

Financial Statements and Report of  
Independent Certified Public Accountants

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**

June 30, 2021

With attachment of financial statements  
of RCAB Collective Investment Partnership

# COMMON INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON

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Financial Statements of RCAB Collective Investment Partnership	

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Trustees of  
Common Investment Fund, Roman Catholic Archbishop of Boston

We have audited the accompanying financial statements of Common Investment Fund, Roman Catholic Archbishop of Boston, which comprise the statement of net assets as of June 30, 2021, and the related statement of operations and changes in net assets for the year then ended, the financial highlights for each of the five years then ended, and the related notes to the financial statements.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Common Investment Fund, Roman Catholic Archbishop of Boston as of June 30, 2021, and the results of its operations and its changes in net assets for the year then ended, and its financial highlights for each of the five years then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Boston, Massachusetts  
October 18, 2021

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Financial Highlights**  
**(For a unit outstanding throughout the year)**  
**For the five years ended June 30, 2021**

	Year Ended June 30				
	2021 <sup>(1)</sup>	2020 <sup>(1)</sup>	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>	2017 <sup>(1)</sup>
Net asset value per unit - beginning of year	\$ 4.230	\$ 4.321	\$ 4.359	\$ 4.201	\$ 3.846
Investment operations					
Net investment income <sup>(2)</sup>	0.004	0.051	0.055	0.033	0.013
Net gain on investments	<u>1.320</u>	<u>0.025</u>	<u>0.076</u>	<u>0.299</u>	<u>0.501</u>
Net increase from investment operations	1.324	0.076	0.131	0.332	0.514
Distributions from net investment income and capital gains	<u>(0.185)</u>	<u>(0.167)</u>	<u>(0.169)</u>	<u>(0.174)</u>	<u>(0.159)</u>
Net asset value per unit - end of year	<u>\$ 5.369</u>	<u>\$ 4.230</u>	<u>\$ 4.321</u>	<u>\$ 4.359</u>	<u>\$ 4.201</u>
Total return <sup>(3)(5)</sup>	<u>31.02 %</u>	<u>1.75 %</u>	<u>3.01 %</u>	<u>7.90 %</u>	<u>13.36 %</u>
Ratios/Supplemental Data					
Net assets at end of year (in thousands)	\$ 413,095	\$ 307,177	\$ 298,553	\$ 292,977	\$ 285,164
Ratio of expenses to average net assets <sup>(4)(6)</sup>	<u>0.08 %</u>	<u>0.07 %</u>	<u>0.07 %</u>	<u>0.06 %</u>	<u>0.08 %</u>
Ratio of net investment income to average net assets <sup>(4)(6)</sup>	<u>0.08 %</u>	<u>1.19 %</u>	<u>1.29 %</u>	<u>0.74 %</u>	<u>0.33 %</u>
Ratio of net gain on investments to average net assets <sup>(6)</sup>	<u>26.81 %</u>	<u>0.54 %</u>	<u>1.83 %</u>	<u>6.81 %</u>	<u>12.30 %</u>

- (1) The per unit amounts and ratios which are shown reflect income and expenses, including the Fund's proportionate share of the RCAB Collective Investment Partnership's income and expenses.
- (2) Net investment income per unit has been calculated using average units outstanding during the period.
- (3) Total return represents the percentage increase or decrease of net asset value per unit at the end of the year over the net asset value per unit at the beginning of the year excluding distributions from net investment income and capital gains.
- (4) Expenses do not include investment advisory and custodial fees incurred directly by the RCAB Collective Investment Partnership.
- (5) An individual member's return and ratios may vary based on the timing of capital transactions.
- (6) Average net assets were derived from the quarterly net assets of the Fund.

*The accompanying notes are an integral part of these financial statements.*

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Statement of Net Assets**  
**June 30, 2021**

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**ASSETS**

Investment in RCAB Collective Investment	
Partnership (“CIP”) at fair value (cost of \$137,858,614)	\$ 414,396,714
Cash and cash equivalents	<u>4,830,639</u>
 Total assets	 <u>419,227,353</u>

**LIABILITIES**

Dividend distribution payable to members	3,888,288
Subscriptions received in advance	1,319,302
Redemptions payable	<u>924,601</u>
 Total liabilities	 <u>6,132,191</u>
 Net assets	 <u>\$ 413,095,162</u>
 Units outstanding at end of year	 <u>76,945,208</u>
 Net asset value per unit	 <u>\$ 5.369</u>

