

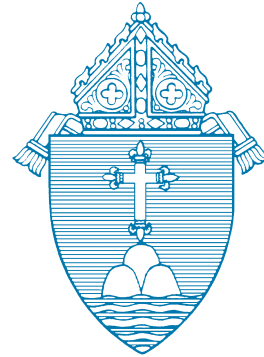
## Investment Advisory Committee Members

Very Rev. Richard M. Erikson  
Deacon Charles I. Clough  
Ms. Maureen E. Cullinane  
Mr. Gerald Curtis  
Ms. Kathleen Hegenbart  
Mr. James J. Mahoney, Jr.  
Mr. James P. McDonough  
Mr. Robert Morrissey  
Mr. Thomas O'Neill  
Mr. Thomas C. Stakem, Jr.

## Investment Management Companies

(for RCAB Collective Investment Partnership)

Alliance Capital Management L.P.  
Boston Partners Asset Management, L.P.  
Franklin Portfolio Associates  
GE Asset Management Incorporated  
Harris Associates L.P.  
Institutional Capital Corp.  
Lazard Asset Management  
Loomis, Sayles & Company, L.P.  
Numeric Investors Limited Partnership  
Standish Mellon Asset Management  
State Street Global Advisors  
Western Asset Management  
Matthews Asian Mutual Fund  
T Rowe Price Mutual Fund



**Roman  
Catholic  
Archbishop  
of Boston**

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# COMMON INVESTMENT FUND

*and RCAB Collective  
Investment Partnership*

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**Audited Financial Statements  
Year ended June 30, 2006**



ARCHDIOCESE OF BOSTON  
2121 COMMONWEALTH AVENUE  
BRIGHTON, MASSACHUSETTS 02135-3193  
(617) 254-0100 FAX (617) 783-4564

OFFICE OF THE CHANCELLOR

September, 2006

Dear Shareholders,

I am pleased to present the fiscal year 2006 financial statements and performance highlights for the Common Investment Fund and the Collective Investment Partnership (Partnership). The Common Investment Fund, with an average total return of 8.45% and The RCAB Collective Investment Partnership with an average total return of 8.50%, improved performance during 2006 in relation to the prior fiscal year.

We continued to maintain the Partnership's international exposure at 12.3% of total net assets at June 30th. The Partnership also invested in additional foreign balance mutual funds during the year, accounting for 3.6% of net assets at year-end. These two categories combined with short sales activities and our more traditional investments simultaneously allow for balanced risk and profits.

The Collective Investment Partnership remains a sound performer for 2006 and consistently reflects Catholic values and teachings. We will endeavor to produce positive performance through this diverse and balanced portfolio during fiscal 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim D.", written over a light blue background.

James P. McDonough  
Chancellor



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

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2006**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying statement of net assets of the Common Investment Fund, Roman Catholic Archbishop of Boston (the "Fund"), as of June 30, 2006, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Common Investment Fund, Roman Catholic Archbishop of Boston, as of June 30, 2006, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Boston, Massachusetts  
September 8, 2006

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

**FINANCIAL HIGHLIGHTS** (For a unit outstanding throughout the year)

	YEARS ENDED JUNE 30				
	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>	2004 <sup>(1)</sup>	2003 <sup>(1)</sup>	2002 <sup>(1)</sup>
Net asset value—beginning of year	\$ 3.542	\$ 3.451	\$ 3.158	\$ 3.165	\$ 3.409
Income (loss) from investment operations:					
Net investment income <sup>(2)</sup>	0.067	0.067	0.053	0.067	0.088
Net realized and unrealized gains (losses) on investments	0.230	0.164	0.372	0.045	(0.200)
Total from investment operations	0.297	0.231	0.425	0.112	(0.112)
Distributions from net investment income and capital gains (losses) <sup>(3)</sup>	(0.146)	(0.140)	(0.132)	(0.119)	(0.132)
Net asset value—end of year	\$ 3.693	\$ 3.542	\$ 3.451	\$ 3.158	\$ 3.165
Average total return <sup>(4)</sup>	8.45%	6.79%	13.60%	3.85%	(3.33%)
Ratios/Supplemental Data:					
Net assets at end of year (in thousands)	\$195,898	\$173,850	\$143,821	\$133,389	\$254,737
Ratio of expenses to average net assets <sup>(5)</sup>	0.06%	0.06%	0.05%	0.05%	0.04%
Ratio of net investment income to average net assets	1.85%	1.97%	1.58%	1.90%	2.68%
Ratio of net realized and unrealized gains (losses) on investments to average net assets	6.23%	4.85%	10.84%	0.85%	(5.97%)

<sup>(1)</sup> 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.

