fundamentals, companies reported strong earnings in 2025 and there were no major labour market shocks. The year saw an unusual reversal of the traditional correlation between equities and precious metals with gold and silver surging in value (portfolio has limited exposure to precious metals) in a year that also saw equities rise substantially.

In Europe, the economic situation has seen countries, once at the heart of the eurozone crisis, Portugal, Greece, Cyprus, Ireland and Spain set to outperform traditional leaders such as Germany, Finland and Austria. The UK saw modest GDP growth of 1.4% (est) in 2025 but inflationary pressures remain and the Bank of England has revised down its growth forecasts for 2026 to 0.9%.

With the European Central Bank bringing interest rates down to 2.0% in 2025 we expect rates to remain on hold for 2026. Expectations are that the Bank of England may continue cutting from its current base rate of 3.75% and two further rate cuts projected by the Federal reserve with the labour market remaining robust alongside other economic data but inflation remaining above the 2% target.

Equity Markets

Developed market equities continued their strong run in 2025. The MSCI All Country World Index delivered a strong total return of 22.9% (USD) exceeding the 2024 return. However, the US Dollar weakened over the year, falling by 8% resulting in lower returns for GBP investors. There are some concerns about concentration and valuation risks within the S&P 500 which, although posting strong returns, were narrowly focused within Technology, Communications and Industrials. In Europe value outperformed growth contrasting with US markets. The Magnificent 7 saw some divergence over 2025 with only Alphabet and Nvidia beating the Index. Amazon, Apple, Meta, Microsoft and Tesla all trailed the S&P 500 in 2025.

The portfolio is underweight US equity and Technology stocks relative to the benchmark, primarily due to the income objective which tends to tilt the portfolio towards European and UK equities where dividend yields and payout ratios are higher. This geographic allocation proved beneficial as the FTSE All Share and Stoxx 600 outperformed the S&P 500 in a reversal of recent trends. Alternatives were down 5.1% for the year, hurt by fx movements but these assets often provide a hedge in falling markets and lag equities in a strong market.

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)

INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Bond Markets

The rally in equities was also seen in fixed income, where spreads tightened across the board. Euro denominated bonds performed well in 2025 with corporate bonds and high yield performing strongly. Peripheral countries (Italy, Spain) outperformed core bonds (France, Germany) while UK Gilts were the second best major sovereign debt market with a return of 5.0%.

The UK Broad market index returned 5.5% in 2025 in a year in which equities, bond markets, property and precious metals all saw positive returns. Within the fixed income element of the portfolio exposure to corporates was reduced and replaced with UK Gilts as spreads narrowed reducing the risk-reward ratio.