*The accompanying notes are an integral part of these financial statements.*

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Statement of Operations**  
**Year ended June 30, 2021**

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INVESTMENT INCOME

Net investment income allocated from RCAB Collective

Investment Partnership	\$ 567,257
Interest	<u>5,606</u>

Total investment income	<u>572,863</u>
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EXPENSES

Related party service fees	201,660
Professional fees	<u>73,004</u>

Total expenses	<u>274,664</u>
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Net investment income	<u>298,199</u>
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NET REALIZED GAIN AND CHANGE IN UNREALIZED  
APPRECIATION ON INVESTMENTS IN RCAB COLLECTIVE  
INVESTMENT PARTNERSHIP ("CIP")

Net realized gain allocated from CIP	56,377,606
Net change in unrealized appreciation on investments allocated from CIP	<u>41,684,588</u>

Net gain on investments	<u>98,062,194</u>
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Net increase in net assets resulting from operations	<u>\$ 98,360,393</u>
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*The accompanying notes are an integral part of these financial statements.*

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Statement of Changes in Net Assets**  
**Year ended June 30, 2021**

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OPERATIONS

Net investment income	\$ 298,199
Net realized gain on investments	56,377,606
Net change in unrealized appreciation on investments	<u>41,684,588</u>

Net increase in net assets from net assets resulting from operations 98,360,393

CAPITAL TRANSACTIONS

Distributions

From net investment income	(298,199)
From accumulated capital gains	<u>(13,617,973)</u>

Total dividend distributions (13,916,172)

Unit transactions

Proceeds from unit subscriptions	33,347,457
Outflows from unit redemptions	<u>(11,873,288)</u>

Net increase from unit transactions 21,474,169

Net increase in net assets resulting from capital transactions 7,557,997

Net increase in net assets 105,918,390

Net assets at beginning of year 307,176,772

Net assets at end of year \$ 413,095,162

*The accompanying notes are an integral part of these financial statements.*

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Notes to Financial Statements**  
**June 30, 2021**

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**1. ORGANIZATION AND INVESTMENT OBJECTIVE**

The Common Investment Fund, Roman Catholic Archbishop of Boston (the “Fund”), is a Massachusetts trust established in 1970 to act and serve as an investment pool for corporations, organizations, associations, trusts or other legal entities which are under the direction and control of, or related to, the Roman Catholic Archbishop of Boston, A Corporation Sole (the “Corporation Sole”) and related organizations who are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

The Fund invests substantially all of its assets in RCAB Collective Investment Partnership (the “Partnership”), and reflects its proportionate interest in the net assets of the Partnership (73%) at June 30, 2021. The Partnership Agreement remains in effect until July 1, 2044 but will be dissolved if there is only one remaining partner, or there is an election to dissolve the Partnership made by the majority of interest of the partners.

The Fund seeks to achieve its investment objective of maximizing long-term return by investing substantially all of its net investable assets through a master-feeder structure, in the Partnership, which has the same investment objective and policies as the Fund. The performance of the Fund is directly affected by the performance of the Partnership. The financial statements of the Partnership, including the summary schedule of investments, are included elsewhere in this report and should be read in conjunction with the Fund’s financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Fund is a private investment vehicle that follows the Investment Company accounting and reporting guidance from the Financial Accounting Standards Board which is part of U.S. GAAP. The significant accounting policies followed by the Fund are described below:

**Cash and Cash Equivalents**

Cash and cash equivalents held by the Fund represent cash and money market funds held directly by the Fund in accounts at banks or other financial institutions. The Fund deposits its cash in major financial institutions. Deposits in transaction accounts are 100% insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. At times, funds deposited in banks are in excess of FDIC insured limits. The Fund reviews and monitors the strength of the financial institutions and, as such, has not experienced any losses as a result of the use of uninsured deposit accounts.

**Investment in Collective Investment Partnership**

The Fund records its investment in the Partnership at the net asset value (“NAV”) per unit on the valuation date. The Fund presents monthly its proportionate share of Partnership income, expenses, and realized and unrealized gains and losses. Investment securities held by the Partnership are recorded at fair value as indicated in the notes to its financial statements.

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Notes to Financial Statements**  
**June 30, 2021**

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The investment valuation policy of the Fund is to value investments at fair value, which is generally determined as the amount that could reasonably be expected to be realized from an orderly disposition of securities and other financial instruments over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the valuation in a current sale and may not reflect an actual market price.

