

QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT
for
Contra Costa County
Employees' Retirement Association

FOR THE PERIOD ENDING
December 31, 2008

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KEY POINTS

Fourth Quarter, 2008

- Domestic equity markets had sharply negative returns in the fourth quarter. The S&P 500 Index returned -21.9% for the quarter while the Russell 2000® small capitalization index returned 26.1%. Value did slightly better than growth.
- Domestic bond markets were positive in the quarter, with the Barclays (formerly Lehman) U.S. Aggregate returning 4.6% and the median fixed income manager returning 3.0%.
- CCCERA Total Fund returned -15.9% for the fourth quarter, trailing the -11.9% return of the median total fund and the -11.6% return of the median public fund. CCCERA Total Fund performance has been below median over the past three years but above median over the four through ten-year periods.
- CCCERA domestic equities returned -22.5% in the quarter, slightly better than the -22.8% return of the Russell 3000® and the -22.8% return of the median equity manager.
- CCCERA international equities returned -19.4% for the quarter, better than the -19.9% return of the MSCI EAFE Index and the -21.4% return of the median international equity manager.
- CCCERA fixed income returned -3.3% for the quarter, trailing the Barclays U.S. Universal return of 2.7% and the median fixed income manager return of 3.0%.
- CCCERA alternative assets returned -2.5% for the quarter, better than the -21.1% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned -32.1% for the quarter, below the median real estate manager return of -7.7% and the CCCERA real estate benchmark return of -16.7%.
- Fixed income and cash were over-weighted vs. target at the end of the fourth quarter, offset by modest under-weights in domestic and international equities, real estate and private equity. US equities are the “parking place” for assets intended for alternative investments.

WATCH LIST

<u>Manager</u>	<u>Since</u>	<u>Reason</u>
Delaware	11/25/2008	Performance concerns
Emerald Advisors	5/28/2008	Performance concerns
Nogales Investors	5/28/2008	Performance concerns
PIMCO (StocksPLUS)	5/28/2008	Performance concerns
Progress	11/25/2008	Performance concerns
Wentworth, Hauser	2/28/2007	Personnel changes, performance concerns

SUMMARY

Domestic equities continued to suffer from widespread distress originating with systemic financial sector problems that began in 2007. After the bankruptcy of Lehman Brothers and the near-bankruptcy of Merrill Lynch and AIG in September, the markets continued their sharp decline in October and November before recovering somewhat in December. The impact on markets during the fourth quarter was severe losses and levels of volatility not seen in recent decades. The Treasury Department began to implement the Troubled Asset Relief Program by infusing banks, large and small, with billions of dollars of direct equity investments. These developments, along with the decision by the Federal Reserve to lower the Fed Funds rate target to 0-0.25%, will continue to play out over the coming months.

Large capitalization stocks, as measured by the S&P 500, returned -21.9% in the quarter while the Russell 2000®, returned -26.1% for the quarter. The median equity manager returned -22.8% as did the broad market, as measured by the Russell 3000® Index. International equity markets declined along with the domestic equity markets in the fourth quarter, with the MSCI EAFE Index returning -19.9% and the MSCI ACWI ex-US Index returning -22.3%. With Barclay Capital's partial acquisition of Lehman Brothers in September, the Lehman fixed income indices have now been renamed the Barclays Capital indices. The Barclays Capital Aggregate Index returned 4.6% during the quarter while the Barclays Capital Universal Index returned 2.7% and the median bond manager returned 3.0%. The domestic real estate market, as measured by the NCREIF property index, returned -8.3% for the fourth quarter of 2008. Publicly listed real estate was down sharply with the Dow Jones Wilshire REIT Index returning -40.0%.

CCCERA's fourth quarter return of -15.9% trailed the median total fund and the median public fund. CCCERA slightly trailed the median funds over the past one through three-year periods. CCCERA has out-performed both medians over trailing time periods four years and longer, ranking in the upper quartile of both universes over the past five through ten-year periods.

CCCERA total domestic equities returned -22.5% for the quarter, exceeding the -22.8% return of the Russell 3000® and the median manager. Of CCCERA's domestic equity managers, ING Investments and Wentworth Hauser had the strongest performance with a return of -20.3%. This return was better than the -21.9% return of the S&P 500. Boston Partners returned -20.9%, better than the -22.2% return of the Russell 1000™ Value Index. Intech Large Cap Core returned -21.1%, better than the -21.9% return of the S&P500 Index. Delaware returned -21.7%, better than the Russell 1000 Growth return of -22.8%. Intech Enhanced Plus returned -21.9%, matching the S&P 500. Rothschild returned -22.2%, better than the Rothschild Benchmark return of -24.9%. PIMCO returned -25.6, below the S&P 500 return of -21.9%. Emerald returned -25.8%, better than the -27.4% return of the Russell 2000 Growth. Finally, Progress returned -28.7%, below the -26.1% return of the Russell 2000® Index.

CCCERA international equities returned -19.4%, slightly above the -19.9% return of the MSCI EAFE Index and the -21.4% return of the median international manager. The GMO Intrinsic Value portfolio returned -17.1%, better than the S&P Citi PMI EPAC Value Index return of -20.0% and the median international equity manager. McKinley Capital returned -22.5%, near the MSCI ACWI ex-US Growth Index return of -22.4% and below the median international equity manager.

CCCERA total domestic fixed income returned -3.3% for the fourth quarter, trailing the 2.7% return the Barclays Universal and the 3.0% return of the median fixed income manager. AFL-CIO's had the strongest fourth quarter return at 3.7% which trailed the Barclays U.S. Aggregate return of 4.6% but was above the median fixed income manager. PIMCO returned 1.3%, below the Barclays U.S. Aggregate and the median. ING Clarion (mostly already liquidated) returned -5.1%, better than the high yield fixed income median and the Merrill Lynch High Yield Master II Index. Nicholas Applegate returned -15.0% versus -17.6% for the ML High Yield II Index and

-17.8% for the median high yield manager. The ING Clarion II closed-end fund returned -44.9%, dramatically below the ML High Yield II Index and the high yield fixed income median.

Lazard Asset Management returned -1.2% in the fourth quarter, trailing the Barclays Global Aggregate return of 5.3%, and ranking in the 68th percentile of global fixed income portfolios.

CCCERA total alternative investments returned -2.5% in the fourth quarter. Energy Investor Fund reported a return of 5.7%, Hancock PT Timber Fund returned 5.1%, Energy Investor Fund II reported a return of 2.8%, Carpenter Community Bancfund returned 0.0%, Paladin III returned -0.1%, Energy Investor Fund III reported a return of -0.1%, Bay Area Equity Fund reported a return of -1.4%, Nogales had a return of -1.5% for the quarter, Adams Street Partners reported a return of -6.2% and Pathway returned -6.2%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending September 30.)

The median real estate manager returned -7.7% for the quarter while CCCERA's total real estate returned -32.1%. DLJ RECP I returned 12.1%; Willows Office Property returned 0.3%; DLJ RECP IV returned -1.3%; DLJ's RECP II returned -3.9%; DLJ's RECP III returned -9.0%; Fidelity III returned -9.0; Black Rock Realty returned -24.2%; Invesco Fund I returned -26.2%; Fidelity II returned -33.1%; Invesco International REIT returned -34.0%; Adelante Capital REIT returned -41.2%; Prudential SPF II returned -50.4%; and Invesco Fund II returned -70.9%. Also, please refer to the internal rate of return (IRR) table for closed-end funds on page 13, which is the preferred measurement for the individual closed-end debt, real estate and private equity funds.

Asset Allocation

The CCCERA fund at December 31, 2008 was below target in domestic equity at 37.9% vs. the target of 38.6%, international equity at 9.3% vs. 10.4%, real estate at 10.3% vs. 11.5% and alternatives at 5.2% vs. 7.0%. Investment grade fixed income was over target at 33.4% vs. the target of 29.0%. High yield was at its target of 3.0%. Cash was above its target weight at 0.9% vs. 0.5%. Assets earmarked for alternative investments were temporarily invested in U.S. equities.

Fourth quarter securities lending income from the custodian, State Street Bank, totaled \$1,304,630.

Performance Compared to Investment Performance Objectives

The Statement of Investment Policies and Guidelines specifies investment objectives for each asset class. These goals are meant as targets, and one would not expect them to be achieved by every manager over every period. They do provide justification for focusing on sustained manager under-performance. We show the investment objectives and compliance with the objectives on the following page. We also include compliance with objectives in the manager comments.

Reflecting the Investment Policy, the table on page 5 includes performance after fees, as well as the performance gross of (before) fees which has previously been reported.

Summary of Managers Compliance with Investment Performance Objectives As of December 31, 2008

	Trailing 3 Years			Trailing 5 Years		
	<u>Gross</u> <u>Return</u>	<u>Net Return</u>	<u>Rank</u> <u>Target</u>	<u>Gross</u> <u>Return</u>	<u>Net Return</u>	<u>Rank</u> <u>Target</u>
DOMESTIC EQUITY						
Boston Partners	Yes	Yes	Yes	Yes	Yes	Yes
Delaware	No	No	No	-	-	-
Emerald Advisors	Yes	Yes	No	No	No	No
ING Investments	Yes	Yes	Yes	Yes	Yes	No
Intech - Enhanced Plus	Yes	No	Yes	Yes	Yes	Yes
Intech - Large Core	-	-	-	-	-	-
PIMCO Stocks Plus	No	No	No	No	No	No
Progress	No	No	No	-	-	-
Rothschild	Yes	Yes	Yes	Yes	Yes	Yes
Wentworth, Hauser	No	No	No	Yes	Yes	No
Total Domestic Equities	No	No	No	Yes	Yes	No
INT'L EQUITY						
GMO Intrinsic Value	Yes	Yes	Yes	-	-	-
McKinley Capital	-	-	-	-	-	-
Total Int'l Equities	Yes	No	No	Yes	Yes	No
DOMESTIC FIXED INCOME						
AFL-CIO Housing	Yes	Yes	Yes	Yes	Yes	Yes
Goldman Sachs	-	-	-	-	-	-
ING Clarion	No	No	No	-	-	-
ING Clarion II	-	-	-	-	-	-
ING Clarion III	-	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-
Nicholas Applegate	Yes	Yes	Yes	Yes	Yes	Yes
PIMCO	No	No	No	No	No	Yes
Workout (GSAM)	-	-	-	-	-	-
Total Domestic Fixed	No	No	No	No	No	No
GLOBAL FIXED INCOME						
Lazard Asset Management	-	-	-	-	-	-

**Summary of Managers Compliance with Investment Performance Objectives (cont)
As of December 31, 2008**

	Trailing 3 Years			Trailing 5 Years		
	<u>Gross Return</u>	<u>Net Return</u>	<u>Rank Target</u>	<u>Gross Return</u>	<u>Net Return</u>	<u>Rank Target</u>
ALTERNATIVE INVESTMENTS						
Adams Street	Yes	Yes	Yes	Yes	Yes	Yes
Bay Area Equity Fund	Yes	Yes	Yes	-	-	-
Carpenter Bancfund	-	-	-	-	-	-
Energy Investor Fund	Yes	Yes	Yes	-	-	-
Energy Investor Fund II	-	-	-	-	-	-
Energy Investor Fund III	-	-	-	-	-	-
Nogales	No	No	No	-	-	-
Paladin III	-	-	-	-	-	-
Pathway	Yes	Yes	Yes	Yes	Yes	Yes
Hancock PT Timber Fund	Yes	Yes	Yes	Yes	Yes	Yes
Total Alternative	Yes	Yes	Yes	Yes	Yes	Yes
REAL ESTATE						
Adelante Capital REIT	No	No	No	No	No	No
BlackRock Realty	No	No	No	-	-	-
DLJ RECP I	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP II	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP III	Yes	No	Yes	-	-	-
DLJ RECP IV	-	-	-	-	-	-
Fidelity II	No	No	No	-	-	-
Fidelity III	-	-	-	-	-	-
Invesco Fund I	No	No	No	-	-	-
Invesco Fund II	-	-	-	-	-	-
Invesco Int'l REIT	-	-	-	-	-	-
Prudential SPF II	Yes	No	Yes	Yes	Yes	Yes
Willows Office Property	Yes	Yes	Yes	No	No	Yes
Total Real Estate	No	No	No	No	No	No
CCCERA Total Fund	No	No	No	No	No	Yes

ASSET ALLOCATION
As of December 31, 2008

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
EQUITY - DOMESTIC				
Boston Partners	\$ 235,359,866	16.4 %	6.2 %	6.1 %
Delaware Investments	203,082,801	14.1	5.3	6.1
Emerald	95,706,401	6.7	2.5	2.7
ING	180,057,982	12.5	4.7	5.0
Intech - Enhanced Plus	16,596,932	1.2	0.4	0.4
Intech - Large Core	164,892,830	11.5	4.3	4.6
PIMCO	182,556,714	12.7	4.8	3.3
Progress	85,046,281	5.9	2.2	2.7
Rothschild	99,520,343	6.9	2.6	2.7
Wentworth	175,772,996	12.2	4.6	5.0
TOTAL DOMESTIC	\$ 1,438,593,146	80.2 %	37.9 %	38.6 %
INTERNATIONAL EQUITY				
McKinley Capital	\$ 167,312,626	9.3 %	4.4 %	5.20 %
GMO Intrinsic Value	187,589,639	10.5	4.9	5.20
TOTAL INT'L EQUITY	\$ 354,902,265	19.8 %	9.3 %	10.4 %
TOTAL GLOBAL EQUITY	\$ 1,793,495,411	100.0 %	47.2 %	49.0 %
			<i>Range:</i>	<i>45 to 53 %</i>
FIXED INCOME				
AFL-CIO	\$ 172,321,302	13.6 %	4.5 %	3.4 %
Goldman Sachs	176,083,391	13.9	4.6	5.7
ING Clarion	284,240	0.0	0.0	0.0
ING Clarion II	41,420,852	3.3	1.1	1.1
ING Clarion III	7,473,479	0.6	0.2	1.9
Lord Abbett	170,979,885	13.5	0.0	5.7
PIMCO	374,198,845	29.4	9.8	7.2
Workout (GSAM)	141,401,828	11.1	3.7	0.0
TOTAL US FIXED INCOME	1,084,163,822	85.3 %	28.5 %	25.0 %
GLOBAL FIXED				
Lazard Asset Mgmt	\$ 186,702,702	14.7 %	4.9 %	4.0 %
TOTAL GLOBAL FIXED	\$ 186,702,702	14.7 %	4.9 %	4.0 %
TOTAL INV GRADE FIXED	\$ 1,270,866,524	100.0 %	33.4 %	29.0 %
			<i>Range:</i>	<i>24 to 34 %</i>
HIGH YIELD				
Nicholas Applegate	\$ 114,831,661	100.0 %	3.0 %	3.0 %
TOTAL HIGH YIELD	114,831,661	100.0 %	3.0 %	3.0 %
			<i>Range:</i>	<i>1 to 5 %</i>

ASSET ALLOCATION
As of December 31, 2008

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
REAL ESTATE*				
Adelante Capital	\$ 160,015,884	41.0 %	4.2 %	- %
BlackRock Realty	23,124,485	5.9	0.6	-
DLJ RECP I	176,960	0.0	0.0	-
DLJ RECP II	7,760,337	2.0	0.2	-
DLJ RECP III	56,552,050	14.5	1.5	-
DLJ RECP IV	17,684,193	4.5	0.5	-
Fidelity II	25,174,846	6.5	0.7	-
Fidelity III	16,037,096	4.1	0.4	-
Hearthstone I	31,000	0.0	0.0	-
Hearthstone II	-45,000	0.0	0.0	-
Invesco Fund I	27,604,468	7.1	0.7	-
Invesco Fund II	8,428,251	2.2	0.2	-
Invesco International REIT	31,282,483	8.0	0.8	-
Prudential SPF II	884,843	0.2	0.0	-
Willows Office Property	15,560,000	4.0	0.4	-
TOTAL REAL ESTATE	\$ 390,271,896	100.0 %	10.3 %	11.5 %
			<i>Range:</i>	<i>8 to 14 %</i>
ALTERNATIVE INVESTMENTS*				
Adams Street Partners	\$ 54,957,494	27.8 %	1.4 %	- %
Bay Area Equity Fund	9,413,866	4.8	0.2	-
Carpenter Bancfund	1,155,149	0.6	0.0	-
Energy Investor Fund	7,406,574	3.7	0.2	-
Energy Investor Fund II	41,663,180	21.1	1.1	-
Energy Investor Fund III	16,510,911	8.4	0.4	-
Nogales	5,903,138	3.0	0.2	-
Paladin III	5,254,009	2.7	0.1	-
Pathway	47,660,457	24.1	1.3	-
Hancock PT Timber	7,612,336	3.9	0.2	-
TOTAL ALTERNATIVE	\$ 197,537,114	100.0 %	5.2 %	7.0 %
			<i>Range:</i>	<i>5 to 9 %</i>
CASH				
Custodian Cash	\$ 31,418,280	96.0 %	0.8 %	- %
Treasurer's Fixed	1,307,000	4.0	0.0	-
TOTAL CASH	\$ 32,725,280	100.0 %	0.9 %	0.5 %
			<i>Range:</i>	<i>0 to 1 %</i>
TOTAL ASSETS	\$ 3,799,727,886	100.0 %	100.0 %	100.0 %

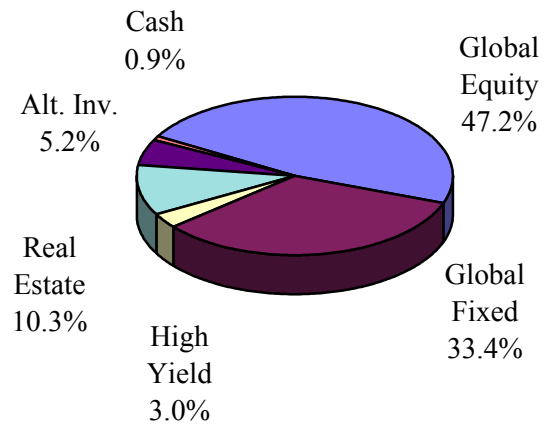
*CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$100 million to DLJ IV; \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million to Prudential SPF-II; \$50 million to INVESCO I; \$85 million INVESCO II; \$130 million to Adams Street Partners; \$10 million to Bay Area Equity Fund; \$30 million to Carpenter, \$30 million to Energy Investors USPF I; \$50 million to USPF II; \$65 million to USPF III; \$15 million to Nogales; \$25 million to Paladin III; \$125 million to Pathway and \$15 million to Hancock PT Timber Fund III.

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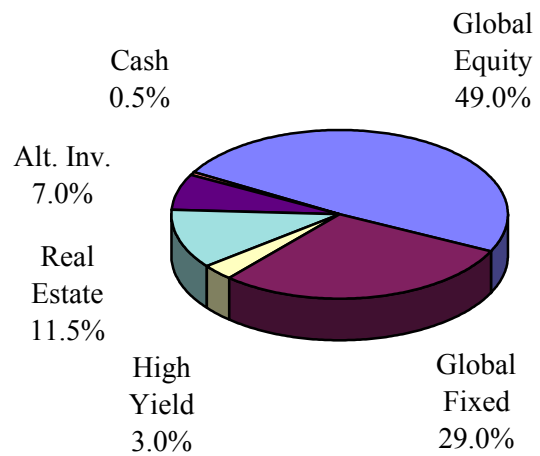
ASSET ALLOCATION

As of December 31, 2008

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2008

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
DOMESTIC EQUITY								
Boston Partners	-20.9 %	-33.2 %	-16.6 %	-5.8 %	-1.6 %	1.8 %	1.8 %	4.0 %
<i>Rank vs Equity</i>	26	22	30	20	15	17	36	33
<i>Rank vs Lg Value</i>	38	16	19	22	15	13	42	8
Delaware	-21.7	-42.6	-19.2	-12.3	-	-	-	-
<i>Rank vs Equity</i>	32	81	61	85	-	-	-	-
<i>Rank vs Lg Growth</i>	40	76	75	84	-	-	-	-
Emerald Advisors	-25.8	-36.5	-19.1	-9.3	-4.8	-3.1	-	-
<i>Rank vs Equity</i>	73	41	59	62	50	85	-	-
<i>Rank vs Sm Cap Growth</i>	36	35	47	44	45	79	-	-
ING Investments	-20.3	-36.7	-18.2	-8.1	-4.9	-1.9	-	-
<i>Rank vs Equity</i>	21	41	43	38	51	59	-	-
<i>Rank vs Lg Core</i>	14	35	31	29	37	40	-	-
Intech - Enhanced Plus	-21.9	-37.0	-17.7	-8.2	-4.2	-0.6	-	-
<i>Rank vs Equity</i>	35	48	39	40	39	40	-	-
<i>Rank vs Lg Core</i>	38	53	25	32	28	23	-	-
Intech - Large Core	-21.1	-36.2	-17.4	-	-	-	-	-
<i>Rank vs Equity</i>	27	37	37	-	-	-	-	-
<i>Rank vs Lg Core</i>	20	27	22	-	-	-	-	-
PIMCO Stocks Plus	-25.6	-43.5	-22.9	-11.8	-7.9	-4.4	-	-
<i>Rank vs Equity</i>	72	85	85	83	89	91	-	-
<i>Rank vs Lg Core</i>	95	97	93	93	96	96	-	-
Progress	-28.7	-42.5	-21.9	-11.0	-6.4	-	-	-
<i>Rank vs Equity</i>	88	81	81	78	78	-	-	-
<i>Rank vs Small Core</i>	81	91	83	81	84	-	-	-
Rothschild	-22.2	-28.6	-14.7	-4.1	-0.5	3.4	-	-
<i>Rank vs Equity</i>	43	11	18	12	10	8	-	-
<i>Rank vs Sm Cap Value</i>	24	28	17	13	7	10	-	-
Wentworth, Hauser	-20.3	-34.8	-16.6	-9.3	-4.9	-1.5	-1.4	0.8
<i>Rank vs Equity</i>	21	29	31	62	52	53	72	65
<i>Rank vs Lg Core</i>	15	16	18	76	39	31	56	35
Total Domestic Equities	-22.5	-37.5	-18.4	-8.9	-4.8	-1.5	-1.9	-0.8
<i>Rank vs Equity</i>	46	55	48	57	49	53	86	74
Median Equity	-22.8	-37.0	-18.5	-8.4	-4.8	-1.1	0.3	2.1
S&P 500	-21.9	-37.0	-18.5	-8.3	-5.2	-2.2	-1.5	-1.4
S&P 500 ex-Tobacco	-22.1	-37.3	-18.8	-8.6	-5.5	-2.4	-	-
Russell 3000®	-22.8	-37.3	-18.8	-8.6	-5.2	-2.0	-1.0	-0.8
Russell 1000® Value	-22.2	-36.9	-20.6	-8.3	-4.7	-0.8	0.8	1.4
Russell 1000® Growth	-22.8	-38.4	-17.0	-9.1	-5.7	-3.4	-3.4	-4.3
Russell 2000®	-26.1	-33.8	-19.3	-8.3	-5.2	-0.9	1.6	3.0
Rothschild Benchmark	-24.9	-32.0	-20.6	-8.8	-5.5	-0.5	-	-
Russell 2000® Growth	-27.4	-38.5	-18.9	-9.3	-6.1	-2.4	-1.2	-0.8
INT'L EQUITY								
GMO Intrinsic Value	-17.1	-38.4	-17.4	-4.9	-	-	-	-
<i>Rank vs Int'l Eq</i>	18	18	35	40	-	-	-	-
McKinley Capital	-22.5	-49.9	-22.5	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	60	82	71	-	-	-	-	-
Total Int'l Equities	-19.4	-44.1	-19.7	-6.5	-0.5	3.0	4.8	3.6
<i>Rank vs Int'l Eq</i>	32	55	52	54	50	61	67	78
Median Int'l Equity	-21.4	-43.4	-19.4	-5.9	-0.4	4.0	5.8	5.8
MSCI EAFE Index	-19.9	-43.1	-20.3	-6.9	-2.1	2.1	3.9	1.2
MSCI ACWI ex-US	-22.3	-45.2	-19.9	-6.6	-1.1	3.0	4.9	2.3
S&P Citi PMI EPAC Value	-20.0	-43.7	-20.5	-6.8	-1.7	2.9	5.2	3.0
MSCI ACWI ex-US Growth	-22.4	-45.4	-18.6	-6.3	-1.0	2.4	3.8	0.1

Notes: Returns for periods longer than one year are annualized.

CUMULATIVE PERFORMANCE STATISTICS
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	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
DOMESTIC FIXED INCOME								
AFL-CIO Housing	3.7 %	5.7 %	6.4 %	6.0 %	5.2 %	5.1 %	5.9 %	6.2 %
<i>Rank vs Fixed Income</i>	42	25	33	24	21	22	15	14
Goldman Sachs	-	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-	-
ING Clarion*	-5.1	-61.1	-40.7	-16.6	-9.6	-	-	-
<i>Rank vs High Yield</i>	2	99	98	99	98	-	-	-
ING Clarion II*	-44.9	-64.9	-42.7	-	-	-	-	-
<i>Rank vs High Yield</i>	98	99	98	-	-	-	-	-
ING Clarion III*	-	-	-	-	-	-	-	-
<i>Rank vs High Yield</i>	-	-	-	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-	-
Nicholas Applegate	-15.0	-20.0	-9.0	-3.0	-1.3	0.7	4.0	-
<i>Rank vs High Yield</i>	28	14	10	8	6	7	5	-
PIMCO	1.3	0.0	4.1	4.3	4.1	4.4	-	-
<i>Rank vs Fixed Income</i>	62	73	64	63	59	50	-	-
Workout (GSAM)	-	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-	-
Total Domestic Fixed	-3.3	-8.1	-1.4	1.5	2.0	2.9	4.4	4.8
<i>Rank vs Fixed Income</i>	84	92	92	89	88	84	73	78
Median Fixed Income	3.0	3.9	5.1	5.0	4.5	4.4	5.1	5.5
Median High Yield Mgr.	-17.8	-24.9	-12.6	-5.6	-3.7	-1.1	2.1	-
Barclays Universal	2.7	2.4	4.4	4.6	4.1	4.3	5.1	5.5
Barclays Aggregate	4.6	5.2	6.1	5.5	4.7	4.7	5.4	5.6
Merrill Lynch HY II	-17.6	-26.2	-13.2	-5.6	-3.6	-0.8	2.7	2.0
Merrill Lynch BB/B	-15.7	-23.5	-11.4	-4.6	-2.7	-0.3	2.6	2.2
T-Bills	0.2	2.1	3.5	4.0	3.7	3.3	2.7	3.5
GLOBAL FIXED INCOME								
Lazard Asset Mgmt	-1.2	-0.4	-	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	68	31	-	-	-	-	-	-
Barclays Global Aggregate	5.3	4.8	7.1	7.0	4.0	5.0	-	-
ALTERNATIVE INVESTMENTS*								
Adams Street**	-6.2	-4.9	10.2	14.5	15.1	14.7	9.2	13.4
Bay Area Equity Fund**	-1.4	24.4	42.7	23.9	18.0	-	-	-
Carpenter Bancfund	0.0	-	-	-	-	-	-	-
Energy Investor Fund**	5.7	220.5	81.0	54.6	61.5	-	-	-
Energy Investor Fund II**	2.8	19.7	16.0	-	-	-	-	-
Energy Investor Fund III**	-0.1	108.9	-	-	-	-	-	-
Nogales**	-1.5	-51.4	-23.2	-13.2	-7.3	-	-	-
Paladin III**	-0.1	-10.9	-	-	-	-	-	-
Pathway**	-6.2	-6.6	18.5	19.5	24.9	22.2	11.2	-
Hancock PT Timber Fund	5.1	11.9	13.3	12.9	12.1	11.1	8.2	6.8
Total Alternative	-2.5	1.8	14.1	15.8	20.0	18.2	11.7	12.6
S&P 500 + 400 bps	-21.1	-34.4	-15.1	-4.7	-1.4	1.7	2.4	2.6

Note: Returns for periods longer than one year are annualized.

** See also see Internal Rates of Return for closed-end funds on page 13.*

*** Performance as of September 30, 2008.*

CUMULATIVE PERFORMANCE STATISTICS
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	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
REAL ESTATE*								
Adelante Capital REIT	-41.2 %	-44.8 %	-32.3 %	-14.1 %	-7.3 %	0.3 %	5.3 %	- %
<i>Rank vs REITs</i>	86	65	82	79	65	51	53	-
BlackRock Realty	-24.2	-28.2	-9.2	0.7	7.1	-	-	-
<i>Rank</i>	100	80	77	73	66	-	-	-
DLJ RECP I**	12.1	39.0	36.6	38.1	31.7	27.5	20.7	19.3
<i>Rank</i>	2	1	1	1	1	1	1	1
DLJ RECP II**	-3.9	4.0	18.4	23.9	30.3	31.0	27.0	-
<i>Rank</i>	31	12	3	1	1	1	1	-
DLJ RECP III**	-9.0	1.7	15.2	13.5	-	-	-	-
<i>Rank</i>	57	16	3	6	-	-	-	-
DLJ RECP IV**	-1.3	-	-	-	-	-	-	-
<i>Rank</i>	75	-	-	-	-	-	-	-
Fidelity II	-33.1	-41.9	-21.9	-10.7	-4.7	-	-	-
<i>Rank</i>	100	93	83	88	89	-	-	-
Fidelity III	-9.0	-10.7	-	-	-	-	-	-
<i>Rank</i>	57	58	-	-	-	-	-	-
Invesco Fund I	-26.2	-23.2	-8.0	5.4	-	-	-	-
<i>Rank</i>	100	78	77	58	-	-	-	-
Invesco Fund II	-70.9	-81.3	-	-	-	-	-	-
<i>Rank</i>	100	100	-	-	-	-	-	-
Invesco Int'l REIT	-34.0	-	-	-	-	-	-	-
<i>Rank vs REITs</i>	34	-	-	-	-	-	-	-
Prudential SPF II	-50.4	-39.6	-6.3	17.3	22.2	21.7	18.1	14.9
<i>Rank</i>	100	90	76	3	2	3	3	2
Willows Office Property	0.3	3.7	22.4	17.2	14.7	9.5	9.1	17.1
<i>Rank</i>	15	13	1	3	8	37	34	1
Total Real Estate	-32.1	-34.2	-20.3	-5.2	0.6	6.0	8.8	9.4
<i>Rank</i>	100	83	82	79	74	72	42	42
Median Real Estate	-7.7	-10.4	1.1	5.8	8.8	9.3	8.1	8.5
Real Estate Benchmark	-16.7	-15.2	-5.0	3.2	6.8	9.2	9.7	10.1
DJ Wilshire REIT	-40.0	-39.2	-29.2	-12.0	-6.2	0.7	5.5	7.6
NCREIF Property Index	-8.3	-6.5	4.1	8.1	11.0	11.7	10.6	10.5
NCREIF Index + 300 bps	-7.6	-3.6	7.4	11.4	14.3	15.0	13.9	13.8
NCREIF Index + 500 bps	-7.1	-1.7	9.3	13.4	16.4	17.1	16.0	15.9
NCREIF Apartment	-8.4	-7.3	1.6	5.8	9.4	10.1	9.8	10.2
NCREIF Apt + 300 bps	-7.7	-4.5	4.6	8.9	12.6	13.4	13.0	13.5
CCCERA Total Fund	-15.9 %	-26.5 %	-11.2 %	-3.1 %	0.2 %	2.7 %	3.6 %	4.0 %
<i>Rank vs. Total Fund</i>	81	68	67	63	43	24	25	21
<i>Rank vs. Public Fund</i>	89	74	73	61	40	27	28	18
Median Total Fund	-11.9	-23.0	-9.1	-2.3	-0.2	1.7	2.6	2.9
Median Public Fund	-11.6	-22.9	-9.0	-2.2	-0.1	1.8	2.8	2.8
CPI + 400 bps	-2.9	4.2	6.2	6.3	6.7	6.8	6.7	6.9

Note: Returns for periods longer than one year are annualized.

