

**Diocesan Investment Trust
of the Diocese of New York
Diversified Equity Fund, Large Cap
Equity Fund and Income Fund**

Financial Statements

December 31, 2007 and 2006



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

**Trustees of the Estate and Property
of the Diocesan Convention of New York
as Trustees for the Diocesan Investment Trust
of the Diocese of New York Diversified
Equity Fund, Large Cap Equity Fund and Income Fund**

We have audited the accompanying statement of assets and liabilities of the Diocesan Investment Trust of the Diocese of New York (the "Trust"), consisting of the Diversified Equity Fund, Large Cap Equity Fund and Income Fund, including the schedule of investments, as of December 31, 2007, the related statements of operations, changes in net assets for the year then ended, and financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit of each of the three funds administered by the Trust. The financial statements of the Trust that represent the financial position of the Diversified Equity Fund (formally named the Equity Fund) and Income Fund for the year ended December 31, 2006 and financial highlights for the five years then ended were audited by other auditors whose reports dated March 26, 2007, expressed an unqualified opinion on those statements.

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 and financial highlights 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 each individual 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 and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights of the Trust referred to above present fairly, in all material respects, the financial position of the Diversified Equity Fund, Large Cap Equity Fund and Income Fund as of December 31, 2007, the results of its operations, changes in its net assets, and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

O'Connor Davies Munns & Dobbins, LLP

New York, New York

April 15, 2008

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Statements of Assets and Liabilities

December 31,

	2007				2006		
	Diversified Equity Fund	Large Cap Equity Fund	Income Fund	Memorandum Total	Diversified Equity Fund	Income Fund	Memorandum Total
ASSETS							
Investments, at fair value	\$ 36,995,764	\$ 12,959,369	\$ 21,670,924	\$ 71,626,057	\$ 41,848,343	\$ 20,219,667	\$ 62,068,010
Cash on deposit with custodian	684,104	231,552	93,946	1,009,602	15,737	106,323	122,060
Receivable for subscriptions	157,568	126,603	169,443	453,614	616,002	191,329	807,331
Dividends and accrued interest receivable	27,088	13,629	258,897	299,614	68,304	166,134	234,438
Receivable from brokers	<u>136,540</u>	<u>69,002</u>	<u>-</u>	<u>205,542</u>	<u>7,788,747</u>	<u>1,217,607</u>	<u>9,006,354</u>
Total Assets	<u>38,001,064</u>	<u>13,400,155</u>	<u>22,193,210</u>	<u>73,594,429</u>	<u>50,337,133</u>	<u>21,901,060</u>	<u>72,238,193</u>
LIABILITIES							
Accrued liabilities	59,801	28,396	24,360	112,557	70,596	10,150	80,746
Payable to brokers and custodian	144,981	120,242	-	265,223	-	1,224,670	1,224,670
Payable for redemptions	105,027	53,077	57,777	215,881	171,828	-	171,828
Dividend distributions payable to shareholders	<u>315,018</u>	<u>46,973</u>	<u>250,302</u>	<u>612,293</u>	<u>209,170</u>	<u>251,961</u>	<u>461,131</u>
Total Liabilities	<u>624,827</u>	<u>248,688</u>	<u>332,439</u>	<u>1,205,954</u>	<u>451,594</u>	<u>1,486,781</u>	<u>1,938,375</u>
NET ASSETS	<u>\$ 37,376,237</u>	<u>\$ 13,151,467</u>	<u>\$ 21,860,771</u>	<u>\$ 72,388,475</u>	<u>\$ 49,885,539</u>	<u>\$ 20,414,279</u>	<u>\$ 70,299,818</u>

Note: The Diversified Equity Fund was formerly named the Equity Fund.

Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund

Statements of Operations

December 31,

	2007				2006		
	Diversified Equity Fund	Large Cap Equity Fund	Income Fund	Memorandum Total	Diversified Equity Fund	Income Fund	Memorandum Total
INVESTMENT INCOME							
Interest and dividends	\$ 520,480	\$ 289,762	\$ 1,069,086	\$ 1,879,328	\$ 739,231	\$ 1,047,693	\$ 1,786,924
EXPENSES							
Investment advisory fees	150,426	84,615	71,734	306,775	233,850	-	233,850
Custodian and dividend-disbursing-agent fees	44,067	24,095	-	68,162	24,544	68,572	93,116
Salary and employee benefits	44,432	18,647	48,639	111,718	57,568	57,568	115,136
Professional fees	11,569	4,546	10,336	26,451	8,741	8,740	17,481
 Total Expenses	 <u>250,494</u>	 <u>131,903</u>	 <u>130,709</u>	 <u>513,106</u>	 <u>324,703</u>	 <u>134,880</u>	 <u>459,583</u>
 Net Investment Income	 <u>269,986</u>	 <u>157,859</u>	 <u>938,377</u>	 <u>1,366,222</u>	 <u>414,528</u>	 <u>912,813</u>	 <u>1,327,341</u>
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS							
Equity in income of limited partnership	-	-	108,338	108,338	-	-	-
Net realized gains (loss) from security transactions (excluding short-term securities)							
Proceeds from sales	37,963,610	18,049,207	49,429,400	105,442,217	31,339,931	53,293,615	84,633,546
Cost of securities sold	<u>31,067,400</u>	<u>18,339,590</u>	<u>49,414,189</u>	<u>98,821,179</u>	<u>28,080,506</u>	<u>53,430,563</u>	<u>81,511,069</u>
 Net Realized Gains (Loss) on Investments	 6,896,210	 (290,383)	 15,211	 6,621,038	 3,259,425	 (136,948)	 3,122,477
 Unrealized Appreciation (Depreciation) of Investments	 <u>(3,546,567)</u>	 <u>1,248,509</u>	 <u>64,896</u>	 <u>(2,233,162)</u>	 <u>2,019,626</u>	 <u>(25,585)</u>	 <u>1,994,041</u>
 Net Realized and Unrealized Gains (Loss) on Investments	 <u>3,349,643</u>	 <u>958,126</u>	 <u>80,107</u>	 <u>4,387,876</u>	 <u>5,279,051</u>	 <u>(162,533)</u>	 <u>5,116,518</u>
 Net Increase in Net Assets Resulting from Operations	 <u>\$ 3,619,629</u>	 <u>\$ 1,115,985</u>	 <u>\$ 1,126,822</u>	 <u>\$ 5,862,436</u>	 <u>\$ 5,693,579</u>	 <u>\$ 750,280</u>	 <u>\$ 6,443,859</u>

Note: The Diversified Equity Fund was formerly named the Equity Fund.

See notes to financial statements

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Statement of Changes in Net Assets

December 31,

	2007				2006		
	Diversified Equity Fund	Large Cap Equity Fund	Income Fund	Memorandum Total	Diversified Equity Fund	Income Fund	Memorandum Total
FROM OPERATIONS							
Net investment income	\$ 269,986	\$ 157,859	\$ 938,377	\$ 1,366,222	\$ 414,528	\$ 912,813	\$ 1,327,341
Equity in income of limited partnership	-	-	108,338	108,338	-	-	-
Net realized gains (loss) on investments	6,896,210	(290,383)	15,211	6,621,038	3,259,425	(136,948)	3,122,477
Unrealized (depreciation) appreciation of investments	<u>(3,546,567)</u>	<u>1,248,509</u>	<u>64,896</u>	<u>(2,233,162)</u>	<u>2,019,626</u>	<u>(25,585)</u>	<u>1,994,041</u>
Net Increase in Net Net Assets Resulting from Operations	3,619,629	1,115,985	1,126,822	5,862,436	5,693,579	750,280	6,443,859
Dividend distributions to shareholders	<u>(518,877)</u>	<u>(174,129)</u>	<u>(1,002,808)</u>	<u>(1,695,814)</u>	<u>(647,030)</u>	<u>(1,026,174)</u>	<u>(1,673,204)</u>
Net Change in Net Assets Derived from Operations	<u>3,100,752</u>	<u>941,856</u>	<u>124,014</u>	<u>4,166,622</u>	<u>5,046,549</u>	<u>(275,894)</u>	<u>4,770,655</u>
FROM TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST							
Proceeds received from subscriptions to shares of beneficial interest	1,783,415	14,809,611	2,389,372	18,982,398	3,118,798	1,243,784	4,362,582
Amounts paid on redemption of shares of beneficial interest	<u>(17,393,469)</u>	<u>(2,600,000)</u>	<u>(1,066,894)</u>	<u>(21,060,363)</u>	<u>(2,471,213)</u>	<u>(905,856)</u>	<u>(3,377,069)</u>
Change in Net Assets Derived From Transactions in Shares of Beneficial Interest	<u>(15,610,054)</u>	<u>12,209,611</u>	<u>1,322,478</u>	<u>(2,077,965)</u>	<u>647,585</u>	<u>337,928</u>	<u>985,513</u>
Net Change in Net Assets	(12,509,302)	13,151,467	1,446,492	2,088,657	5,694,134	62,034	5,756,168
NET ASSETS							
Beginning of year	<u>49,885,539</u>	<u>-</u>	<u>20,414,279</u>	<u>70,299,818</u>	<u>44,191,405</u>	<u>20,352,245</u>	<u>64,543,650</u>
End of year	<u>\$ 37,376,237</u>	<u>\$ 13,151,467</u>	<u>\$ 21,860,771</u>	<u>\$ 72,388,475</u>	<u>\$ 49,885,539</u>	<u>\$ 20,414,279</u>	<u>\$ 70,299,818</u>

Note: The Diversified Equity Fund was formerly named the Equity Fund.

Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund

Notes to Financial Statements

1. Organization

The Trustees of the Estate and Property of the Diocesan Convention of New York is a corporation established in 1877 by distinguished Episcopal laymen, at the direction of the Diocesan Convention, to receive and hold property for churches, institutions, and endowments of the Diocese in the Diversified Equity Fund, Large Cap Equity Fund and Income Fund of the Diocesan Investment Trust of the Diocese of New York (the “Trust”). The Trust is comprised of three funds with unique investment methods. The Diversified Equity Fund and Large Cap Equity Fund seek to achieve growth of principal and long term growth of income. The Income Fund seeks to maximize current return while providing for high levels of safety of principal and liquidity. The net asset value of each Fund is determined on the last day of each month, based on closing prices on the last business day. On those days, each Fund accepts subscriptions and processes redemptions based on the net asset value, without sales charges of any kind.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying statements have been prepared in accordance with the accrual basis of accounting. Accordingly, revenue is recognized when earned and expense when incurred. The statements include assets and liabilities, operations, and changes in net assets of each fund on an individual basis. The memorandum total column is for informational purposes only. The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all highly liquid financial instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments in Partnerships and Limited Liability Companies

The Income Fund has an investment in the Franklin Templeton Institutional Core Plus Fixed Income Fund, L.P (the “Partnership”) and accounts for its non-controlling investment in the Partnership in accordance with the equity method. Under this method, the Trust records its proportionate share of the Partnership’s income (loss) within operating income. Realized gains and losses from redemption of the Trust’s investment in the Partnership are recognized at the time of redemption.

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Notes to Financial Statements

2. Summary of Significant Accounting Policies (*continued*)

Valuation of Investments

Securities listed on national exchanges are valued at the closing sale prices or, in the absence of recorded sales, at the closing bid prices on such exchanges. Over-the-counter securities are valued at the closing bid prices. Temporary investments in short-term securities and shares in money-market funds are stated at cost, which approximates market value.

Security Transactions and Calculation of Gains or Losses on Investments

Security transactions are accounted for on the trade date. Net realized gains or losses on sales of investments are determined on the basis of average cost.

Investment Income

Dividends, which are recorded on the ex-dividend date, and interest are recorded using the accrual basis of accounting.

Distributions to Shareholders

Shareholders in each Fund receive quarterly distributions of earnings, based on a formula under trust law that allocates a portion of each Fund's expenses against investment income and a portion against each Fund's investment capital.

Taxes

Since the Trust is organized to operate exclusively for religious purposes, it is exempt from federal income tax under the provisions of Section 501 (c)(3) of the Internal Revenue Code and from state and local taxes under equivalent laws.

3. Pooled Funds

The Trust follows the policy of pooling its invested funds. Investment income and capital appreciation are allocated monthly based upon a sharing percentage adjusted for subscriptions to and redemptions from the pooled fund. Each participating fund is allocated a percentage of the total pooled funds according to the net asset value of its interest at beginning of the month.

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Notes to Financial Statements

3. Pooled Funds (continued)

At December 31, 2007, the fair value of the pooling group consisted of the following:

	<u>Diversified Equity Fund</u>	<u>Large Cap Equity Fund</u>	<u>Income Fund</u>
Wellington Management	\$ 25,645,095	\$ 12,959,369	\$ -
Vanguard	11,350,669	-	-
Franklin Templeton Agreement	-	-	21,670,924
	<u>\$ 36,995,764</u>	<u>\$ 12,959,369</u>	<u>\$ 21,670,924</u>

4. Investment Activity

Purchases and sales of individual investments by fund investments, other than short-term investments and gross unrealized gains and losses for the years ended December 31, consists of:

	<u>2007</u>		
	<u>Diversified Equity Fund</u>	<u>Large Cap Equity Fund</u>	<u>Income Fund</u>
Purchases	\$ 41,297,926	\$ 17,280,694	\$ 44,344,608
Sales	37,963,610	18,049,207	49,429,400
Unrealized Gains	4,915,633	1,268,988	108,340
Unrealized Losses	1,247,130	382,606	-
	<u>2006</u>		
	<u>Equity Fund</u>	<u>Large Cap Equity Fund</u>	<u>Income Fund</u>
Purchases	\$ 23,590,219	\$ -	\$ 52,299,574
Sales	31,182,154	-	51,593,820
Unrealized Gains	7,082,458	-	119,670
Unrealized Losses	229,512	-	184,592

Note: The Diversified Equity Fund was formerly named the Equity Fund.

Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund

Notes to Financial Statements

5. Investment Advisory Fees

For the year ended December 31, 2007 the Diversified Equity Fund and Large Cap Equity Fund pay fees quarterly for investment management and advisory services under a management agreement with Wellington Management Company LLP (the "Wellington Agreement"). The Wellington Agreement provides that fees be computed at annual rates of 0.60% on the first \$25 million, 0.50% on the next \$25 million, and 0.40% on amounts in excess of \$50 million, applied to an average of the market values of the Fund's investments at the end of each month comprising a quarter. The Wellington Agreement was in place for the Diversified Equity Fund in the year ended December 31, 2006.

For the year ended December 31, 2007 the Income Fund pays management fees to Franklin Templeton under a management agreement (the "Franklin Templeton Agreement"). The Franklin Templeton Agreement provides that fees be computed at annual rates of 1/2 of 1% on the first million, 3/8 of 1% on the next \$5 million and 1/4 of 1% on amounts in excess of \$10 million of the market value of the Income Fund's investments at the end of the previous quarter. The Franklin Templeton agreement was in place for the Income Fund in the year ended December 31, 2006.

6. Administrative Fees

The Trust allocates the administrative costs associated with the Diocesan Investment Trust's office operations among the Funds using a monthly net asset value.

7. Dividend Distributions to Shareholders

The Trust declared as of December 10, the following dividend per share:

	<u>2007</u>	<u>2006</u>
Diversified Equity Fund	\$ 1.471	\$ 0.682
Large Cap Equity Fund	0.621	
Income Fund	0.144	0.155

The above dividends were paid on January 15, 2008, to shareholders of record on December 10, 2007 and January 15, 2007, to shareholders of record on December 10, 2006.

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Notes to Financial Statements

8. Capital Share Transactions and Undistributed Net Beneficial Interest

Transactions in beneficial interest were as follows for the Diocesan Investment Trust of the Diocese of New York:

	<u>Diversified Equity Fund</u>	<u>Large Cap Equity Fund</u>	<u>Income Fund</u>
Shares of beneficial interest outstanding 2006	309,456.722	-	1,640,936.600
Shares sold	227,096.842	89,702.763	191,538.859
Shares redeemed	<u>(321,553.422)</u>	<u>(14,222.962)</u>	<u>(85,342.888)</u>
Shares of beneficial interest outstanding 2007	<u>215,000.142</u>	<u>75,479.801</u>	<u>1,747,132.571</u>

9. Related Party Transactions

The Trustees of The Estate and Property of The Diocesan Convention of New York (TEP) invest in the Funds of the Trust directly, and through the Parish Endowment Management Service (PEMS) program. PEMS allows the TEP to retain, invest, reinvest and disburse the endowment funds for each church under investment management contract. Each PEMS unit issued to a parish represents a pre-determined percentage beneficial ownership interest in two of the Diocese Investment Trust Funds: the Fixed Income Fund and the Diversified Equity Fund. Other parishes also invest directly in the funds of the Trust.

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund, Large Cap Equity Fund and Income Fund**

Notes to Financial Statements

9. Related Party Transactions (continued)

As of December 31, 2007, related parties are invested as follows:

Diversified Equity Fund:

	<u>Shares Owned</u>	<u>Cost of Shares</u>	<u>Market Value of Shares</u>
TEP	108,525.350	\$ 5,789,125	\$ 18,866,880
PEMS	21,554.748	3,306,683	3,747,139
Other Parishes	<u>84,920.045</u>	<u>10,926,631</u>	<u>14,762,218</u>
Total	<u>215,000.143</u>	<u>\$ 20,022,439</u>	<u>\$ 37,376,237</u>

Large CAP Equity Fund:

	<u>Shares Owned</u>	<u>Cost of Shares</u>	<u>Market Value of Shares</u>
Other Parishes	<u>75,479.800</u>	<u>\$ 12,265,084</u>	<u>\$ 13,151,467</u>

Income Fund:

	<u>Shares Owned</u>	<u>Cost of Shares</u>	<u>Market Value of Shares</u>
TEP	805,626.291	\$ 9,776,653	\$ 10,080,295
PEMS	207,904.884	2,626,987	2,601,382
Other Parishes	<u>733,601.396</u>	<u>8,102,482</u>	<u>9,179,094</u>
Total	<u>1,747,132.571</u>	<u>\$ 20,506,122</u>	<u>\$ 21,860,771</u>