<sup>(2)</sup> Net investment income per unit has been calculated using average units outstanding during the period.

<sup>(3)</sup> Distributions from accumulated capital gains occurred in the years ended June 30, 2006, 2005, 2004, 2003, and 2002.

<sup>(4)</sup> Average 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 assuming reinvestment of the Partnership's income (loss) from investment operations.

<sup>(5)</sup> Expenses do not include investment advisory and custodial fees incurred directly by the RCAB Collective Investment Partnership and which are netted herein with net investment income received from the Partnership.

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

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

**STATEMENT OF NET ASSETS  
JUNE 30, 2006**

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**ASSETS:**

Investments in RCAB Collective Investment Partnership, at fair value (cost of \$135,870,216)	\$195,373,455
Cash	233,842
Short-term investments	2,302,707
<b>TOTAL ASSETS .....</b>	<b><u>197,910,004</u></b>

**LIABILITIES:**

Dividends payable	2,011,988
<b>TOTAL LIABILITIES .....</b>	<b><u>2,011,988</u></b>
<b>NET ASSETS.....</b>	<b><u><u>\$195,898,016</u></u></b>

**UNITS OUTSTANDING AT END OF YEAR** **53,046,177**

**NET ASSET VALUE PER UNIT** **\$ 3.693**

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

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

**STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2006**

**INVESTMENT INCOME:**

Income from RCAB Collective Investment Partnership ("CIP")	\$ 3,568,071
Interest from cash and short-term investments	24,551
<b>TOTAL INVESTMENT INCOME .....</b>	<b>3,592,622</b>

**EXPENSES:**

Administrative and service fees	108,357
<b>NET INVESTMENT INCOME .....</b>	<b>3,484,265</b>

**REALIZED AND UNREALIZED GAIN ON INVESTMENT  
FROM RCAB COLLECTIVE INVESTMENT PARTNERSHIP:**

Net realized gain on sale of investments in CIP shares	613,544
Allocated net realized gain from CIP	11,908,163
Decrease in net unrealized appreciation on investments	(796,038)
<b>NET REALIZED AND UNREALIZED GAIN .....</b>	<b>11,725,669</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....</b>	<b>\$ 15,209,934</b>

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



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

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>YEARS ENDED JUNE 30</b>	
	<u>2006</u>	<u>2005</u>
<b>OPERATIONS:</b>		
Net investment income	\$ 3,484,265	\$ 3,115,429
Net realized gain on investments	12,521,707	7,038,174
Change in net unrealized (depreciation) appreciation on investments	<u>(796,038)</u>	<u>641,854</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....</b>	<u>15,209,934</u>	<u>10,795,457</u>
<b>DISTRIBUTIONS:</b>		
From net investment income	(3,484,265)	(3,115,429)
From capital gains	<u>(4,111,931)</u>	<u>(3,312,150)</u>
<b>TOTAL DISTRIBUTIONS .....</b>	<u>(7,596,196)</u>	<u>(6,427,579)</u>
<b>UNIT TRANSACTIONS:</b>		
Proceeds from units issued	20,417,173	32,502,769
Disbursements for units redeemed	<u>(5,982,838)</u>	<u>(6,841,766)</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM UNIT TRANSACTIONS .....</b>	<u>14,434,335</u>	<u>25,661,003</u>
<b>NET INCREASE IN NET ASSETS .....</b>	<b>22,048,073</b>	<b>30,028,881</b>
Net assets at beginning of year	<u>173,849,943</u>	<u>143,821,062</u>
<b>NET ASSETS AT END OF YEAR .....</b>	<u><b>\$195,898,016</b></u>	<u><b>\$173,849,943</b></u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**1. THE FUND**