** See also see Internal Rates of Return for closed-end funds on page 13.*

*** Performance as of September 30, 2008.*

CLOSED END FUNDS INTERNAL RATE OF RETURN (IRR)

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
FIXED INCOME					
ING Clarion	31.2%	<i>n/a</i>	28.5%	<i>n/a</i>	02/19/04
ING Clarion II	-57.3%	<i>n/a</i>	-59.3%	<i>n/a</i>	07/01/06
REAL ESTATE					
BlackRock Realty	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11/19/04
DLJ RECP II	30.0%	<i>n/a</i>	<i>n/a</i>	20.0%	09/24/99
DLJ RECP III	12.0%	<i>n/a</i>	<i>n/a</i>	7.0%	06/23/05
DLJ RECP IV	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	02/11/08
Fidelity Growth Fund II	-9.8%	-10.7%	-11.0%	-11.9%	03/10/04
Fidelity Growth Fund III	-17.5%	-15.2%	-24.1%	-23.9%	03/30/07
Hearthstone I	<i>n/a</i>	<i>n/a</i>	4.5%	4.5%	06/15/95
Benchmark ¹	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Hearthstone II	<i>n/a</i>	<i>n/a</i>	31.0%	31.0%	06/17/98
Benchmark ²	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Invesco Real Estate I	2.6%	2.6%	1.0%	1.1%	02/01/05
Invesco Real Estate II	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11/26/07
Prudential SPF II	<i>n/a</i>	14.9%	<i>n/a</i>	10.3%	05/14/96
ALTERNATIVE INVESTMENTS					
Adams Street Partners	<i>n/a</i>	15.3%	<i>n/a</i>	12.2%	03/18/96
Bay Area Equity Fund	23.3%	24.1%	10.4%	10.8%	06/14/04
Carpenter Bancfund	-22.8%	-16.4%	-58.9%	-45.9%	01/31/08
EIF US Power Fund I	31.0%	34.7%	26.0%	28.4%	11/26/03
EIF US Power Fund II	16.2%	15.0%	11.8%	10.8%	08/16/05
EIF US Power Fund III	6.3%	8.9%	-6.2%	-6.2%	05/30/07
Nogales	-5.9%	-7.3%	-11.6%	-12.5%	02/15/04
Paladin	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11/30/07
Pathway	11.6%	11.6%	9.2%	9.2%	11/09/98
Benchmark ³	12.9%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
Benchmark ⁴	0.0%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
PruTimber	<i>n/a</i>	<i>n/a</i>	4.0%	4.1%	12/12/95

Benchmarks:

Hearthstone I

Benchmark ¹

Target IRR range per CCCERA agreement

Hearthstone II

Benchmark ²

Target IRR range per CCCERA agreement

Pathway

Benchmark ³

Venture Economics Buyout Pooled IRR - 1999-2004 as of 12/31/07

Benchmark ⁴

Venture Economics Venture Capital IRR - 1999-2004 as of 12/31/07

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
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DOMESTIC EQUITY								
Boston Partners	-21.0 %	-33.5 %	-16.8 %	-6.1 %	-1.9 %	1.5 %	1.4 %	3.6 %
Delaware	-21.8	-42.8	-19.6	-12.7	-	-	-	-
Emerald Advisors	-26.0	-37.0	-19.6	-9.9	-5.4	-3.7	-	-
ING Investments	-20.4	-36.8	-18.4	-8.3	-5.1	-2.1	-	-
Intech - Enhanced Plus	-22.0	-37.2	-18.0	-8.5	-4.5	-0.9	-	-
Intech - Large Core	-21.2	-36.4	-17.7	-	-	-	-	-
PIMCO Stocks Plus	-25.7	-43.9	-23.3	-12.1	-8.3	-4.8	-	-
Progress	-28.8	-42.9	-22.5	-11.7	-7.0	-	-	-
Rothschild	-22.4	-29.1	-15.3	-4.7	-1.1	2.8	-	-
Wentworth, Hauser	-20.4	-34.9	-16.8	-9.5	-5.1	-1.7	-1.7	0.6
Total Domestic Equities	-22.6	-37.8	-18.7	-9.3	-5.2	-1.8	-2.2	-1.1
Median Equity	-22.8	-37.0	-18.5	-8.4	-4.8	-1.1	0.3	2.1
S&P 500	-21.9	-37.0	-18.5	-8.3	-5.2	-2.2	-1.5	-1.4
S&P 500 ex-Tobacco	-22.1	-37.3	-18.8	-8.6	-5.5	-2.4	-	-
Russell 3000®	-22.8	-37.3	-18.8	-8.6	-5.2	-2.0	-1.0	-0.8
Russell 1000® Value	-22.2	-36.9	-20.6	-8.3	-4.7	-0.8	0.8	1.4
Russell 1000® Growth	-22.8	-38.4	-17.0	-9.1	-5.7	-3.4	-3.4	-4.3
Russell 2000®	-26.1	-33.8	-19.3	-8.3	-5.2	-0.9	1.6	3.0
Russell 2500™ Value	-24.9	-32.0	-20.6	-8.8	-4.9	-0.2	3.8	5.7
Russell 2000® Growth	-27.4	-38.5	-18.9	-9.3	-6.1	-2.4	-1.2	-0.8
INT'L EQUITY								
GMO Intrinsic Value	-17.2	-38.7	-17.9	-5.5	-	-	-	-
McKinley Capital	-22.7	-50.3	-22.9	-	-	-	-	-
Total Int'l Equities	-19.5	-44.4	-20.2	-7.1	-1.0	2.5	4.4	3.3
Median Int'l Equity	-21.4	-43.4	-19.4	-5.9	-0.4	4.0	5.8	5.8
MSCI EAFE Index	-19.9	-43.1	-20.3	-6.9	-2.1	2.1	3.9	1.2
MSCI ACWI ex-US	-22.3	-45.2	-19.9	-6.6	-1.1	3.0	4.9	2.3
S&P Citi PMI EPAC Value	-20.0	-43.7	-20.5	-6.8	-1.7	2.9	5.2	3.0
MSCI ACWI ex-US Growth	-22.4	-45.4	-18.6	-6.3	-1.0	2.4	3.8	0.1
DOMESTIC FIXED INCOME								
AFL-CIO Housing	3.6	5.3	6.0	5.6	4.8	4.7	5.5	5.8
Goldman Sachs	-	-	-	-	-	-	-	-
ING Clarion	-5.1	-61.1	-40.7	-17.0	-10.4	-	-	-
ING Clarion II	-45.6	-66.0	-46.8	-	-	-	-	-
ING Clarion III	-	-	-	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-	-	-
Nicholas Applegate	-15.1	-20.4	-9.4	-3.4	-1.8	0.2	3.5	-
PIMCO	1.2	-0.3	3.8	4.1	3.8	4.1	-	-
Workout (GSAM)	-	-	-	-	-	-	-	-
Total Domestic Fixed	-3.4	-8.5	-1.8	1.1	1.7	2.5	4.1	4.5
Median Fixed Income	3.0	3.9	5.1	5.0	4.5	4.4	5.1	5.5
Median High Yield Mgr.	-17.8	-24.9	-12.6	-5.6	-3.7	-1.1	2.1	1.6
Barclays Universal	2.7	2.4	4.4	4.6	4.1	4.3	5.1	5.5
Barclays Aggregate	4.6	5.2	6.1	5.5	4.7	4.7	5.4	5.6
Merrill Lynch HY II	-17.6	-26.2	-13.2	-5.6	-3.6	-0.8	2.7	2.0
Merrill Lynch BB/B	-15.7	-23.5	-11.4	-4.6	-2.7	-0.3	2.6	2.2
T-Bills	0.2	2.1	3.5	4.0	3.7	3.3	2.7	3.5
GLOBAL FIXED INCOME								
Lazard Asset Mgmt	-1.3	-	-	-	-	-	-	-
Barclays Global Aggregate	5.3	4.8	7.1	7.0	4.0	5.0	-	-

Note: Returns for periods longer than one year are annualized.

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
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	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
ALTERNATIVE INVESTMENTS*								
Adams Street**	-6.5 %	-6.1 %	8.4 %	12.5 %	12.9 %	12.4 %	6.9 %	11.2 %
Bay Area Equity Fund**	-2.0	20.8	37.0	17.4	9.9	-	-	-
Carpenter Bancfund**	0.0	-	-	-	-	-	-	-
Energy Investor Fund**	4.2	202.1	68.4	46.2	53.8	-	-	-
Energy Investor Fund II**	2.2	16.9	12.5	-	-	-	-	-
Energy Investor Fund III**	-1.8	-	-	-	-	-	-	-
Nogales**	-2.6	-54.8	-26.9	-16.7	-11.2	-	-	-
Paladin III	-2.6	-15.4	-	-	-	-	-	-
Pathway**	-6.7	-8.6	16.2	17.1	22.5	19.5	8.5	-
Hancock PT Timber Fund	4.9	10.9	12.3	11.9	11.1	10.0	7.2	5.7
Total Alternative	-3.1	-1.1	11.4	13.3	17.3	14.9	8.8	10.1
S&P 500 + 400 bps	-21.1	-34.4	-15.1	-4.7	-1.4	1.7	2.4	2.6
REAL ESTATE*								
Adelante Capital REIT	-41.3	-45.1	-32.7	-14.5	-7.7	-0.3	4.8	-
BlackRock Realty	-24.2	-26.7	-9.0	-0.2	5.5	-	-	-
DLJ RECP I**	12.1	28.5	31.0	34.2	28.4	24.6	18.4	16.9
DLJ RECP II**	-3.9	4.4	18.1	23.5	29.6	29.9	24.9	-
DLJ RECP III**	-9.0	2.0	14.8	12.9	-	-	-	-
DLJ RECP IV**	-5.6	-	-	-	-	-	-	-
Fidelity II	-33.4	-42.8	-21.8	-11.6	-6.1	-	-	-
Fidelity III	-9.3	-25.3	-	-	-	-	-	-
Invesco Fund I	-26.5	-24.2	-9.3	3.6	-0.8	-	-	-
Invesco Fund II	-71.4	-82.2	-	-	-	-	-	-
Invesco Int'l REIT	-34.0	-	-	-	-	-	-	-
Prudential SPF II	-50.8	-41.8	-10.6	10.3	15.7	16.2	13.7	11.5
Willows Office Property	0.3	3.7	22.4	17.2	14.7	9.5	9.1	17.0
Total Real Estate	-32.1	-34.7	-20.9	-6.0	-0.3	5.0	7.8	8.3
Median Real Estate	-7.7	-10.4	1.1	5.8	8.8	9.3	8.1	8.5
Real Estate Benchmark	-16.7	-15.2	-5.0	3.2	6.8	9.2	9.7	10.1
DJ Wilshire REIT	-40.0	-39.2	-29.2	-12.0	-6.2	0.7	5.5	7.6
NCREIF Property Index	-8.3	-6.5	4.1	8.1	11.0	11.7	10.6	10.5
NCREIF Index + 300 bps	-7.6	-3.6	7.4	11.4	14.3	15.0	13.9	13.8
NCREIF Index + 500 bps	-7.1	-1.7	9.3	13.4	16.4	17.1	16.0	15.9
NCREIF Apartment	-8.4	-7.3	1.6	5.8	9.4	10.1	9.8	10.2
NCREIF Apt + 300 bps	-7.7	-4.5	4.6	8.9	12.6	13.4	13.0	13.5
CCCERA Total Fund	-16.0 %	-26.9 %	-11.6 %	-3.6 %	-0.3	2.2 %	3.1 %	3.5 %
CPI + 400 bps	-2.9	4.2	6.2	6.3	6.7	6.8	6.7	6.9

See also IRRs on closed end funds (real estate and alternatives) on Page 13.

** Performance as of September 30, 2008.

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2008

DOMESTIC EQUITY	2008	2007	2006	2005	2004	2003	2002
Boston Partners	-33.2 %	4.3 %	20.2 %	12.0 %	16.6 %	27.1 %	-18.7 %
<i>Rank vs Equity</i>	<i>22</i>	<i>60</i>	<i>12</i>	<i>14</i>	<i>31</i>	<i>75</i>	<i>32</i>
<i>Rank vs Lg Value</i>	<i>16</i>	<i>24</i>	<i>36</i>	<i>14</i>	<i>32</i>	<i>81</i>	<i>54</i>
Delaware	-42.6	13.6	3.2	-	-	-	-
<i>Rank vs Equity</i>	<i>81</i>	<i>15</i>	<i>91</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>76</i>	<i>33</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Emerald Advisors	-36.5	3.2	13.8	10.1	4.1	-	-
<i>Rank vs Equity</i>	<i>41</i>	<i>64</i>	<i>56</i>	<i>25</i>	<i>93</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Growth</i>	<i>35</i>	<i>48</i>	<i>39</i>	<i>20</i>	<i>86</i>	<i>-</i>	<i>-</i>
ING	-36.7	5.8	15.9	5.4	11.2	26.7	-
<i>Rank vs Equity</i>	<i>41</i>	<i>44</i>	<i>38</i>	<i>61</i>	<i>60</i>	<i>77</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>35</i>	<i>75</i>	<i>39</i>	<i>40</i>	<i>36</i>	<i>83</i>	<i>-</i>
Intech - Enhanced Plus	-37.0	7.4	14.4	8.9	15.3	29.4	-
<i>Rank vs Equity</i>	<i>48</i>	<i>36</i>	<i>54</i>	<i>34</i>	<i>37</i>	<i>60</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>53</i>	<i>79</i>	<i>80</i>	<i>14</i>	<i>7</i>	<i>34</i>	<i>-</i>
Intech - Large Cap Core	-36.2	7.0	-	-	-	-	-
<i>Rank vs Equity</i>	<i>37</i>	<i>38</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>27</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
PIMCO Stocks Plus	-43.5	5.0	15.7	4.6	11.1	29.9	-
<i>Rank vs Equity</i>	<i>85</i>	<i>56</i>	<i>43</i>	<i>75</i>	<i>62</i>	<i>58</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>97</i>	<i>68</i>	<i>64</i>	<i>78</i>	<i>15</i>	<i>29</i>	<i>-</i>
Progress	-42.5	6.1	15.4	9.1	-	-	-
<i>Rank vs Equity</i>	<i>81</i>	<i>42</i>	<i>46</i>	<i>32</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Core</i>	<i>91</i>	<i>17</i>	<i>46</i>	<i>36</i>	<i>-</i>	<i>-</i>	<i>-</i>
Rothschild	-28.6	1.8	21.3	11.2	20.7	-	-
<i>Rank vs Equity</i>	<i>11</i>	<i>70</i>	<i>9</i>	<i>18</i>	<i>15</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Value</i>	<i>28</i>	<i>31</i>	<i>19</i>	<i>23</i>	<i>39</i>	<i>-</i>	<i>-</i>
Wentworth, Hauser	-34.8	6.6	7.2	9.6	13.6	27.1	-23.4
<i>Rank vs Equity</i>	<i>29</i>	<i>40</i>	<i>83</i>	<i>28</i>	<i>46</i>	<i>75</i>	<i>65</i>
<i>Rank vs Lg Core</i>	<i>16</i>	<i>36</i>	<i>98</i>	<i>9</i>	<i>15</i>	<i>82</i>	<i>77</i>
Total Domestic Equities	-37.5	6.5	13.5	8.8	13.0	31.0	-28.0
<i>Rank vs Equity</i>	<i>55</i>	<i>40</i>	<i>60</i>	<i>35</i>	<i>49</i>	<i>50</i>	<i>83</i>
Median Equity	-37.0	5.5	15.0	6.5	12.9	31.0	-22.0
S&P 500	-37.0	5.5	15.8	4.9	10.9	28.7	-22.1
S&P 500 ex-Tobacco	-37.3	5.2	15.7	4.6	10.7	28.4	-22.3
Russell 3000®	-37.3	5.1	15.7	6.1	12.0	31.0	-21.6
Russell 1000® Value	-36.9	-0.2	22.2	7.0	16.5	30.0	-15.5
Russell 1000® Growth	-38.4	11.8	9.1	5.3	6.3	29.8	-27.9
Russell 2000®	-33.8	-1.6	18.4	4.6	18.3	47.3	-20.5
Rothschild Benchmark	-32.0	-7.3	20.2	5.5	22.3	-	-
Russell 2000® Growth	-38.5	7.1	13.4	4.2	14.3	-	-
INT'L EQUITY							
GMO	-38.4	10.6	26.2	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>18</i>	<i>60</i>	<i>44</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
McKinley Capital	-49.9	20.1	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>82</i>	<i>17</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Int'l Equities	-44.1	15.3	26.6	20.0	18.1	39.9	-14.6
<i>Rank vs Int'l Eq</i>	<i>55</i>	<i>36</i>	<i>41</i>	<i>32</i>	<i>68</i>	<i>27</i>	<i>45</i>
Median Int'l Equity	-43.4	11.9	25.9	15.9	19.9	36.4	-15.0
MSCI EAFE Index	-43.1	11.6	26.9	14.0	20.7	39.2	-15.7
MSCI ACWI ex-US	-45.2	17.1	27.2	17.1	21.4	41.4	-14.7
S&P Citi PMI EPAC Value	-43.7	12.2	28.1	15.7	23.5	42.1	-13.1
MSCI ACWI ex-US Growth	-45.4	21.4	24.0	17.1	17.1	34.9	-14.7

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2008

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
DOMESTIC FIXED INCOME							
AFL-CIO Housing	5.7 %	7.1 %	5.1 %	3.0 %	4.6 %	4.2 %	12.1 %
<i>Rank vs Fixed Income</i>	25	34	28	25	41	66	6
Goldman Sachs	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-
ING Clarion	-61.1	-9.6	64.8	15.3	-	-	-
<i>Rank vs Fixed Income</i>	99	100	1	1	-	-	-
ING Clarion II	-64.9	-6.6	-	-	-	-	-
<i>Rank vs Fixed Income</i>	99	100	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-
Nicholas Applegate	-20.0	7.1	10.2	3.8	9.1	21.2	4.8
<i>Rank vs. High Yield</i>	14	34	32	15	66	68	5
PIMCO	0.0	8.4	4.8	3.4	5.6	6.9	-
<i>Rank vs Fixed Income</i>	73	13	37	18	20	21	-
Workout (GSAM)	-	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	-	-	-	-	-	-	-
Total Domestic Fixed	-8.1	5.8	7.5	3.7	6.3	7.9	9.1
<i>Rank vs Fixed Income</i>	92	62	11	14	16	14	52
Median Fixed Income	3.9	6.5	4.5	2.5	4.4	4.6	9.2
Median High Yield Mgr.	-24.9	6.5	9.0	2.5	9.8	24.0	-1.1
Barclays Universal	2.4	6.5	5.0	2.7	5.0	5.8	9.8
Barclays Aggregate	5.2	7.0	4.3	2.4	4.3	4.1	10.3
ML High Yield II	-26.2	2.1	11.7	2.7	10.8	28.1	-1.9
T-Bills	2.1	5.0	4.8	3.1	1.3	1.1	1.8
Global Fixed Income							
Lazard Asset Mgmt	-0.4	-	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	31	-	-	-	-	-	-
Barclays Global Aggregate	4.8	-	-	-	-	-	-
ALTERNATIVE INVESTMENTS							
Adams Street**	-4.9	27.9	23.5	17.0	13.0	4.5	-10.9
Bay Area Equity Fund**	24.4	63.6	-6.5	1.9	-	-	-
Carpenter Bancfund	-	-	-	-	-	-	-
Energy Investor Fund**	220.5	2.2	12.7	84.2	-	-	-
Energy Investor Fund II**	19.7	12.5	-	-	-	-	-
Energy Investor Fund III**	108.9	-	-	-	-	-	-
Nogales**	-51.4	21.2	11.0	13.1	-	-	-
Paladin III**	-10.9	-	-	-	-	-	-
Pathway**	-6.6	50.4	21.4	42.5	12.2	0.2	-23.1
Hancock PT Timber Fund	11.9	14.7	12.1	9.8	6.9	3.8	-1.1
Total Alternative	1.8	28.0	19.2	33.3	11.4	3.5	-9.3
S&P 500 + 400 bps	-34.4	9.7	19.8	8.9	14.9	32.7	-18.1

See also IRRs on closed end funds (real estate and alternatives) on Page 13.

** Performance as of September 30, 2008.

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YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2008

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
REAL ESTATE							
Adelante Capital REIT	-44.8 %	-16.9 %	38.2 %	16.7 %	36.9 %	36.1 %	4.2 %
<i>Rank</i>	65	55	13	4	11	53	47
BlackRock Realty	-28.2	14.8	23.8	28.7	-	-	-
<i>Rank</i>	80	44	27	11	-	-	-
DLJ RECP I**	39.0	34.2	41.2	14.2	11.8	4.2	6.8
<i>Rank</i>	1	2	6	62	54	84	39
DLJ RECP II**	4.0	34.8	35.7	51.3	33.8	25.8	9.9
<i>Rank</i>	12	1	17	4	19	28	14
DLJ RECP III**	1.7	30.5	10.2	-	-	-	-
<i>Rank</i>	16	2	79	-	-	-	-
DLJ RECP IV**	-	-	-	-	-	-	-
<i>Rank</i>	-	-	-	-	-	-	-
Fidelity II	-41.9	5.0	16.5	16.1	-	-	-
<i>Rank</i>	93	74	45	51	-	-	-
Fidelity III	-10.7	-	-	-	-	-	-
<i>Rank</i>	58	-	-	-	-	-	-
Invesco Fund I	-23.2	10.4	38.1	-	-	-	-
<i>Rank</i>	78	63	10	-	-	-	-
Invesco Fund II	-81.3	-	-	-	-	-	-
<i>Rank</i>	100	-	-	-	-	-	-
Invesco Intl REIT	-	-	-	-	-	-	-
<i>Rank</i>	-	-	-	-	-	-	-
Prudential SPF II	-39.6	45.3	83.8	38.3	19.7	12.4	6.5
<i>Rank</i>	90	1	1	7	30	33	40
Willows Office Property	3.7	44.5	7.4	7.5	-8.9	7.9	8.2
<i>Rank</i>	13	1	87	80	96	67	29
Total Real Estate	-34.2	-3.0	33.8	20.4	30.4	25.6	7.5
<i>Rank</i>	83	82	20	29	23	28	35
Median Real Estate	-10.4	13.9	15.6	16.7	12.3	9.5	4.8
Real Estate Benchmark	-15.2	6.3	-	-	-	-	-
DJ Wilshire REIT Index	-39.2	-17.6	36.0	13.8	33.1	36.2	3.6
NCREIF Property Index	-6.5	15.8	16.6	20.1	14.5	9.0	6.7
CCCERA Total Fund	-26.5	7.3	15.3	10.8	13.38	23.5	-9.5
<i>Rank vs. Total Fund</i>	68	45	13	5	15	20	63
<i>Rank vs. Public Fund</i>	74	42	11	2	8	19	69
Median Total Fund	-23.0	7.1	12.0	6.1	10.4	19.1	-8.1
Median Public Fund	-22.9	6.9	11.9	6.0	10.0	20.4	-8.0
CPI + 400 bps	4.2	8.3	6.6	7.6	7.4	6.5	6.5

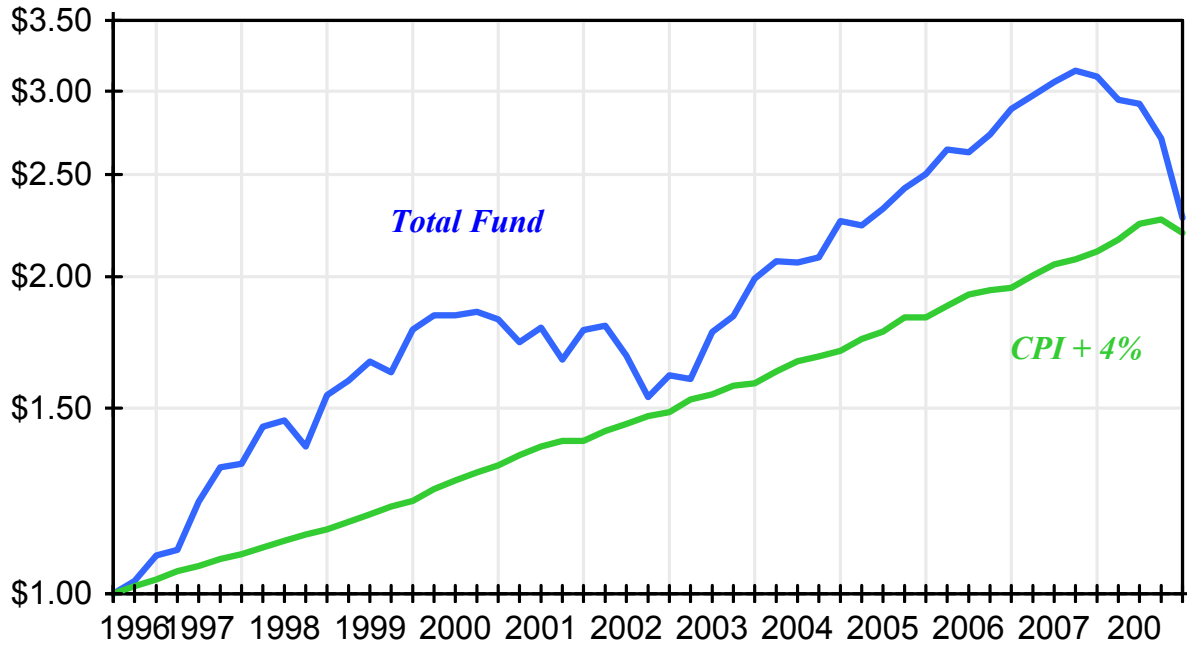
** Performance as of September 30, 2008.

TOTAL FUND PERFORMANCE

Total Fund

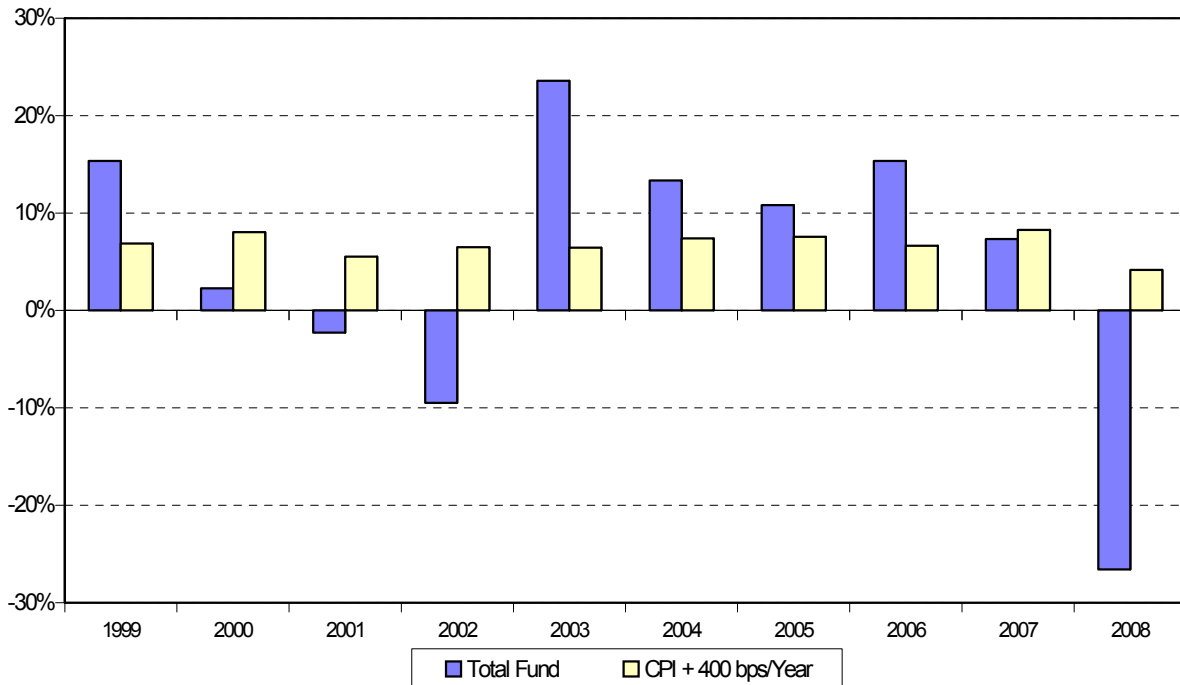
Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

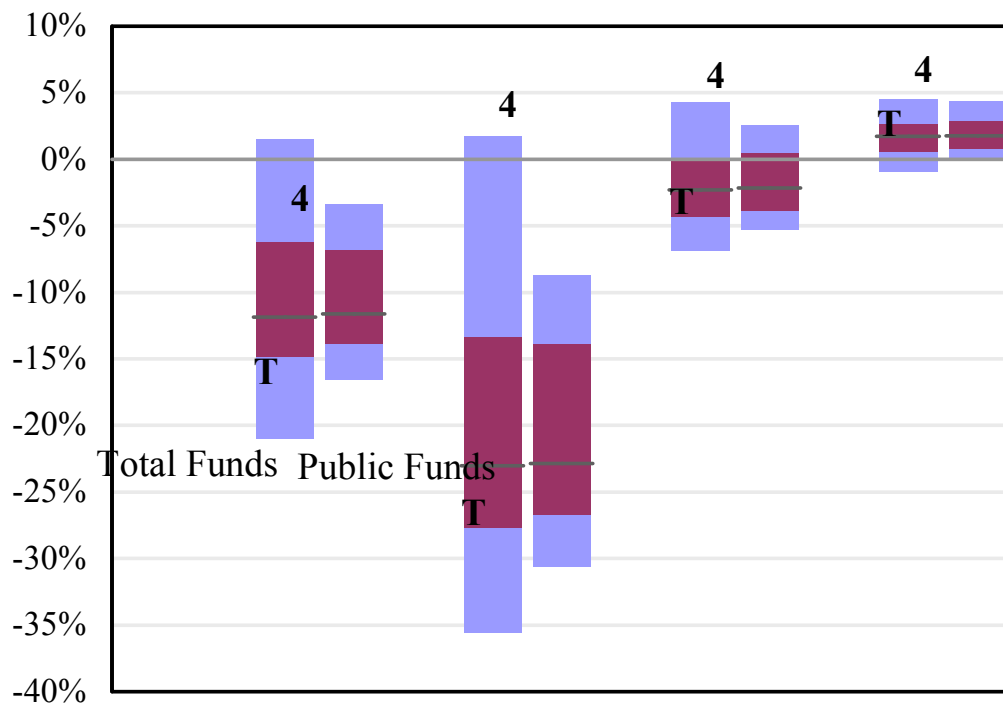


Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



Total Fund



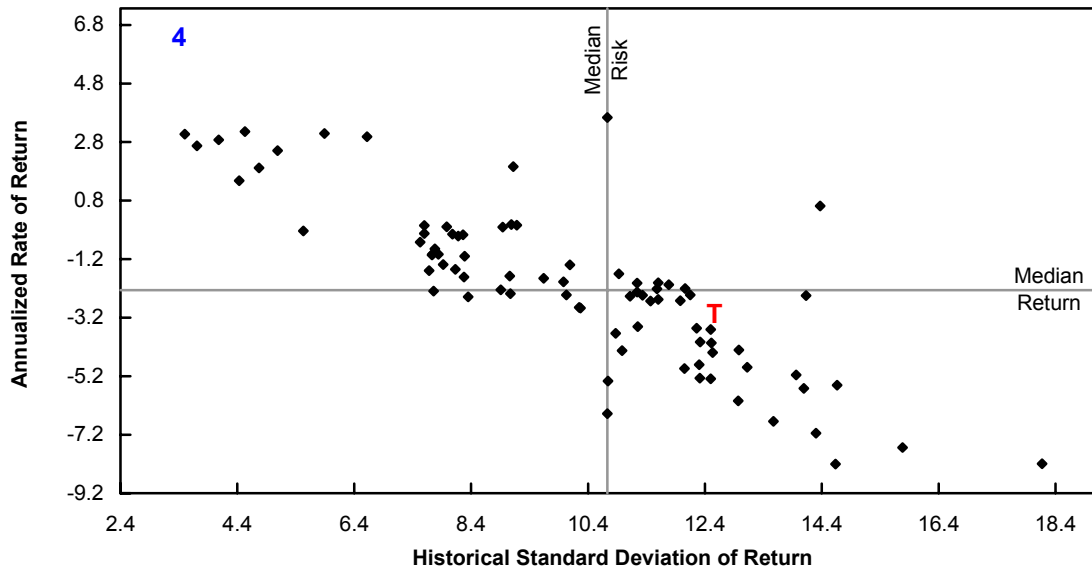
	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fund (T)	-15.9	-26.5	-3.1	2.7
<i>Rank v. Total Fd</i>	81	68	63	24
<i>Rank v. Public Fd</i>	89	74	61	27
CPI + 4% (4)	-2.9	4.2	6.3	6.8
Total Fund Median	-11.9	-23.0	-2.3	0.6
Total Public Median	-11.6	-22.9	-2.2	1.8

CCCERA Total Fund returned -15.9% in the fourth quarter, below the -11.9% return of the median total fund and the -11.6% return of the median total public fund. For the one-year period, the Total Fund returned -26.5%, below the -23.0% for the median total fund and -22.9% for the median public fund. Over the longer periods CCCERA has performed better than both fund medians. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past five years. However, the CCCERA Total Fund did not exceed the CPI plus 400 basis points over the past five years.