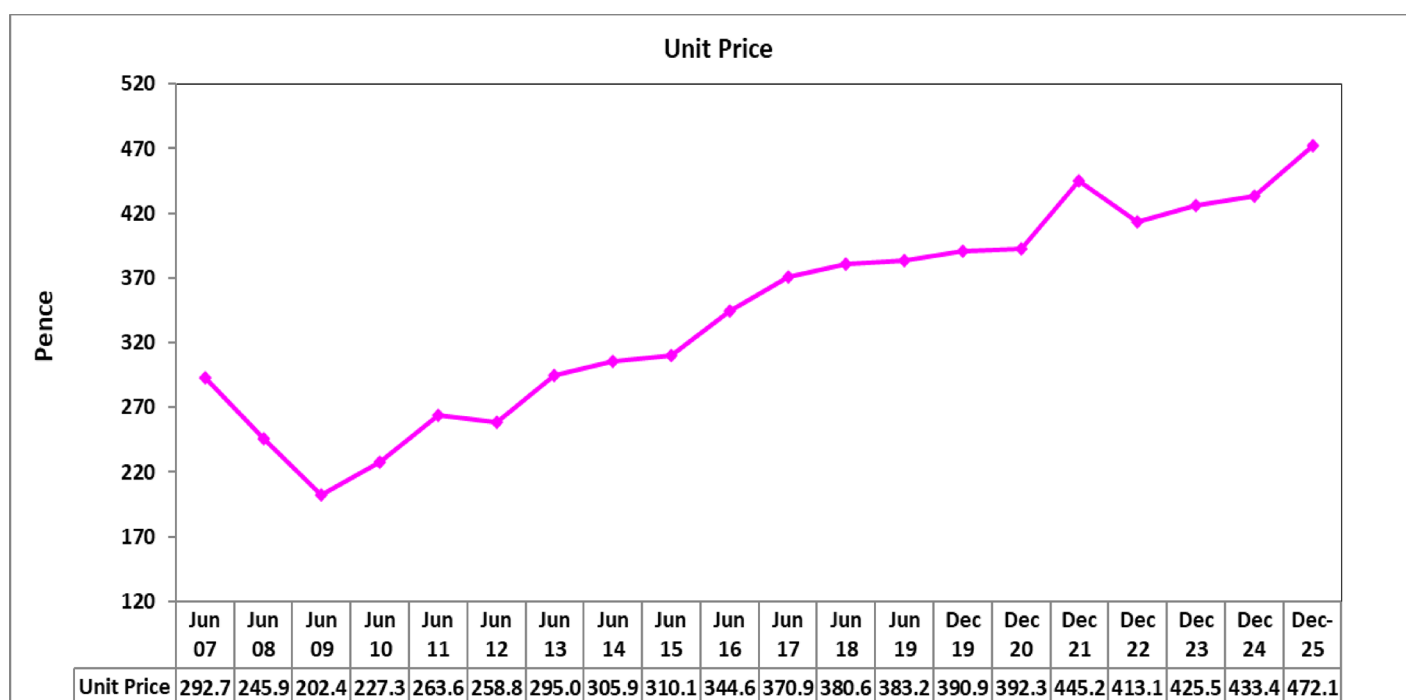
PERFORMANCE

Annualised total returns (capital plus income) %			
Fund	1 year	3 years	5 years
RB General Unit Trust (NI)	13.8	8.6	7.6
RCB Benchmark*	14.3	8.6	6.2
RB General Unit Trust (NI) Capital	8.9	4.6	3.8
UK Inflation (CPI)	3.4	4.4	4.9

* 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 2025, the Fund had a total return (capital and income) of 13.8% slightly behind benchmark at 14.3%. European equities outperformed in GBP terms which was a positive as was the underweight exposure to global equity. The Investment Committee, as part of its oversight and supervisory duties, monitors the various Fund managers' performance against the fund's objectives and Benchmarks.