**Subscriptions Received in Advance**

The Fund is able to invest in the Partnership on the first business day of a calendar month. When funds for investment are received from members in advance of that day, the amounts received are remitted to the Partnership and reported as funds advanced to RCAB Collective Investment Partnership.

**Realized Gains and Losses**

Realized gains and losses result from sales of Partnership units and from the Fund's recognition of its pro rata share of the Partnership's allocation of realized gains and losses.

**Distributions to Members**

It is the Fund's policy to distribute to its members, on a quarterly basis, one percent of the net assets of the Fund as of the end of the first business day of the quarter.

**Subscriptions and Redemptions**

As a normal practice on the opening of business on the first day of each calendar month, units in the Fund may be purchased or redeemed at the NAV at the close of business on the immediately preceding business day. Redemptions are recognized as liabilities when each of the dollar amounts requested in the redemptions notice becomes fixed, which generally occurs on the last day of the fiscal period. As a result, redemptions paid after the end of the year, but based upon the year-end NAV, are reflected as redemptions payable. Redemption notices received for which the dollar amounts are not fixed or determinable remain in capital until the NAV used to determine the redemption amounts is determined.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP on an accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense in net assets from operations during the reporting period. Actual results could differ from those estimates.

**3. FEES AND RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2021, the Fund incurred service fees from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$201,660. These service fees relate to the allocable share of administrative, accounting, technology and clerical services performed on behalf of the Fund.

**COMMON INVESTMENT FUND,  
ROMAN CATHOLIC ARCHBISHOP OF BOSTON**  
**Notes to Financial Statements**  
**June 30, 2021**

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**4. TAXES**

For tax purposes, the Fund has elected to be treated as a pass-through entity. The income or loss from the Fund is allocated to the members. The Fund recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Fund's management has reviewed the tax positions for open periods as applicable to the members, and has determined that no provision for income tax is required in the Fund's financial statements.

**5. MEMBERS' UNITS**

The Fund's Trust Agreement authorizes the issuance of an unlimited number of units. Transactions in units of the Fund were as follows for the year ended June 30, 2021:

<b>Units at beginning of year</b>	72,618,953
Units issued/subscribed	6,697,940
Units redeemed	<u>(2,371,685)</u>
<b>Units at end of year</b>	<b><u>76,945,208</u></b>

The NAV per unit calculated at the close of the last business day of each month is used as the per unit price for any member investment activity (subscriptions, dividend reinvestments and redemptions). Subscriptions and redemption requests made by members prior to July 1, 2021 to be invested/withdrawn on July 1, 2021 are reflected as subscriptions received in advance and redemptions payable in the accompanying statement of net assets.

**6. COVID-19 PANDEMIC**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. COVID-19 has not adversely impacted the Fund's financial statements. Management continues to monitor the events in an attempt to minimize any potential impact to the Fund's operations.

**7. SUBSEQUENT EVENTS**

In connection with the preparation of these financial statements, the Fund has evaluated events and transactions through October 18, 2021, which is the date the financial statements were available for issuance.

Subsequent to June 30, 2021, the Fund processed \$5,828,324 in subscriptions and redemptions of \$4,350,070 for members of the Fund.

Financial Statements and Report of  
Independent Certified Public Accountants

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**

June 30, 2021

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Trustees of  
RCAB Collective Investment Partnership

We have audited the accompanying financial statements of RCAB Collective Investment Partnership, which comprise the statement of net assets, including the condensed schedule of investments as of June 30, 2021, and the related statement of operations and changes in net assets for the year then ended, the financial highlights for each of the five years then ended, and the related notes to the financial statements.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RCAB Collective Investment Partnership as of June 30, 2021, and the results of its operations and its changes in net assets for the year then ended, and its financial highlights for each of the five years then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Boston, Massachusetts  
October 18, 2021

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Financial Highlights**  
(For a unit outstanding throughout the year)  
For the five years ended June 30, 2021

	Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net asset value per unit - beginning of year	\$ 3.692	\$ 3.625	\$ 3.509	\$ 3.249	\$ 2.858
Investment operations:					
Net investment income <sup>(1)</sup>	0.007	0.043	0.049	0.027	0.012
Net gain on investments	<u>1.179</u>	<u>0.024</u>	<u>0.067</u>	<u>0.233</u>	<u>0.379</u>
Net increase from investment operations	<u>1.186</u>	<u>0.067</u>	<u>0.116</u>	<u>0.260</u>	<u>0.391</u>
Net asset value per unit - end of year	<u>\$ 4.878</u>	<u>\$ 3.692</u>	<u>\$ 3.625</u>	<u>\$ 3.509</u>	<u>\$ 3.249</u>
Total return <sup>(2)(3)</sup>	<u>32.10 %</u>	<u>1.87 %</u>	<u>3.30 %</u>	<u>8.00 %</u>	<u>13.68 %</u>
Ratios/Supplemental Data: <sup>(3)</sup>					
Net assets at end of year (in thousands)	<u>\$ 568,014</u>	<u>\$ 471,450</u>	<u>\$ 482,654</u>	<u>\$ 495,646</u>	<u>\$ 497,364</u>
Ratio of expenses to average net assets <sup>(3)(4)</sup>	<u>0.63 %</u>	<u>0.64 %</u>	<u>0.62 %</u>	<u>0.59 %</u>	<u>0.56 %</u>
Ratio of net investment income to average net assets <sup>(3)(4)</sup>	<u>0.16 %</u>	<u>1.21 %</u>	<u>1.39 %</u>	<u>0.78 %</u>	<u>0.41 %</u>
Ratio of net gain on investments to average net assets <sup>(3)(4)</sup>	<u>27.11 %</u>	<u>0.44 %</u>	<u>1.68 %</u>	<u>6.93 %</u>	<u>12.32 %</u>

- (1) Net investment income per unit has been calculated using quarter-end average units outstanding during the period.  
(2) Total return represents the percentage increase or decrease of net asset value per unit at the end of the year over net asset value per unit at the beginning of the year.  
(3) An individual partner's return and ratios may vary based on the timing of capital transactions.  
(4) Average net assets were derived from the quarterly net assets of the Partnership.

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Statement of Net Assets**  
**June 30, 2021**

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**ASSETS**

Investments in securities, at fair value (cost of \$449,727,744)	\$ 563,739,925
Cash and cash equivalents	5,749,808
Receivable for securities sold	864,383
Dividends, interest and other receivables	<u>688,409</u>
Total assets	<u>571,042,525</u>

**LIABILITIES**

Payable for securities purchased	2,613,184
Accrued expenses	<u>414,918</u>
Total liabilities	<u>3,028,102</u>

Net assets	<u>\$ 568,014,423</u>
Units outstanding at end of year	<u>116,448,422</u>
Net asset value per unit	<u>\$ 4.878</u>

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Condensed Schedule of Investments**  
**June 30, 2021**

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	<u>Fair Value</u>
<b>Common Stock (35.50%)</b>	
<b>United States (32.19%)</b>	
Consumer - Discretionary	\$ 25,690,465
Consumer - Staples	2,931,643
Energy	1,943,048
Financial	21,342,219
Healthcare	22,642,809
Industrial	20,575,778
Information Technology*	47,412,842
Materials	6,662,799
Real Estate Investment Trust	1,836,015
Telecommunication Services*	30,889,243
Utilities	<u>922,905</u>
Total United States (cost of \$127,062,012)	182,849,766
<b>The Cayman Islands (1.28%)</b>	
Consumer - Discretionary	3,310,988
Information Technology	452,283
Telecommunication Services	<u>3,482,625</u>
Total Cayman Islands (cost of \$2,734,820)	7,245,896
<b>Other (2.04%)**</b>	
Industrial	2,645,579
Materials	476,494
Energy	209,829
Healthcare	1,982,481
Information Technology	1,639,207
Financial	<u>4,602,034</u>
Total Other (cost of \$9,770,120)	11,555,624
<b>Total Common Stock (cost of \$139,566,955)</b>	<u>\$ 201,651,286</u>

\* No individual investment greater than 5% of net assets.

\*\* Other countries include Netherlands, Mexico, Marshall Islands, Jersey, Ireland, Brazil, and Bermuda

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Condensed Schedule of Investments - continued**  
**June 30, 2021**

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	<u>Rate/ Maturity</u>	<u>Fair Value</u>
<b>Fixed income securities (22.57%)</b>		
<b>U.S. Government (7.31%)</b>		
United States Treasury Bonds	various	\$ 17,414,278
United States Treasury Notes	various	24,082,416
		<u>41,496,694</u>
<b>U.S. Government agencies     mortgage backed (1.88%)</b>	various	10,655,761
<b>Asset-backed securities (1.78%)</b>	various	10,127,023
<b>Collateralized mortgage obligations (3.23%)</b>	various	18,369,557
<b>Corporate bonds (7.37%)</b>		
Electric/Gas	various	3,755,417
Finance	various	15,978,971
Industrial	various	20,144,440
Telephone	various	1,692,460
Other	various	309,402
		<u>41,880,690</u>
<b>Financial bonds (0.09%)</b>	various	534,538
<b>Yankee bonds (0.89%)</b>		5,026,173
<b>Agency bonds (0.02%)</b>	various	<u>128,278</u>
<b>Total fixed income securities (cost of \$125,959,103)</b>		<u>\$ 128,218,714</u>

\* No individual investment greater than 5% of net assets.