TOTAL FUND PERFORMANCE

Performance and Variability

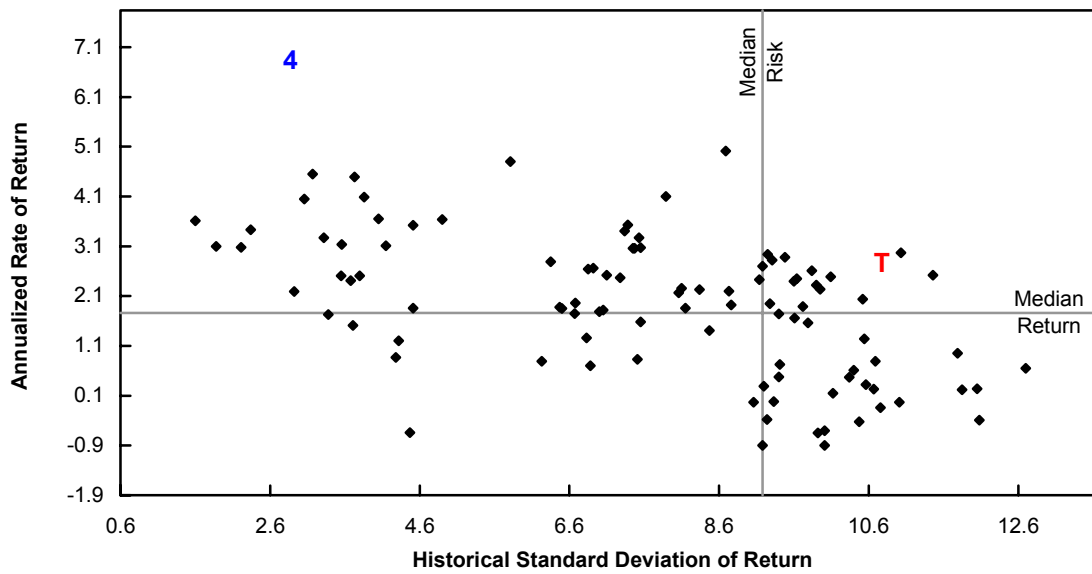
Three Years Ending December 31, 2008



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund (T)	-3.1 %	12.5 %	-0.56
CPI + 4% (4)	6.3	3.4	0.71
Median Fund	-2.3	10.7	-0.58

Performance and Variability

Five Years Ending December 31, 2008



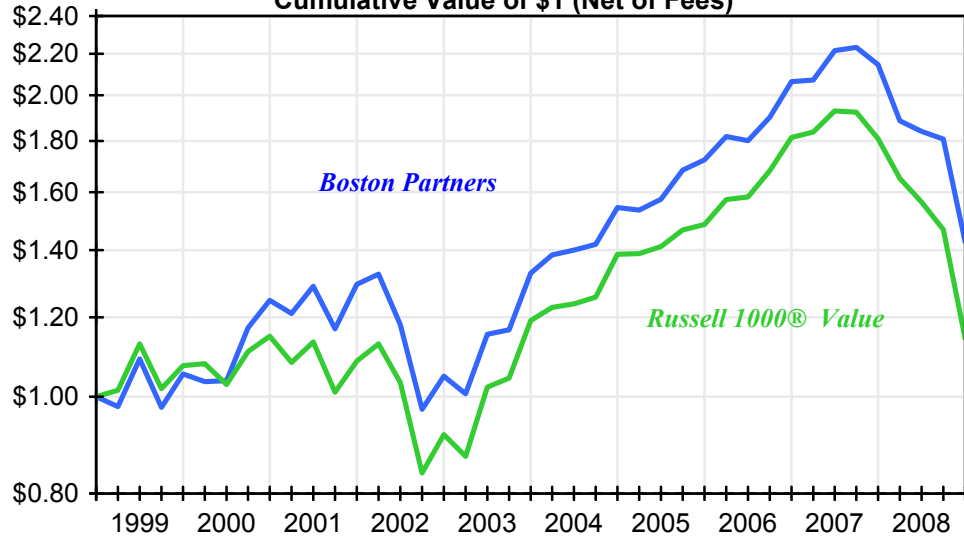
	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund (T)	2.7 %	12.5 %	-0.04
CPI + 4% (4)	6.8	3.4	1.05
Median Fund	1.7	10.7	-0.14

MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners

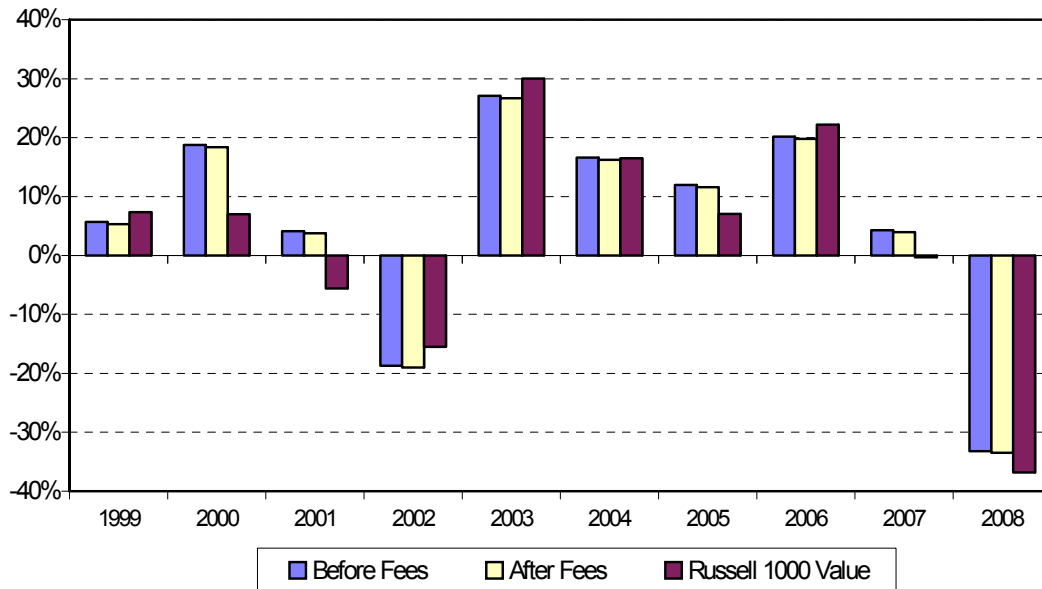
Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

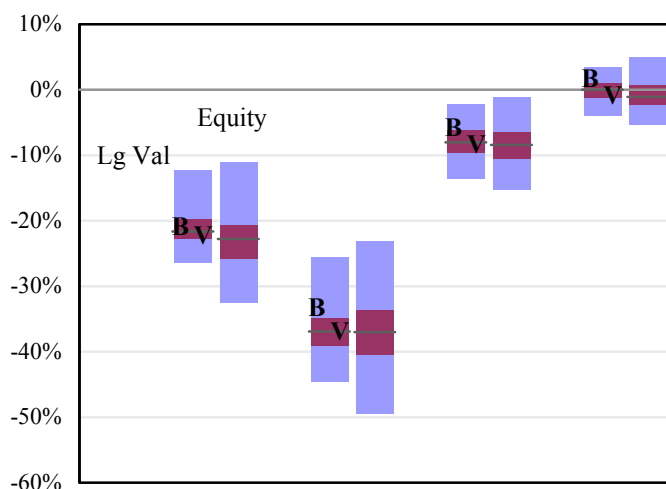


Boston vs. Russell 1000® Value

Year by Year Performance



Boston Partners



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Boston (B)	-20.9	-33.2	-5.8	1.8
Rank v. Lg Value	38	16	22	13
Rank v. Equity	26	22	20	17
Rus 1000 Val (V)	-22.2	-36.9	-8.3	-0.8
Lg Val Median	-21.6	-36.9	-8.0	-1.3
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	228.8	N/A
Wtd. Avg. Cap (\$Bil)	56.4	87.8
Beta	1.04	0.94
Yield (%)	2.49	3.80
P/E Ratio	11.78	11.01
Cash (%)	2.8	0.0
Number of Holdings	105	650
Turnover Rate (%)	87.9	-

Sector	Boston Partners	Russell 1000® Value
Energy	13.7 %	17.2 %
Materials	1.3	3.0
Industrials	8.0	9.0
Cons. Discretionary	12.4	8.1
Consumer Staples	3.3	9.5
Health Care	11.2	13.3
Financials	32.5	23.7
Info Technology	13.0	2.7
Telecom Services	0.9	6.5
Utilities	3.6	6.9

Boston Partners' fourth quarter return of -20.9% was better than the -22.2% return of the Russell 1000® Value Index and ranked in the 38th percentile of large value managers. For the one-year period, Boston Partners returned -33.2%, better than the -36.9% return of the Russell 1000® Value Index. Over both the three and five-year periods, Boston Partners' performance was above the median large value equity manager and exceeded the Russell 1000® Value Index. Boston Partners is in compliance with CCCERA's performance objectives.

The portfolio had a higher P/E ratio and a lower yield than the index, indicating less of a value bias than the index. At the end of the quarter, the portfolio held 105 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest economic sector over-weights were in the information technology, financials and consumer discretionary sectors, while the largest under-weights were in the consumer staples, telecom services and energy sectors.

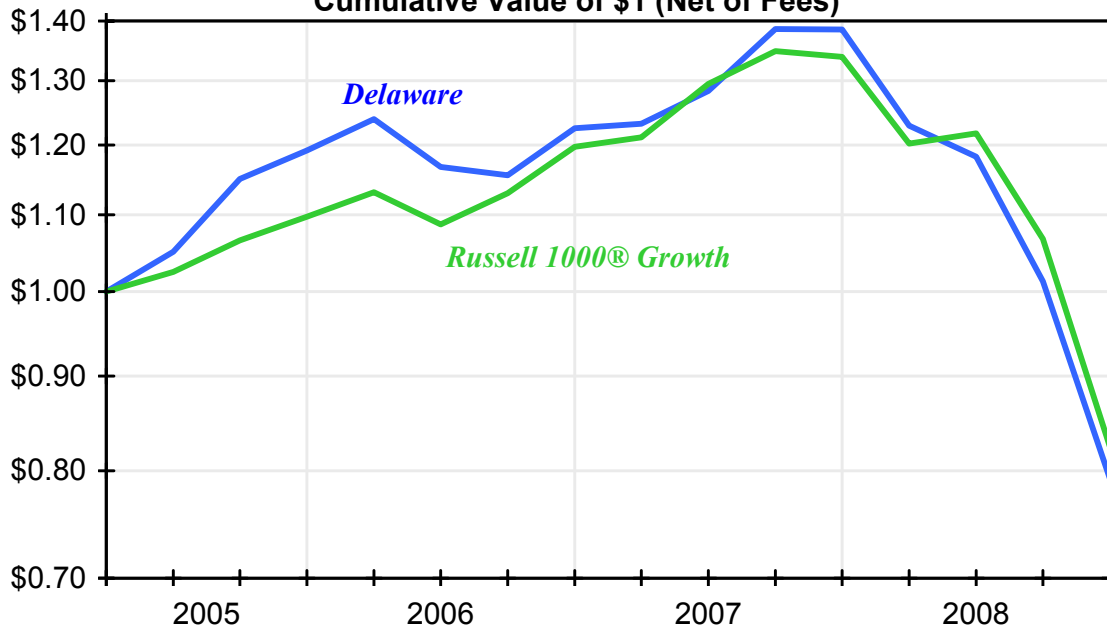
Boston Partners' fourth quarter performance relative to the Russell 1000® Value Index was helped by stock selection decisions but hurt by sector allocation decisions. Stock selection was strongest in the financials sector. Top performing holdings included Annaly Mortgage (+22%), Nationwide Financial Services (+6%) and PG&E (+4%), while the worst performing holdings included Helix Energy Solutions (-70%), Flextronics (-64%) and Seagate Technology (-63%).

MANAGER COMMENTS – DOMESTIC EQUITY

Delaware

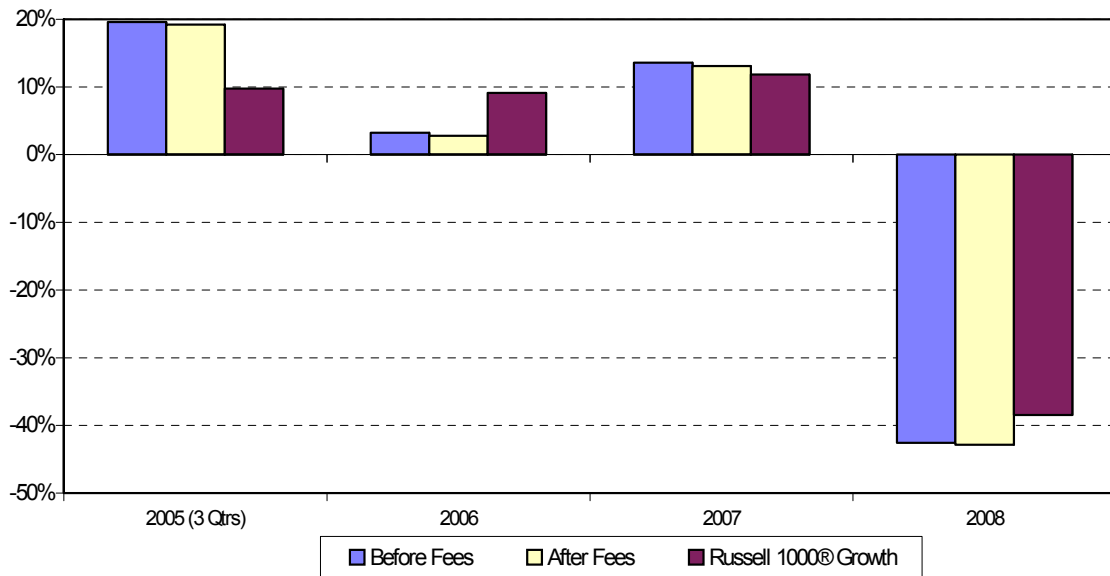
Delaware vs. Russell 1000 Growth

Cumulative Value of \$1 (Net of Fees)



Delaware vs. Russell 1000® Growth

Year by Year Performance



Delaware



	Qtr	1 Year	3 Years	5 Years
Delaware (D)	-21.7	-42.6	-12.3	-
Rank v. Lg Gro	40	76	84	-
Rank v. Equity	32	81	85	-
Ru 1000 Gro (G)	-22.8	-38.4	-9.1	-
Lg Gro Median	-22.7	-38.4	-8.9	-1.8
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	198.39	N/A
Wtd. Avg. Cap (\$Bil)	37.63	57.3
Beta	1.26	1.12
Yield (%)	1.10	1.94
P/E Ratio	16.25	12.46
Cash (%)	2.3	0.0
Number of Holdings	28	643
Turnover Rate (%)	38.3	-

Sector	Delaware	Russell 1000® Growth
Energy	3.0 %	8.3 %
Materials	3.1	3.7
Industrials	7.2	13.4
Cons. Discretionary	8.0	9.7
Consumer Staples	7.3	14.4
Health Care	14.4	15.7
Financials	11.6	3.8
Info Technology	42.6	28.3
Telecom Services	2.9	0.7
Utilities	0.0	2.0

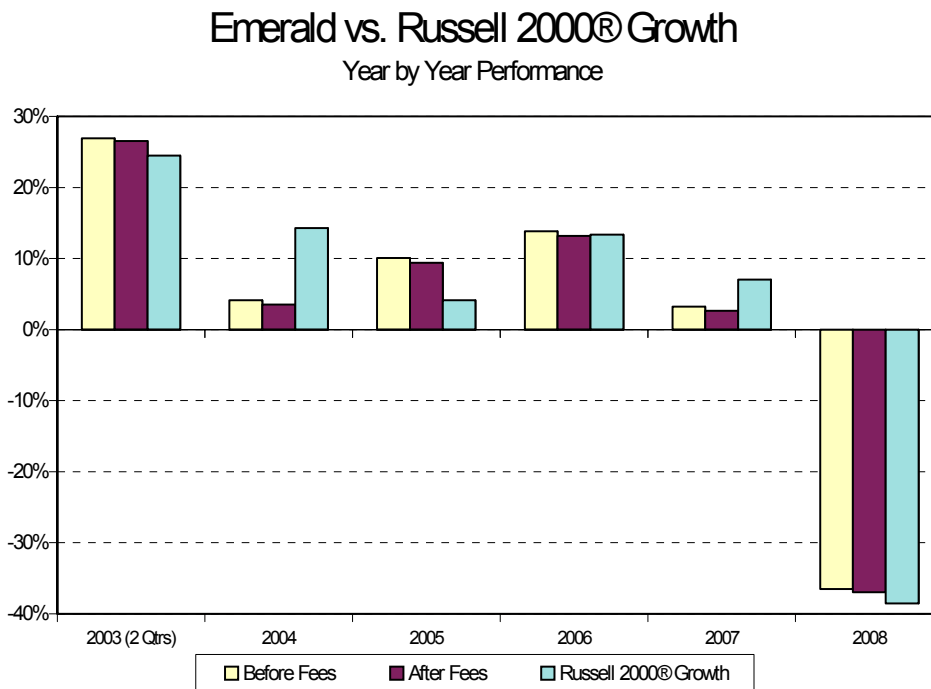
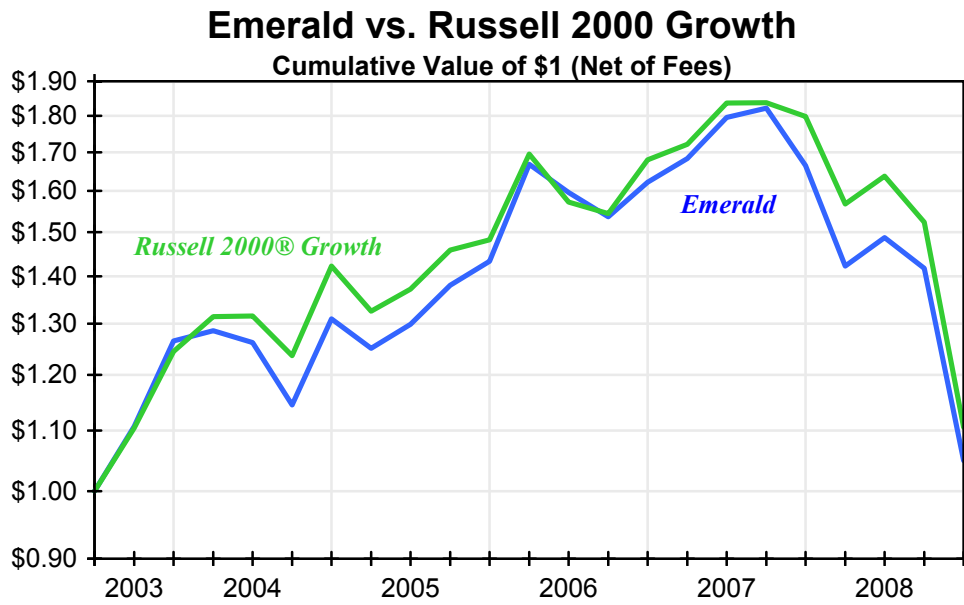
Delaware's return of -21.7% for the fourth quarter was better than the -22.8% return of the Russell 1000® Growth Index, ranking in the 40th percentile in the universe of large growth equity managers. Over the past year, the portfolio returned -42.6%, below the Russell 1000® Growth Index return of -38.4%, and ranked in the 90th percentile of large growth equity managers. Despite the portfolio's strong start in early 2005, since inception performance trails the Russell 1000® Growth Index.

The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 28 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weights relative to the Russell 1000® Growth Index were in the information technology, financials and telecom sectors, while the largest under-weights were in the consumer staples, industrials and energy sectors.

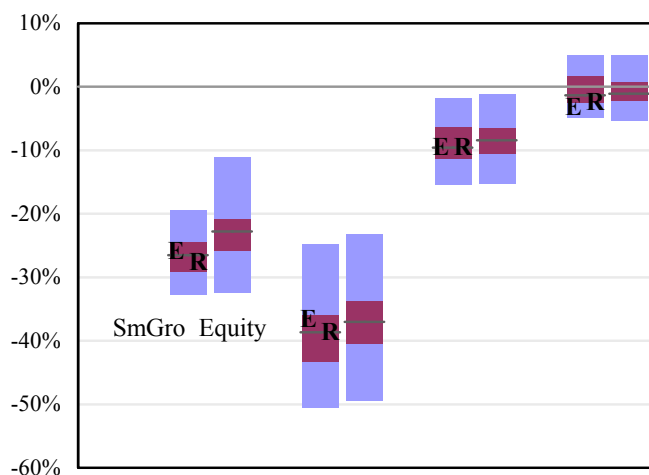
Delaware's fourth quarter performance relative to the Russell 1000® Growth Index was helped by stock selection decision, while sector allocation decisions detracted from performance. Stock selection in the financials sector dominated other factors and was responsible for the bulk of the outperformance. Trading decisions had a small negative impact on performance for the quarter. The top performing holdings included United Health Group (+5%), Intercontinental Exchange (+2%) and Expeditors International (-4%). The worst performing holdings included Seagate Technology (-63%), MGM Grand (-52%) and CME Group Inc (-44%).

MANAGER COMMENTS – DOMESTIC EQUITY

Emerald



Emerald



	Qtr	1 Year	3 Years	5 Years
Emerald (E)	-25.8	-36.5	-9.3	-3.1
Rank v. Sm Gro	36	35	44	79
Rank v. Equity	73	41	62	85
Ru 2000 Gro (R)	-27.4	-38.5	-9.3	-2.4
Sm Gro Median	-26.5	-38.6	-9.6	-1.3
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Emerald	Russell 2000® Growth
Eq Mkt Value (\$Mil)	94.97	N/A
Wtd. Avg. Cap (\$Bil)	1.32	0.91
Beta	1.22	1.31
Yield (%)	0.47	0.80
P/E Ratio	20.65	22.40
Cash (%)	0.8	0.0
Number of Holdings	115	1,197
Turnover Rate (%)	115.3	-

Sector	Emerald	Russell 2000® Growth
Energy	5.6 %	6.6 %
Materials	5.7	2.8
Industrials	12.2	19.4
Cons. Discretionary	10.3	12.4
Consumer Staples	3.1	3.2
Health Care	29.7	26.4
Financials	8.0	5.6
Info Technology	23.6	21.4
Telecom Services	1.8	1.4
Utilities	0.0	0.9

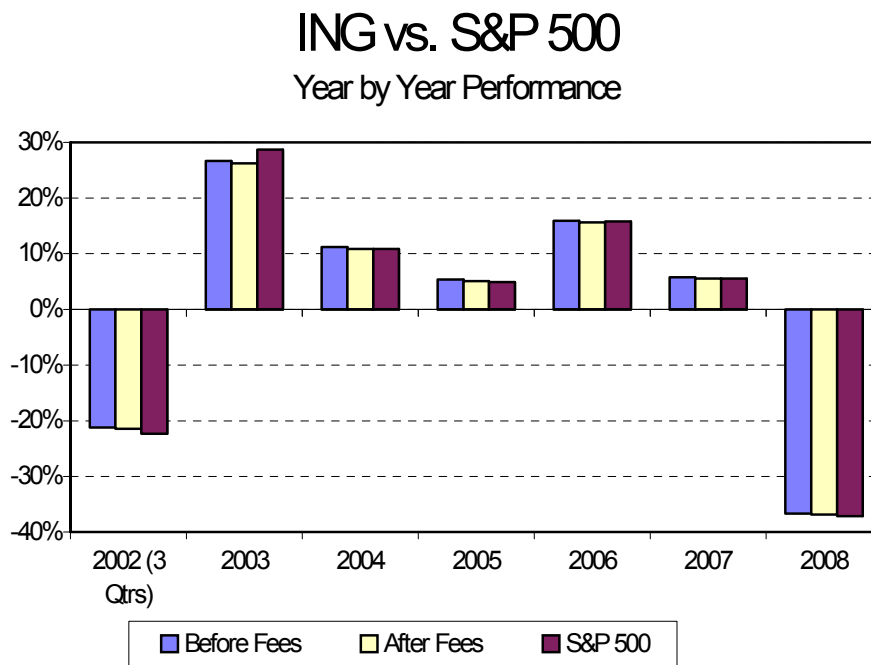
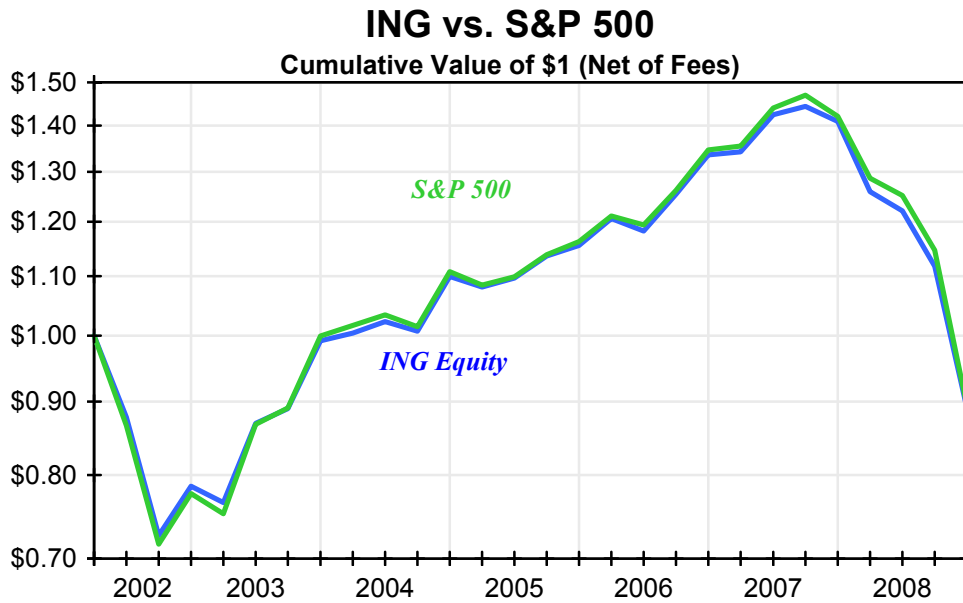
Emerald's return of -25.8% for the fourth quarter was better than the -27.4% return of the Russell 2000® Growth index and ranked in the 36th percentile in the universe of small growth equity managers. For the one-year period, Emerald returned -36.5%, better than the -38.5% return of the Russell 2000® Growth, and ranked in the 35th percentile in the universe of small growth equity managers. Over the three-year period Emerald returned -9.3%, matching the -9.3% return of the index, and ranked in the 44th percentile of small growth managers. Over the past five years Emerald has returned -3.1%, below the index and small growth median. Emerald is in compliance with some of CCCERA's performance objectives.

The portfolio has a beta of 1.22x compared to 1.31x for the Russell 2000® Growth Index and has a well below-index yield. It includes 115 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the health care, materials and financials sectors. The largest under-weights are in the industrials, consumer discretionary and energy sectors.

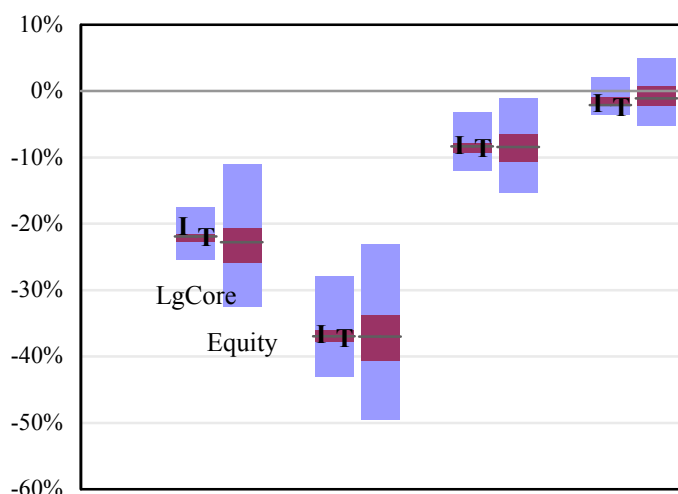
Emerald's fourth quarter performance relative to the Russell 2000® Growth Index was helped by both stock selection and trading decisions. Strong stock selection in the health care sector and an underweight to the energy sector were the largest positive contributors to fourth quarter performance. The top performing holdings included AirTran Holdings (+83%), Allscripts Healthcare (+56%) and Allegiant Travel (+38%). The worst performing holdings included Thermadyne Holdings (-59%), Hornbeck Offshore Services (-58%) and Environmental Tectonics (-57%).

MANAGER COMMENTS – DOMESTIC EQUITY

ING Investment



ING Investment Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING (I)	-20.3	-36.7	-8.1	-1.9
Rank v. Lg Core	14	35	29	40
Rank v. Equity	21	41	38	59
S&P 500 (S)	-21.9	-37.0	-8.3	-2.2
S&P 500 ex-Tob (T)	-22.1	-37.3	-8.6	-2.4
LgCore Median	-21.9	-37.0	-8.3	-2.1
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio

<u>Characteristics</u>	<u>ING</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	179.89	N/A
Wtd. Avg. Cap (\$Bil)	76.23	79.48
Beta	1.03	1.00
Yield (%)	2.80 %	2.99 %
P/E Ratio	10.40	11.56
Cash (%)	0.1 %	0.0 %
Number of Holdings	228	500
Turnover Rate (%)	125.0	-

<u>Sector</u>	<u>ING</u>	<u>S&P 500</u>
Energy	14.1 %	13.3 %
Materials	2.5	3.0
Industrials	10.4	11.1
Cons. Discretionary	10.1	8.4
Consumer Staples	12.1	12.9
Health Care	13.8	14.8
Financials	14.3	13.3
Info Technology	15.0	15.3
Telecom Services	3.6	3.8
Utilities	4.1	4.2

ING's return of -20.3% for the fourth quarter was better than the -21.9% return of the S&P 500 and the -22.1% return of the S&P 500 ex-Tobacco and ranked in the 14th percentile in the universe of large core equity managers. For the one-year period, ING returned -36.7%, below the -37.0% return of the S&P 500 and the Tobacco-free Index return of -37.3%. ING has trailed the S&P 500 over the past three and five years. ING is not in compliance with CCCERA's performance objectives.

The portfolio had a near-market beta, a lower yield and a below-market P/E ratio. It included 228 stocks, concentrated in the large capitalization sectors. The portfolio closely resembles the S&P 500. ING's largest economic sector over-weights were in the consumer discretionary and financials sectors, while the largest under-weights were in the health care and consumer staples sectors.

ING's performance for the fourth quarter relative to the S&P 500 was helped by stock selection decisions but hurt to a lesser degree by sector allocation decisions. The best performing holdings during the quarter included ADM (+32%), Apollo Group (+29%) and Sunoco (+23%), while the worst performing holdings included Citigroup (-67%), Smith Intl (-61%) and Bank of America Corp (-59%).

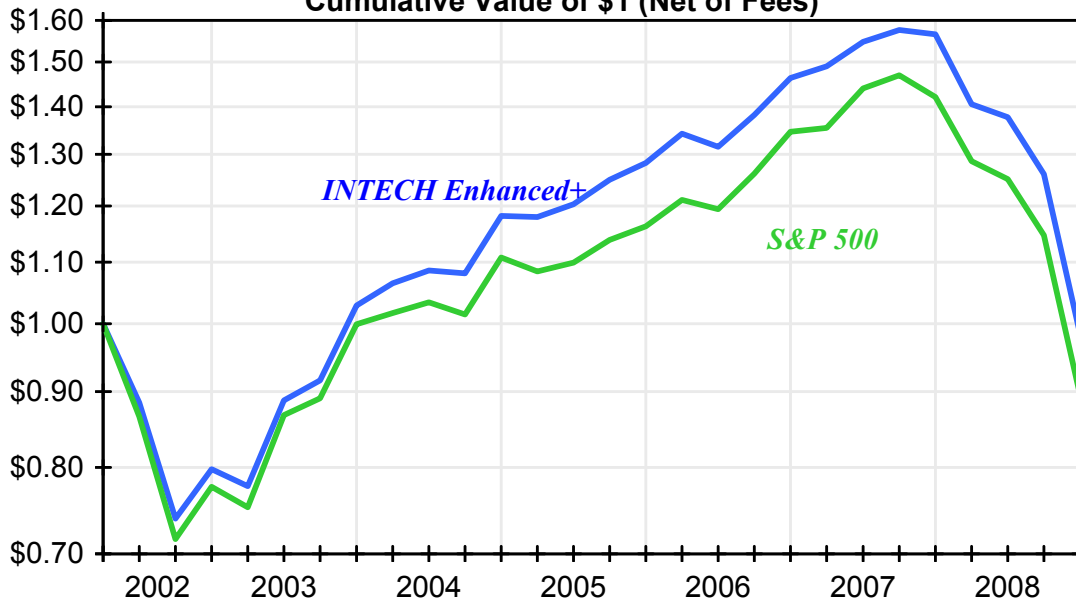
As noted earlier, ING Investments announced a number of personnel changes in January 2009. The Board voted to terminate ING at the January 28, 2009 meeting. State Street has agreed to manage these assets with a 0.5% targeted tracking error to the S&P 500 for up to one year at no cost to CCCERA. These assets will be used to fund the initial global equity investment once it has been identified.