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 are organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

The investments of the Fund were combined with the investments of the Pension Plan and Trust of the Roman Catholic Archdiocese of Boston, the Archdiocese of Boston Clergy Retirement/Disability Plan, and the Caritas Christi Retirement Plan, related organizations of the Corporation Sole, on October 1, 1995 under a plan of conversion approved by the Investment Committee of the Corporation Sole. The value of the Fund's investment in the resulting entity, the RCAB Collective Investment Partnership (the Partnership), reflects its proportionate interest in the net assets of the Partnership (25.86% at June 30, 2006).

The Fund seeks to achieve its investment objective by investing all of its net investable assets 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**

The significant accounting policies followed by the Fund are described below:

**Security Valuation**

The Fund records its investment in the Partnership at fair value. Investment securities of the Partnership are valued by the Partnership as indicated in the notes to its financial statements.

**Securities Transactions and Investment Income**

Purchases and sales of Partnership units are recorded on a trade-date basis. Realized gains and losses result from sales of Partnership units and from the Fund recording its pro-rata share of the Partnership's realized gains and losses.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Distribution 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 previous quarter end.

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

**NOTES TO FINANCIAL STATEMENTS — Continued  
JUNE 30, 2006**

**3. FEES AND RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2006 and 2005, the Fund incurred service fees from the Corporation Sole, a related organization, in the amount of \$96,232 and \$85,097 for administrative, technology and clerical services performed on behalf of the Fund.

**4. TAXES**

The Fund is organized as a Massachusetts trust which serves as an investment pool for tax-exempt entities under the direction and control of, or related to, the Corporation Sole. As a grantor trust, all items of income and expense of the trust are reported on the grantor's reports. Accordingly, no provision for income taxes is included in these financial statements.

**5. MEMBERS' UNITS**

The Trust Agreement authorized the issuance of an unlimited number of units. Transactions in units of the Fund were as follows for the years ended June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Units at beginning of year	49,076,661	41,680,751
Units issued	5,621,291	10,326,323
Units redeemed	(1,651,775)	(2,930,413)
Units at end of year	<u>53,046,177</u>	<u>49,076,661</u>

The net asset value per unit calculated at the close of the last business day of each quarter is used as the per unit price for any member investment activity (purchases, dividend reinvestments and redemptions). Investment activity is only permitted to occur on the first business day of a calendar quarter.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee  
RCAB Collective Investment Partnership

We have audited the accompanying statement of net assets of the RCAB Collective Investment Partnership (the "Partnership"), including the summary schedule of investments, as of June 30, 2006, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements, summary schedule of investments and financial highlights referred to above present fairly, in all material respects, the financial position of the RCAB Collective Investment Partnership, as of June 30, 2006, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Boston, Massachusetts  
September 8, 2006

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# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## FINANCIAL HIGHLIGHTS (For a unit outstanding throughout the year)

	YEARS ENDED JUNE 30				
	2006	2005	2004	2003	2002
Net asset value—beginning of year	\$1.686	\$1.577	\$1.386	\$1.334	\$1.379
Income (loss) from investment operations:					
Net investment income <sup>(1)</sup>	0.033	0.032	0.025	0.030	0.036
Net realized and unrealized gains (losses) on investments	0.110	0.077	0.166	0.022	(0.081)
Total from investment operations	0.143	0.109	0.191	0.052	(0.045)
Dividend distributions	0	0	0	0	0
Net asset value—end of year	\$1.829	\$1.686	\$1.577	\$1.386	\$1.334
Average total return <sup>(2)</sup>	8.50%	6.91%	13.76%	3.91%	(3.29%)
Ratios/Supplemental Data:					
Net assets at end of year (in thousands)	\$755,646	\$690,883	\$620,654	\$563,566	\$670,530
Ratio of expenses to average net assets	0.70%	0.68%	0.70%	0.67%	0.64%
Ratio of net investment income to average net assets	1.88%	2.00%	1.63%	2.18%	2.68%
Ratio of net realized and unrealized gains (losses) on investments to average net assets	6.14%	4.75%	10.79%	1.52%	(5.99%)

<sup>(1)</sup>Net investment income per unit has been calculated using average units outstanding during the period.