**Diocesan Investment Trust
of the Diocese of New York
Diversified Equity Fund, Large Cap
Equity Fund and Income Fund**

Financial Highlights

December 31, 2007 and 2006

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund**

Financial Highlights

Financial Highlights

The following table includes selected data for a share of beneficial interest outstanding throughout each period and other performance information derived from the audited financial statements for the Diversified Equity Fund for 2003 through 2007, formerly the Equity Fund in 2003 through 2006.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net asset value, Beginning of year	\$ 161.204	\$ 144.728	\$ 138.959	\$ 132.359	\$ 106.257
Income from investment operations:					
Net investment income	1.278	1.358	1.218	1.630	0.872
Net realized and unrealized gain on investments	<u>13.818</u>	<u>17.237</u>	<u>6.475</u>	<u>7.262</u>	<u>26.701</u>
Total from investment operations	15.096	18.595	7.693	8.892	27.573
Less distributions to shareholders	<u>(2.457)</u>	<u>(2.119)</u>	<u>(1.924)</u>	<u>(2.292)</u>	<u>(1.471)</u>
Net asset value, End of year	<u>\$ 173.843</u>	<u>\$ 161.204</u>	<u>\$ 144.728</u>	<u>\$ 138.959</u>	<u>\$ 132.359</u>
Total Return	<u>9.37%</u>	<u>12.94%</u>	<u>5.58%</u>	<u>6.77%</u>	<u>26.12%</u>
Ratios and Supplemental Data:					
Net assets, End of year (\$ thousands)	<u>\$ 37,376</u>	<u>\$ 49,886</u>	<u>\$ 44,191</u>	<u>\$ 43,176</u>	<u>\$ 44,054</u>
Ratio of expenses to average net assets:					
Investment advisory fees	0.392%	0.508%	0.533%	0.538%	0.551%
Other administrative costs	<u>0.261%</u>	<u>0.197%</u>	<u>0.226%</u>	<u>0.204%</u>	<u>0.241%</u>
Total expense ratio	<u>0.653%</u>	<u>0.705%</u>	<u>0.759%</u>	<u>0.742%</u>	<u>0.792%</u>
Ratio of net investment income to average net assets	<u>0.704%</u>	<u>0.901%</u>	<u>0.873%</u>	<u>1.217%</u>	<u>0.764%</u>
Number of shares outstanding at End of year (000's omitted)	<u>215</u>	<u>309</u>	<u>305</u>	<u>311</u>	<u>333</u>

**Diocesan Investment Trust of the Diocese of New York
Large Cap Fund**

Financial Highlights

Financial Highlights (continued)

The following table includes selected data for a share of beneficial interest outstanding throughout each period and other performance information derived from the audited financial statements for the Large Cap Equity Fund for 2007:

	<u>2007</u>
Net asset value, Beginning of year	\$ 163.766
Income/(loss) from investment operations:	
Net investment income	1.866
Net realized and unrealized gain on investments	10.665
Total from investment operations	12.530
Less distributions to shareholders	<u>(2.058)</u>
Net asset value, End of year	<u><u>\$174.238</u></u>
Total Return	<u><u>9.37%</u></u>
Ratios and Supplemental Data:	
Net assets, End of year (\$ thousands)	<u><u>\$ 13,151</u></u>
Ratio of expenses to average net assets:	
Investment advisory fees	0.578%
Other administrative costs	<u>0.323%</u>
Total expense ratio	<u><u>0.901%</u></u>
Ratio of net investment income to average net assets	<u><u>1.079%</u></u>
Number of shares outstanding at End of year (000's omitted)	<u>75</u>

**Diocesan Investment Trust of the Diocese of New York
Income Fund**

Financial Highlights

Financial Highlights (continued)

The following table includes selected data for a share of beneficial interest outstanding throughout each period and other performance information derived from the audited financial statements for the Income Fund for 2007 and prior years:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net asset value, Beginning of year	\$ 12.440	\$12.610	\$12.860	\$13.069	\$13.221
Income/(loss) from investment operations:					
Net investment income	0.550	0.631	0.524	0.523	0.547
Net realized and unrealized gain/(loss) on investments	0.109	(0.166)	(0.193)	(0.153)	(0.097)
Total from investment operations	0.659	0.465	0.331	0.370	0.450
Less distributions to shareholders	<u>(0.588)</u>	<u>(0.635)</u>	<u>(0.581)</u>	<u>(0.579)</u>	<u>(0.602)</u>
Net asset value, End of year	<u>\$12.512</u>	<u>\$12.440</u>	<u>\$12.610</u>	<u>\$12.860</u>	<u>\$13.069</u>
Total Return	<u>5.43%</u>	<u>3.83%</u>	<u>2.62%</u>	<u>2.89%</u>	<u>3.44%</u>
Ratios and Supplemental Data:					
Net assets, End of year (\$ thousands)	<u>\$ 21,861</u>	<u>\$ 20,414</u>	<u>\$ 20,352</u>	<u>\$ 18,879</u>	<u>\$ 18,701</u>
Ratio of expenses to average net assets:					
Investment advisory fees	0.339%	0.340%	0.341%	0.349%	0.345%
Other administrative costs	<u>0.279%</u>	<u>0.329%</u>	<u>0.332%</u>	<u>0.306%</u>	<u>0.282%</u>
Total expense ratio	<u>0.618%</u>	<u>0.669%</u>	<u>0.673%</u>	<u>0.655%</u>	<u>0.627%</u>
Ratio of net investment income to average net assets	<u>4.434%</u>	<u>4.528%</u>	<u>4.149%</u>	<u>4.033%</u>	<u>4.117%</u>
Number of shares outstanding at End of year (000's omitted)	<u>1,747</u>	<u>1,641</u>	<u>1,614</u>	<u>1,468</u>	<u>1,431</u>