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Enhanced Plus

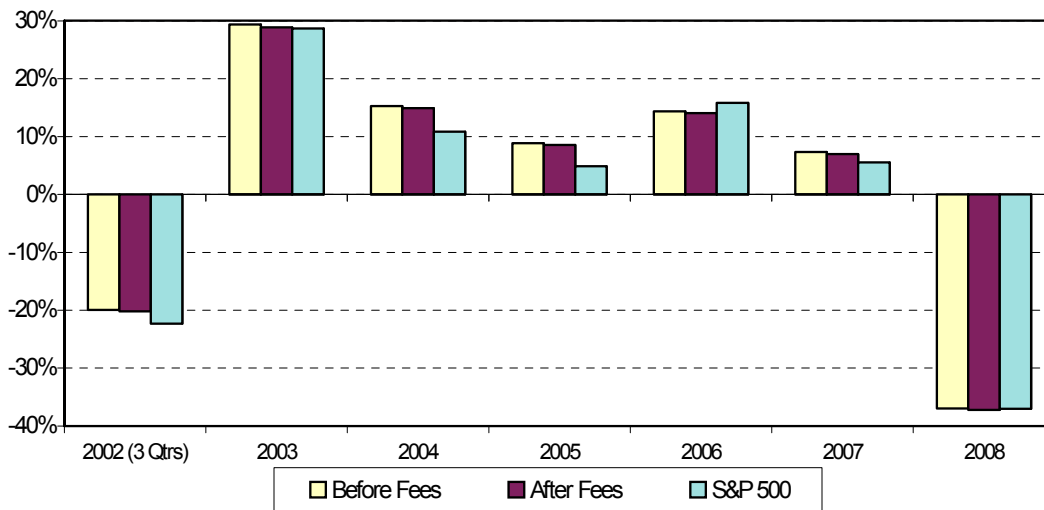
INTECH Enhanced Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

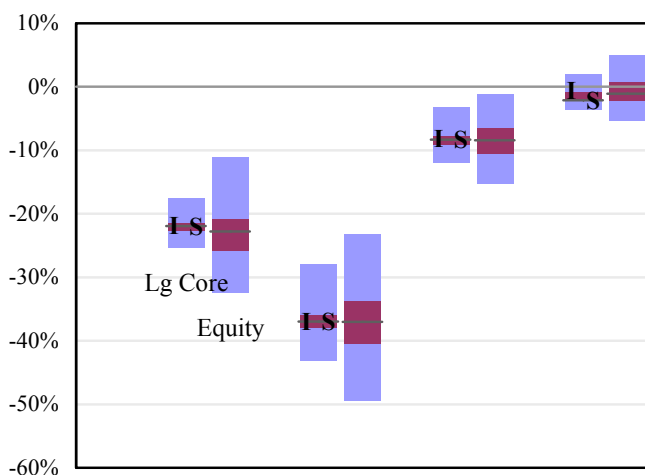


Intech Enhanced Plus vs. S&P 500

Year by Year Performance



Intech - Enhanced Plus



	Qtr	1 Year	3 Years	5 Years
INTECH Enh+ (I)	-21.9	-37.0	-8.2	-0.6
Rank v. Lg Core	38	53	32	23
Rank v. Equity	35	48	40	40
S&P 500 (S)	-21.9	-37.0	-8.3	-2.2
Lg Core Median	-21.9	-37.0	-8.3	-2.1
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Intech - Enhanced Plus	
	Plus	S&P 500
Eq Mkt Value (\$Mil)	16.52	N/A
Wtd. Avg. Cap (\$Bil)	73.39	79.48
Beta	1.03	1.00
Yield (%)	2.76 %	2.99 %
P/E Ratio	11.44	11.56
Cash (%)	0.4 %	0.0 %
Number of Holdings	376	500
Turnover Rate (%)	73.4	-

Sector	Intech - Enhanced Plus	
	Plus	S&P 500
Energy	14.7 %	13.3 %
Materials	2.7	3.0
Industrials	13.1	11.1
Cons. Discretionary	10.7	8.4
Consumer Staples	11.2	12.9
Health Care	13.0	14.8
Financials	13.5	13.3
Info Technology	13.5	15.3
Telecom Services	3.7	3.8
Utilities	3.8	4.2

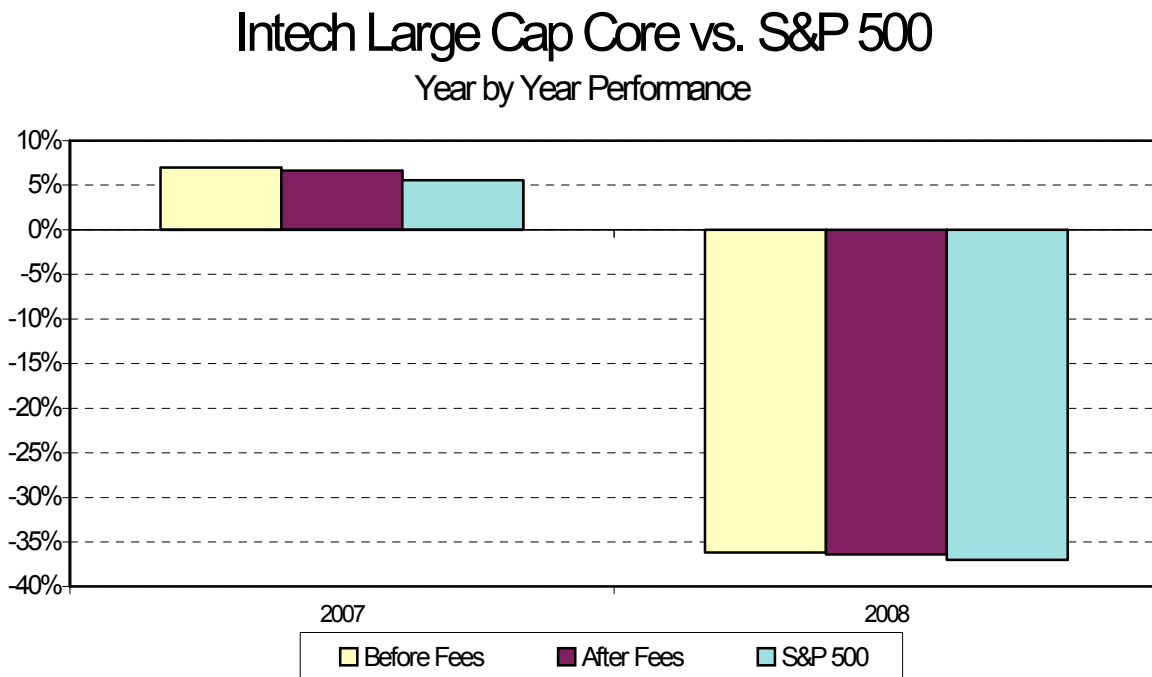
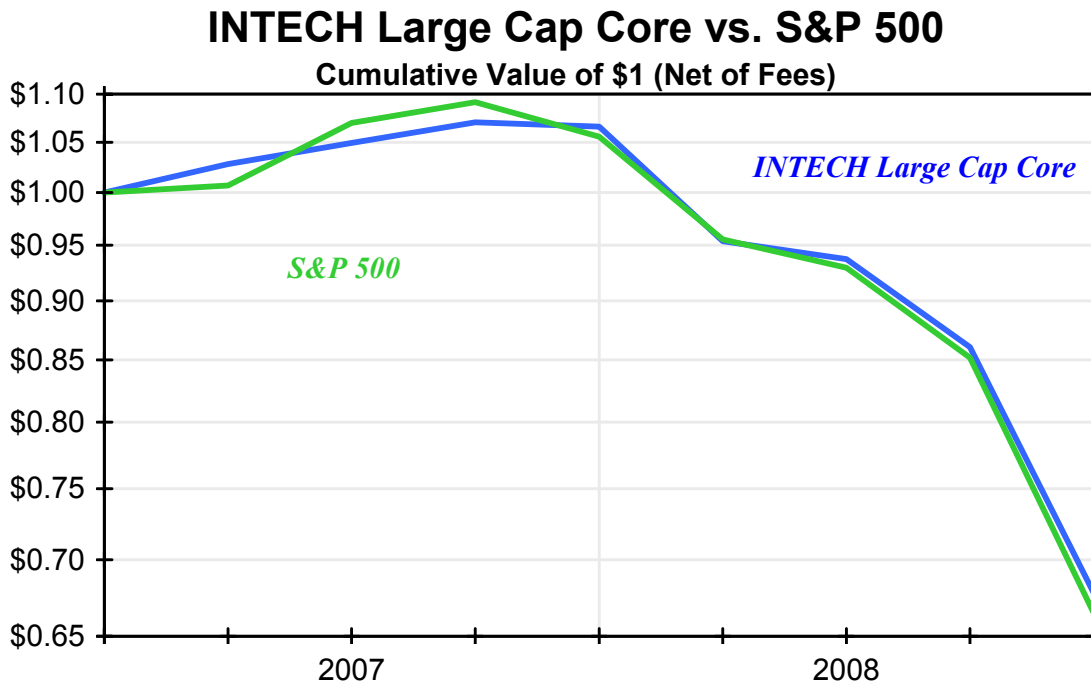
Intech's Enhanced Plus return of -21.9% for the fourth quarter matched the -21.9% return of the S&P 500, ranking in the 38th percentile in the universe of large core equity managers. For the one-year period, Intech returned -37.0%, again matching the -37.0% for the S&P 500, and ranked in the 53rd percentile. Over the past five years, Intech returned -0.6%, above the -2.2% return of the S&P 500, and ranked in the 23rd percentile of large core equity managers. Intech is in compliance with CCCERA's performance objectives.

The portfolio has nearly the same beta as the market at 1.03, a lower yield and a near-market P/E ratio. The portfolio has 376 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the consumer discretionary, industrials and energy sectors, while largest under-weights were in the information technology, health care and consumer staples sectors.

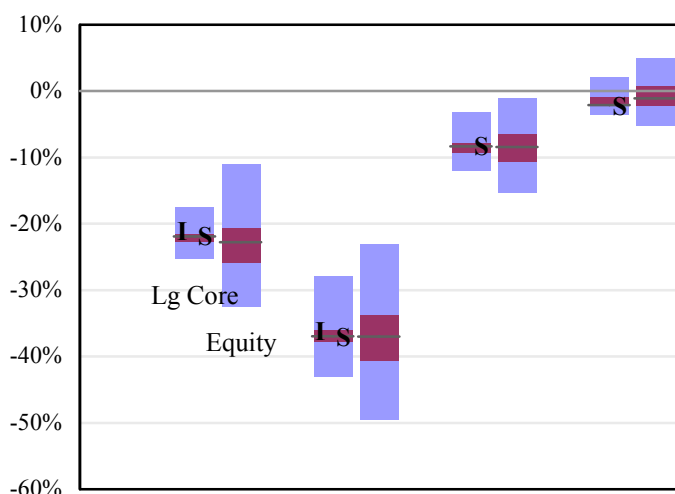
The portfolio's fourth quarter performance relative to the S&P 500 was hurt by stock selection but helped by sector allocation decisions. Active trading decisions had a negative impact on performance. Stock selection in the health care sector hurt the most during the fourth quarter. The best performing portfolio stocks included Wachovia (+60%), ADM (+32%) and Apollo Group (+29%), while the worst performing holdings during the quarter included American Cap Ltd (-87%), Tenet Healthcare (-79%) and Pioneer Natural Resources (-69%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Large Cap Core



Intech - Large Cap Core



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Intech Lg Cap (I)	-21.1	-36.2	-	-
Rank v. Lg Core	20	27	-	-
Rank v. Equity	27	37	-	-
S&P 500 (S)	-21.9	-37.0	-8.3	-2.2
Lg Core Median	-21.9	-37.0	-8.3	-2.1
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Intech - Large Cap	S&P 500
Eq Mkt Value (\$Mil)	164.13	N/A
Wtd. Avg. Cap (\$Bil)	73.60	79.48
Beta	1.02	1.00
Yield (%)	2.80 %	2.99 %
P/E Ratio	11.58	11.56
Cash (%)	0.5 %	0.0 %
Number of Holdings	361	500
Turnover Rate (%)	93.1	-

Sector	Intech - Large Cap	S&P 500
Energy	14.6 %	13.3 %
Materials	2.9	3.0
Industrials	14.3	11.1
Cons. Discretionary	10.7	8.4
Consumer Staples	11.4	12.9
Health Care	12.1	14.8
Financials	12.5	13.3
Info Technology	13.2	15.3
Telecom Services	4.2	3.8
Utilities	4.0	4.2

Intech's Large Cap Core return of -21.1% for the fourth quarter was better than the -21.9% return of the S&P 500 and ranked in the 20th percentile in the universe of large core equity managers. Over the past year, the newer and larger Intech portfolio has returned -36.2%, better than the S&P 500 return of -37.0%, and ranked in the 27th percentile of large core equity managers.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a market beta of 1.02, a lower than market yield and a near-market P/E ratio. The portfolio has 361 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the industrials, consumer discretionary and energy sectors, while largest under-weights were in the health care, information technology and consumer staples sectors.

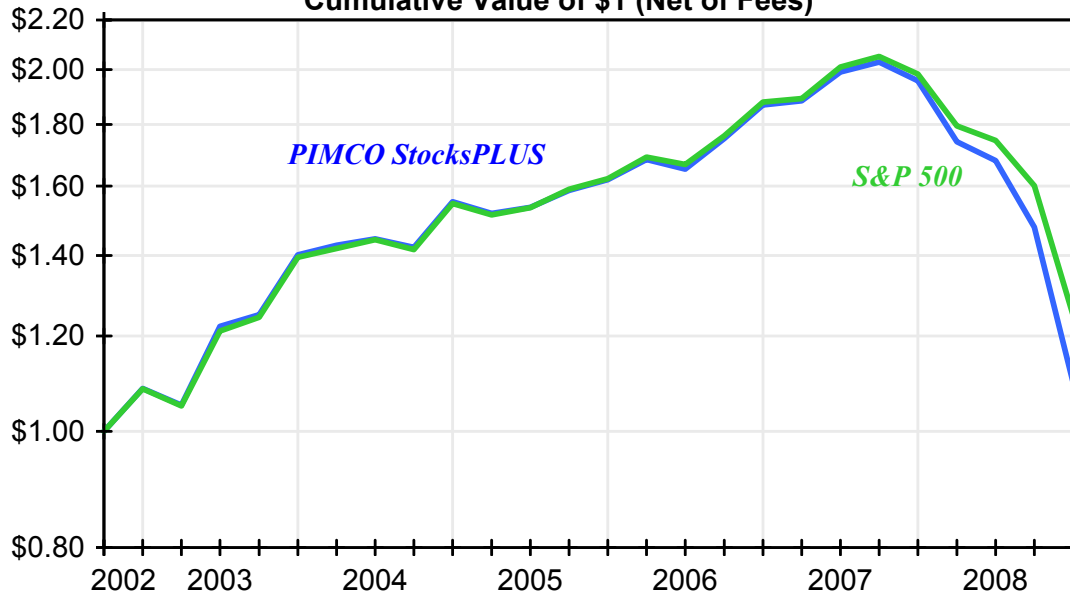
Intech's fourth quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Active trading decisions had a negative impact on performance. Stock selection in the energy sector and an underweight to financials helped performance the most during the quarter. The best performing portfolio stocks included Wachovia (+60%), ADM (+32%) and Apollo Group (+29%), while the worst performing holdings during the quarter included American Cap Ltd (-87%), Developers Diversified (-85%) and Tenet Healthcare (-79%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

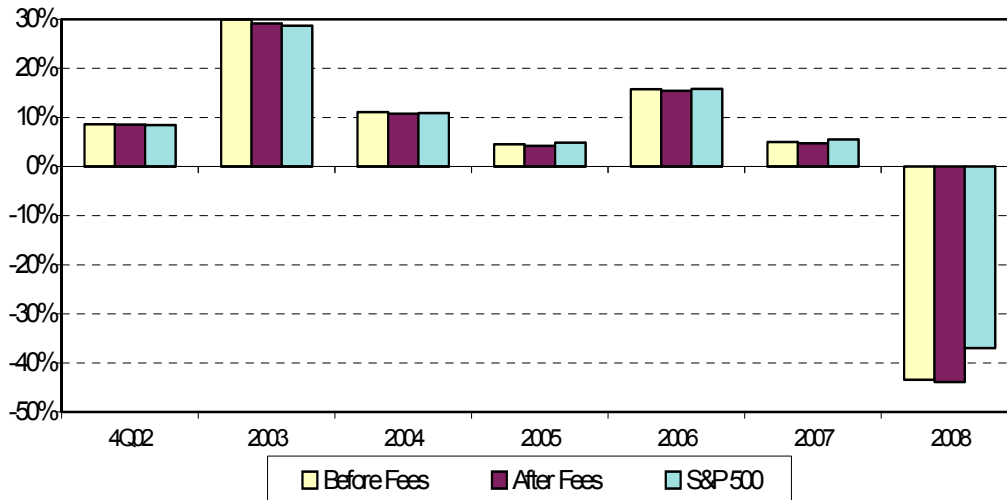
PIMCO StocksPLUS vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

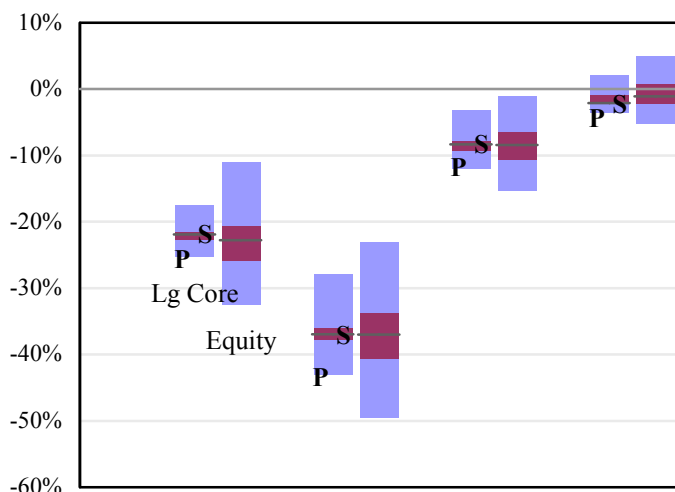


PIMCO vs. S&P 500

Year by Year Performance



PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO Stcks+ (P)	-25.6	-43.5	-11.8	-4.4
Rank v. Lg Core	95	97	93	96
Rank v. Equity	72	85	83	91
S&P 500 (S)	-21.9	-37.0	-8.3	-2.2
Lg Core Median	-21.9	-37.0	-8.3	-2.1
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	249.1	N/A
Wtd. Avg. Cap (\$Bil)	*	79.48
Beta	*	1.00
Yield (%)	* %	2.99 %
P/E Ratio	*	11.56
Cash (%)	14.1 %	0.0 %
Number of Holdings	*	500
Turnover Rate (%)	1,564.24	-

Sector	PIMCO	S&P 500
Energy	* %	13.3 %
Materials	*	3.0
Industrials	*	11.1
Cons. Discretionary	*	8.4
Consumer Staples	*	12.9
Health Care	*	14.8
Financials	*	13.3
Info Technology	*	15.3
Telecom Services	*	3.8
Utilities	*	4.2

*PIMCO manages a synthetic equity portfolio and does not hold any equity securities.

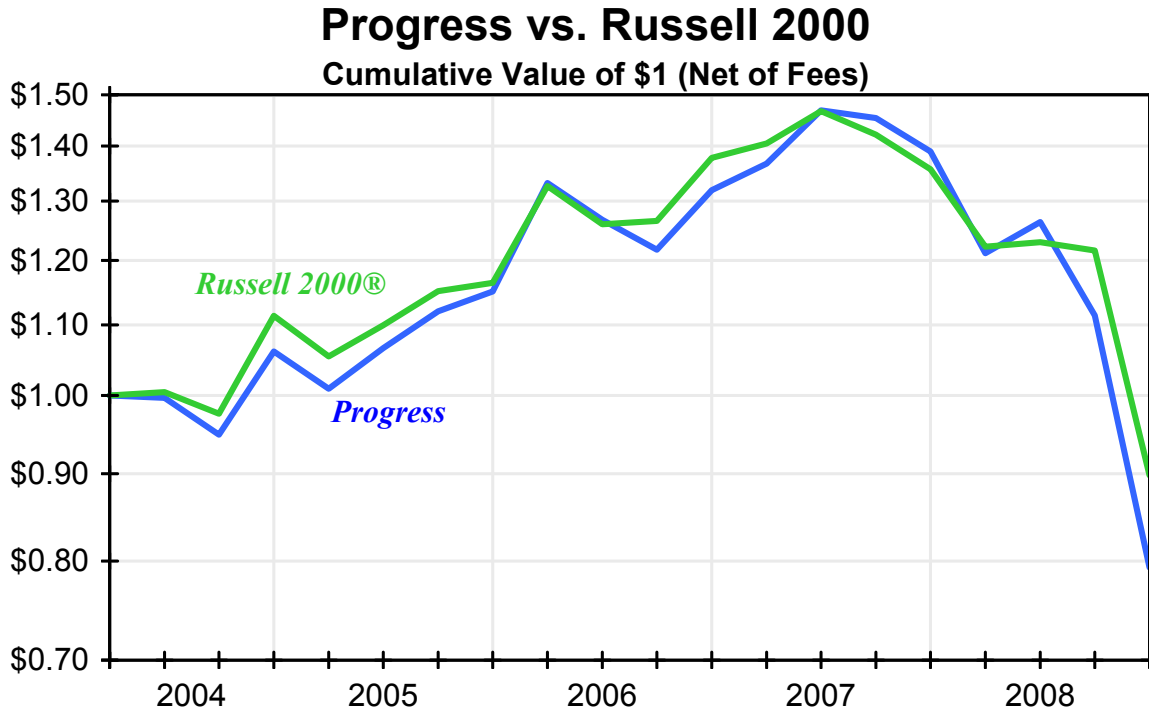
PIMCO's StocksPLUS (futures plus cash) portfolio returned -25.6% for the fourth quarter, below the -21.9% return of the S&P 500, and ranked in the 95th percentile of large core managers. For the one-year period, PIMCO returned -43.5%, below the -37.0% return of the S&P 500, and ranked in the 97th percentile. Over the past three and five years, the portfolio has trailed the median large core manager and trailed the return of the S&P 500. The portfolio has not met the objective of exceeding the S&P 500 over the past three or five years.

PIMCO's mix of fixed income strategies trailed the benchmark in the fourth quarter. Strategies that detracted from returns included holdings of Agency mortgage pass-throughs, as even these high quality bonds were adversely affected by deleveraging and illiquid markets, holdings of non-Agency MBS and ABS and yield curve steepening strategies. The only strategy that helped during the fourth quarter was an emphasis on the bonds of financial companies, many of which gained following government capital injections and debt guarantees.

The firm expects the pressures of global deleveraging will drive developed economies into one of the worst recessions since WWII in 2009. With this in mind, PIMCO will focus on earning attractive yields in an attempt to recoup underperformance. The firm will target moderate duration as interest rates are unlikely to fall from current low levels. They will also decrease exposure to strategies that benefit from yield curve steeping in the UK and Europe. They will maintain their emphasis on Agency mortgage pass-throughs as these securities offer superior yields relative to Treasuries but with similar credit quality in light of expected government support.

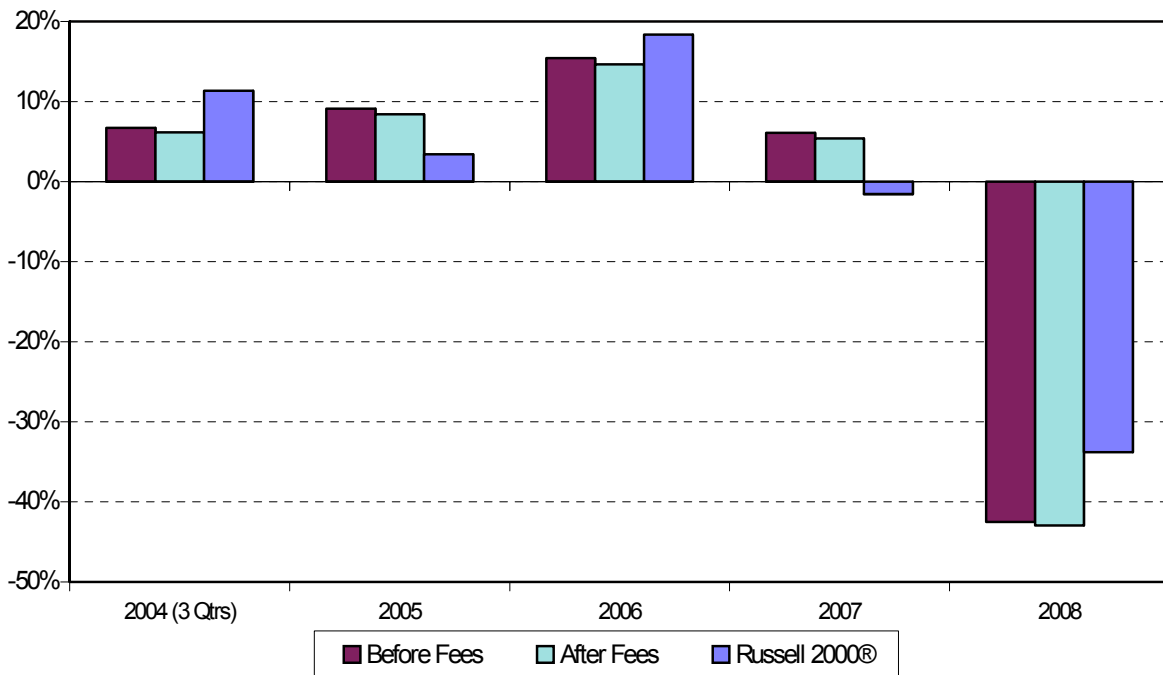
MANAGER COMMENTS – DOMESTIC EQUITY

Progress

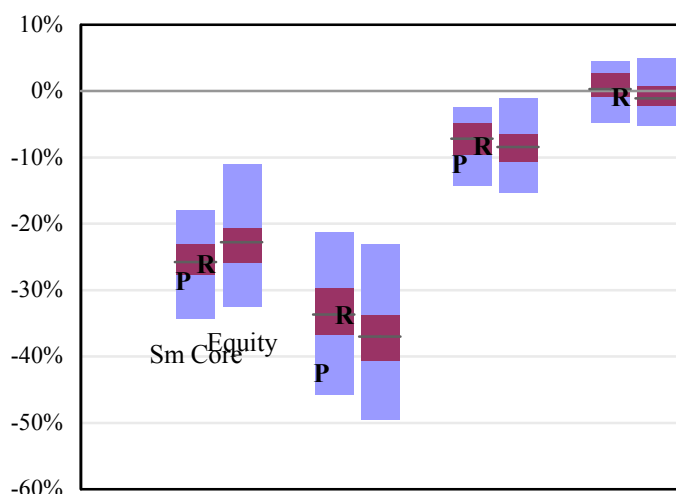


Progress vs. Russell 2000®

Year by Year Performance



Progress



	Qtr	1 Year	3 Years	5 Years
Progress (P)	-28.7	-42.5	-11.0	-
Rank v. Sm Core	81	91	81	-
Rank v. Equity	88	81	78	-
Russell 2000® (R)	-26.1	-33.8	-8.3	-0.9
Sm Core Median	-25.8	-33.7	-7.2	0.3
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Progress	Russell 2000®
Eq Mkt Value (\$Mil)	85.05	N/A
Wtd. Avg. Cap (\$Bil)	1.52	0.88
Beta	1.25	1.19
Yield (%)	1.95 %	1.85 %
P/E Ratio	13.82	19.96
Cash (%)	0.0 %	0.0 %
Number of Holdings	589	1,934
Turnover Rate (%)	3.8	-

Sector	Progress	Russell 2000®
Energy	5.3 %	4.5 %
Materials	6.5	3.7
Industrials	15.8	16.8
Cons. Discretionary	11.4	10.9
Consumer Staples	3.2	4.0
Health Care	19.0	15.3
Financials	16.3	23.4
Info Technology	15.9	15.8
Telecom Services	1.4	1.2
Utilities	5.3	4.4

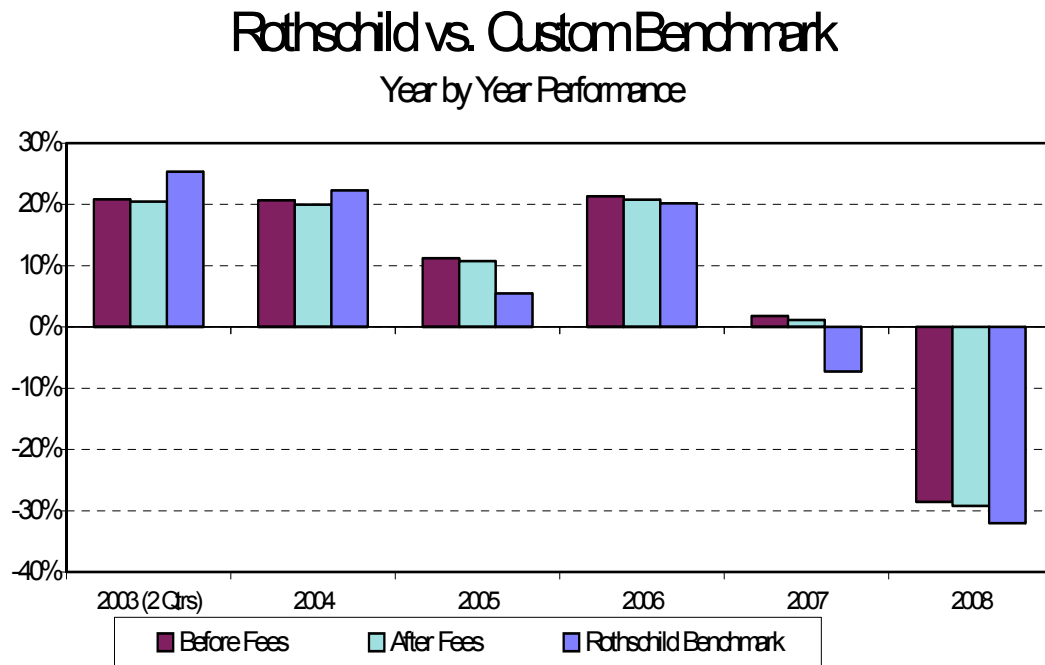
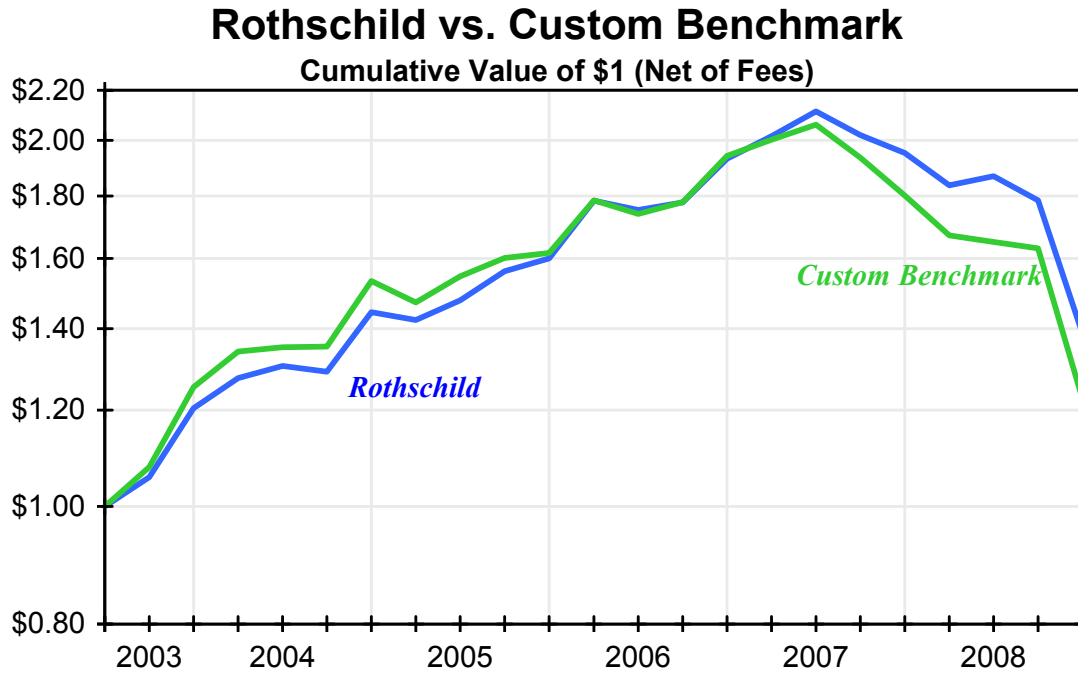
Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned -28.7% for the fourth quarter, underperforming the -26.1% return of the Russell 2000® Index and ranking in the 81st percentile of small core managers. Over the past year, Progress has returned -42.5%, below the -33.8% return of the Russell 2000® Index, and ranked in the 91st percentile of small cap equity managers. Over the past three years, Progress has trailed its benchmark and has ranked in the 81st percentile of the small core universe. Progress is not in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.25x, higher than the Russell 2000® Index. The portfolio had an above-market yield and a below-market P/E ratio. It included 589 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the health care, materials and utilities sectors, while the largest under-weights were in the financials, industrials and consumer staples sectors.

The portfolio's fourth quarter performance was hurt by both stock selection and sector allocation decisions relative to the Russell 2000®. Stock selection in the health care sector, along with an overweight to the energy sector and an underweight to the financials sector helped performance the most. During the quarter, the best performing holdings included Emergent Biosolutions (+99%), Allscripts Healthcare (+56%) and American Dairy (+44%). The worst performing holdings included the KV Pharmaceutical (-87%), Zale Corp (-87%) and Providence Service Corp (-85%).

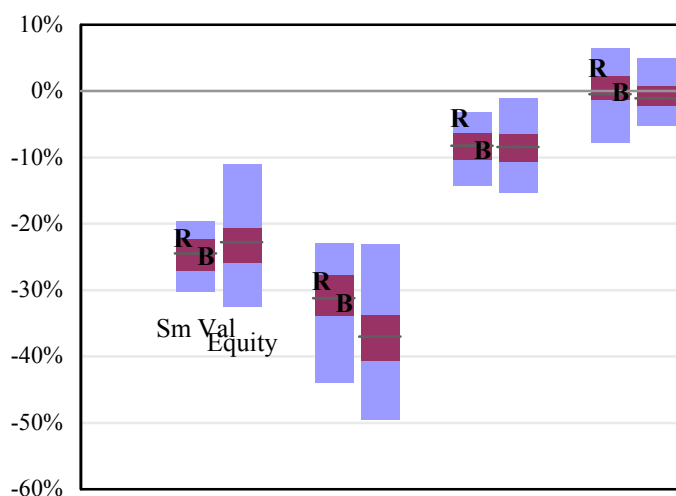
MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild



The Rothschild custom benchmark is the Russell 2000® Value index through 2nd quarter, 2005, Russell 2500™ Value thereafter.

Rothschild



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Rothschild (R)	-22.2	-28.6	-4.1	3.4
Rank v. Sm Val	24	28	13	10
Rank v. Equity	43	11	12	8
Custom Bench (B)	-24.9	-32.0	-8.8	-0.2
Sm Val Median	-24.5	-31.2	-8.2	-0.5
Equity Median	-22.8	-37.0	-8.4	-1.1

The Rothschild custom benchmark is the Russell 2000® Value index through 2nd quarter, 2005, Russell 2500™ Value thereafter.

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	98.65	N/A
Wtd. Avg. Cap (\$Bil)	1.84	1.77
Beta	0.94	1.10
Yield (%)	1.99 %	3.06 %
P/E Ratio	13.56	16.23
Cash (%)	0.9 %	0.0 %
Number of Holdings	143	1,638
Turnover Rate (%)	83.1	-

Sector	Rothschild	Russell 2500™ Value
Energy	3.1 %	3.6 %
Materials	4.3	6.6
Industrials	14.7	12.0
Cons. Discretionary	10.7	10.6
Consumer Staples	7.5	4.0
Health Care	9.5	5.2
Financials	29.5	35.5
Info Technology	10.5	8.8
Telecom Services	1.2	1.4
Utilities	9.2	12.3

Rothschild's return of -22.2% for the fourth quarter was better than the -24.9% return of the Russell 2500™ Value Index and ranked in the 24th percentile in the universe of small value equity managers. For the one-year period, Rothschild returned -28.6%, better than the custom benchmark return of -32.0%, and ranked in the 28th percentile. Over the past three and five-year periods, Rothschild exceeded its custom benchmark and ranked the 13th and 10th percentiles, respectively. This portfolio is in compliance with the CCCERA performance objectives.