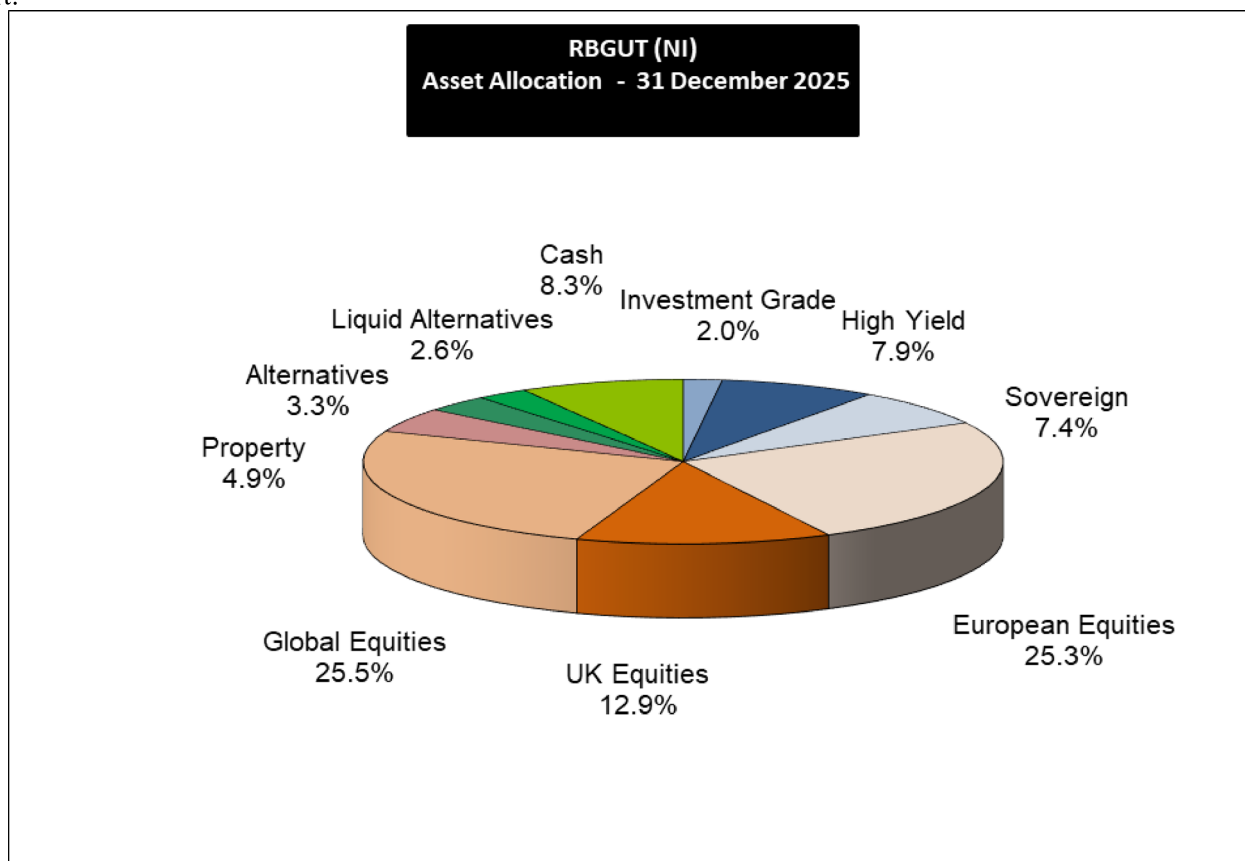
The historic price of a unit is detailed in the below chart.



TRUST ASSET DISTRIBUTION

The market value of the investments, including the value of the capital deposit account was £71.9m.

The investment profile in terms of distribution of the assets (by value) at 31 December 2025 is displayed in the following chart:



INCOME DISTRIBUTION TO UNIT HOLDERS

The June distribution was unchanged at 7.3 pence with the December distribution increasing to 6.2 pence (from 5.5 pence per unit in 2024), resulting in a total distribution for the year of 13.5 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 stable and sustainable distribution going forward.

Based on the value of a unit at 31 December 2025 of £4.72, and a full year distribution of 13.5 pence, the distribution yield was 2.86%. (The comparative figures for 31 December 2024 showed a yield of 2.95% based on a unit value then of £4.33 and a full year distribution of 12.8 pence). During the year there was a transfer of £0.48m to the Dividend Equalisation Reserve resulting in a DER of £2.68m or 3.6% of the net asset value of the fund.