**Diocesan Investment Trust
of the Diocese of New York
Diversified Equity Fund, Large Cap
Equity Fund and Income Fund**

Schedule of Investments

December 31, 2007

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stocks			
Consumer Discretionary			
19,723	American Eagle Outfitters Inc.		\$ 409,651
8,503	Carter's Inc.		164,535
4,620	Gap Inc.		98,318
5,182	Gymboree Corp		157,831
7,666	Kohls Corp		351,106
2,923	Nike Inc Cl B		187,769
1,196	Priceline Com Inc.		137,343
10,871	Staples Inc.		250,802
4,371	Viacom Inc New Cl B		<u>191,980</u>
	Total Consumer Discretionary	5.22%	<u>1,949,335</u>
Consumer Staples			
4,869	Altria Group Inc		368,025
2,126	Colgate Palmolive Co.		165,725
6,068	PepsiCo Inc Com		460,593
5,125	Procter & Gamble Co.		<u>376,285</u>
	Total Consumer Staples	3.67%	<u>1,370,628</u>
Energy			
3,288	Apache Corp		353,623
2,571	ConocoPhillips Com		227,007
6,288	EOG Resources Inc		561,171
9,832	Exxon Mobil Corp		921,132
2,012	Halliburton Co		76,256
1,063	Petroleo Brasileiro SA Petrobras Spons ADR		122,487
864	Schlumberger Ltd.		84,952
4,440	Transocean Inc.		635,616
2,684	Williams Companies Inc.		96,026
3,720	Woodside Pete Ltd Spons Adr		<u>165,917</u>
	Total Energy	8.68%	<u>3,244,187</u>

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
Financials			
3,072	Ace Ltd Ord		\$ 189,812
1,461	Affiliated Managers Group Inc.		171,664
7,483	American International Group Inc		436,282
3,986	Banco Itau Hldg Financiera		103,073
10,954	Bank of America Corp Com		451,977
7,035	Citigroup Inc		207,110
246	CME Group Inc.		168,614
1,063	Franklin Resources Inc.		121,626
644	Goldman Sachs Group Inc.		138,573
385	Intercontinentalexchange Inc.		74,170
10,277	Invesco Limited		322,486
6,577	J P Morgan Chase & Co.		287,069
4,252	MBIA Inc.		79,206
4,680	Merrill Lynch & Co Inc Com		251,224
6,374	PNC Financial Svcs Group Inc		418,453
5,089	State Street Corp Com		413,192
3,043	UBS Ag Reg		139,956
4,982	WR Berkley Corp		148,522
	Total Financials	11.03%	<u>4,123,009</u>
Healthcare			
2,508	Abbott Labs Com		140,808
6,145	Amgen Inc Com		285,365
1,926	Cardinal Health Inc.		111,254
5,085	Genentech Inc New		341,068
1,329	Genzyme Corp. Gen. Div.		98,902
2,209	Lilly Eli & Co Com		117,929
7,912	Medtronic Inc		397,729
5,072	Merck & Co. Inc.		294,732
10,695	Schering Plough Corp Com		284,923
2,790	St. Jude Medical Inc.		113,389
3,189	Teva Pharmaceutical Inds Ltd Adr		148,209
8,124	UnitedHealth Group Inc Com		472,842
1,395	Waters Corp.		110,306
	Total Healthcare	7.81%	<u>2,917,456</u>

Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
Industrials			
1,581	Boeing Co		\$ 138,279
6,148	Caterpillar Inc.		446,108
3,262	Danaher Corp		286,184
3,049	Dover Corp		140,535
335	Fluor Corporation		48,885
18,381	General Electric Co Com		681,394
3,986	Graco Inc.		148,512
1,757	Lockheed Martin Corp Com		184,951
7,277	Manpower Inc.		414,087
1,794	Northrop Grumman Corp.		141,050
2,790	Oshkosh Truck Corp. Cl B		131,859
1,501	Precision Castparts Corp.		208,234
2,524	Terex Corp		165,522
5,912	Thomas & Betts Corp		289,939
2,465	United Technologies CP Com		188,638
	Total Industrials	9.67%	<u>3,614,178</u>
Information Technology			
1,727	Adobe Sys Inc Com		73,802
5,135	Applied Materials Inc.		91,199
25,709	Cisco Sys Inc Com		695,931
18,159	Corning Inc Com		435,629
22,440	EMC Corp		415,816
621	Google Inc Cl A		429,495
9,975	Hewlett-Packard Co Com		503,514
2,857	Infosys Technologies Ltd. Sponsored ADR		129,571
3,145	Iron Mountain Inc. PA		116,446
5,557	Lam Research Corp.		240,225
6,128	Maxim Integrated Prd		162,275
1,461	MEMC Electronic Materials Inc.		129,325
23,290	Microsoft Corp		829,142
3,388	Nokia Corp Sponsored ADR		130,063
17,086	Oracle Corp.		385,800
6,198	Qualcomm Inc Com		243,890
	Total Information Technology	13.41%	<u>5,012,123</u>
Materials			
13,509	Companhia Vale Do Rio Sponsored ADR		441,761
5,188	Freeport-McMoran Copper & Gold Inc.		531,480
	Total Materials	2.60%	<u>973,241</u>