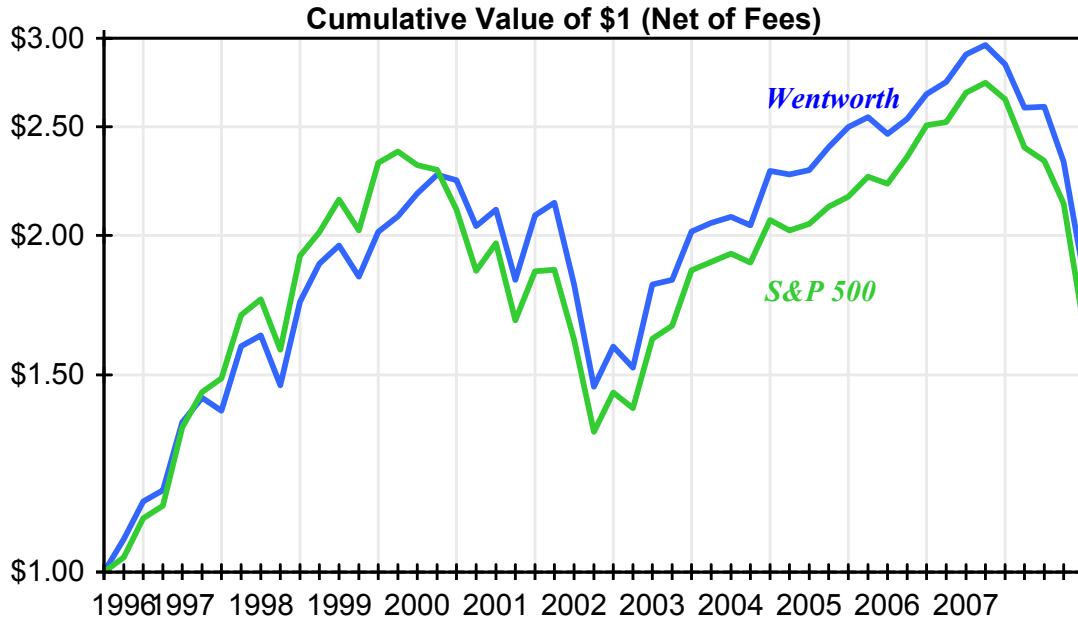
The portfolio had a beta of 0.94x, lower than the index, a below-index yield and a below-index P/E ratio. It included 143 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ were in the health care, consumer staples and industrials sectors, while the largest under-weights were in the financials, utilities and materials sectors.

Rothschild's fourth quarter performance relative to the Russell 2500™ Value index was helped by both stock selection and sector allocation decisions. Trading decisions also had a positive impact on performance. Stock selection in the consumer discretionary sector had the largest positive impact on the portfolio during the fourth quarter. The best performing portfolio stocks were Emergent Biosolutions (+99%), Alaska Airgroup (+43%) and Cogent (+33%). The worst performing holdings included Jones Apparel Group (-68%), Key Energy Services (-62%) and Rackable Systems (-60%).

MANAGER COMMENTS – DOMESTIC EQUITY

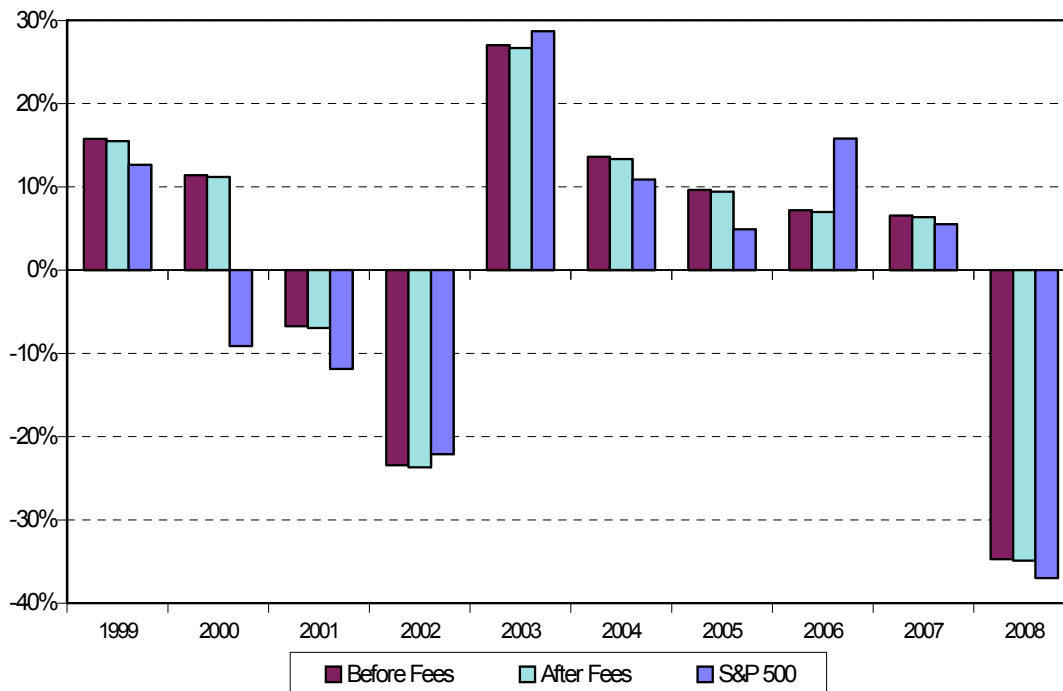
Wentworth, Hauser and Violich

Wentworth, Hauser & Violich vs. S&P 500

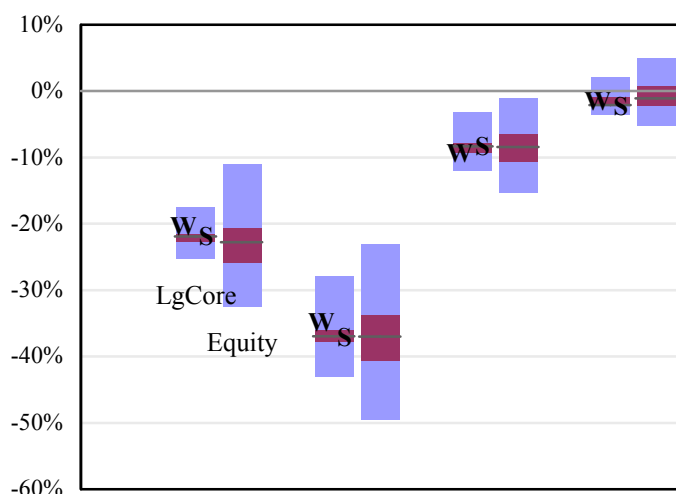


Wentworth vs. S&P 500

Year by Year Performance



Wentworth, Hauser and Violich



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
WHV (W)	-20.3	-34.8	-9.3	-1.5
Rank v. Lg Core	15	16	76	31
Rank v. Equity	21	29	62	53
S&P 500 (S)	-21.9	-37.0	-8.3	-2.2
Lg Core Median	-21.9	-37.0	-8.3	-2.1
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio

<u>Characteristics</u>	<u>Wentworth</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	170.43	N/A
Wtd. Avg. Cap (\$Bil)	58.12	79.48
Beta	1.05	1.00
Yield (%)	2.00	2.99
P/E Ratio	11.29	11.56
Cash (%)	3.0	0.0
Number of Holdings	36	500
Turnover Rate (%)	41.8	-

<u>Sector</u>	<u>Wentworth</u>	<u>S&P 500</u>
Energy	12.2 %	13.3 %
Materials	2.3	3.0
Industrials	11.9	11.1
Cons. Discretionary	2.9	8.4
Consumer Staples	20.9	12.9
Health Care	17.6	14.8
Financials	8.1	13.3
Info Technology	20.5	15.3
Telecom Services	0.0	3.8
Utilities	3.6	4.2

Wentworth's return of -20.3% for the fourth quarter was better than the -21.9% return of the S&P 500 and ranked in the 15th percentile of large core managers. For the one-year period, Wentworth returned -34.8%, better than the -37.0% return of the S&P 500, and ranked in the 16th percentile. Wentworth has trailed the S&P 500 over the past three years but exceeded the index over the past five years. Wentworth ranked below the median of the large core universe over the three-year trailing time periods. Wentworth is in compliance with some of CCCERA performance guidelines.

The portfolio has a near-market beta of 1.05x, a below-market yield and a below-market P/E ratio. The portfolio has 36 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the consumer staples, information technology and health care sectors, while largest under-weights are in the consumer discretionary, financials and telecom services sectors.

Wentworth's fourth quarter performance relative to the S&P 500 was hurt by stock selection but helped by sector allocation decisions. Stock selection in the energy sector was particularly weak. The best performing portfolio stocks included Pactiv Corp (+0%), Ace Ltd (-1%) and WalMart (-6%) while the worst performing holdings included Weatherford International (-57%), Nordstrom (-53%) and Affiliated Managers (-49%).

On February 2, 2009, Wentworth announced the long-anticipated appointment of its new Chief Executive Officer, Reiner Triltsch. Mr. Triltsch will replace George Springman, who will retire on March 31, 2009.

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Total Domestic Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Equity (C)	-22.5	-37.5	-8.9	-1.5
Rank v. Equity	46	55	57	53
Russell 3000® (6)	-22.8	-37.3	-8.6	-2.0
Equity Median	-22.8	-37.0	-8.4	-1.1

Portfolio Characteristics	Total Fund	Russell 3000®
Eq Mkt Value (\$Mil)	1,151.41	N/A
Wtd. Avg. Cap (\$Bil)	46.62	67.02
Beta	1.09	1.04
Yield (%)	2.07 %	2.79 %
P/E Ratio	12.67	12.07
Cash (%)	3.1 %	0.0 %
Number of Holdings	1,179	2,919
Turnover Rate (%)	237.7	-

Sector	Total Fund	Russell 3000®
Energy	9.9 %	12.1 %
Materials	3.1	3.4
Industrials	11.1	11.7
Cons. Discretionary	9.4	9.1
Consumer Staples	9.1	11.3
Health Care	15.0	14.5
Financials	17.0	14.5
Info Technology	19.9	15.5
Telecom Services	2.1	3.5
Utilities	3.4	4.5

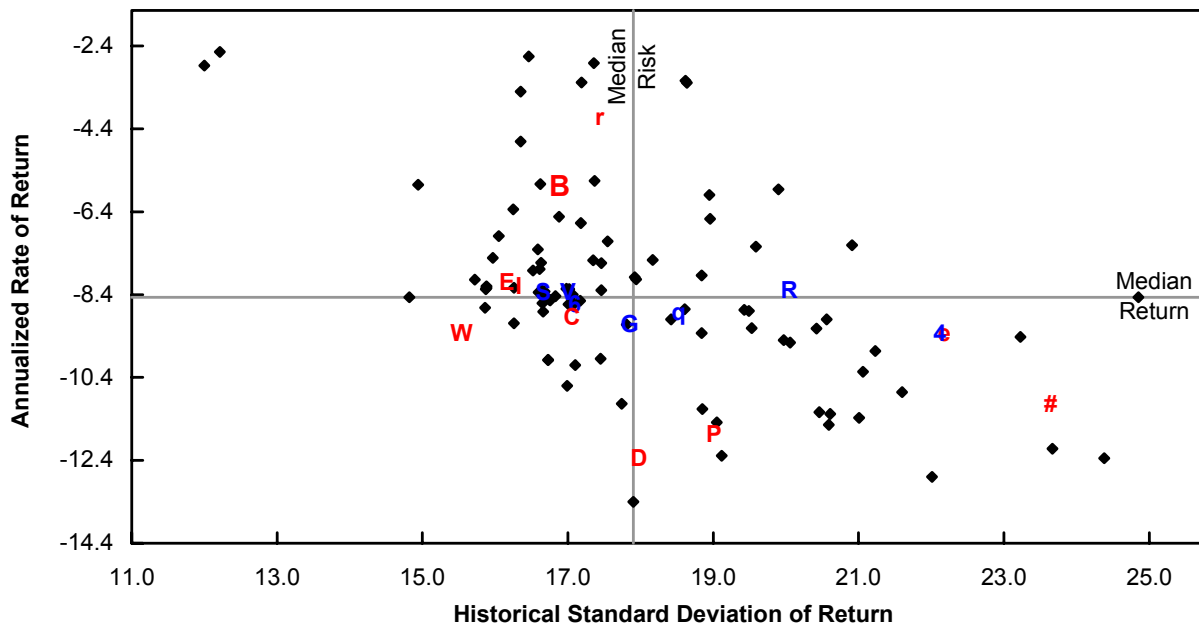
CCCERA total domestic equities returned -8.7% in the fourth quarter, matching the -8.7% return of the Russell 3000® Index, and ranked in the 50th percentile of all equity managers. For the one-year period, the CCCERA equity return of -21.7% was slightly below the -21.5% return of the Russell 3000® and the -21.1% return of the median manager. Over the past three years, CCCERA domestic equities trailed the Russell 3000® index and the median manager. Over the past five years the domestic equities exceeded the Russell 3000, but trailed the median.

The combined domestic equity portfolio has a beta of 1.09x, a below-index yield and a near-index P/E ratio. The portfolio is broadly diversified with positions in 1,182 stocks. The combined portfolio's largest economic sector over-weights are in the information technology, health care and consumer discretionary sectors, while the largest under-weights are in the energy, consumer staples and materials sectors.

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

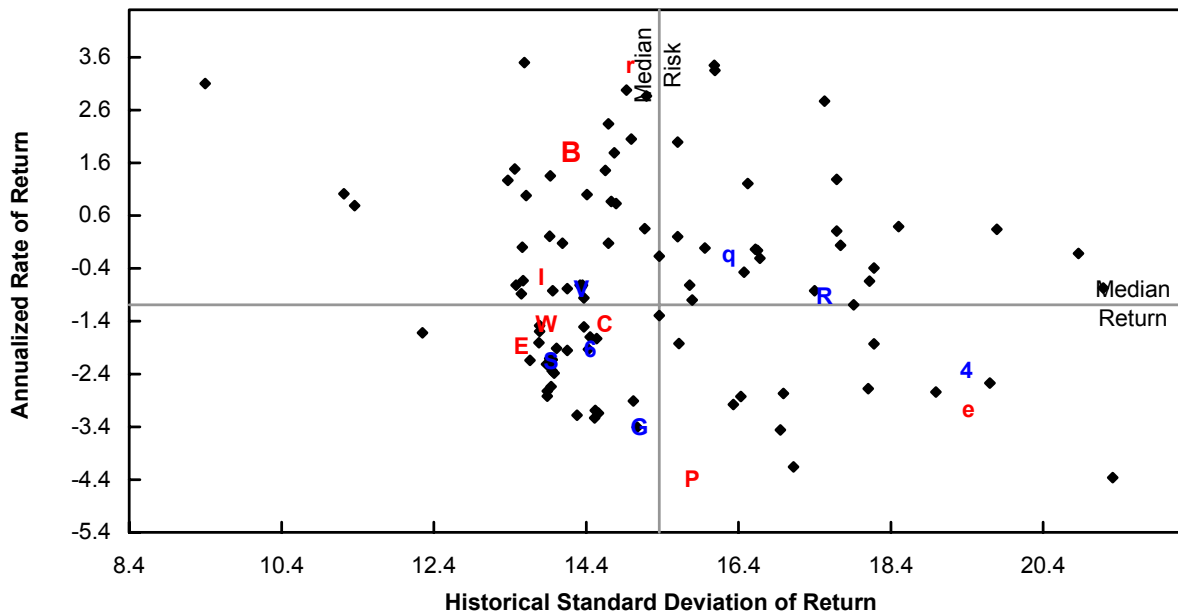
Three Years Ending December 31, 2008



Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners (B)	-5.8 %	16.9 %	-0.58
Delaware (D)	-12.3	18.0	-0.91
Emerald (e)	-9.3	22.2	-0.60
ING Investment (E)	-8.1	16.1	-0.75
INTECH Enhanced (I)	-8.2	16.3	-0.75
PIMCO StocksPLUS (P)	-11.8	19.0	-0.83
Progress (#)	-11.0	23.6	-0.64
Rothschild (r)	-4.1	17.4	-0.46
Wentworth, Hauser (W)	-9.3	15.5	-0.86
Domestic Equitiy (C)	-8.9	17.0	-0.76
Russell® 3000 (6)	-8.6	17.1	-0.74
S&P 500 (S)	-8.3	16.6	-0.74
Russell 1000® Growth (G)	-9.1	17.8	-0.73
Russell 1000® Value (V)	-8.3	17.0	-0.72
Russell 2000® (R)	-8.3	20.0	-0.61
Russell 2000® Growth (4)	-9.3	22.1	-0.60
Russell 2500™ Value (q)	-8.8	18.5	-0.69
Median Equity Port.	-8.4	17.9	-0.69

Domestic Equity Performance and Variability

Five Years Ending December 31, 2008



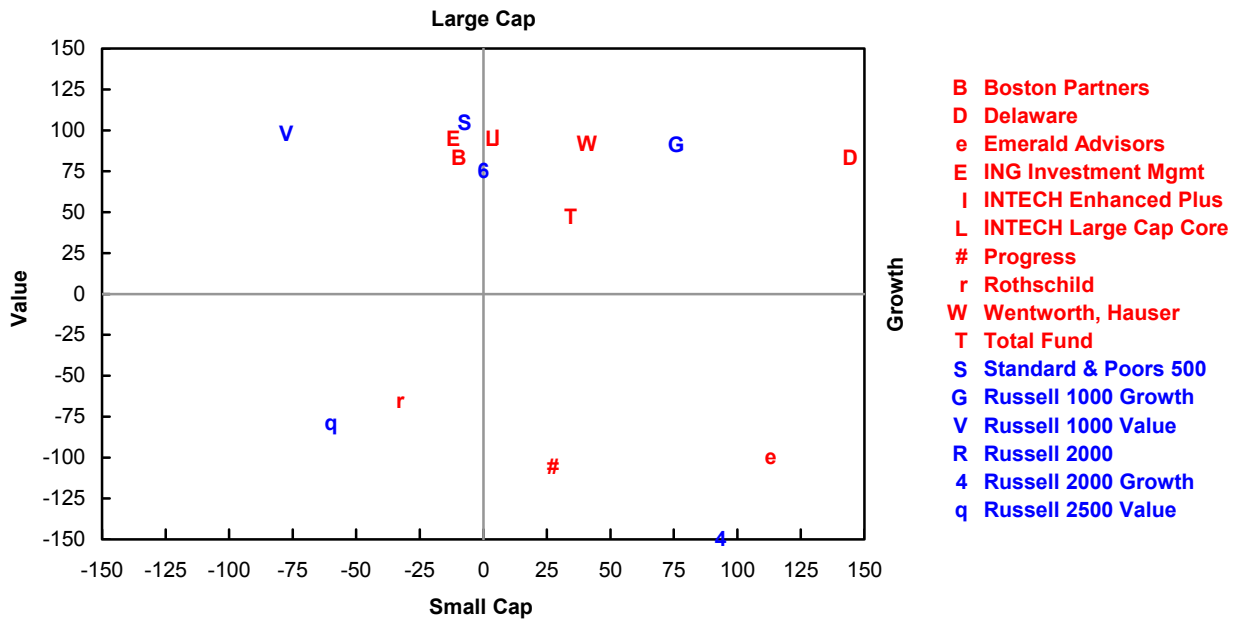
Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners (B)	1.8 %	14.2 %	-0.10
Emerald (e)	-3.1	19.4	-0.33
ING Investment (E)	-1.9	13.5	-0.38
INTECH Enhanced (I)	-0.6	13.8	-0.28
PIMCO StocksPLUS (P)	-4.4	15.7	-0.49
Rothschild (r)	3.4	14.9	0.01
Wentworth, Hauser (W)	-1.5	13.8	-0.34
Domestic Equity (C)	-1.5	14.6	-0.32
Russell® 3000 (6)	-2.0	14.4	-0.36
S&P 500 (S)	-2.2	13.9	-0.39
Russell 1000® Growth (G)	-3.4	15.1	-0.44
Russell 1000® Value (V)	-0.8	14.3	-0.28
Russell 2000® (R)	-0.9	17.5	-0.24
Russell 2000® Growth (4)	-2.4	19.3	-0.29
Russell 2500™ Value (q)	-0.2	16.2	-0.21
Median Equity Port.	-1.1	15.3	-0.28

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MANAGER COMMENTS - DOMESTIC EQUITY

Domestic Equity Style Map

As of December 31, 2008



PORTFOLIO PROFILE REPORT

	Russell 3000® 12/31/2008	Combined Equity 12/31/2008	Russell 1000® Value 12/31/2008	Boston 12/31/2008	Russell 1000® Growth 12/31/2008	Delaware 12/31/2008
Equity Market Value (\$000)		1,151,406		228,833		198,393
Beta	1.04	1.09	0.94	1.04	1.12	1.26
Yield	2.79	2.07	3.80	2.49	1.94	1.10
P/E Ratio	12.07	12.67	11.01	11.78	12.46	16.25
Standard Error	1.08	1.59	1.82	1.70	1.68	4.56
R ²	0.98	0.95	0.92	0.94	0.95	0.77
Wtd Cap Size (\$Mil)	67,015	46,619	87,769	56,373	57,290	37,632
Avg Cap Size (\$Mil)	575	3,244	2,753	10,177	3,374	17,301
Number of Holdings	2,919	1,179	650	105	643	28
Economic Sectors						
Energy	12.12	9.92	17.17	13.72	8.32	3.02
Materials	3.37	3.05	3.01	1.27	3.67	3.06
Industrials	11.66	11.06	9.04	7.98	13.43	7.23
Consumer Discretionary	9.09	9.43	8.14	12.44	9.73	7.96
Consumer Staples	11.33	9.13	9.53	3.32	14.39	7.26
Health Care	14.52	14.95	13.26	11.24	15.67	14.41
Financials	14.54	17.03	23.74	32.51	3.78	11.58
Information Technology	15.46	19.90	2.67	13.00	28.27	42.61
Telecom. Services	3.45	2.10	6.53	0.93	0.73	2.88
Utilities	4.45	3.43	6.90	3.60	1.99	0.00

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	12/31/2008	12/31/2008	12/31/2008	12/31/2008	12/31/2008	12/31/2008
Equity Market Value		179,890	16,523	164,133	249,094	170,427
Beta	1.00	1.03	1.03	1.02	1.00	1.05
Yield	2.99	2.80	2.76	2.80	2.99	2.00
P/E Ratio	11.56	10.40	11.44	11.58	11.56	11.29
Standard Error	0.00	1.22	1.15	1.21	0.00	2.16
R ²	1.00	0.97	0.97	0.97	1.00	0.91
Wtd Cap Size (\$Mil)	79,477	76,232	73,387	73,601	79,477	58,116
Avg Cap Size (\$Mil)	6,428	8,631	8,976	8,609	6,428	24,456
Number of Holdings	500	228	376	361	500	36
Economic Sectors						
Energy	13.31	14.13	14.71	14.61	13.31	12.16
Materials	2.99	2.49	2.74	2.94	2.99	2.25
Industrials	11.06	10.41	13.07	14.27	11.06	11.89
Consumer Discretionary	8.38	10.10	10.67	10.74	8.38	2.90
Consumer Staples	12.85	12.12	11.21	11.42	12.85	20.93
Health Care	14.76	13.78	13.04	12.14	14.76	17.63
Financials	13.29	14.34	13.54	12.52	13.29	8.10
Information Technology	15.30	14.97	13.54	13.16	15.30	20.53
Telecom. Services	3.83	3.60	3.67	4.24	3.83	0.00
Utilities	4.23	4.07	3.80	3.96	4.23	3.60

PORTFOLIO PROFILE REPORT

	Russell 2000® 12/31/2008	Progress 12/31/2008	Russell 2500™ Value 12/31/2008	Rothschild 12/31/2008	Russell 2000® Growth 12/31/2008	Emerald 12/31/2008
Equity Market Value		85,046		98,652		94,974
Beta	1.19	1.25	1.10	0.94	1.31	1.22
Yield	1.85	1.95	3.06	1.99	0.80	0.47
P/E Ratio	19.96	13.82	16.23	13.56	22.40	20.65
Standard Error	4.83	3.77	4.07	3.76	5.58	4.40
R ²	0.74	0.84	0.77	0.72	0.73	0.77
Wtd Cap Size (\$Mil)	881	1,515	1,774	1,838	913	1,325
Avg Cap Size (\$Mil)	319	809	426	1,226	319	942
Number of Holdings	1,934	589	1,638	143	1,197	115
Economic Sectors						
Energy	4.48	5.28	3.64	3.08	6.64	5.59
Materials	3.71	6.52	6.61	4.31	2.83	5.65
Industrials	16.81	15.79	12.00	14.69	19.36	12.22
Consumer Discretionary	10.91	11.35	10.60	10.67	12.42	10.31
Consumer Staples	3.96	3.17	3.97	7.46	3.15	3.06
Health Care	15.28	19.01	5.24	9.48	26.37	29.74
Financials	23.44	16.25	35.49	29.49	5.55	8.04
Information Technology	15.83	15.91	8.79	10.46	21.41	23.56
Telecom. Services	1.17	1.40	1.37	1.20	1.43	1.83
Utilities	4.40	5.34	12.29	9.16	0.85	0.00

PORTFOLIO PROFILE REPORT

	Russell 3000® 12/31/2008	Combined Equity 12/31/2008	Russell 1000® Value 12/31/2008	Boston 12/31/2008	Russell 1000® Growth 12/31/2008	Delaware 12/31/2008
Beta Sectors						
1 0.0 - 0.9	46.00	53.91	58.73	43.98	35.17	30.61
2 0.9 - 1.1	12.17	16.62	11.38	16.86	12.95	9.84
3 1.1 - 1.3	15.59	20.00	12.19	16.10	19.31	11.39
4 1.3 - 1.5	10.01	14.92	6.22	6.31	13.42	18.59
5 Above 1.5	16.22	23.61	11.47	16.75	19.16	29.58
Yield Sectors						
1 Above 5.0	20.63	36.99	8.82	18.90	26.73	41.06
3 3.0 - 5.0	10.28	16.17	7.89	14.98	12.65	24.31
3 1.5 - 3.0	28.97	38.57	24.30	33.59	36.38	27.06
4 0.0 - 1.5	25.53	25.44	32.56	25.94	20.99	5.87
5 0.0	14.59	11.89	26.43	6.58	3.25	1.71
P/E Sectors						
1 0.0 - 12.0	46.67	58.65	51.17	66.29	43.14	32.47
2 12.0 -20.0	43.37	54.84	43.60	32.46	45.24	44.85
3 20.0 -30.0	5.39	8.48	2.50	0.71	6.68	14.41
4 30.0 - 150.0	3.14	5.17	1.58	0.00	3.34	4.74
5 N/A	1.43	1.91	1.16	0.54	1.61	3.54
Capitalization Sectors						
1 Above 20.0 (\$Bil)	56.09	57.39	61.45	48.16	60.16	45.47
2 10.0 - 20.0	13.46	19.58	14.35	20.46	14.83	25.62
3 5.0 - 10.0	8.93	14.99	8.55	14.81	10.82	16.49
4 1.0 - 5.0	15.93	26.62	14.81	16.10	13.65	12.43
5 0.5 - 1.0	2.97	6.34	0.70	0.47	0.43	0.00
6 0.1 - 0.5	2.51	4.06	0.14	0.00	0.10	0.00
7 0.0 - 0.1	0.12	0.09	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	14.06	15.33	17.23	6.24	9.22	4.03
2 0.0 -10.0	24.72	27.64	29.75	18.53	18.74	13.87
3 10.0 -20.0	30.43	43.01	19.39	29.89	42.34	37.48
4 Above 20.0	30.79	43.07	33.63	45.35	29.70	44.62

PORTFOLIO PROFILE REPORT

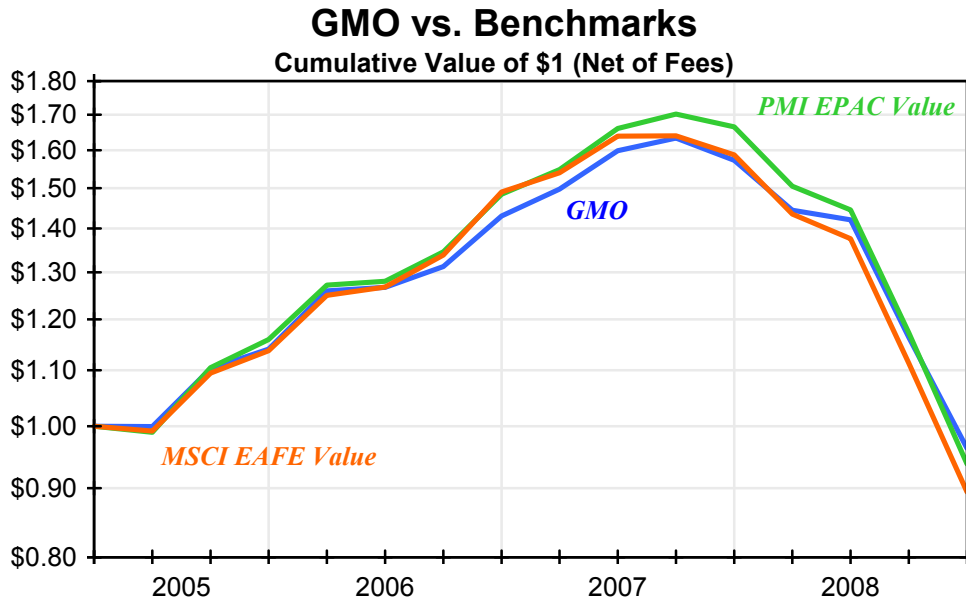
	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	12/31/2008	12/31/2008	12/31/2008	12/31/2008	12/31/2008	12/31/2008
Beta Sectors						
1 0.0 - 0.9	49.39	43.50	46.06	45.65	49.39	45.89
2 0.9 - 1.1	12.05	14.28	12.94	13.32	12.05	8.48
3 1.1 - 1.3	15.89	16.23	17.32	18.11	15.89	14.31
4 1.3 - 1.5	9.57	11.83	9.72	10.32	9.57	14.69
5 Above 1.5	13.11	14.16	13.96	12.59	13.11	16.64
Yield Sectors						
1 Above 5.0	14.35	16.75	14.50	13.38	14.35	26.84
3 3.0 - 5.0	9.74	11.17	11.91	11.40	9.74	7.26
3 1.5 - 3.0	31.88	32.22	36.26	36.00	31.88	43.28
4 0.0 - 1.5	28.64	25.21	24.38	26.26	28.64	20.62
5 0.0	15.39	14.65	12.95	12.96	15.39	2.00
P/E Sectors						
1 0.0 - 12.0	46.94	54.32	45.10	43.25	46.94	37.92
2 12.0 - 20.0	46.91	42.01	48.52	50.84	46.91	51.75
3 20.0 - 30.0	3.26	2.50	3.44	2.97	3.26	2.40
4 30.0 - 150.0	1.40	0.18	1.94	1.88	1.40	7.94
5 N/A	1.50	0.98	1.01	1.05	1.50	0.00
Capitalization Sectors						
1 Above 20.0 (\$Bil)	67.00	53.93	56.49	56.44	67.00	55.46
2 10.0 - 20.0	16.09	13.82	19.66	18.78	16.09	16.55
3 5.0 - 10.0	10.07	19.12	12.23	11.68	10.07	12.99
4 1.0 - 5.0	6.74	13.09	11.50	12.94	6.74	15.00
5 0.5 - 1.0	0.10	0.05	0.09	0.11	0.10	0.00
6 0.1 - 0.5	0.01	0.00	0.02	0.05	0.01	0.00
7 0.0 - 0.1	0.00	0.00	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	13.11	13.34	12.03	13.05	13.11	15.34
2 0.0 - 10.0	24.43	21.53	23.64	23.18	24.43	15.72
3 10.0 - 20.0	31.04	28.90	33.39	33.19	31.04	43.26
4 Above 20.0	31.42	36.23	30.93	30.58	31.42	25.67

PORTFOLIO PROFILE REPORT

	Russell 2000® 12/31/2008	Progress 12/31/2008	Russell 2500TM Value 12/31/2008	Rothschild 12/31/2008	Russell 2000® Growth 12/31/2008	Emerald 12/31/2008
Beta Sectors						
1 0.0 - 0.9	32.55	26.84	39.02	51.87	21.94	24.56
2 0.9 - 1.1	12.39	13.66	13.07	14.04	11.87	14.35
3 1.1 - 1.3	14.50	15.48	13.32	16.07	16.63	16.93
4 1.3 - 1.5	12.97	14.00	11.85	10.13	15.88	10.45
5 Above 1.5	27.58	30.02	22.74	7.89	33.67	33.71
Yield Sectors						
1 Above 5.0	54.85	56.08	31.58	40.81	74.08	81.30
3 3.0 - 5.0	10.46	10.58	8.95	10.34	9.92	7.46
3 1.5 - 3.0	13.00	9.15	17.66	21.93	8.47	8.32
4 0.0 - 1.5	10.51	9.67	20.20	13.32	3.91	1.71
5 0.0	11.19	14.52	21.61	13.60	3.61	1.20
P/E Sectors						
1 0.0 - 12.0	40.65	42.32	45.81	37.07	38.72	30.50
2 12.0 -20.0	30.70	32.81	32.22	42.99	26.89	27.15
3 20.0 -30.0	15.19	14.16	12.28	12.94	17.55	21.53
4 30.0 - 150.0	11.48	9.50	7.94	6.68	14.50	15.52
5 N/A	1.98	1.20	1.75	0.31	2.35	5.30
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	0.00	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	0.69	0.00	0.00	0.00	0.00
3 5.0 - 10.0	0.00	2.63	1.85	0.90	0.00	0.00
4 1.0 - 5.0	36.07	48.43	64.50	67.85	37.69	50.33
5 0.5 - 1.0	31.46	27.05	17.48	18.49	31.90	31.76
6 0.1 - 0.5	30.95	20.61	15.42	12.76	29.00	17.38
7 0.0 - 0.1	1.52	0.60	0.75	0.00	1.41	0.53
5 Yr Earnings Growth						
1 N/A	23.81	22.06	27.66	20.98	17.62	9.07
2 0.0 -10.0	29.65	26.18	32.86	31.88	26.03	27.68
3 10.0 -20.0	27.01	29.73	22.09	32.13	33.75	34.18
4 Above 20.0	19.53	22.03	17.39	15.01	22.60	29.06

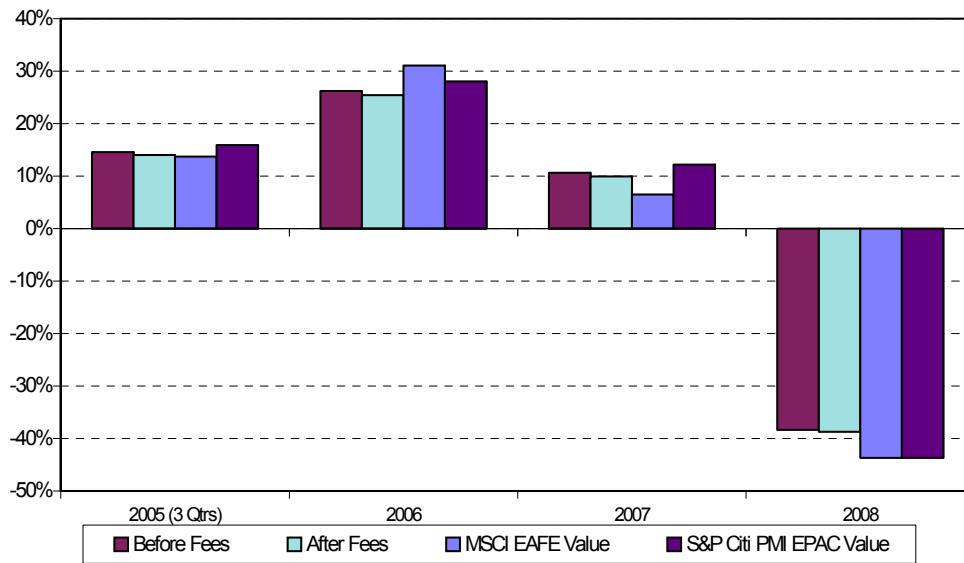
MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

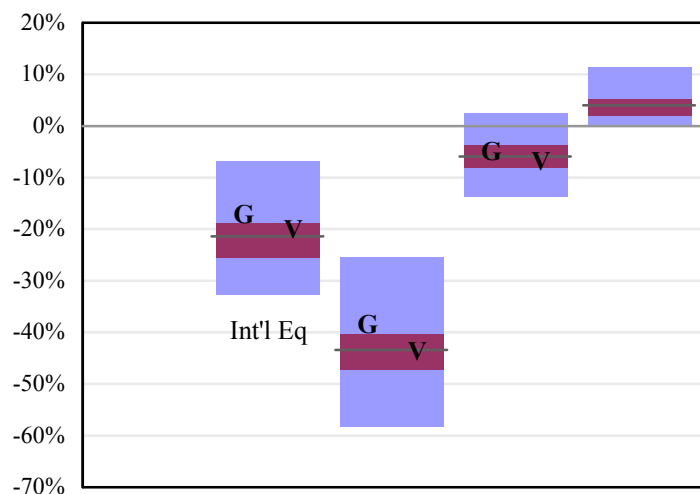


GMO vs. Benchmarks

Year by Year Performance



Grantham, Mayo, van Otterloo & Co



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
GMO (G)	-17.1	-38.4	-4.9	-
Rank v. Int'l Equity	18	35	40	-
PMI EPAC Val (V)	-20.0	-43.7	-6.8	-
EAFE Value (E)	-19.7	-43.7	-7.7	2.4
Int'l Eq Median	-25.7	-47.4	-8.2	2.0

Portfolio Characteristics	GMO	MSCI EAFE
IEq Mkt Value (\$Mil)	208.2	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	GMO	MSCI EAFE
Japan	31.7 %	25.3 %
Canada	2.5	0.0
United States	1.9	0.0

Under-Weighted Countries	GMO	MSCI EAFE
Germany	5.5 %	8.7 %
Australia	2.8	6.0
United Kingdom	16.7	19.9

The GMO value international equity portfolio returned -17.1% in the fourth quarter, better than the -20.0% return of the S&P Citigroup PMI EPAC Value Index, and ranked in the 18th percentile of international equity managers. Over the past year, the portfolio has returned -38.4%, again better than the S&P Citigroup PMI EPAC Value Index return of -43.7% and ranking in the 35th percentile. Over the past three years, GMO has returned -4.9%, better than the S&P Citi PMI EPAC Value Index return of -6.8%, and ranking in the 40th percentile.