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Condensed Schedule of Investments - continued**  
**June 30, 2021**

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	<u>Shares Owned</u>	<u>Fair Value</u>
<b>Private investments (27.20%)</b>		
Davidson Kempner Institutional Partners, L.P.	24,000,000	\$ 29,680,416
GQG Partners Emerging Markets Equity Fund	27,000,000	37,796,274
The Highclere International Investors Fund	745,570	30,027,654
Aggregate other private investments*		<u>56,970,575</u>
<b>Total private investments (cost of \$120,834,046)</b>		154,474,919
<b>Mutual funds (13.98%)</b>		
<b>United States</b>		
Artisan International Small-Mid Fund - Institutional Shares	1,595,869	34,726,112
Aggregate other mutual funds*		<u>44,668,894</u>
<b>Total mutual funds (cost of \$63,367,640)</b>		79,395,006
<b>Total investments in securities (cost of \$449,727,744)</b>		<u>\$ 563,739,925</u>

\*No individual investment greater than 5% of net assets.

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Statement of Operations**  
**For the year ended June 30, 2021**

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INVESTMENT INCOME

Interest	\$ 2,699,184
Dividends (net of foreign withholding taxes of \$13,889)	1,444,535
Other revenues	<u>110,232</u>
Total investment income	<u>4,253,951</u>

EXPENSES

Investment advisory fees	2,585,248
Custodial and recordkeeping fees	162,183
Related party service fees	564,629
Professional fees	<u>88,619</u>
Total expenses	<u>3,400,679</u>
Net investment income	<u>853,272</u>

NET REALIZED GAIN AND CHANGE IN UNREALIZED  
APPRECIATION ON INVESTMENTS

Net realized gain on investments	84,935,515
Net change in unrealized appreciation on investments	<u>62,246,534</u>
Net gain on investments	<u>147,182,049</u>
Net increase in net assets resulting from operations	<u>\$ 148,035,321</u>

*The accompanying notes are an integral part of these financial statements.*

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Statement of Changes in Net Assets**  
**Year ended June 30, 2021**

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OPERATIONS

Net investment income	\$ 853,272
Net realized gain on investments	84,935,515
Net change in unrealized appreciation on investments	<u>62,246,534</u>

Net increase in net assets resulting from operations 148,035,321

UNIT TRANSACTIONS

Proceeds from unit subscriptions	11,129,189
Outflows from unit redemptions	<u>(62,600,000)</u>

Net decrease in net assets resulting from unit transactions (51,470,811)

Net increase in net assets 96,564,510

Net assets at beginning of year 471,449,913

Net assets at end of year \$ 568,014,423

*The accompanying notes are an integral part of these financial statements.*

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## Notes to Financial Statements

June 30, 2021

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### 1. ORGANIZATION AND INVESTMENT OBJECTIVE

The RCAB Collective Investment Partnership (the “Partnership”) was established on September 19, 1995 and serves as an investment pool for the Common Investment Fund, Roman Catholic Archbishop of Boston; the Clergy Health Retirement and Trust; and the Pension Plan and Trust of the Roman Catholic Archdiocese of Boston. The Partnership was formed pursuant to the Uniform Partnership Act as set forth in Chapter 108A of the General Laws of the Commonwealth of Massachusetts.

The investment objective of the Partnership is to maximize long-term total return, primarily by investing in equity securities, investment grade debt and fixed income securities. State Street Corporation (“State Street”) is the primary custodian of the Partnership’s assets and record keeper of all related activities. The Partnership utilizes a multi-manager approach toward investing and engages separately incorporated investment managers (“the Investment Managers”) to execute the investment direction of the Partnership.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Partnership is a private investment vehicle that follows the Investment Company accounting and reporting guidance from the Financial Accounting Standards Board which is part of U.S. GAAP. The significant accounting policies followed by the Partnership are described below:

#### Cash and Cash Equivalents

Cash and cash equivalents held by the Partnership include money market funds held directly by the Partnership in accounts at banks and other financial institutions. Mutual funds that are under the control of the Investment Managers are presented within investments in securities, at fair value, on the statement of net assets and are included in the summary schedule of investments.