See independent auditors' report

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
	Pooled Vehicle		
664	SPDR TR Unit SER 1		\$ 97,128
	Total Pooled Vehicles	0.26%	97,128
	Technology		
3,122	Amphenol Corp		144,778
598	Apple Inc.		118,427
	Total Technology	0.70%	263,205
	Telecommunications		
2,922	America Movil SAB		175,361
15,090	AT&T Inc		628,388
	Total Telecommunications	2.15%	803,749
	Utilities		
15,648	American Electric Power Inc.		728,556
5,657	Exelon Corp Com		461,801
1,196	Firstenergy Corp		86,500
	Total Utilities	3.42%	1,276,857
	Total Common Stocks (cost \$22,761,341)	68.61%	25,645,095

**Diocesan Investment Trust of the Diocese of New York
Diversified Equity Fund**

Schedule of Investments

December 31, 2007

<u>Shares</u>	<u>Description</u>	<u>Percent of Net Assets</u>	<u>Value</u>
<i>Mutual Funds</i>			
	Vanguard Mid Cap		\$ 3,692,094
	Vanguard Small Cap		1,759,152
	Vanguard Star FD Total		<u>5,899,422</u>
	Total Mutual Funds (cost \$10,565,920)	30.37%	<u>11,350,669</u>
	Total Investments (cost \$33,327,261)	98.98%	<u>36,995,764</u>
<i>Temporary Investments</i>			
	Fiduciary Trust Company International Short Term Investment Pool U.S. Treasury		<u>684,104</u>
	Total Temporary Investments	1.83%	<u>684,104</u>
	Other Assets and Liabilities, Net	-0.81%	<u>(303,631)</u>
	Net Assets		<u>\$ 37,376,237</u>

**Diocesan Investment Trust of the Diocese of New York
Large Cap Equity Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stocks			
Consumer Discretionary			
9,967	American Eagle Outfitters Inc.		\$ 207,010
4,297	Carter's Inc.		83,145
2,335	Gap Inc.		49,684
2,618	Gymboree Corp		79,757
3,874	Kohls Corp		177,426
1,477	Nike Inc Cl B		94,887
604	Priceline Com Inc.		69,405
5,494	Staples Inc.		126,739
2,209	Viacom Inc New Cl B		<u>97,014</u>
	Total Consumer Discretionary	7.49%	<u>985,067</u>
Consumer Staples			
2,461	Altria Group Inc		185,976
1,074	Colgate Palmolive Co.		83,747
3,067	PepsiCo Inc Com		232,754
2,590	Procter & Gamble Co.		<u>190,150</u>
	Total Consumer Staples	5.27%	<u>692,627</u>
Energy			
1,662	Apache Corp		178,700
1,299	ConocoPhillips Com		114,714
3,177	EOG Resources Inc		283,580
4,968	Exxon Mobil Corp		465,480
1,016	Halliburton Co		38,535
537	Petroleo Brasileiro SA Petrobras Spons ADR		61,897
436	Schlumberger Ltd.		42,929
2,244	Transocean Inc.		321,199
1,356	Williams Companies Inc.		48,525
1,880	Woodside Pete Ltd Spons Adr		<u>83,843</u>
	Total Energy	12.47%	<u>1,639,402</u>