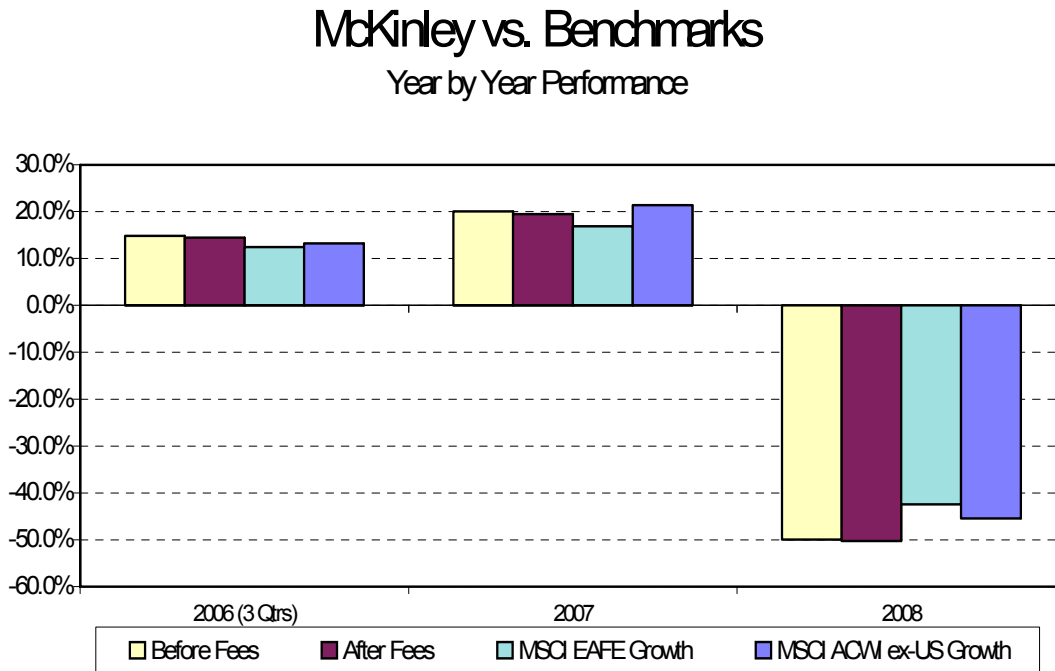
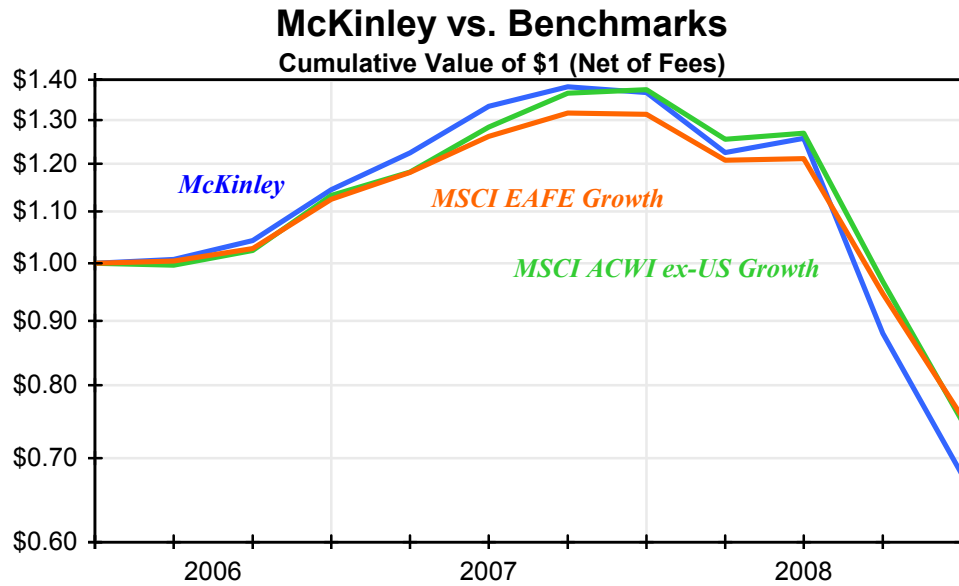
The portfolio's largest country over-weights were in Japan, Canada and the United States, while the largest under-weights were in Germany, Australia and the United Kingdom.

Both stock selection and country allocation decisions helped fourth quarter returns relative to EAFE. Exposure to Japan had the most positive stock selection impact on performance. Trading decisions had a large positive impact on fourth quarter performance.

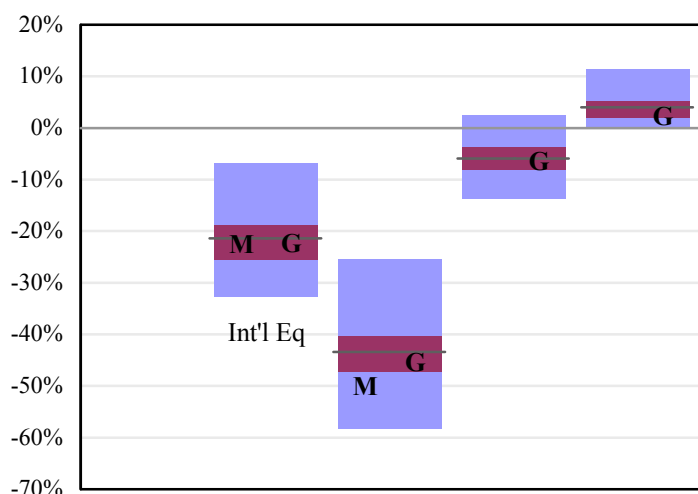
GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) delivered mixed results in the quarter. Stocks (within value) selected for their strong momentum characteristics outperformed most significantly. Stocks ranked highly by intrinsic value slightly outperformed, primarily from the additional high quality focus as basic intrinsic value underperformed. Those stocks chosen by quality-adjusted value had market-like returns. Individual stocks making significant positive contributions to performance included Japanese retailer Seven & I Holdings, French oil company Total, and French pharmaceutical Sanofi-Aventis. Stock positions that detracted from relative performance included British financials Royal Bank of Scotland and HBOS and an underweight in British Petroleum.

MANAGER COMMENTS – INTERNATIONAL EQUITY

McKinley Capital



McKinley Capital



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
McKinley (M)	-22.5	-49.9	-	-
Rank v. Intl Eq	60	82	-	-
ACWI xUS Gro (G)	-22.4	-45.4	-6.3	2.4
EAFE Growth (E)	-20.1	-42.5	-6.2	1.8
Int'l Eq Median	-25.7	-47.4	-8.2	2.0

Portfolio Characteristics	McKinley Capital	MSCI EAFE
IEq Mkt Value (\$Mil)	179.1	N/A
Cash	0.8 %	0.0 %

Over-Weighted Countries	McKinley Capital	MSCI EAFE
Canada	6.3 %	0.0 %
Switzerland	14.7	8.4
China	5.0	0.0

Under-Weighted Countries	McKinley Capital	MSCI EAFE
Japan	18.1 %	25.3 %
United Kingdom	14.8	19.9
France	6.6	10.9

The McKinley Capital portfolio returned -22.5% in the fourth quarter, near the -22.4% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 60th percentile of international equity managers. Over the past year, McKinley returned -49.9%, below the -45.4% return of the MSCI ACWI ex-US Growth Index, and ranked in the 82nd percentile of international equity managers.

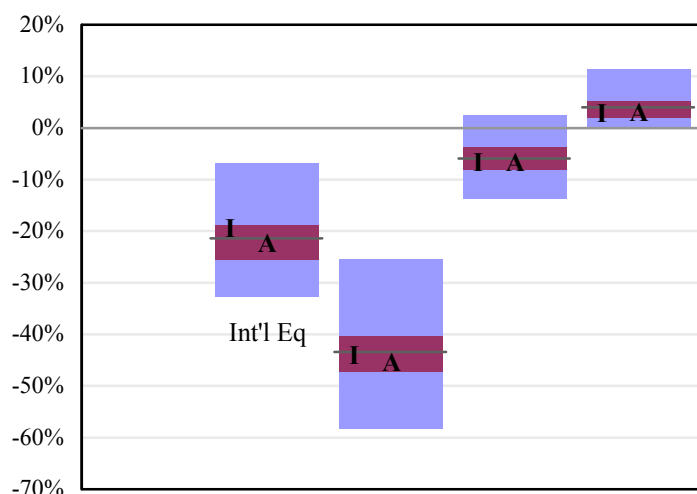
The portfolio's largest country over-weights were in Canada, Switzerland and China, while the largest under-weights were in Japan, the United Kingdom and France.

Stock selection decisions accounted for the fourth quarter underperformance relative to the MSCI EAFE Index. Stock selection was weak across the board, but most significantly in Russia. Active trading had a large negative impact on fourth quarter returns.

Investing in Industrials, Consumer Staples, Australia and the United Kingdom were the primary sources of relative underperformance for 2008. This included holdings in Rio Tinto PLC (United Kingdom), Mitsubishi Corp. (Japan), and Leighton Holdings Ltd (Australia). All three companies were sold in the fourth quarter as they met McKinley Capital's sell discipline. While emerging markets underperformed developed markets for the year, the portfolio's exposure to emerging markets buttressed performance. Israel, Switzerland and Health Care were significant positive contributors to relative performance. The portfolio's relative performance was also positively impacted by holdings in Telefonica S.A (Spain) and Total S.A. (France). McKinley Capital sees improving investment opportunities in Utilities, Telecommunication Services and the United Kingdom; Financials, Information Technology and Germany continue to have relatively fewer investment opportunities within the discipline.

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Total International Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Int'l Eq (I)	-19.4	-44.1	-6.5	3.0
Rank v. Intl Eq	32	55	54	61
ACWI xUS (A)	-22.3	-45.2	-6.6	3.0
EAFE (E)	-19.9	-43.1	-6.9	2.1
Int'l Eq Median	-25.7	-47.4	-8.2	2.0

<u>Portfolio Characteristics</u>	<u>Total International</u>	<u>MSCI EAFE</u>
IEq Mkt Value (\$Mil)	387.2	N/A
Cash	0.4 %	0.0 %

<u>Over-Weighted Countries</u>	<u>Total International</u>	<u>MSCI EAFE</u>
Canada	4.3 %	0.0 %
Switzerland	11.9	8.4
China	2.3	0.0

<u>Under-Weighted Countries</u>	<u>Total International</u>	<u>MSCI EAFE</u>
United Kingdom	16.6 %	19.9 %
Spain	2.0	4.5
Australia	3.4	6.0

The total international equity composite returned -19.4% in the fourth quarter, better than the -19.9% return of the MSCI EAFE Index. This return ranked in the 32nd percentile of international equity managers. Over the past year, total international equity composite returned -44.1%, below the -43.1% return of the MSCI EAFE Index, and ranked in the 55th percentile of international equity managers. Over the past three and five years the total international equity composite has exceeded the return of the MSCI EAFE Index but has ranked slightly below median in the international equity universe.

The composite's largest country over-weights were in Canada, Switzerland and China, while the largest under-weights were in the United Kingdom, Spain and Australia.

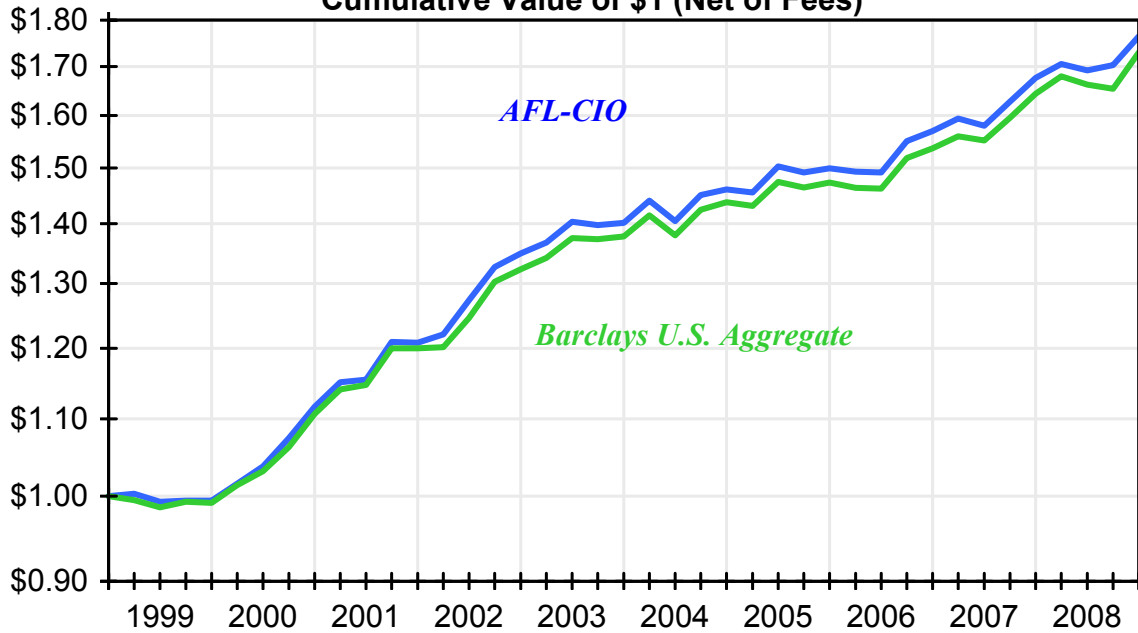
Stock selection in aggregate detracted from fourth quarter performance compared to EAFE while country allocation decisions were positive. Stock selection was particularly weak in the United State, the Netherlands and Russia. Active trading had a small positive impact on fourth quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

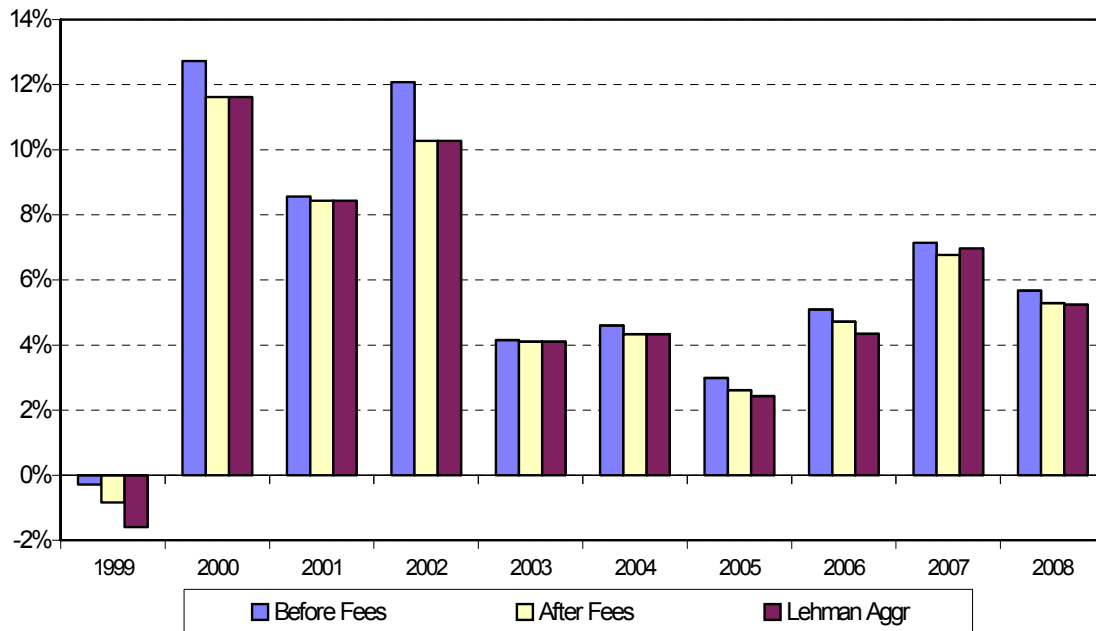
AFL-CIO vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

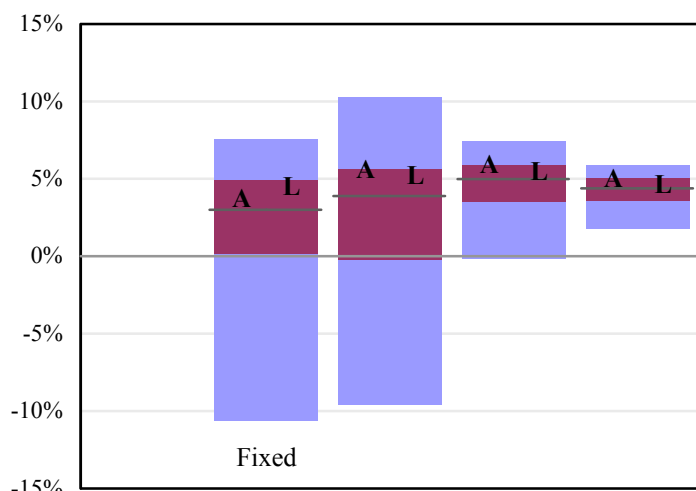


AFL-CIO vs. Lehman Aggregate

Year by Year Performance



AFL-CIO Housing Investment Trust



	Qtr	1 Year	3 Years	5 Years
AFL-CIO (A)	3.7	5.7	6.0	5.1
Rank v. Fixed	42	25	24	22
LB Agg (L)	4.6	5.2	5.5	4.7
Fixed Median	3.0	3.9	5.0	4.4

Portfolio Characteristics	AFL CIO	Barclays Aggregate
Mkt Value (\$Mil)	172.3	n/a
Yield to Maturity (%)	4.6 %	4.0 %
Duration (yrs)	3.8	3.7
Avg. Quality	AGY	AA+

Sectors	AFL CIO	Barclays Aggregate
Treasury/Agency	4 %	39 %
Single-Family MBS	33	40
Multi-Family MBS	56	0
Corporates	0	18
High Yield	0	0
ABS/CMBS	3	4
Other	2	0
Cash	3	0

AFL-CIO returned 3.7% in the fourth quarter, trailing the 4.6% return of the Barclays U.S. Aggregate. The portfolio ranked in the 42nd percentile of fixed income managers. For the past year, AFL-CIO returned 5.7%, which was better than the 5.2% return of the Barclays U.S. Aggregate and ranked in the 25th percentile. Over the past three and five years, AFL-CIO has exceeded the Barclays U.S. Aggregate and the median, meeting performance objectives.

At the end of the fourth quarter, the AFL-CIO Housing Investment Trust had 5% in US Treasury notes, 33% of the portfolio allocated to single-family mortgage backed securities, 56% allocated to multi-family mortgage back securities, 3% to private-label commercial mortgage backed securities and 3% to short-term securities. The AFL-CIO portfolio duration at the end of the fourth quarter was 3.8 years and the current yield of the portfolio was 4.6%.

The HIT expects the U.S. economy to remain weak for the foreseeable future. The U.S. government, along with many others, will continue to attempt to spur growth through fiscal and monetary actions as the global economy works through the pain of deleveraging. Among other actions, the government is expected to expand FHA's role in the multifamily mortgage market to help fill the void left by the private sector. The HIT should benefit from this environment.

The lack of funding for multifamily projects over the last year has caused projected returns on these investments to be much more attractive (with higher yields relative to Treasuries) than they have been historically. In this environment, the HIT will aggressively seek capital to fund the expected increase in FHA multifamily production. It will continue to execute its long-term portfolio strategy of achieving fundamentals of higher yield, superior credit quality, and neutral interest rate risk versus the Barclays Capital Aggregate Bond Index.

MANAGER COMMENTS – FIXED INCOME

Goldman Sachs

We will report on Goldman Sachs performance in the first quarter 2009 report when there is a full quarter of performance history.

Goldman Sachs

We will report on Goldman Sachs performance in the first quarter 2009 report when there is a full quarter of performance history.

Portfolio Characteristics	Goldman Sachs	Barclays Aggregate
Mkt Value (\$Mil)	176.1	n/a
Yield to Maturity (%)	4.2 %	4.0 %
Duration (yrs)	3.6	3.7
Avg. Quality	AAA	AA+

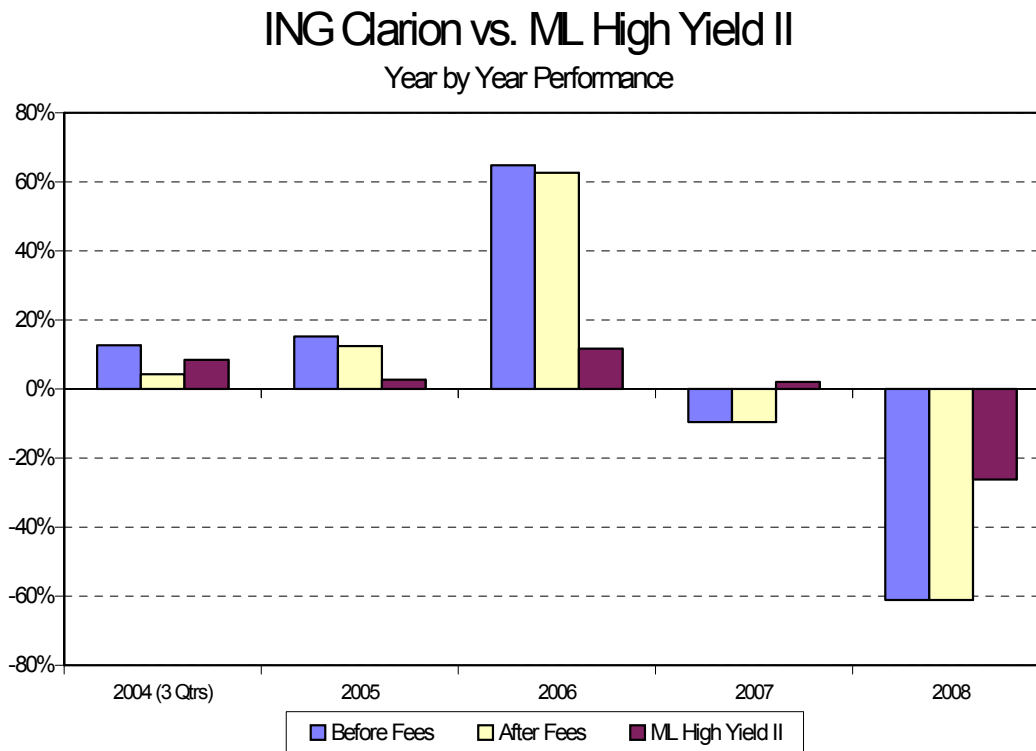
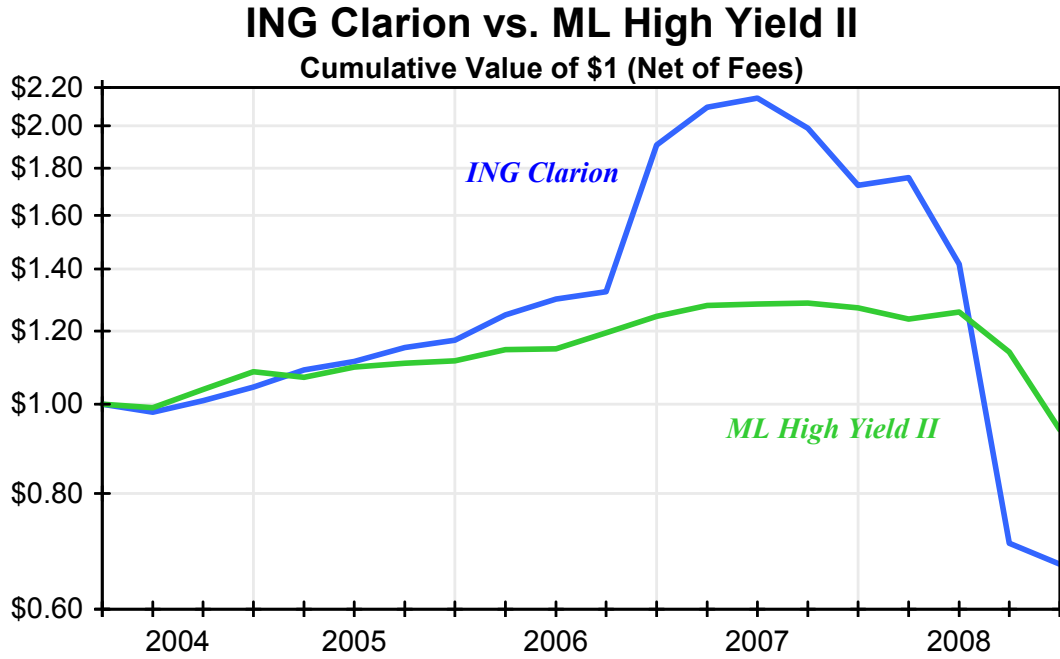
Sectors	Goldman Sachs	Barclays Aggregate
Treasury/Agency	33 %	39 %
Mortgages	44	40
Corporates	11	18
High Yield	5	0
Asset-Backed	0	4
CMBS	0	0
International	0	0
Emerging Markets	4	0
Other	0	0
Cash	3	0

The new Goldman Sachs account was funded during the fourth quarter of 2008 out of a portion of funds raised by liquidating the bulk of the Western Asset Management portfolio as well as some funds from PIMCO. Goldman Sachs is also managing the workout portfolio of legacy WAMCO holdings that are illiquid in today's fixed income environment.

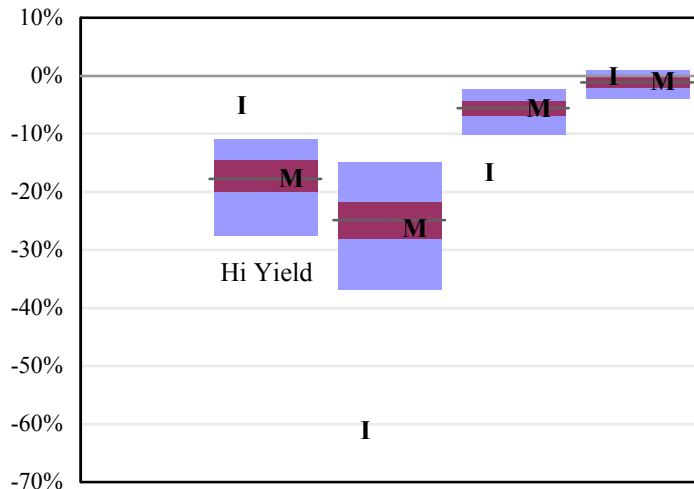
At the end of the fourth quarter, Goldman Sachs was overweight relative to the Barclays U.S. Aggregate in the mortgage, high yield and emerging markets sectors. Goldman Sachs was underweight in the US government and investment-grade corporate debt sectors. The duration of the Goldman fixed income portfolio at the end of the fourth quarter was 3.6 years, slightly shorter than the benchmark. The portfolio has a slight yield advantage over the index.

MANAGER COMMENTS – FIXED INCOME

ING Clarion



ING Clarion



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion (I)	-5.1	-61.1	-16.6	-
Rank v. Hi Yield	2	99	99	-
ML HY II (M)	-17.6	-26.2	-5.6	-0.8
Hi Yield Median	-17.8	-24.9	-5.6	-1.1

Portfolio Characteristics	ING Clarion	ML High Yield II
Mkt Value (\$Mil)	0.3	n/a
Yield to Maturity (%)	n/a %	19.6 %
Duration (yrs)	n/a	3.9
Avg. Quality	n/a	B1

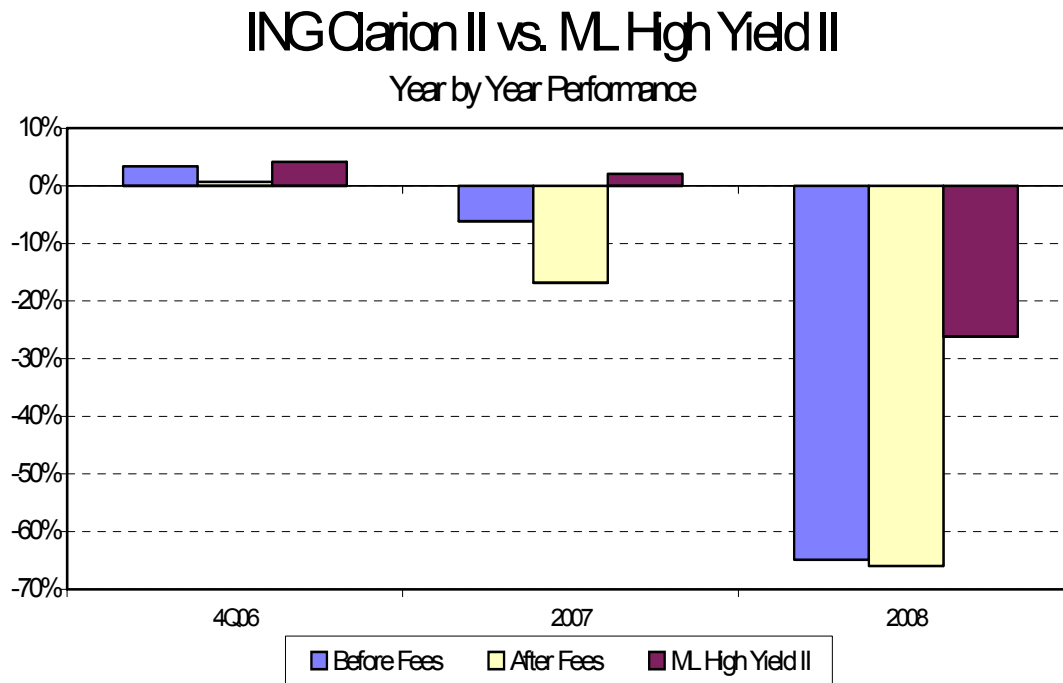
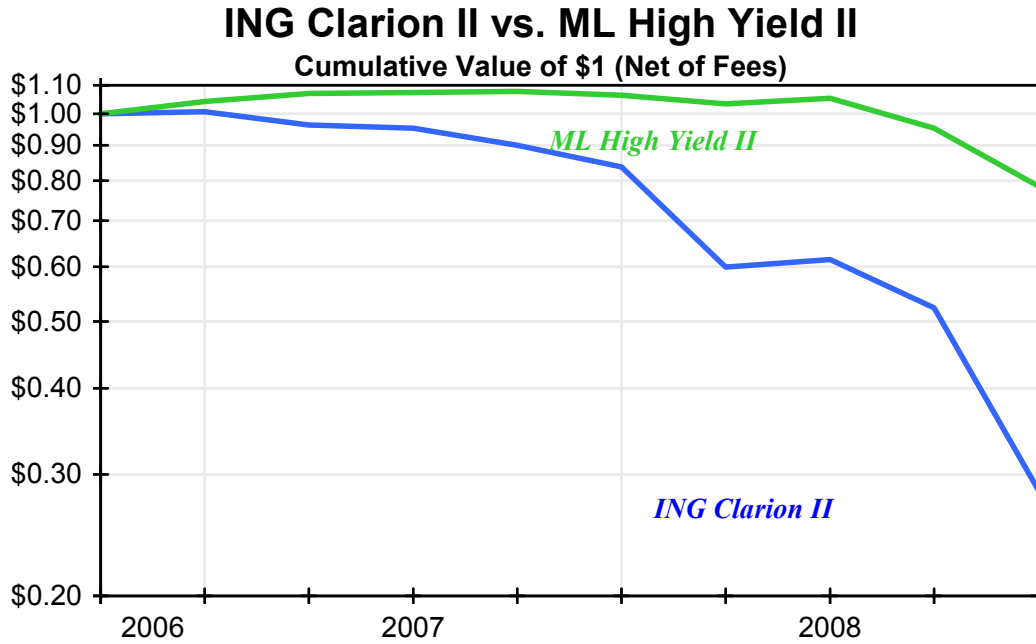
Quality Distribution	ING Clarion	ML High Yield II
A	n/a %	0 %
BBB	n/a	0
BB	n/a	42
B	n/a	35
CCC	n/a	23
Not Rated	n/a	0
Cash	n/a	0

Currently, this fund is nearly liquidated (less than \$300,000 left), with very high returns locked in. The annualized IRR on this fund since its inception to December 31 has been 31.2% (see page 13). In the fourth quarter, ING Clarion returned -5.1%. This return was well above the Merrill Lynch High Yield Master II Index return of -17.6% and ranked in the 2nd percentile of high yield portfolios. Over the past year, the portfolio has returned -61.1%, well below the ML High Yield II return of -26.2%, and ranked in the 99th percentile. Over the past three years, the portfolio has returned -16.6%, well below the ML High Yield II return of -5.6% and ranked in the 99th percentile. Despite the poor time-weighted results noted above, this has been an extremely successful long term investment.