<sup>(2)</sup>Average 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 assuming reinvestment of the Partnership's income (loss) from investment operations.

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

**RCAB COLLECTIVE INVESTMENT  
PARTNERSHIP**

**STATEMENT OF NET ASSETS  
JUNE 30, 2006**

**ASSETS:**

Investments, at fair value (cost of \$714,136,638)	\$777,830,894
Cash and cash equivalents	3,856,666
Cash and cash equivalents restricted for financial futures contracts and securities sold short	38,080,439
Receivable for securities sold	15,913,222
Dividends and interest receivable	1,973,563
<b>TOTAL ASSETS</b> .....	<b>837,654,784</b>

**LIABILITIES:**

Securities sold short, at fair value (proceeds received \$37,334,824)	37,190,031
Payable for securities purchased	43,804,453
Liability for fair value fluctuations on financial futures contracts	99,200
Other liabilities	915,169
<b>TOTAL LIABILITIES</b> .....	<b>82,008,853</b>

**NET ASSETS** ..... **\$755,645,931**

**NET ASSETS CONSIST OF:**

Paid-in capital	\$447,600,210
Undistributed net investment income	114,518,962
Accumulated net realized gains on investments	158,041,295
Net unrealized appreciation (depreciation) on:	
Investment securities	35,439,871
Financial futures contracts	(99,200)
Short sales of securities	144,793
Net unrealized appreciation on investments:	35,485,464

**NET ASSETS** ..... **\$755,645,931**

**UNITS OUTSTANDING AT END OF YEAR** ..... **413,075,090**

**NET ASSET VALUE PER UNIT** ..... **\$ 1.829**

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

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## STATEMENT OF OPERATIONS YEAR ENDED JUNE 30, 2006

<b>INVESTMENT INCOME:</b>		
Interest		\$ 12,406,798
Dividends		6,404,877
	<b>TOTAL INVESTMENT INCOME</b> .....	<u>18,811,675</u>
<b>EXPENSES:</b>		
Investment advisory and custodial fees		3,915,561
Administrative and service fees		1,172,224
	<b>TOTAL EXPENSES</b> .....	<u>5,087,785</u>
	<b>NET INVESTMENT INCOME</b> .....	<u>13,723,890</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:</b>		
Net realized gain (loss) on:		
Investment securities		49,193,597
Financial futures contracts		410,403
Short sales of securities		(1,345,328)
Forward foreign currency contracts		(122,375)
	<b>NET REALIZED GAIN</b> .....	<u>48,136,297</u>
Changes in net unrealized appreciation:		
Investment securities		(3,267,933)
Financial futures contracts		(99,200)
Short sales of securities		144,793
	<b>CHANGE IN NET UNREALIZED APPRECIATION</b>	<u>(3,222,340)</u>
	<b>NET REALIZED AND UNREALIZED GAIN</b> .....	<u>44,913,957</u>
	<b>NET INCREASE IN NET ASSETS</b>	
	<b>RESULTING FROM OPERATIONS</b> .....	<u>\$ 58,637,847</u>

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

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## STATEMENTS OF CHANGES IN NET ASSETS

	YEARS ENDED JUNE 30	
	2006	2005
<b>OPERATIONS:</b>		
Net investment income	\$ 13,723,890	\$ 13,248,522
Net realized gain on investments	48,136,297	29,356,161
Change in net unrealized (depreciation) appreciation on investments	(3,222,340)	2,110,045
<b>NET INCREASE IN NET ASSETS</b>		
<b>RESULTING FROM OPERATIONS . . . .</b>	<b>58,637,847</b>	<b>44,714,728</b>
 <b>UNIT TRANSACTIONS:</b>		
Proceeds from units issued	20,500,000	36,788,997
Disbursements for units redeemed	(14,375,000)	(11,275,000)
<b>NET INCREASE IN NET ASSETS</b>		
<b>RESULTING FROM UNIT</b>		
<b>TRANSACTIONS . . . . .</b>	<b>6,125,000</b>	<b>25,513,997</b>
<b>NET INCREASE IN NET ASSETS . . . . .</b>	<b>64,762,847</b>	<b>70,228,725</b>
Net assets at beginning of year	690,883,084	620,654,359
<b>NET ASSETS AT END OF YEAR . . . . .</b>	<b>\$755,645,931</b>	<b>\$690,883,084</b>