The Partnership deposits its cash in major financial institutions. Deposits in transaction accounts are 100% insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. At times, funds deposited in banks are in excess of FDIC insured limits. The Partnership reviews and monitors the strength of the financial institutions and, as such, has not experienced any losses as a result of the use of uninsured deposit accounts. Cash equivalents includes custody sweep funds held in U.S. government money market funds that seek to maximize current income and maintain a stable per share net asset value (“NAV”).

#### Security Valuation

The investment valuation policy of the Partnership is to value investments at fair value, which is generally determined as the amount that could reasonably be expected to realize from an orderly disposition of securities and other financial instruments over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the valuation in a current sale and may not reflect an actual market price.

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## Notes to Financial Statements

### June 30, 2021

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Portfolio securities listed on a securities exchange for which market quotations are readily available (including registered investment companies that are exchange traded) are valued at the last sale price or official closing price on each business day, or if there is no such reported sale or official closing price, at the most recent quoted bid price. If no sales are reported for that day, investments are valued at the last reported bid price, or at fair value as determined in good faith by the Partnership. Securities which are primarily traded on foreign exchanges are generally valued at the preceding closing values of such securities on their respective exchanges, and those values are then translated into U.S. dollars at the current exchange rate. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates fair value. Securities for which quotations are not readily available are valued at estimated fair value as determined in good faith by the Partnership or other persons acting at their direction. Investments in registered investment companies (other than those that are exchange traded), if any, are valued at their respective NAV.

Certain fixed income securities are valued at the closing bid for such securities as supplied by a primary pricing source chosen by the Partnership. The Partnership evaluates such primary pricing sources on an ongoing basis, and may change a pricing source should it deem it appropriate.

In the event current market prices or quotations are deemed not readily available or reliable by the Partnership, such as the occurrence of a significant event, the fair value will be determined in good faith by the Investment Manager using alternative fair valuation methods. Fair value may be determined using an independent fair value service under valuation procedures approved by the Partnership. The independent fair value service may take into account multiple factors including, but not limited to, movements in the U.S. securities markets, certain depositary receipts, futures contracts and foreign currency exchange rates that have occurred subsequent to the close of foreign securities exchanges. A “significant event” is an event that the Partnership believes, with reasonably high degree of certainty, has caused the closing market prices of the Partnership’s portfolio securities to no longer reflect their value at the time of the Partnership’s NAV calculation.

The Partnership measures the fair value of investments in certain entities that do not have a quoted market price but calculate NAV per share or its equivalent. In accordance with such guidance, the Partnership has the ability to measure the fair value of an investment in an investee based on the investee’s NAV per share or its equivalent.

#### **Asset-Backed Securities**

Asset-backed securities are primarily collateralized by automobile loans, credit card loans and other asset-backed securities.

#### **Collateralized Mortgage Obligations**

The Partnership’s portfolio includes collateralized mortgage obligations (“CMOs”), which are debt obligations collateralized by a pool of mortgages or mortgage-backed securities. CMOs separate the cash flows from the pool into “pieces” or “tranches” with various maturities. CMOs are structured such that the cash flow received from the underlying pool can be allocated, on a prioritized basis, among the classes of bonds comprising the CMO. The Partnership is subject to the risk of prepayment on CMO securities.

#### **Yankee Bonds**

The Partnership’s portfolio includes Yankee bonds, which are bonds denominated in U.S. dollars that are publicly issued in the U.S. by foreign banks and corporations.

# **RCAB COLLECTIVE INVESTMENT PARTNERSHIP**

## **Notes to Financial Statements**

### **June 30, 2021**

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#### **Private Investments**

The Partnership's assets included investments in several private investments. Private investments consist of investments in privately-held limited partnerships that typically offer subscription and redemption options to investors (see Note 6). The frequency of such subscriptions or redemptions is dictated by the governing documents of the private investment. The amount of liquidity provided to investors in a particular private investment is generally consistent with the liquidity risk associated with the private investments. Most of the private investments share limited liquidity and only permit monthly, quarterly or semiannual redemptions. The Partnership's investment in private investments exposes the Partnership to varying degrees of credit, market and currency risk. In addition, the Partnership may be subject to additional counterparty risk should counterparties of the private investments fail to meet the terms of their contracts.