Diocesan Investment Trust of the Diocese of New York
Large Cap Equity Fund

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
Financials			
1,553	Ace Ltd Ord		\$ 95,921
739	Affiliated Managers Group Inc.		86,748
3,782	American International Group Inc		220,468
2,014	Banco Itau Hldg Financiera		52,087
5,536	Bank of America Corp Com		228,400
3,555	Citigroup Inc		104,660
124	CME Group Inc.		85,206
537	Franklin Resources Inc.		61,462
326	Goldman Sachs Group Inc.		70,026
195	Intercontinentalexchange Inc.		37,480
5,193	Invesco Limited		162,963
3,323	J P Morgan Chase & Co.		145,066
2,148	MBIA Inc.		40,026
2,365	Merrill Lynch & Co Inc Com		126,952
3,221	PNC Financial Svcs Group Inc		211,459
2,571	State Street Corp Com		208,800
1,537	UBS Ag Reg		70,724
2,518	WR Berkley Corp		75,053
	Total Financials	15.84%	<u>2,083,501</u>
Healthcare			
1,267	Abbott Labs Com		71,158
3,105	Amgen Inc Com		144,205
974	Cardinal Health Inc.		56,221
2,570	Genentech Inc New		172,353
671	Genzyme Corp. Gen. Div.		49,978
1,116	Lilly Eli & Co Com		59,593
3,998	Medtronic Inc		200,987
2,563	Merck & Co. Inc.		148,938
5,405	Schering Plough Corp Com		143,981
1,410	St. Jude Medical Inc.		57,299
1,611	Teva Pharmaceutical Inds Ltd Adr		74,895
4,106	UnitedHealth Group Inc Com		238,944
705	Waters Corp.		55,741
	Total Healthcare	11.21%	<u>1,474,293</u>

Diocesan Investment Trust of the Diocese of New York
Large Cap Equity Fund

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
Industrials			
799	Boeing Co		\$ 69,876
3,107	Caterpillar Inc.		225,434
1,648	Danaher Corp		144,619
1,541	Dover Corp		71,018
170	Fluor Corporation		24,704
9,289	General Electric Co Com		344,333
2,014	Graco Inc.		75,048
888	Lockheed Martin Corp Com		93,462
3,678	Manpower Inc.		209,253
906	Northrop Grumman Corp.		71,278
1,410	Oshkosh Truck Corp. Cl B		66,633
759	Precision Castparts Corp.		105,228
1,276	Terex Corp		83,644
2,988	Thomas & Betts Corp		146,517
1,245	United Technologies CP Com		95,325
	Total Industrials	13.89%	<u>1,826,372</u>
Information Technology			
873	Adobe Sys Inc Com		37,296
2,595	Applied Materials Inc.		46,086
12,991	Cisco Sys Inc Com		351,678
9,176	Corning Inc Com		220,138
11,340	EMC Corp		210,127
314	Google Inc Cl A		217,039
5,040	Hewlett-Packard Co Com		254,443
1,443	Infosys Technologies Ltd. Sponsored ADR		65,477
1,590	Iron Mountain Inc. PA		58,844
2,808	Lam Research Corp.		121,394
3,097	Maxim Integrated Prd		82,003
739	MEMC Electronic Materials Inc.		65,353
11,770	Microsoft Corp		418,994
1,712	Nokia Corp Sponsored ADR		65,726
8,634	Oracle Corp.		194,958
3,132	Qualcomm Inc Com		123,246
	Total Information Technology	19.26%	<u>2,532,802</u>
Materials			
6,826	Companhia Vale Do Rio Sponsored ADR		223,237
2,622	Freeport-McMoran Copper & Gold Inc.		268,576
	Total Materials	3.74%	<u>491,813</u>

See independent auditors' report

**Diocesan Investment Trust of the Diocese of New York
Large Cap Equity Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
Common Stock			
	Pooled Vehicle		
336	SPDR TR Unit SER 1		\$ 49,082
	Total Pooled Vehicles	0.37%	49,082
	Technology		
1,578	Amphenol Corp		73,161
302	Apple Inc.		59,845
	Total Technology	1.01%	133,006
	Telecommunications		
1,477	America Movil SAB		88,616
7,625	AT&T Inc		317,547
	Total Telecommunications	3.09%	406,163
	Utilities		
7,907	American Electric Power Inc.		368,165
2,858	Exelon Corp Com		233,364
604	Firstenergy Corp		43,712
	Total Utilities	4.91%	645,241
	Total Common Stocks (cost \$12,072,987)	98.54%	12,959,369
	Total Investments (cost \$12,072,987)	98.54%	12,959,369
Temporary Investments			
	Fiduciary Trust Company International Short Term Investment Pool U.S. Treasury		231,552
	Total Temporary Investments	1.76%	231,552
	Other Assets and Liabilities, Net	-0.30%	(39,454)
	Net Assets		\$ 13,151,467

**Diocesan Investment Trust of the Diocese of New York
Income Fund**

Schedule of Investments

December 31, 2007

Shares	Description	Percent of Net Assets	Value
<i>Mutual Funds</i>			
	Franklin Templeton Institutional Core Plus Fixed Income Fund L.P.		<u>\$ 21,670,924</u>
	Total Mutual Funds (cost \$21,562,584)		<u>21,670,924</u>
	Total Investments (cost \$21,562,584)	99.13%	<u>21,670,924</u>
<i>Temporary Investments</i>			
	Fiduciary Trust Company International Short Term Investment Pool U.S. Treasury		<u>93,946</u>
	Total Temporary Investments	0.43%	<u>93,946</u>
	Other Assets and Liabilities, Net	0.44%	<u>95,901</u>
	Net Assets		<u><u>\$ 21,860,771</u></u>