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



# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## SUMMARY SCHEDULE OF INVESTMENTS JUNE 30, 2006

	<u>FAIR VALUE</u>
<b>EQUITY SECURITIES (64.4%)</b>	
<b>COMMON STOCK (51.1%)</b>	
<b>Domestic (38.8%)</b>	
Consumer – Discretionary	\$ 52,728,779
Consumer – Staples	11,674,898
Energy	21,802,840
Financial	53,903,938
Health Care	31,993,635
Industrial	42,741,511
Information Technology	52,287,270
Materials	13,237,418
Telecommunication Services	3,634,730
Utilities	9,339,049
	<u>293,344,068</u>
<b>Foreign (12.3%)</b>	
Australia	2,249,100
Belgium	345,414
Denmark	464,264
England	16,853,621
Finland	2,145,561
France	15,853,410
Germany	8,024,306
Hong Kong	695,146
Ireland	1,417,454
Italy	4,052,727
Japan	22,366,359
Netherlands	4,172,929
Norway	1,885,321
Spain	3,190,962
Sweden	3,171,493
Switzerland	6,143,740
	<u>93,031,807</u>
<b>MUTUAL FUNDS – EQUITY SECURITIES (13.3%)</b>	<u>100,773,520</u>
<b>TOTAL EQUITY SECURITIES (Cost of \$410,572,644) . . . . .</b>	<u>487,149,395</u>

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

**RCAB COLLECTIVE INVESTMENT  
PARTNERSHIP**

**SUMMARY SCHEDULE OF INVESTMENTS — Continued  
JUNE 30, 2006**

		PAR VALUE	FAIR VALUE
<b>FIXED-INCOME SECURITIES (28.8%)</b>			
<b>UNITED STATES GOVERNMENT (5.6%)</b>			
United States Treasury Bonds	4.50% – 5.25%		
	11/15/28 – 2/15/36	\$ 5,100,000	\$ 4,598,711
United States Treasury Notes	3.00% – 5.13%		
	12/31/06 – 5/15/16	38,605,000	37,964,354
			42,563,065
<b>UNITED STATES GOVERNMENT AGENCIES (9.1%)</b>			
FHLMC	3.50% – 6.00%		
	10/01/09 – 3/01/36	17,070,079	16,552,981
FNMA Pooled Certificates	3.11% – 8.00%		
	5/01/10 – 12/01/99	45,828,672	44,049,725
GNMA Pooled Certificates	2.71% – 8.00%		
	11/16/10 – 10/16/33	8,679,139	8,234,671
			68,837,377
<b>AGENCY (0.1%)</b>	4.81% – 5.00%		
	12/15/23 – 12/25/35	505,449	503,671
<b>MUNICIPAL (0.3%)</b>	0.00% – 7.43%		
	6/01/23 – 6/01/34	2,285,000	2,265,490
<b>ASSET-BACKED SECURITIES (2.7%)</b>			
Auto Loans	2.88% – 5.40%		
	11/15/06 – 11/19/12	2,937,857	2,871,060
Other	2.02% – 9.25%		
	2/15/07 – 7/12/38	17,893,614	17,716,001
			20,587,061

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

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## SUMMARY SCHEDULE OF INVESTMENTS — Continued JUNE 30, 2006