#### **Mutual Funds**

Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

#### **Money Market Funds**

Money market funds are short-term investments with a remaining maturity of 90 days or less at the time of purchase, and are not credit impaired are stated at amortized cost, which approximates fair value.

#### **Securities Transactions and Investment Income**

Securities transactions are recorded on a trade-date basis. Receivable for securities sold is comprised of a receivable from brokers on unsettled trades amounting to \$864,383. Payable for securities purchased is comprised of payables to brokers on unsettled trades amounting to \$2,613,184. Realized gains and losses from securities are calculated using an average-cost basis. Interest is recorded on the accrual basis net of applicable withholding taxes, and dividends are recorded on the ex-dividend date net of applicable withholding taxes. The cost of bonds is adjusted for the amortization of premiums and accretion of discounts.

#### **Foreign Currency Translation**

The accounting records of the Partnership are maintained in U.S. dollars. Securities denominated in a foreign currency are translated into U.S. dollars at the prevailing rates of exchange at each period end. Purchases and sales of securities, income receipts and expense payments are priced in U.S. dollars at the prevailing exchange rate on the respective dates of the transactions. The impact of foreign currency translation is included in the computation of realized and unrealized gains and losses on the statement of operations.

#### **Subscriptions and Redemptions**

As a normal practice on the opening of business on the first day of a calendar month, units in the Partnership may be purchased or redeemed at the net asset value at the close of business on the immediately preceding business day. Redemptions are recognized as liabilities when each of the dollar amounts requested in the redemption notice becomes fixed, which generally occurs on the last day of the fiscal period. As a result, redemptions paid after the end of the year, but based upon the year-end net asset values, are reflected as redemptions payable. Redemption notices received for which the dollar amounts are not fixed or determinable remain in capital until the net asset value used to determine the withdrawal amounts is determined. Subscriptions received prior to the last day of the fiscal period are recorded as liabilities on the statement of net assets.

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## Notes to Financial Statements

June 30, 2021

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### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP on an accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense in net assets from operations during the reporting period. Significant estimates include the valuation of investments. Actual results could differ from those estimates.

### 3. TAXES

For tax purposes, the Partnership has elected to be treated as a pass-through entity. The income or loss from the Partnership is allocated to the partners. The Partnership follows accounting guidance which requires recognition of the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Partnership's management has reviewed the tax positions for open periods as applicable to the partners, and determined that no provision for income tax is required in the Partnership's financial statements.

### 4. FEES AND RELATED PARTY TRANSACTIONS

The investment advisory fees are based upon the market value of the Partnership's investments following a fee schedule agreed upon with individual Investment Managers, who are unrelated to the Partnership. The custodial fees are based upon the fair market value of the Partnership's assets in custody, the number of transactions and a base fee. During the year ended June 30, 2021, the Partnership utilized 24 separate Investment Managers, with fees paid to Investment Managers ranging from 0.01% to 1.75%.

During the year ended June 30, 2021, the Partnership incurred a service fee from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$564,629. These service fees relate to the allocable share of administrative, accounting, technology and clerical services performed on behalf of the Partnership.

### 5. PARTNERSHIP UNITS

The Partnership Agreement authorizes the issuance of an unlimited number of units. Transactions in units of the Partnership were as follows for the year ended June 30, 2021:

<b>Units at beginning of year</b>	127,681,159
Units issued/subscribed	2,413,061
Units redeemed	<u>(13,645,798)</u>
<b>Units at end of year</b>	<u>116,448,422</u>

The net asset value per unit calculated at the close of the last business day of each month is used as the per unit price for any member investment activity (subscriptions and redemptions).

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## Notes to Financial Statements

June 30, 2021

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### 6. FAIR VALUE MEASUREMENTS

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Partnership discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2 - Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in valuing a portfolio instrument. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3 - Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Partnership's own assumptions about the factors market participants would use in valuing a portfolio instrument, and would be based on the best information available.

Changes in valuation techniques may result in transfers in or out of current assigned level within the hierarchy. The Partnership recognizes transfers between fair value hierarchy levels at the approximate date or change in circumstances that causes the transfer. There were no transfers between the levels within the fair value hierarchy during the year. The following is a description of the valuation techniques and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

#### **Equity Securities and Mutual Funds**

Investments in equity securities and mutual funds valued at quoted prices in an active market are classified within Level 1 of the fair value hierarchy.