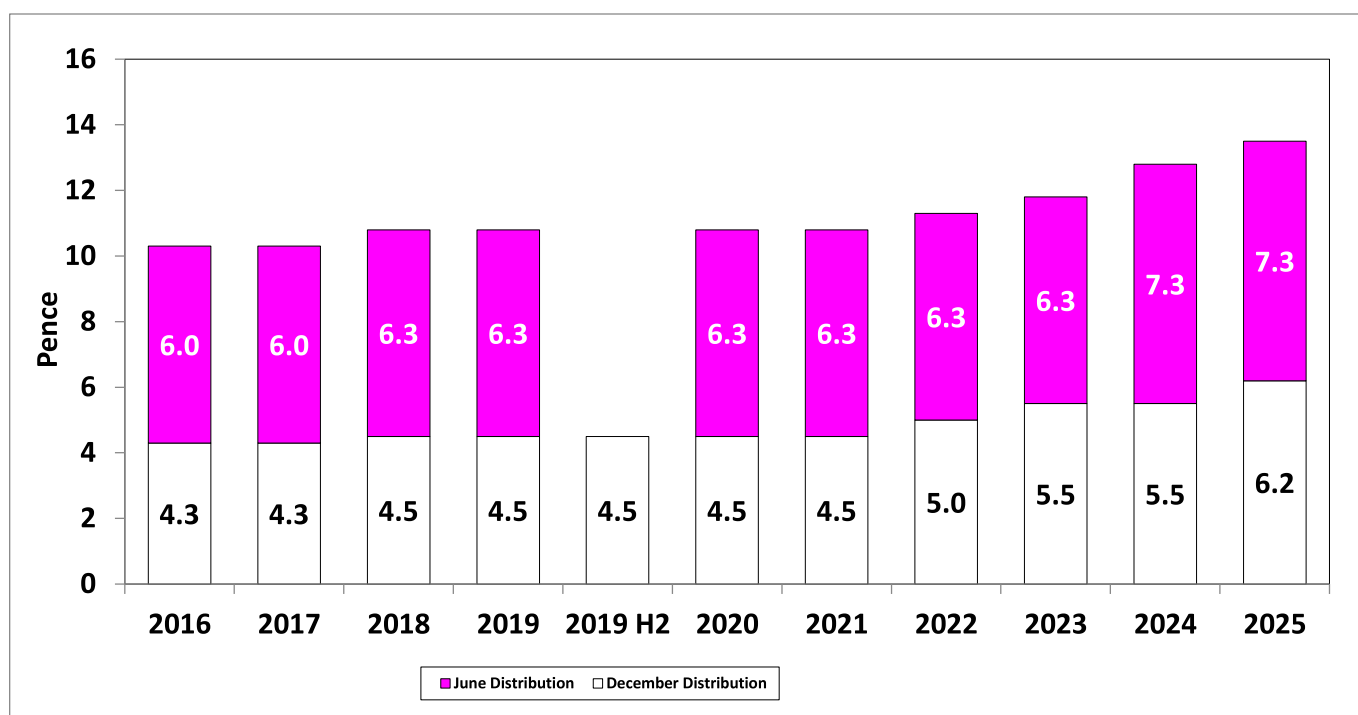
There were net outputs of £0.43m to the Fund for the year to 31 December 2025, reflecting new cash of £0.22m from unitholders less redemptions of £0.65m.

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. A copy of the ESG investment policy can be found on our website [here](#).

Income Distributions (2016 – 2025) - Financial Year-End 31 December 2025

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



OUTLOOK

The US is expected to see continued economic growth in 2026, with real GDP forecasted at 2.5%. Inflation is predicted to fall to 2.1% by the end of 2026 and the expectation is that tariff downside will give way to the boost from tax cuts. Analysts anticipate continued stock market gains, with corporate earnings looking reasonably stable.

The impact of Trumps One Big Beautiful Bill Act should be seen in the early months of 2026 while continued AI capital expenditure shows no signs of slowing. Concerns around the consumer have yet to see major impact on growth but there are risks from AI related layoffs and on-going geopolitical uncertainty causing consumers to pull back on spending.

A broader market participation across sectors which began in late Q4 in the US is expected to continue, stronger European performance may see more rotation away from US holdings. Diversification across and within asset classes remains important although such an approach can prove challenging in a market where so much of the growth is confined to a small number of stocks and sectors.

The UK economy is expected to grow by an estimated 1.4% in 2026 despite a higher unemployment rate. The IMF expects the UK to see the third highest level of growth amongst the G7 nations. That said, the UK faces

challenges in the form of global uncertainty, fiscal positioning and tariff disruption which could prove to be significant headwinds.

Ability to manage portfolios to position them to both capture the upside while avoiding the concentration risk associated with market returns remains a challenge. The Investment Committee remains confident that its appointed Fund Managers have the flexibility and expertise to navigate market volatility and seek out opportunities in the year ahead.

In-house Investment team
The Representative Church Body
February 2026