		PAR VALUE	FAIR VALUE
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES (0.7%)</b>	3.377% – 7.37% 10/20/07 – 8/13/39	5,537,935	5,562,923
<b>COLLATERALIZED MORTGAGE OBLIGATIONS (2.4%)</b>	3.08% – 8.08% 2/15/17 – 10/12/52	18,443,895	17,892,509
<b>CORPORATE BONDS (7.4%)</b>			
Electric/Gas	3.60% – 7.75% 11/15/06 – 4/01/36	4,485,038	4,333,671
Finance	3.50% – 9.63% 9/29/06 – 4/30/49	23,831,000	23,222,325
Industrial	1.00% – 9.25% 7/15/06 – 3/15/37	25,358,000	24,794,900
Telephone	5.26% – 8.63% 8/15/07 – 6/01/36	3,430,000	3,562,911
			55,913,807
<b>PRIVATE PLACEMENT (0.0%)</b>	5.63% 7/29/49	200,000	186,525
<b>YANKEE BONDS (0.5%)</b>			
Canadian	6.40% 1/05/36	300,000	244,974
Other Yankee	4.88% – 8.75% 8/09/10 – 6/20/36	3,335,000	3,369,629
		3,635,000	3,614,603
<b>TOTAL FIXED INCOME SECURITIES</b> (Cost of \$223,679,789)			217,927,031
<b>INTERNATIONAL INDEX FUND (3.4%)</b> (Cost of \$21,338,359)			25,394,640
<b>MUTUAL FUNDS – FOREIGN BALANCED FUNDS (3.6%)</b> (Cost of \$29,000,000)			26,894,422
<b>MONEY MARKET INSTRUMENTS (2.7%)</b> (Cost of \$20,465,406)			20,465,406
<b>TOTAL INVESTMENTS (102.9%)</b> (Cost of \$714,136,638) (102.9% of Net Assets)			\$777,830,894

**RCAB COLLECTIVE INVESTMENT  
PARTNERSHIP**

**SUMMARY SCHEDULE OF INVESTMENTS — Continued  
JUNE 30, 2006**

	<u>FAIR VALUE</u>	
<b>SECURITIES SOLD SHORT</b>		
<b>COMMON STOCK</b>		
Consumer – Discretionary	\$ 7,546,307	
Consumer – Staples	2,915,598	
Energy	2,660,022	
Financial	4,345,457	
Health Care	2,926,075	
Industrial	4,096,507	
Information Technology	5,202,229	
Materials	3,569,407	
Telecommunication Services	164,870	
Utilities	3,763,559	
	<u>37,190,031</u>	
<b>TOTAL SECURITIES SOLD SHORT (Proceeds of \$37,334,824)</b>	<u>37,190,031</u>	
	<u>NOTIONAL VALUE</u>	<u>VALUATION LIABILITY</u>
<b>FINANCIAL FUTURES CONTRACTS</b>		
Bear Stearns – S&P 500 Index Futures	\$38,466,950	(99,200)
	<u>38,466,950</u>	<u>(99,200)</u>

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

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

### 1. THE PARTNERSHIP

The RCAB Collective Investment Partnership (the "Partnership") is a partnership established on September 19, 1995 to act and serve as an investment pool for the Common Investment Fund, Roman Catholic Archbishop of Boston (Common Investment Fund); the Pension Plan and Trust of the Roman Catholic Archdiocese of Boston (Pension Plan); the Caritas Christi Retirement Plan (Caritas) and the Archdiocese of Boston Clergy Retirement/Disability Plan (Clergy Plan). 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Partnership are described below:

#### Security Valuation

Investments in securities, other than foreign securities, are valued by State Street Corporation, the Partnership's custodian, which obtains bid price quotations from independent pricing services on securities for which an active market exists. Investments in foreign securities are valued by State Street Corporation at the mean between bid and asked prices. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Corporation from principal market makers in those securities. Short-term investments are carried at cost, which approximates market. Cash and cash equivalents held by active investment managers are classified as investments in the accompanying statement of net assets.

#### Securities Transactions and Investment Income

Securities transactions are recorded on a trade-date basis. Realized gains and losses from securities are recorded on an average-cost basis. Interest and dividend income is recorded on the accrual basis. The cost of bonds is adjusted for the amortization of premiums and accretion of discounts.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

#### Foreign Currency Translation

The accounting records of the Partnership are maintained in U.S. dollars. Investment securities denominated in a foreign currency are translated to 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.

#### Expenses

Expenses are recognized using the accrual method of accounting.