#### **Corporate Debt and U.S. Government Securities**

When quoted prices are available in an active market, corporate debt and U.S. government securities are classified within Level 1 of the fair value hierarchy. Quoted prices in inactive markets are classified within Level 2. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing, or discounted cash flow models. The fair values of corporate debt and U.S. government securities are estimated using pricing models or matrix pricing based on observable prices of corporate debt securities that trade in inactive markets and they are generally classified within Level 2 of the fair value hierarchy.

#### **Asset-backed Securities and Collateralized Mortgage Obligations**

Asset-backed securities and collateralized mortgage obligations fair values are estimated using an evaluated bid process from multiple independent sources and are classified within Level 2 of the fair value hierarchy.

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Private Investments**

Private investments consist of investments in various privately-held investment funds and common collective trust funds. These investments are aggregated into equity, high-yield, emerging markets, domestic fixed income, and commingled and hedge funds based on their underlying investments. The fair value of such investments is determined using the NAV per share as a practical expedient.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Partnership believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date, and that difference may be material to the financial statements.

The following table summarizes the Partnership's assets and liabilities measured at fair value on a recurring basis within the fair value hierarchy levels as of June 30, 2021:

	<u>June 30, 2021</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Assets			
Investments in securities			
Common stock	\$ 201,651,286	\$ 201,651,286	\$ -
Fixed income	128,218,714	-	128,218,714
Mutual funds	<u>79,395,006</u>	<u>79,395,006</u>	<u>-</u>
Total assets measured at fair value	409,265,006	<u>\$ 281,046,292</u>	<u>\$ 128,218,714</u>
Private investments measured at net asset value	<u>154,474,919</u>		
Total assets	<u>\$ 563,739,925</u>		

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

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The table below presents additional information for the Partnership’s private investments. At June 30, 2021 there was an unfunded commitment of \$5,741,292 associated with a private investment under investment fund. These disclosures are required for all investments that are eligible to be valued using the practical expedient, regardless of whether the practical expedient has been applied.

<u>Fund Type</u>	<u>Fair Value</u>	<u>Redemption Terms</u>	<u>Lockup</u>
International equity	\$ 87,396,855	Weekly, 10 days; Weekly, 3 days; Monthly, 10 days	None
Event driven	41,165,745	Quarterly, 65 days notice	None
Screened Index	20,954,544	Daily	None
Distressed Opportunities	<u>4,957,775</u>	\$10M commitment; no redemptions allowed	NA
Total private investments	<u>\$ 154,474,919</u>		

**International Equity**

This class includes three private investments that invest in small and mid-capitalization equity securities listed in markets outside of North America. The investment objective of these funds is to earn absolute returns over the long term. The investment is subject to risks that the entity’s investment exposure may potentially increase any adverse impact of movements in the international equity markets.

**Event Driven**

This class includes two private investments that invest in event-driven domestic and international equity and bond markets. The investment objective is to use a multi-strategy investment program to achieve capital appreciation. These investments are subject to general economic and regulatory risk, as well as the possibility that investments may be illiquid and unresponsive to economic change.

**Distressed Opportunities**

This class includes one private investment fund that makes investments in less liquid and/or longer-duration distressed situations and opportunities resulting from capital dislocations. These funds typically have periods of 10 or more years during which committed capital may be drawn. Distributions are received through liquidation of the underlying assets of the funds, which are anticipated to occur over the next 4 to 10 years. These funds invest globally and certain private placement securities may also be held.

**Screened Index**

This class includes one equity index fund that seeks to produce a return, before expenses, as closely as practical to the return of the Standard & Poor’s 500 Index. The investment attempts to achieve its objective by employing a passive investment approach of securities represented in the Standard & Poor’s 500 Index. The Screened Index Fund implements a screen on ethical values of the catholic church and guidelines of the United States Conference of Catholic Bishops.

**RCAB COLLECTIVE INVESTMENT PARTNERSHIP**  
**Notes to Financial Statements**  
**June 30, 2021**

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**7. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Partnership may enter into contracts that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, since inception and commencement of operations, the Partnership has not had any claims or losses pursuant to these contracts, and expects any risk of loss to be remote.

**8. COVID-19 PANDEMIC**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. COVID-19 has not adversely impacted the Partnership's financial statements. Management continues to monitor the events in an attempt to minimize any potential impact to the Partnership's operations.

**9. SUBSEQUENT EVENTS**

In connection with the preparation of these financial statements, the Partnership has evaluated events and transactions through October 18, 2021, which is the date the financial statements were available for issuance.

Subsequent to June 30, 2021, the Partnership processed additional subscriptions of \$50,000 and redemptions of \$4,700,000.