

Financial Statements and Report of Independent Certified Public Accountants  
**Fixed Income Investment Fund, Roman Catholic Archbishop of Boston,**  
**A Corporation Sole**  
Year ended June 30, 2007

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

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June 30, 2007

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Report of Independent Certified Public Accountants

To the Trustee  
Fixed Income Investment Fund,  
Roman Catholic Archbishop of Boston, A Corporation Sole

We have audited the accompanying statement of net assets of the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole (the "Fund") as of June 30, 2007, 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 Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole, as of June 30, 2007, 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.

*Grant Thornton LLP*

Boston, Massachusetts  
January 17, 2008

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Financial Highlights

(For a unit outstanding throughout the year)

	Year Ended June 30				
	2007	2006	2005	2004	2003
Net asset value - beginning of year	\$ 1.081	\$ 1.137	\$ 1.125	\$ 1.176	\$ 1.110
Investment operations:					
Net investment income <sup>(1)</sup>	0.051	0.044	0.035	0.011	0.047
Net realized and unrealized (losses) gains on investments	<u>(0.002)</u>	<u>(0.056)</u>	<u>0.012</u>	<u>(0.051)</u>	<u>0.066</u>
Total income (loss) from investment operations	<u>0.049</u>	<u>(0.012)</u>	<u>0.047</u>	<u>(0.040)</u>	<u>0.113</u>
Dividends distributions	<u>(0.051)</u>	<u>(0.044)</u>	<u>(0.035)</u>	<u>(0.011)</u>	<u>(0.047)</u>
Net asset value - end of year	\$ <u>1.079</u>	\$ <u>1.081</u>	\$ <u>1.137</u>	\$ <u>1.125</u>	\$ <u>1.176</u>
Average total return <sup>(2)</sup>	<u>4.5%</u>	<u>(1.0%)</u>	<u>4.2%</u>	<u>(3.4%)</u>	<u>10.4%</u>
Ratios/Supplemental Data:					
Net assets at end of year (in thousands)	\$ <u>8,532</u>	\$ <u>8,547</u>	\$ <u>9,058</u>	\$ <u>9,463</u>	\$ <u>17,476</u>
Ratio of expenses to average net assets	<u>1.0%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>0.4%</u>	<u>0.5%</u>
Ratio of net investment income to average net assets	<u>4.7%</u>	<u>4.0%</u>	<u>3.1%</u>	<u>0.9%</u>	<u>4.1%</u>
Ratio of net realized and unrealized (losses) gains on investments to average net assets	<u>(0.2%)</u>	<u>(5.0%)</u>	<u>1.1%</u>	<u>(4.4%)</u>	<u>5.8%</u>

<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 accompanying notes are an integral part of the financial statements.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Statement of Net Assets

June 30, 2007

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**Assets:**

Investment in State Street Intermediate Bond Common Trust Fund, at fair value (cost of \$8,981,368)	\$ 8,624,261
Cash and cash equivalents	16,198
Interest receivable	101
Total assets	<u>8,640,560</u>

**Liabilities:**

Dividends payable	103,444
Other payables	4,948
Total liabilities	<u>108,392</u>

Net assets	<u>\$ 8,532,168</u>
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Net assets consist of:

Paid-in capital	\$ 8,392,225
Net realized gains on investment transactions	497,050
Net unrealized depreciation on investments	<u>(357,107)</u>

Net assets	<u>\$ 8,532,168</u>
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<b>Units outstanding at end of year</b>	<u><u>7,907,808</u></u>
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<b>Net asset value per unit</b>	<u><u>\$ 1.079</u></u>
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The accompanying notes are an integral part of the financial statements.



**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Statements of Changes in Net Assets

Years ended June 30, 2007 and 2006

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	<u>2007</u>	<u>2006</u>
<b>Operations:</b>		
Net investment income	\$ 402,104	\$ 353,499
Realized loss on investments sold	(10,691)	(7,326)
Change in net unrealized depreciation on investments	(5,588)	(437,554)
<b>Net (decrease) increase in net assets resulting from operations</b>	<u>385,825</u>	<u>(91,381)</u>
<b>Dividend distributions from net investment income</b>	(402,104)	(353,499)
<b>Unit transactions:</b>		
Proceeds from units sold	1,732	1,443
Disbursements for units redeemed	-	(67,696)
<b>Net (decrease) increase in net assets resulting from unit transactions</b>	<u>1,732</u>	<u>(66,253)</u>
<b>Net decrease in net assets</b>	(14,547)	(511,133)
<b>Net assets at beginning of year</b>	<u>8,546,715</u>	<u>9,057,848</u>
<b>Net assets at end of year</b>	<u>\$ 8,532,168</u>	<u>\$ 8,546,715</u>

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

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Notes to Financial Statements

June 30, 2007

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**NOTE A - THE FUND**

The Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole (the "Fund") is a Massachusetts trust established on January 10, 1991 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. These organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

**NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Investment Valuation**

Investments securities underlying the State Street Intermediate Bond Common Trust Fund (the "CTF") are valued by State Street Bank and Trust Company ("State Street"), the Fund's custodian, which obtains bid price quotations from independent pricing services. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained from principal market makers in those securities.

**Security Transaction and Investment Income**

Realized gains and losses from the sale of CTF securities are calculated using an average-cost basis. Interest income is recorded on the accrual basis.

**Distribution to Members**

The Fund distributes all net investment income to its members on a quarterly basis. It is the Fund's policy not to distribute realized gains.

**Cash and Cash Equivalents**

The Fund considers highly liquid investments with original maturities of three months or less at purchase to be cash equivalents.



**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2007

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**NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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 Roman Catholic Archbishop of Boston. As a grantor trust, all items of income and expense of the trust are reported on the grantors' reports. Accordingly, no provision for income taxes is included in these financial statements.

**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.

**NOTE C - INVESTMENT**

The Fund is solely invested in the Intermediate Bond Common Trust Fund of State Street's Global Managed Common Trust Funds. The investment strategy of this fund is to match or exceed the return of the Lehman Brothers Intermediate Government Credit Bond Index. The Fund attempts to achieve this objective by investing in seven other collective investment funds (each an "underlying fund"), managed by the State Street, which when combined, have the characteristics consistent with the overall investment objective. These underlying funds participate in a variety of investment vehicles, namely foreign and domestic debt instruments (corporate bonds and U.S. government obligations), mutual funds and other highly liquid short term instruments, futures contracts, interest rate swaps, total return swaps, credit default swaps, repurchase agreements, option contracts, delayed delivery commitments and forward sale commitments.

**NOTE D - FEES AND RELATED-PARTY TRANSACTIONS**

The investment advisory fees are based upon the market value of the Fund following a set fee schedule. The custodial fees are based upon the market value of the Fund, the income collected, the number of transactions and a base fee. The Fund utilizes an unrelated investment manager and a custodian bank.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
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Notes to Financial Statements - Continued

June 30, 2007

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**NOTE D - FEES AND RELATED-PARTY TRANSACTIONS - Continued**

During the years ended June 30, 2007, the Fund incurred service fees from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$62,812 for administrative and clerical services performed on behalf of the Fund.

**NOTE E - MEMBERS' UNITS**

The Fund's 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, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Units at beginning of year	7,906,226	7,966,845
Units issued	1,582	1,295
Units redeemed	<u>-</u>	<u>(61,914)</u>
Units at end of year	<u>7,907,808</u>	<u>7,906,226</u>