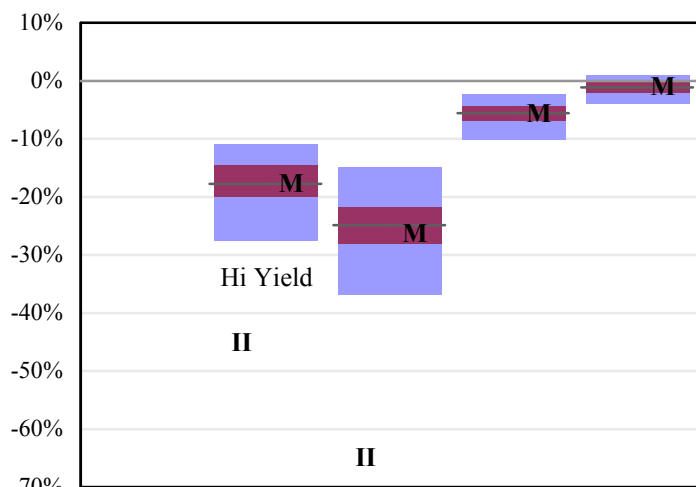
The fund continues to hold a small, residual interest in Ansonia CDO 2006-1. CCCERA's portion of this interest was valued at \$284,240.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II



ING Clarion II



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion II (II)	-44.9	-64.9	-	-
Rank v. Hi Yield	98	99	-	-
ML HY II (M)	-17.6	-26.2	-5.6	-0.8
Hi Yield Median	-17.8	-24.9	-5.6	-1.1

Portfolio Characteristics	ING Clarion II	ML High Yield II
Mkt Value (\$Mil)	41.4	n/a
Yield to Maturity (%)	43.4 %	19.6 %
Duration (yrs)	2.9	3.9
Avg. Quality	A	B1

Quality Distribution	ING Clarion II	ML High Yield II
AAA	55 %	0 %
AA	1	0
A	1	0
BBB	17	0
BB	2	42
B	3	35
CCC	1	23
Not Rated	0	0
Other	23	0

CCCERA funded the ING Clarion Debt Opportunity Fund II (ING Clarion II) on September 28, 2006 as a follow on to the very successful ING Clarion Fund that was substantially liquidated in 2006. ING Clarion II returned -44.9% for the fourth quarter, which was well below the Merrill Lynch High Yield Master II return of -17.6%, and ranked in the 98th percentile in the universe of high yield portfolios. Over the past year, the fund has returned -64.9%, well below the index return of -26.2%, and ranked in the 99th percentile. The time-weighted results thus far look extremely poor. In our conversations with Dan Heflin, he believes that the fund will ultimately produce a small positive return.

ING Clarion invests in mortgages purchased at a significant discount. This type of asset has been punished in the recent markets. As of December 31, 2008, Fund II has made a total of 88 investments with an acquisition value of \$685.5 million and is nearly fully invested. The portfolio consists of 69.2% investment grade CMBS, 14.5% non-investment grade CMBS, 9.3% mezzanine loans, 4.3% B-notes and 2.0% CRE CDO bonds (based on acquisition value).

MANAGER COMMENTS – FIXED INCOME

ING Clarion III

We will report on the performance of ING Clarion III in the first quarter 2009 report when there is a full quarter of performance history.

ING Clarion III

We will report on the performance of ING Clarion III in the first quarter 2009 report when there is a full quarter of performance history.

Portfolio Characteristics	ING Clarion III	ML High Yield II
Mkt Value (\$Mil)	7.5	n/a
Yield to Maturity (%)	n/a %	19.6 %
Duration (yrs)	n/a	3.9
Avg. Quality	n/a	B1

Quality Distribution	ING Clarion III	ML High Yield II
AAA	n/a %	0 %
AA	n/a	0
A	n/a	0
BBB	n/a	0
BB	n/a	42
B	n/a	35
CCC	n/a	23
Not Rated	n/a	0
Cash	n/a	0

CCCERA funded the ING Clarion Debt Opportunity Fund II (ING Clarion II) on December 12, 2008.

As with Funds I and II, ING Clarion Debt Opportunity Fund III invests in mortgages purchased at a significant discount. As of December 31, 2008, Fund III has made a total of 5 investments with an acquisition value of \$5.5 million. The 5 investments are interest only CMBS with a total face amount of \$377.6 million.

MANAGER COMMENTS – FIXED INCOME

Lord Abbett

We will report on Lord Abbett performance in the first quarter 2009 report when there is a full quarter of performance history.

Lord Abbett

We will report on Lord Abbett performance in the first quarter 2009 report when there is a full quarter of performance history.

Portfolio Characteristics	Lord Abbett	Barclays Aggregate
Mkt Value (\$Mil)	171.0	n/a
Yield to Maturity (%)	6.1 %	4.0 %
Duration (yrs)	3.5	3.7
Avg. Quality	AA	AA+

Sectors	Lord Abbett	Barclays Aggregate
Treasury/Agency	14 %	39 %
Mortgages	43	40
Corporates	10	18
High Yield	4	0
Asset-Backed	1	4
CMBS	22	0
International	0	0
Emerging Markets	0	0
Other	0	0
Cash	7	0

The new Lord Abbett account was funded during the fourth quarter of 2008 as a successor, along with Goldman Sachs, to Western Asset Management. Some funds also came from PIMCO.

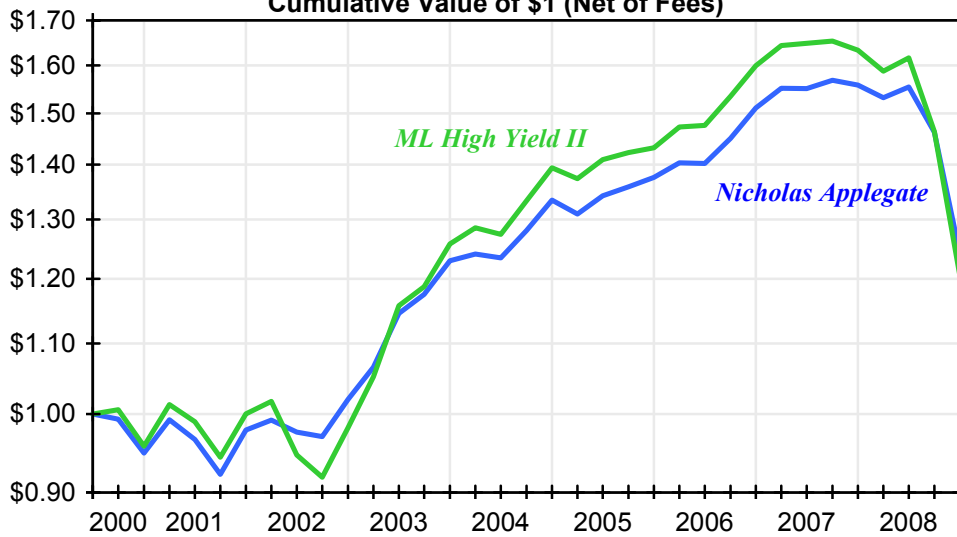
At the end of the fourth quarter, Lord Abbett was overweight relative to the Barclays U.S. Aggregate in the mortgage and CMBS sectors. Lord Abbett was underweight in the US government and investment-grade corporate debt sectors. The duration of the fixed income portfolio at the end of the fourth quarter was 3.5 years, slightly shorter than the benchmark. The portfolio has a significant yield advantage over the index, due primarily to the CMBS overweight in the portfolio.

MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate

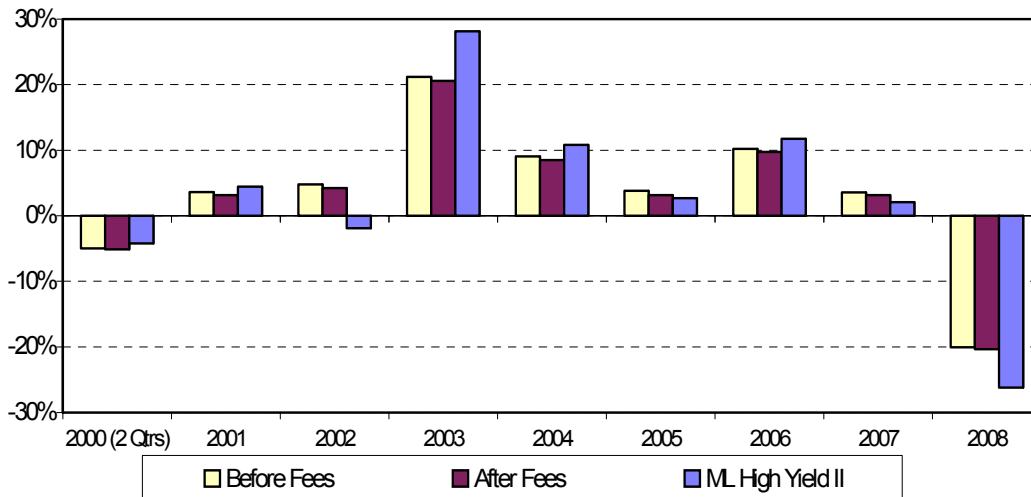
Nicholas Applegate vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

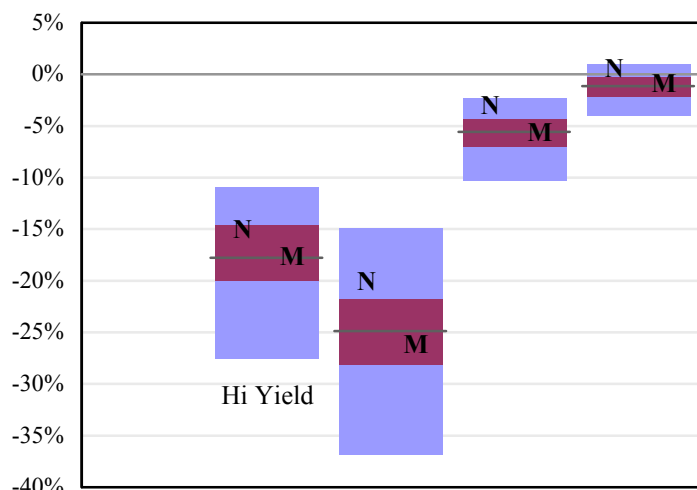


Nicholas Applegate vs. Benchmarks

Year by Year Performance



Nicholas Applegate



Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	114.8	n/a
Yield to Maturity (%)	16.4 %	19.6 %
Duration (yrs)	4.0	3.9
Avg. Quality	BB	B1

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	3	0
BB	34	42
B	63	35
CCC	0	23

	Qtr	1 Year	3 Years	5 Years
Nich. Appl. (N)	-15.0	-20.0	-3.0	0.7
Rank v. Hi Yield	28	14	8	7
ML HY II (M)	-17.6	-26.2	-5.6	-0.8
ML BB/B (B)	-15.7	-23.5	-4.6	-0.3
Hi Yield Median	-17.8	-24.9	-5.6	-1.1

Nicholas Applegate's high yield fixed income portfolio returned -15.0% for the fourth quarter, better than the -17.6% return of the Merrill Lynch High Yield II Index, and ranked in the 28th percentile of high yield managers. Nicholas Applegate returned -20.0% over the past year compared to -26.2% for the ML High Yield II Index and -24.9% for the median. For the five-year period, Nicholas Applegate's return of 0.7% was better than the -0.8% return of the ML High Yield II Index and ranked in the 7th percentile.

As of December 31, 2008, the Nicholas Applegate high yield portfolio was allocated 3% to BBB rated securities compared to 0% for the ML High Yield II Index, 34% to BB rated issues to 42% for the Index, 63% to B rated issues to 35% in the Index and 0% to CCC rated securities to 23% for the Index. The portfolio's December 31, 2008 duration was 4.0 years, marginally longer than the 3.9 year duration of the ML High Yield II Index.

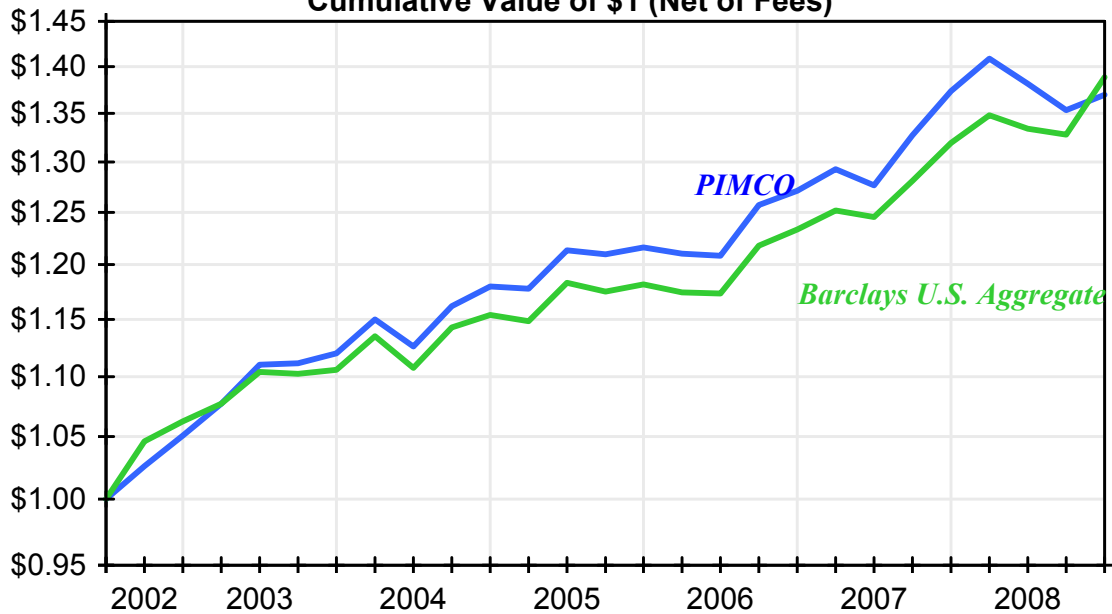
The portfolio's high quality holdings and avoidance of distressed issues helped during the tumultuous fourth quarter markets. Maintaining the discipline of seeking superior credits and holding them throughout the sell-off positioned the portfolio relatively well. There were many negative contributors during the quarter, including Unisys Corp, Harland Clarke Holdings, Neiman Marcus Group and Tenneco. Third quarter operational performance was lower than expectations, and the outlook was tempered for these issuers. All of the issues were considered to be oversold and will continue to be monitored. The most striking relative performance issue to review was GMAC. As GMAC pursued, and was ultimately awarded, bank-holding status, the bonds doubled in price. While GMAC was a positive contributor to the portfolio, its benchmark weight was higher. During the fourth quarter, the portfolio had three upgrades and eight downgrades across several industries and issuer types.

MANAGER COMMENTS – FIXED INCOME

PIMCO

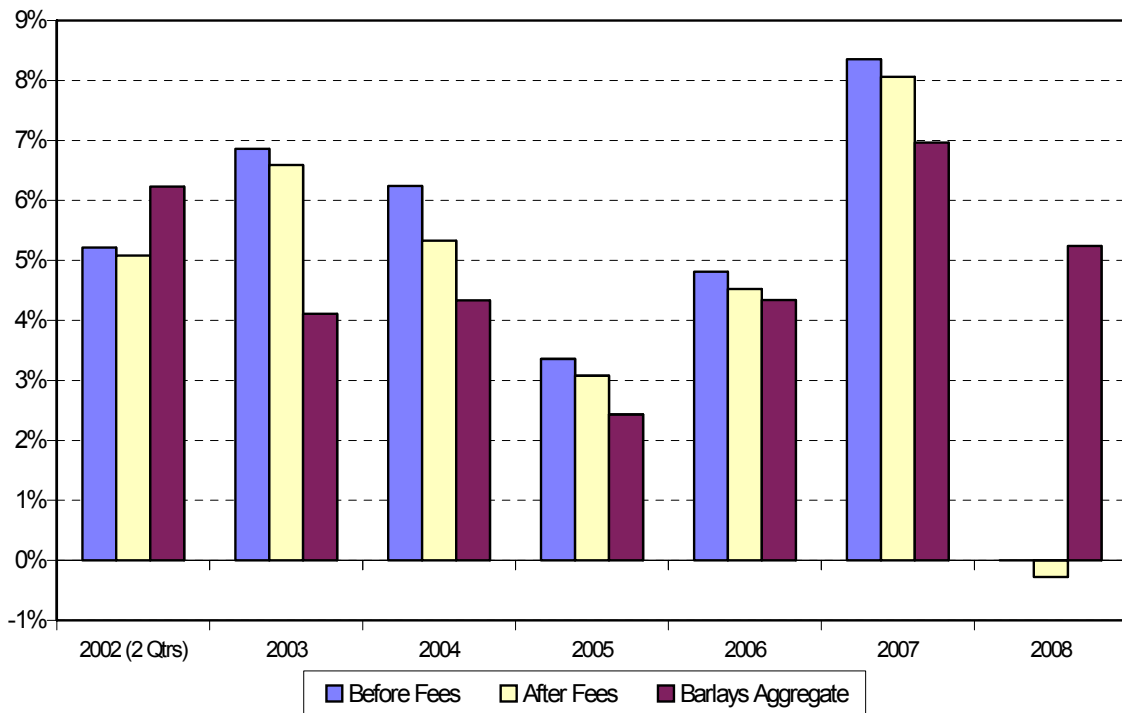
PIMCO vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

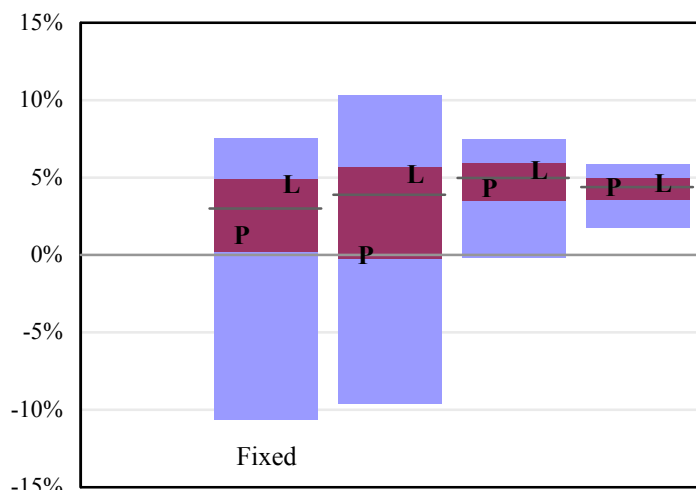


PIMCO vs. Barclays U.S. Aggregate

Year by Year Performance



PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO (P)	1.3	0.0	4.3	4.4
Rank v. Fixed	62	73	63	50
BC Agg (L)	4.6	5.2	5.5	4.7
BC Uni (U)	-1.2	2.3	3.9	3.9
Fixed Median	0.2	-0.3	3.5	3.6

Portfolio Characteristics	PIMCO	Barclays Aggregate
Mkt Value (\$Mil)	374.2	n/a
Yield to Maturity (%)	5.9 %	4.0 %
Duration (yrs)	3.0	3.7
Avg. Quality	AA+	AA+

Sectors	PIMCO	Barclays Aggregate
Treasury/Agency	15 %	39 %
Mortgages	51	40
Corporates	16	18
High Yield	1	0
Asset-Backed	0	4
CMBS	0	0
International	8	0
Emerging Markets	2	0
Other	2	0
Cash	5	0

PIMCO's return of 1.3% for the fourth quarter was lower than the 4.6% return of the Barclays U.S. Aggregate and ranked in the 62nd percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 0.0% trailed the 5.2% return of the Barclays U.S. Aggregate and ranked in the 73rd percentile. Over the past five years, the portfolio has returned 4.4%, below the Barclays U.S. Aggregate return of 4.7%, and ranked in the 50th percentile.

At the end of the fourth quarter, PIMCO remained overweight relative to the Barclays U.S. Aggregate in the mortgage sector. PIMCO also had significant exposure to non-index sectors, including non-US sovereign debt, emerging markets and high yield. PIMCO remained underweight in the US government and corporate debt sectors. The duration of the PIMCO fixed income portfolio at the end of the fourth quarter was 3.0 years, down sharply from last quarter's 5.1 year duration and shorter than the benchmark. The portfolio continues to have a yield advantage over the index.

Fourth quarter performance was hurt by overweights to mortgages, both Agency and non-Agency issued, as these securities were hurt by continued global deleveraging. Strategies that helped fourth quarter results included a corporate underweight and an overweight to the bonds of financial companies, which benefited from government policy support.

Looking forward, PIMCO plans to focus less on interest rate strategies and more on high quality assets that offer attractive yield premiums. The firm also intends to target near-index duration.

MANAGER COMMENTS – FIXED INCOME

Workout Portfolio - Managed by Goldman Sachs

We will report on workout performance in the first quarter 2009 report.

Workout Portfolio

We will report on workout performance in the first quarter 2009 report.

Portfolio Characteristics	Workout (GSAM)	Barclays Aggregate
Mkt Value (\$Mil)	141.4	n/a
Yield to Maturity (%)	7.7 %	4.0 %
Duration (yrs)	2.3	3.7
Avg. Quality	AA	AA+

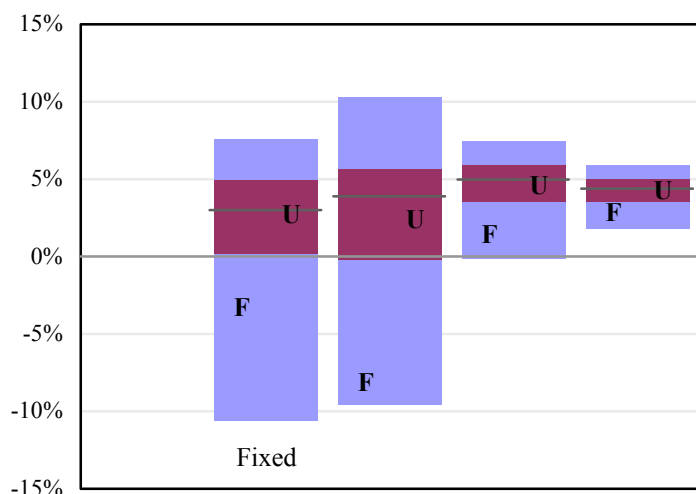
Sectors	Workout (GSAM)	Barclays Aggregate
Treasury/Agency	1 %	39 %
Mortgages	61	40
Corporates	32	18
High Yield	0	0
Asset-Backed	0	4
CMBS	0	0
International	4	0
Emerging Markets	0	0
Other	0	0
Cash	2	0

For the portion of the legacy Western Asset Management mandate that was deemed to be illiquid, Goldman Sachs was selected to oversee and dispose of securities as appropriate. The workout portfolio is comprised primarily of mortgages and corporate debt.

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MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fixed (F)	-3.3	-8.1	1.5	2.9
Rank v. Fixed	84	92	89	84
BC Uni (U)	2.7	2.4	4.6	4.3
BC Agg (L)	4.6	5.2	5.5	4.7
Fixed Median	0.2	-0.3	3.5	3.6

Portfolio Characteristics	Total Fixed	Barclays Universal
Mkt Value (\$Mil)	1,332.9	n/a
Yield to Maturity (%)	7.7 %	4.8 %
Duration (yrs)	3.2	3.8
Avg. Quality	AA	AA

Sectors	Total Fixed	Barclays Universal
Treasury/Agency	12 %	35 %
Mortgages	47	36
Corporates	11	16
High Yield	10	3
Asset-Backed	0	4
CMBS	3	0
International	5	2
Emerging Markets	1	1
Other	1	3
Cash	7	0

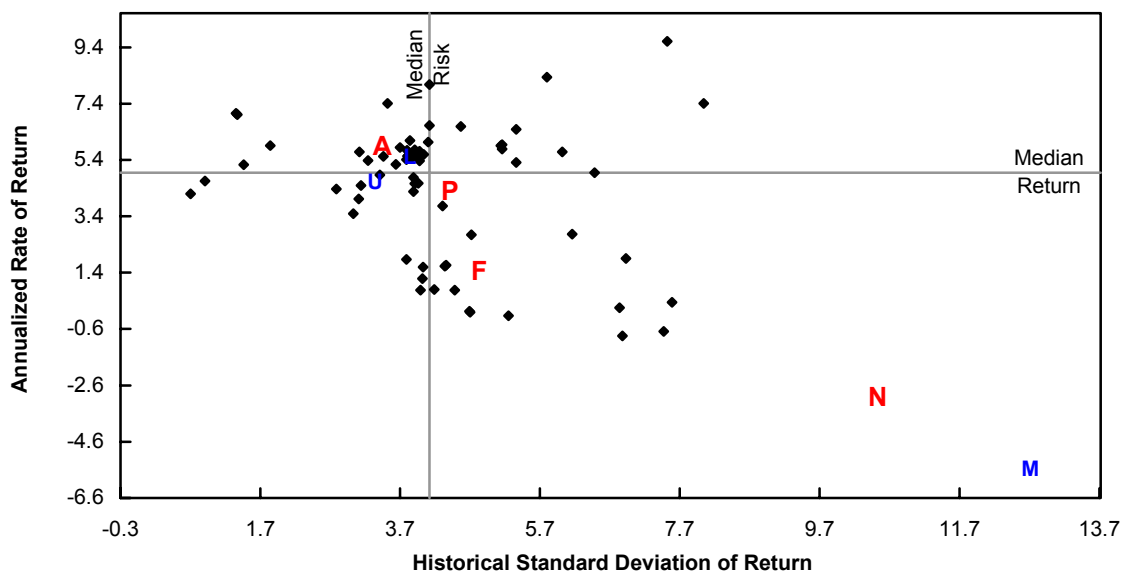
CCCERA total fixed income returned -3.3% in the fourth quarter, which was below the 2.7% return of the Barclays Universal and the 4.6% return of the Barclays U.S. Aggregate, ranking in the 84th percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned -8.1%, below the 2.4% return of the Barclays Universal and the 5.2% return of the Barclays U.S. Aggregate. The CCCERA total fixed income returns trailed the Barclays Universal and the median fixed income manager over the three and five-year periods.

At the end of the fourth quarter, the aggregate fixed income position was underweight relative to the Barclays Universal in the US government and corporate debt sectors. These underweights were offset by larger positions in mortgages, high yield and CMBS debt. The duration of the total fixed income portfolio at the end of the fourth quarter was 3.2 years, shorter than the 3.8 year duration of the index.

MANAGER COMMENTS – FIXED INCOME

Domestic Fixed Income Performance and Variability

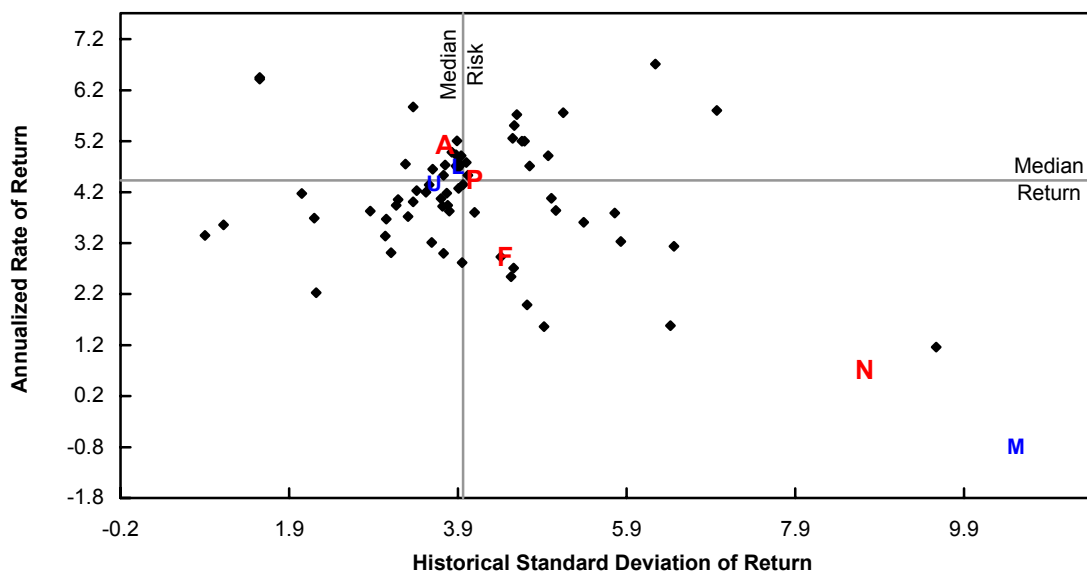
Three Years Ending December 31, 2008



Domestic Bond Managers	Annualized Return	Standard Deviation	Risk/Reward Ratio
AFL-CIO (A)	5.9 %	3.4 %	0.57
Nicholas Applegate (N)	-3.0	10.5	-0.66
PIMCO (P)	4.3	4.4	0.08
Total Fixed (F)	1.5	4.8	-0.52
Lehman Aggregate (a)	5.5	3.8	0.40
ML High Yield II (M)	-5.6	12.7	-0.75
Lehman Universal (U)	4.6	3.3	0.20
Median Bond Portfolio	5.0	4.1	0.25

Domestic Fixed Income Performance and Variability

Five Years Ending December 31, 2008

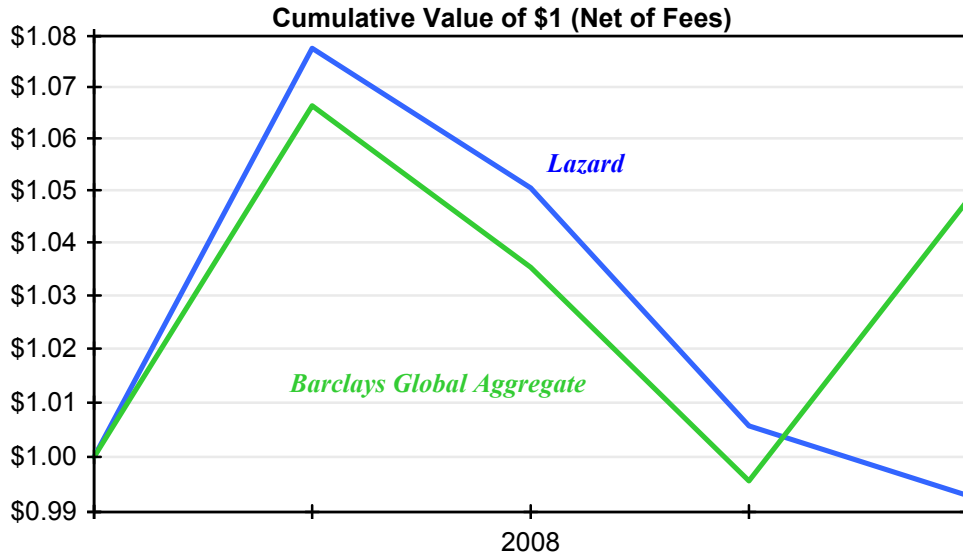


	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO (A)	5.1 %	3.7 %	0.49
Nicholas Applegate (N)	0.7	8.7	-0.30
PIMCO (P)	4.4	4.1	0.28
Total Fixed (F)	2.9	4.4	-0.09
Lehman Aggregate (a)	4.7	3.9	0.36
ML High Yield II (M)	-0.8	10.5	-0.39
Lehman Universal (U)	4.3	3.6	0.29
Median Bond Portfolio	4.4	3.9	0.29

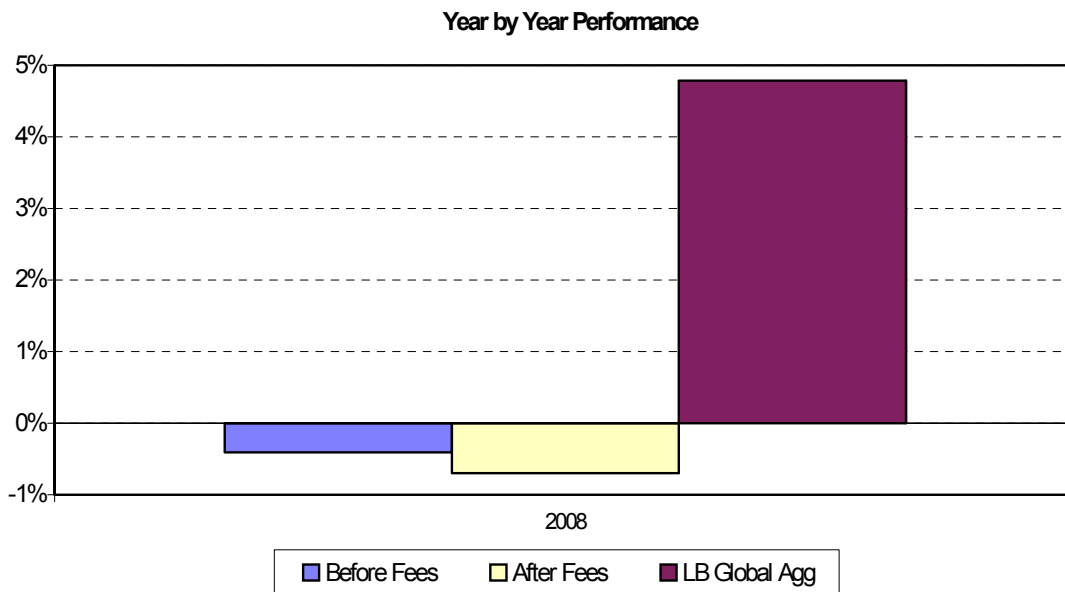
MANAGER COMMENTS – GLOBAL FIXED INCOME

Lazard Asset Management

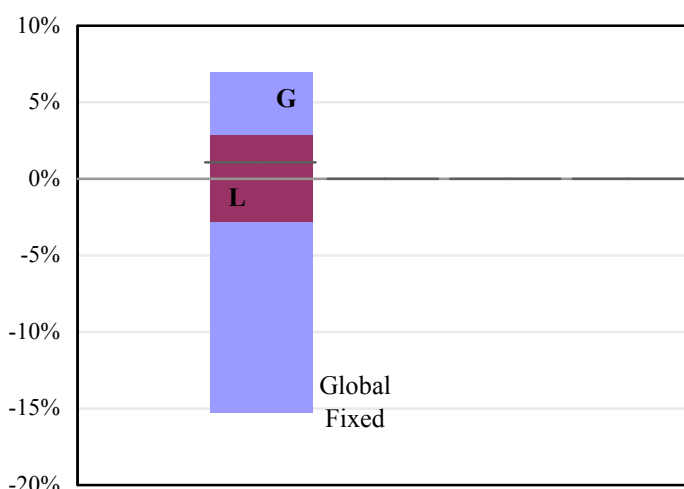
Lazard vs. Barclays Global Aggregate



Lazard vs. Lehman Global Aggregate



Lazard Asset Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Lazard (L)	-1.2	-0.4	-	-
Rank v. Glob FI	68	31	-	-
LB Global (G)	5.3	4.8	-	-
GI Fixed Median	1.1	-	-	-

<u>Portfolio Characteristics</u>	<u>Lazard Asset Mgmt</u>	<u>Barclays Global Aggregate</u>
Mkt Value (\$Mil)	190.3	n/a
Yield to Maturity (%)	6.0 %	4.8 %
Duration (yrs)	4.5	5.1
Avg. Quality	AA	AA1/AA2

<u>Sectors</u>	<u>Lazard Asset Mgmt</u>	<u>Barclays Global Aggregate</u>
Treasury/Sovereign	47 %	51 %
Agency/Supranational	16	13
Corporate	13	15
High Yield	5	0
Emerging Markets/Other	14	6
Mortgage	5	15

Lazard Asset Management returned -1.2% in the fourth quarter. This return lagged the 5.3% return of the Barclays Global Aggregate and ranked in the 68th percentile in the universe of global fixed income managers. Over the past year, Lazard has returned -0.4%, trailing the Barclays Global Aggregate return of 4.8% but ranking in the 31st percentile.

