

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, 2008

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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

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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, 2008, 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, 2008, 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
December 19, 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				
	2008	2007	2006	2005	2004
Net asset value - beginning of year	\$ 1.079	\$ 1.081	\$ 1.137	\$ 1.125	\$ 1.176
Investment operations:					
Net investment income ⁽¹⁾	0.032	0.051	0.044	0.035	0.011
Net realized and unrealized (losses) gains on investments	<u>(0.200)</u>	<u>(0.002)</u>	<u>(0.056)</u>	<u>0.012</u>	<u>(0.051)</u>
Total income (loss) from investment operations	<u>(0.168)</u>	<u>0.049</u>	<u>(0.012)</u>	<u>0.047</u>	<u>(0.040)</u>
Dividend distributions	<u>(0.032)</u>	<u>(0.051)</u>	<u>(0.044)</u>	<u>(0.035)</u>	<u>(0.011)</u>
Net asset value - end of year	<u>\$ 0.879</u>	<u>\$ 1.079</u>	<u>\$ 1.081</u>	<u>\$ 1.137</u>	<u>\$ 1.125</u>
Average total return ⁽²⁾	<u>(15.5%)</u>	<u>4.5%</u>	<u>(1.0%)</u>	<u>4.2%</u>	<u>(3.4%)</u>
Ratios/Supplemental Data:					
Net assets at end of year (in thousands)	<u>\$ 6,955</u>	<u>\$ 8,532</u>	<u>\$ 8,547</u>	<u>\$ 9,058</u>	<u>\$ 9,463</u>
Ratio of expenses to average net assets	<u>1.2%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>0.4%</u>
Ratio of net investment income to average net assets	<u>3.5%</u>	<u>4.7%</u>	<u>4.0%</u>	<u>3.1%</u>	<u>0.9%</u>
Ratio of net realized and unrealized (losses) gains on investments to average net assets	<u>(21.8%)</u>	<u>(0.2%)</u>	<u>(5.0%)</u>	<u>1.1%</u>	<u>(4.4%)</u>

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

⁽²⁾ 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 dividends.

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, 2008

Assets:

Investment in State Street Intermediate Bond Common Trust Fund, at fair value (cost of \$8,823,339)	\$ 6,966,217
Cash and cash equivalents	49,683
Interest receivable	58
Total assets	<u>7,015,958</u>

Liabilities:

Dividends distribution payable to members	54,940
Other payables	5,774
Total liabilities	<u>60,714</u>

Net assets \$ 6,955,244

Net assets consist of:

Paid-in capital	\$ 8,393,610
Net realized gains on investment transactions	418,756
Net unrealized depreciation on investments	<u>(1,857,122)</u>

Net assets \$ 6,955,244

Units outstanding at end of year 7,909,277

Net asset value per unit \$ 0.879

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 Operations

Year Ended June 30, 2008

Income:

Investment income on State Street Intermediate Bond Common Trust Fund \$ 340,945

Expenses:

Investment advisory and custodial fees 10,480

Administrative and professional fees 77,432

Total expenses 87,912

Net investment income 253,033

Net realized and unrealized loss on investments:

Net realized loss on investments (78,294)

Change in net unrealized depreciation on investments (1,500,015)

Net realized and unrealized loss on investments (1,578,309)

Net decrease in net assets resulting from operations \$ (1,325,276)

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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operations:		
Net investment income	\$ 253,033	\$ 402,104
Realized loss on investments sold	(78,294)	(10,691)
Change in net unrealized depreciation on investments	<u>(1,500,015)</u>	<u>(5,588)</u>
Net (decrease) increase in net assets resulting from operations	(1,325,276)	385,825
Dividend distributions from net investment income	(253,033)	(402,104)
Unit transactions:		
Proceeds from units sold	<u>1,385</u>	<u>1,732</u>
Net increase in net assets resulting from unit transactions	<u>1,385</u>	<u>1,732</u>
Net decrease in net assets	(1,576,924)	(14,547)
Net assets at beginning of year	<u>8,532,168</u>	<u>8,546,715</u>
Net assets at end of year	<u><u>\$ 6,955,244</u></u>	<u><u>\$ 8,532,168</u></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, 2008

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

The investment in the State Street Intermediate Bond Common Trust Fund (the "CTF") is valued based on the underlying net asset value of the CTF, as valued by State Street Global Advisors, the investment manager of the CTF. Investments' securities underlying 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 investments whose prices are not available through independent pricing services, valuations may be determined in accordance with other procedures adopted by State Street.

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.

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.

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

Notes to Financial Statements - Continued
June 30, 2008

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Recently Issued Accounting Pronouncement

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair values, establishes a framework for measuring fair value, and expands the disclosure requirements about fair value measurements. In February 2008, the FASB issued Staff Position No. FAS 157-2 (FSP 157-2) that defers the effective date of applying the provisions of SFAS No. 157 to the fair value measurement of nonfinancial assets and nonfinancial liabilities until fiscal years beginning after November 15, 2008. In October 2008, the FASB issued FASB Staff Position 157-3, *Determining Fair Value of a Financial Asset When the Market for That Asset Is Not Active* ("FSP 157-3"). This FSP clarifies the application of SFAS No. 157 in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. This FSP is effective immediately. The Fund is required to adopt the provisions of SFAS No. 157 that pertain to financial assets and liabilities for the year ending June 30, 2009. The Fund is currently evaluating the effect SFAS No. 157 will have on the Fund's net assets and changes in net assets.

NOTE C - INVESTMENT

The Fund is solely invested in the CTF. The investment strategy of the CTF is to match or exceed the return of the Lehman Brothers Intermediate Government Credit Bond Index. The CTF attempts to achieve this objective by primarily investing in six 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.

Market and Credit Risk

Certain of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in the market values of the securities underlying the financial instruments or fluctuations in currency, interest rates, and index values may exceed the amounts recognized in the statement of assets and liabilities of the CTF. The CTF is subject to certain inherent risks arising from its investing activities of selling securities short and entering into futures contracts and other derivatives contracts.

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

Notes to Financial Statements - Continued
June 30, 2008

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.

During the year ended June 30, 2008, the Fund incurred service fees from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$64,421 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, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Units at beginning of year	7,907,808	7,906,226
Units issued/subscribed	1,469	1,582
Units redeemed	-	-
	<u>7,909,277</u>	<u>7,907,808</u>

NOTE F - SUBSEQUENT EVENT (Unaudited)

Due to volatility in the domestic and international fixed income markets, the fair value of the Fund's investments has decreased by 2.3% from June 30, 2008 through October 31, 2008. The values presented in the statement of net assets as of June 30, 2008 do not reflect any market events after such date.