### 3. INVESTMENTS

#### Mortgage-Backed Securities

The Partnership invests in mortgage-backed securities that provide a cash flow "pass through" of principal and interest payments by mortgagees from an underlying pool of mortgage loans. Mortgage-backed securities do not have a contractual maturity date, and the Partnership is subject to the risk of prepayment on this portfolio.

### 3. INVESTMENTS (continued)

#### 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 so that the cash flow received from the underlying pool can be allocated, on a prioritized basis, among the classes of bonds comprising the CMO. As with mortgage-backed securities, the Partnership is subject to the risk of prepayment on CMO securities.

#### Asset-Backed Securities

Asset-backed securities are primarily collateralized by automobile loans and credit cards.

#### Financial Futures Contracts

The Partnership may buy and sell financial futures contracts to replicate the return of the S&P 500 Composite Index. At the time the Partnership enters into a financial futures contract, it is required to deposit with its custodian a specified amount of cash or U.S. government securities, known as "initial margin", ranging upward from 1.1% of the value of the financial futures contract being traded. Each day, the futures contract is valued at the official settlement price of the board of trade or U.S. commodity exchange on which such futures contract is traded. Subsequent payments, known as "variation margin", to and from the broker are made on a daily basis as the market price of the financial futures contract fluctuates.

Although some financial futures contracts by their terms call for actual delivery or acceptance of financial instruments, in most cases, the contracts are closed out prior to delivery by offsetting purchases or sales of matching financial futures contracts. When the contracts are closed, the Partnership recognizes a gain or loss. Risks of entering into futures contracts include the possibility that there may be an illiquid market and/or that a change in the value of the contract may not correlate with changes in the value of the underlying securities. Daily contract valuations are recorded by the Partnership as unrealized gains or losses. The valuation liability was \$99,200 at June 30, 2006.

The notional value of futures contracts, as a percentage of net assets, was 5.09% at June 30, 2006. At that date the Partnership had cash of \$1,898,874 on deposit in a segregated futures account to cover margin requirements on open financial futures contracts.

#### Short Sales

The Partnership may hedge its investments against changes in value by engaging in short sale transactions. Short sales (sales of securities not yet purchased) represent an obligation to acquire the required securities at prevailing market prices in the future. Market risk to the Partnership arises from the possible increase in the market value of securities that the Partnership is required to deliver in the future. The Partnership is required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale and the Partnership instructs the custodian to maintain, in a separate account, cash or securities having a value at least equal to the amount of the securities sold short.

At June 30, 2006, the Partnership had cash of \$36,181,565 on deposit in a segregated account to cover margin requirements on open short sales of securities totaling \$37,190,031. The Partnership also had \$1,898,974 of cash segregated to cover daily market value variations on financial futures contracts, which totaled \$99,200 at year-end, leaving an excess of \$1,799,774 to cover the deficit in cash segregated for open short sales.

# RCAB COLLECTIVE INVESTMENT PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS — Continued JUNE 30, 2006

### 4. TAXES

For tax purposes, the Partnership is treated as a pass-through entity. The income or loss from the Partnership is allocated to the partners. Accordingly, no provision for income taxes is included in these financial statements.

### 5. 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 managers. 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. The Partnership currently utilizes fourteen investment managers.

During the years ended June 30, 2006 and 2005, the Partnership incurred service fees from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$772,880 and \$695,560 for administrative, technology and clerical services performed on behalf of the Partnership.

### 6. MEMBERS' UNITS

The Trust Agreement authorized the issuance of an unlimited number of units. Transactions in units of the Partnership were as follows for the years ended June 30, 2006 and 2005:

	2006	2005
Units at beginning of year	409,766,436	393,652,513
Units issued	11,437,430	23,009,747
Units redeemed	(8,128,776)	(6,895,824)
Units at end of year	<u>413,075,090</u>	<u>409,766,436</u>

The net asset value per share calculated at the close of the last business day of each quarter is used as the per share price for any member investment activity (purchases, dividend reinvestments and redemptions). Investment activity is only permitted to occur on the first business day of a calendar quarter.