Lazard's portfolio was underweight to treasuries/sovereign and mortgage securities and overweight to agency/supranational and emerging markets. The duration of the Lazard Asset Management portfolio at the end of the fourth quarter was 4.5 years, shorter than the 5.1 year duration of the index. The portfolio has a higher yield than the index.

Lazard's strategic underweight exposure to Japan detracted slightly from performance. Exposure to some major currencies helped returns, but produced mixed results in other investment-grade markets. The firm thinks that the weaker growth environment may constrain corporate pricing power, and represents a headwind for corporate credit spreads to tighten significantly from current levels. It's expectation of slowing inflationary pressures should allow some central banks to continue cutting rates, providing additional opportunities for bond investors in coming months. Lazard has extended duration in these local currency markets, it intends to maintain an overweight position in Poland as well as other European bond markets.

The firm believes that countries outside of the United States may recover faster, especially select emerging markets. Looking forward, it is adjusting currency exposure to a weaker U.S. dollar bias due to the enormous U.S. Treasury supply, the surprising zero interest rate policy announced in December, and increased budget deficit worries.

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management \$160,015,884

Adelante Capital Management returned -41.2% for the fourth quarter, below the -40.0% return of the Dow Jones Wilshire REIT Index, and ranked in the 86th percentile of the REIT mutual fund universe. For the past year, Adelante returned -44.8%, trailing the REIT index return of -39.2% and ranking in the 65th percentile. The portfolio has performed similarly to the benchmark over longer time periods.

As of September 30, 2008, the portfolio consisted of 25 REITs. Office properties comprised 14.4% of the underlying total portfolio, apartments made up 20.6%, retail represented 29.6%, industrial was 12.4%, 6.6% was diversified/specialty, hotels accounted for 6.3%, manufactured homes made up 1.1% and 7.1% was cash. As of June 30, 2008 the properties were diversified regionally with 6.6% in the East North Central region, 13.1% in the Mideast, 7.7% in the Mountain, 33.0% in the Northeast, 19.3% in the Pacific region, 10.3% in the Southeast, 6.2% in the Southwest region, 2.2% in the West North Central region and 2.8% other.

BlackRock Realty \$23,124,485

BlackRock Realty Apartment Value Fund III (AVF III) reported a fourth quarter total return of -24.7%. Over the one-year period, BlackRock has returned -28.6%. CCCERA has an 18.7% interest in the AVF III.

As of September 30, 2008, the fund held 15 investments, all apartment properties. The properties are distributed regionally as follows: 41% in the Pacific, 15% in the Northeast, 20% in the East North Central, 9% in the Southwest and 15% in the Southeast. Average portfolio occupancy rate of developed existing properties was around 88%.

There will be no further acquisitions for the AVF III as the fund is fully invested. AVF III considers disposing assets that have completed their renovation program and have been stabilized for a minimum of one year.

DLJ Real Estate Capital Partners \$176,960

DLJ Real Estate Capital Partners (RECP) reported a return of -12.1% in the quarter ending September 30, 2008. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 39.0%. CCCERA has a 3.8% ownership interest in RECP.

RECP I completed its investment activities in 1999 and has since emphasized asset management and asset realizations. RECP I has essentially realized its entire portfolio of 49 investments, and DLJ remains focused on realizing the final residual values from a few remaining investments. These interests include two small commercial sites totaling approximately nine acres at DLJ's Gleannoch Farms investment and a note receivable from the transaction counterparty on the D'Andrea Ranch sale. These two positions have a combined current book value of \$5.7 million.

DLJ Real Estate Capital Partners II
\$7,760,337

DLJ Real Estate Capital Partners II (RECP II) reported a return of -3.9% in the quarter ending September 30, 2008. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP II has returned 4.7%. CCCERA has a 3.4% ownership interest in RECP II.

As of September 30, the portfolio consisted of 38.8% retail, hotels accounted for 31.3%, land development made up 15.0%, residential accounted for 7.9%, sub-performing loans made up 4.3%, 2.0% was office properties and “other” made up 0.7%. The properties were diversified geographically with 15.1% in the Pacific, 28.3% in the Mountain region, 7.9% in the Northeast, 17.4% international, and 31.3% listed as “Various U.S.”.

The RECP II Fund acquired 51 investments with total capital committed of \$984 million. RECP II’s investment activities were completed in 2004 and the focus since has been on the management, positioning and realization of the portfolio. A total 44 of the properties have been sold while seven remain to be partially or fully realized. The Fund has received substantial proceeds from partial realizations on its remaining portfolio. These partial proceeds, together with the fully realized transaction, have allowed the Fund to distribute \$1.9 billion, representing 191% of the capital invested by the Fund.

The firm believes that it will be some time before equilibrium returns to the real estate market, and does not forecast any significant realizations in the near term.

DLJ Real Estate Capital Partners III
\$56,552,050

DLJ Real Estate Capital Partners III (RECP III) reported a return of -9.0% in the third quarter. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned -8.8%. CCCERA has a 6.7% ownership interest in RECP III.

As of September 30, 2008 the portfolio consisted of 37.9% hotel properties, 18.5% mixed-use development, 12.8% industrial/logistics, 11.7% vacation home development, 8.5% residential, 3.0% land development, 2.6% public securities, 2.6% other and 2.4% retail. The properties were diversified globally with 49.3% non-US and 50.7% US.

The Fund is fully invested in 49 investments; having committed \$1.2 billion of equity. There have been 13 realizations to date, generating a 73% gross IRR and a 2.1x multiple.

DLJ Real Estate Capital Partners IV
\$17,684,193

DLJ Real Estate Capital Partners IV (RECP IV) reported a return of -5.6% in the quarter ending September 30, 2008. (Performance lags by one quarter due to financial reporting constraints.)

As of September 30, 2008 the portfolio consisted of 22% CMBS REIT, 17% mixed-use development, 11% CMBS, 10% hotel properties, 9% office development, 9% development and construction company, 7% residential development companies, 4% industrial, 7% commercial land development 3% public securities and 1% air rights. The properties were diversified globally with 45% non-US and 55% US.

The Fund has made 18 investments to date, investing approximately \$385 million.

Fidelity Investments US Growth Fund II
\$25,174,607

Fidelity Investments returned -33.4% for the fourth quarter of 2008. For the one-year period, Fidelity had a total return of -42.8%.

Since inception through December 31, 2008, the fund has made 52 investments. 14 have been fully realized, with a realized gross CCCERA IRR of 13.1%; the remaining 38 are projected to realize a -14.8% IRR. The portfolio consists of 28% apartment properties, office space accounted for 3%, retail accounted for 6%, for sale housing accounted for 25%, hotels accounted for 6%, self storage made up 1%, entitled land made up 9%, student housing accounted for 16%, industrial accounted for 2% and golf courses made up the remaining 1% of the portfolio. The properties were diversified regionally with 20% in the Pacific, 5% in the Northeast, 16% in the Mideast, 23% in the Southeast, 11% in the Midwest, 20% in the Mountain region and 5% in the Southwest.

Fidelity Investments US Growth Fund III
\$16,037,096

Fidelity US Growth Fund III reported a return of -9.3% for the fourth quarter of 2008. Over the past year, the Fund has returned -31.2%.

Since inception through December 31, 2008, the fund has made 12 investments. The portfolio consists of 32.4% student housing, 21.5% apartments, 16.5% hotels, 8.7% office and 20.8% mixed-use developments. The properties were diversified regionally with 9% in the Pacific, 6% Mountain, 3% in the Southwest, 1% West North Central, 6% in the Southeast, 2% in the Mideast and 4% in the Northeast. Again, 67% remains uncommitted.

Hearthstone I & II
\$31,000 & \$-45,000

The two Hearthstone homebuilding funds are approaching completion. Fund I now shows a positive asset value while Fund II has a negative asset value. (For a number of quarters, both funds showed negative asset values owing to fund indebtedness.) As always for closed-end funds, the best measure of performance is the internal rate of return (IRR), which is shown on page 13. By this measure, the first fund has been a disappointing performer (with its 4.5% annual IRR) and the second fund a strong one (with an annual IRR projected to be 30%).

Invesco Real Estate Fund I
\$27,604,468

Invesco Real Estate Fund I (“IREF”) reported a fourth quarter total return of -26.2%. Over the past year, Invesco Real Estate Fund I returned -23.2%. CCCERA has a 15.6% interest in the Real Estate Fund I.

As of the fourth quarter, the portfolio consisted of 11 investments. Property type distribution was 11% retail, 23% industrial properties, 5% office and 61% multi-family. The properties were diversified regionally with 26% in the West, 51% in the South, 10% in the Midwest and 13% in the East.

The Fund has committed 103% of its equity capital. Since inception, IREF I has made fifteen investments, eleven are currently held in the portfolio and four of which were sold at disposition pricing in excess of the Fund’s overall return target. The Fund is now in its operating and redemption phase. The operating performance for the eleven remaining investments is expected to be challenging given the severity of the macro economic contraction. Specifically, tenant activity has slowed substantially and economic incentives (to either renew existing leases or procure new tenants) have increased – both of which have put downward pressure on budgeted 2009 net operating income. As a consequence, the Fund’s operating tack is to lead the market by aggressively pursuing early lease renewals of existing tenants and creative incentives for attracting new tenants.

Invesco Real Estate Fund II
\$8,428,251

Invesco Real Estate Fund II returned -70.9% during the fourth quarter. The fund had its final closing on June 30, 2008 totaling \$456.9 million from 22 investors. CCCERA has a 18.8% ownership stake in the fund.

The fund suffered from severe write-downs in the valuations of fund properties during the fourth quarter.

The Fund has closed on nine transactions nationwide, representing \$165 million of equity or 36% of fund capital commitments. The investments are distributed nationwide with 38% in the Pacific, 11% Southeast, 0% Mideast and 51% Northeast.

Invesco International REIT
\$31,282,483

The Invesco International REIT portfolio returned -34.0% in its first full quarter. This return was better than the domestic REIT market and although sharply negative, provided some diversification benefit to the existing Adelante portfolio.

Prudential Strategic Performance Fund II
\$884,843

For the fourth quarter, the Prudential Strategic Performance Fund-II (SPF-II) returned -51.7%. Over the one year period, the fund returned -41.1%. CCCERA accounts for 16.2% of SPF-II.

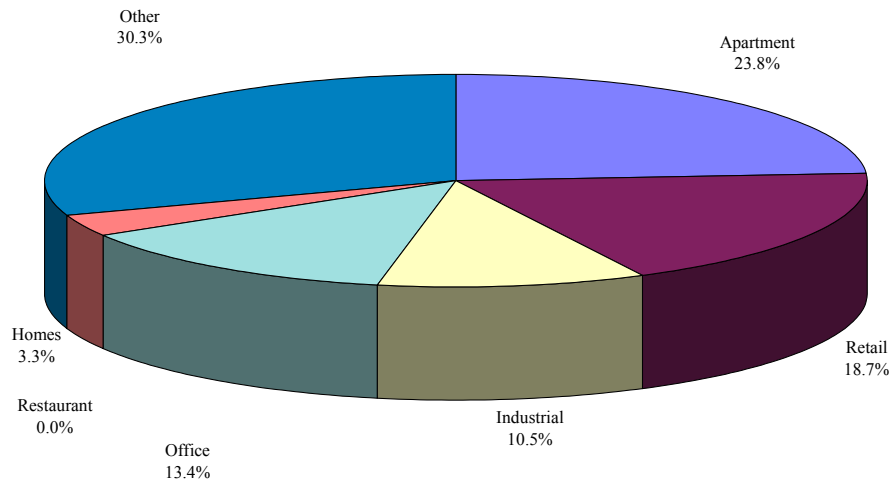
As of December 31, 2008, the portfolio was invested in one remaining property: the Monroe Center, a residential property in Hoboken, NJ. The quarterly return was driven by the write-down of Monroe Center land parcel. The valuation is reflective of the loan's impaired status as well as the declining value of the land parcel as a result of deteriorating market conditions throughout the year.

On December 31, 2008, SPF-II completed the UCC foreclosure of Monroe Center, resulting in the transfer of the borrower's membership interest to an affiliate of SPF-II. Also on December 31, 2008, SPF-II was liquidated and its remaining assets and liabilities were transferred to a liquidating trust.

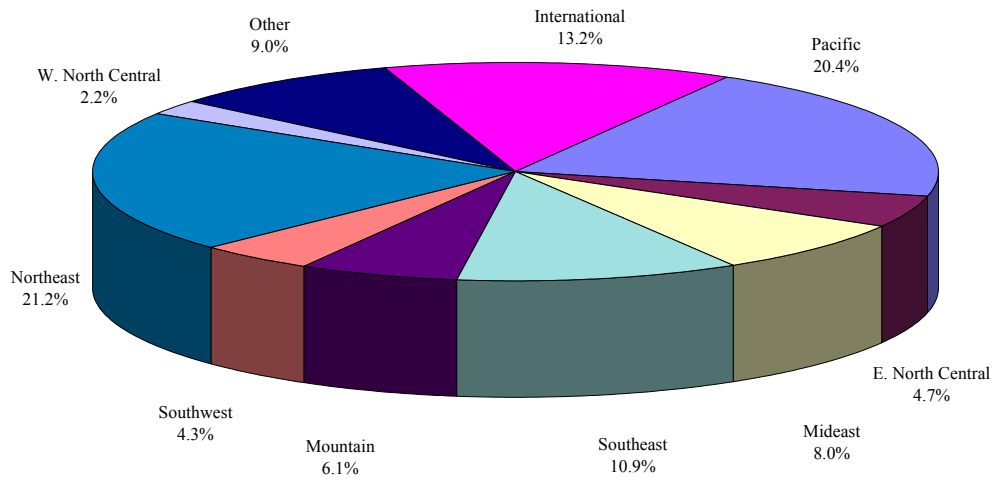
MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification

Diversification by Property Type



Diversification by Geographic Region



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MANAGER COMMENTS - ALTERNATIVE INVESTMENTS

Adams Street Partners

\$54,957,497

Adams Street reported a fourth quarter return of -6.5% for the CCCERA's investments. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) For the one-year period, Adams Street has returned -6.1%. The portfolio continues in acquisition mode.

The Adam Street domestic portfolio (86% of the portfolio) is comprised of 34.8% venture capital funds, 11.7% special situations, 5.9% in mezzanine funds, 3.7% in restructuring/distressed debt and 43.9% in buyout funds. The Non-US program (14% of the portfolio) was allocated 25.8% to venture capital, 11.7% special situations, 2.2% mezzanine debt, 1.8% restructuring/distressed debt and 58.56% buyouts. These allocations are largely unchanged from the prior quarter.

Bay Area Equity Fund

\$9,413,866

Bay Area Equity Fund reported a third quarter return of -1.8% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 27.9%. CCCERA has a 12.7% ownership interest in the Fund.

As of September 30, 2008, the Bay Area Equity Fund has 18 investments in private companies in the 10-county Bay Area, all of which are located in or near low- to middle-income neighborhoods. Currently, the Fund has invested \$59.8 million. One of the Fund's investments, Elephant Pharm, declared bankruptcy early in 2009. The impact of this event is not yet reflected in the performance of asset values shown in this report.

Carpenter Community BancFund

\$1,155,149

Carpenter reported a third quarter return of 0.0% (Performance lags by one quarter due to financial reporting constraints). Carpenter was funded during the first quarter of 2008.

The fund has \$223 million in total commitments, with a target of \$300 million for the anticipated final closing on April 30, 2009. As of September 30, 2008 the fund had investments in the common stock of three banks.

Energy Investors - US Power Fund I

\$7,406,574

The Energy Investors Fund Group (EIF) reported a third quarter return for this fund, which is in liquidation mode, of 5.7%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF reports a total return of 220.5%. CCCERA has a 12.0% ownership interest in Fund I.

The Fund received approximately \$8.0 million in project cash distributions during the third quarter, comprised of \$3.9 million from Neptune, \$1.6 million from Black River Generation, \$1.4 million from Crockett Cogeneration, \$0.8 million from Glen Park and \$0.3 million from Hamakua.

Energy Investors - US Power Fund II
\$41,663,180

Energy Investors reported a third quarter return of 2.8% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 19.6%. CCCERA has a 19.7% ownership interest in USPF-II.

During the third quarter of 2008, the Fund distributed \$3.0 million to its investors, bringing total distributions to \$62.4 million. During the quarter, the Fund made two small follow-on investments totaling approximately \$1.1 million, in Hudson Transmission and Russell Biomass.

Energy Investors - US Power Fund III
\$16,510,911

During the third quarter, the fund reported a return of -0.1%. CCCERA has a 6.9% ownership interest in USPF-III.

During the third quarter of 2008, the Fund distributed \$5.0 million to its investors, all of which was operating income from the Calypso portfolio. Investment activity in the third quarter totaled almost \$34 million, including a \$17.5 million investment in Solar Power Partners, \$11 million in development loans to Astoria Phase II and \$5.2 million in construction costs for two projects within the Landfill Energy Systems portfolio.

Nogales Investors Fund I
\$5,903,138

The Nogales Investors Fund I returned -1.4% in the quarter ended September 30. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned -47.2%. CCCERA makes up 16.3% of the Fund.

As of September 30, 2008, the fund had a total of three active investments: Graphic Press, Video King and Denver Radio Company. The total capital committed to the Partnership by all investors is \$98.8 million consisting of Limited and General Partner's capital commitments of \$97.0 million and \$1.8 million, respectively.

Paladin Fund III
\$5,254,009

Paladin Fund III returned 0.3% for the quarter ended September 30, 2008. As of September 30, 2008, Paladin Fund III had made eight investments. The fund investments include Adapx, Digital Bridge Communications, Initiate Systems, Luminus, Quantalife, Renewable Energy Products, Royalty Pharma and Unitrends. The market value of these investments total \$22.3 million.

Pathway Private Equity Fund

\$47,660,457

The Pathway Private Equity Fund (PPEF) reported a third quarter return of -6.2%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF returned -6.9%. PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments.

As of December 31, 2008 PPEF has made commitments of \$118.9 million across 39 private equity partnerships. Through September 30, 2008, the partnership has made distributions to \$40.7 million, which represents 62% of the Fund's total contribution.

PT Timber Fund III

\$7,612,336

The PT Timber Fund III reported a fourth quarter return of 5.1%. For the one-year period, John Hancock reports a total return of 11.9%. CCCERA makes up 12.3% of Fund III.

As of the end of the fourth quarter, PT-III's timberland portfolio is comprised of three properties: Covington in Alabama and Florida; Bonifay in Florida; and Choctaw in Mississippi.

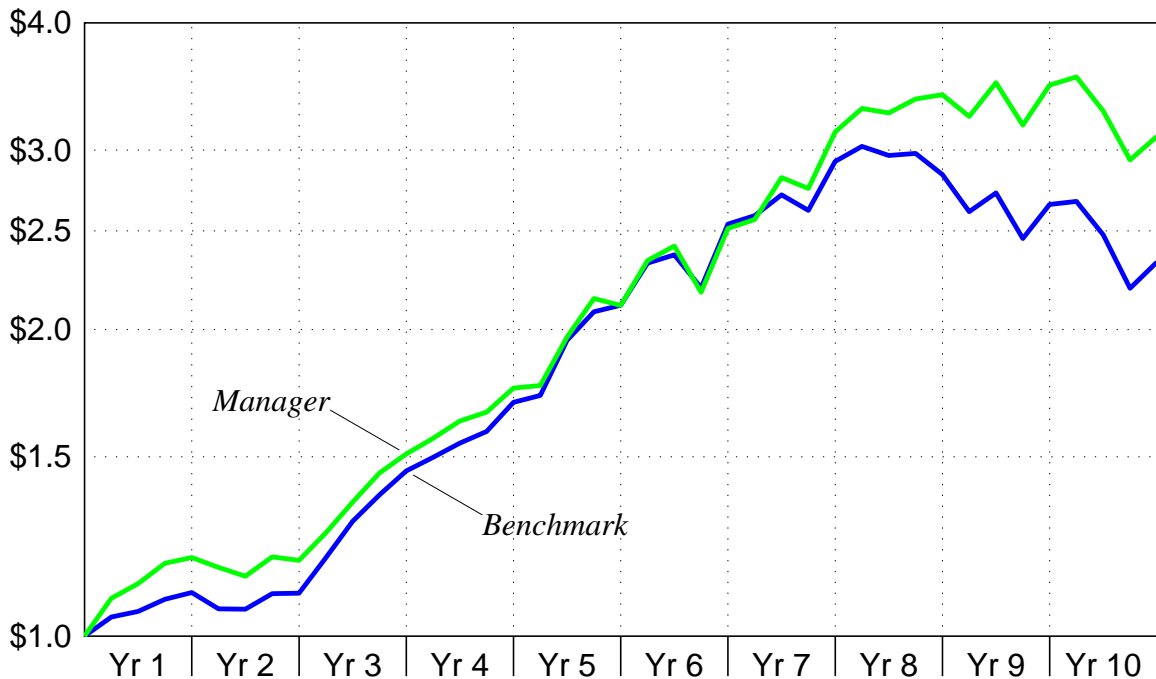
The Hamakua property in Hawaii was sold in late August. This sale represented nearly one quarter of the fund's assets. The associated distribution to CCCERA was approximately \$3 million. Additionally, the Alexander Plantation property was sold on September 10, 2008.

APPENDIX – EXAMPLE CHARTS

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

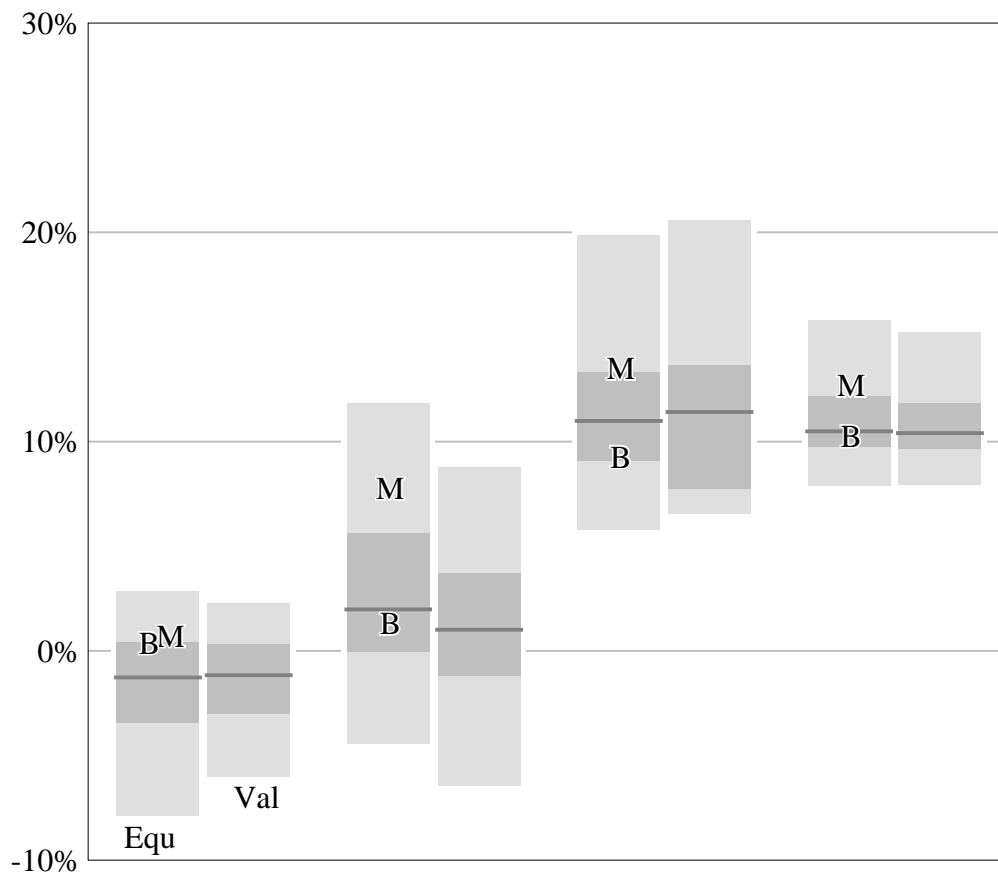


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter of 1985, it would have grown to approximately \$2 by the fourth quarter of Year 5 and would be above \$3 by the end of Year 10. Similarly, \$1 invested in the benchmark would have been worth near \$3 by the end of Year 7 and would be above \$2 by the end of the Year 10.

This is a semi-logarithmic or “log” graph. This is to show equal percentage moves with an equal slope at any place on the graph. For example, with equal scaling a manager who consistently returns 2% every quarter would show a return line which would steepen through time even though the growth rate is the same. With log scaling, a constant growth rate results in a straight line.

An advantage to using log graphs is that it is possible to compare managers more fairly to the benchmark. If the manager appears to be catching up to or losing ground to the benchmark on the log graph, then this is what is actually happening. This may not be the case with an arithmetic chart, where distortions are possible.

How to Read The Floating Bar Chart:



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Manager (M)	0.8	7.8	13.5	12.7
<i>Rank v. Equity</i>	<i>18</i>	<i>13</i>	<i>23</i>	<i>19</i>
<i>Rank v. Value</i>	<i>15</i>	<i>10</i>	<i>25</i>	<i>12</i>
Benchmark (B)	0.4	1.3	9.3	10.3
Equity Median	-1.3	2.0	11.0	10.5
Value Median	-1.2	1.0	11.4	10.4

This chart shows Manager **M**'s cumulative performance for each of four time periods: the last quarter and one, three and five years. The time period is printed below the graph. Each **M** on the chart is performance for a different time period; the first **M** is the return for last quarter: 0.8%.

The benchmark index and two manager universes are presented for comparison. **B** is the benchmark's return, 0.4% for last quarter. The universes are labeled "Equ" for all equity and "Val" for value. Each universe for each period is shown as a shaded box divided into 4 portions. The box top is the return of the manager at the 5th percentile of the universe (better than 95% of managers), while the box bottom is the return at the 95th percentile. The shading changes at the 25th and 75th percentiles. The 50th percentile is the horizontal line drawn through the center of the box. The manager's return and ranking in each database for each period is shown in the table underneath the graph, as is return for the benchmark index and the median manager in each database.

DEFINITIONS

Alpha – Alpha is a measure of value added after adjusting for risk. Beta is the measure of risk used in the calculation of alpha, so the accuracy of alpha is dependent on the accuracy of beta. Alpha is the difference between the manager's return and what one would expect the manager to return after adjusting for the amount of risk taken. Mathematically, $\text{Alpha} = \text{Portfolio Return} - \text{Risk Free Rate} - \text{Beta} * (\text{Market Return} - \text{Risk Free Rate})$; $\alpha = r_p - r_f - \beta(r_m - r_f)$. A positive alpha is an indication of value added.

Asset Backed Security (ABS) – A fixed income security which has specifically pledged collateral such as car loans, credit card receivables, lease loans, etc.

Average Capitalization – Average capitalization is the sum of the capitalization of each stock in the portfolio divided by the number of stocks in the portfolio.

Barbell – A barbell yield curve strategy is a portfolio made up of long term and short term bonds with nothing (or very little) in between. This strategy performs well during periods when the yield curve flattens.

Beta – Beta is a measure of risk for domestic equities. The market has a beta of 1. A manager with a beta above 1 exhibits more risk than the market, while a manager with a beta below 1 is less risky than the market.

Bullet – A bullet yield curve strategy focuses on the intermediate area of the yield curve. This strategy performs well during periods when the yield curve steepens.

Collateralized Mortgage Obligation (CMO) – A CMO is a security backed by a pool of pass through securities and/or mortgages. Since CMOs derive their cash flow from the underlying mortgage collateral, they are referred to as derivatives. CMOs are structured so there are several classes of bondholders with varying stated maturities and varying certainty of the timing of cash flows.

Consumer Price Index – The Consumer Price Index is an indicator of the general level of prices. It attempts to compare the cost of purchasing a market basket of goods purchased by a typical consumer during a specific period with the cost of purchasing the same market basket of goods during an earlier period.

Coupon – The coupon rate is the annual coupon (i.e. interest) payment value divided by the par value of the bond.

Diversifiable Risk – Diversifiable risk – also known as specific risk, non-market risk and residual risk – is the risk of a portfolio that can be diversified away.

Duration – Duration is a weighted average maturity, expressed in years. All coupon and principal payments are weighted by the present value term for the expected time of payment. Duration is a measure of sensitivity to changes in interest rates with a longer duration indicating a greater sensitivity to changes in interest rates.

Dividend Yield – Dividend yield is calculated on common stock holdings, and is the ratio of the last twelve months dividend payments as a percentage of the most recent quarter-ending stock market value.

Growth Sector – Growth sectors are referred to in the Portfolio Profile Report (PPR) in our quarterly reports. The market is divided into five growth sectors based on the forecast of the fifth year growth rate in earnings per share. The PPR reports what portion of a manager's (or the composite's) portfolio is invested in stocks in each growth sector.

Interest Only Strip (IO) – An IO is a type of CMO that gets its cash flows from interest payments only. IOs benefit from a slowing in prepayments (i.e. interest rates rise) and under-perform in an accelerating prepayment environment (i.e. interest rates decline). IOs can be very volatile, but can offset volatility in the over all portfolio.

Market Capitalization - Market capitalization is a company's market value, or closing price times the number of shares outstanding.

Maturity – The maturity for an individual bond is calculated as the number of years until principal is paid. For a portfolio of bonds, the maturity is a weighted average maturity, where the weighting factors are the individual security's percentage of the total portfolio.

Median Manager – The median manager is the manager with the middle return when returns are ranked from high to low. Half of the managers will have a higher return and half will have a lower return.

Mortgage Pass Through – A mortgage pass through is a security which “passes through” to the holder the interest and principal payments on a group of mortgages.

Percentile Rank – A manager's rank signifies the percentage of managers in the universe performing better than the manager. For example, a manager with a rank of 10 means that only 10% of managers had returns greater than the managers over the period of measurement. Likewise, a rank of 50 (i.e. the median manager) indicates that 50% of managers in the universe did better and 50% did worse.

Planned Amortization Class (PAC) – A PAC is a type of CMO with the cash flows set up to be fairly certain. PACs appeal to investors who want more certain cash flow payments from a mortgage security than provided by the underlying collateral.

Price/Book Value – The price/book value for an individual common stock is the stock's price divided by book value per share. Book value per share is the company's common stockholders equity divided by the number of common shares outstanding.

Price/Earnings Ratio (P/E) – The P/E ratio of a common stock's price divided by earnings per share. The ratio is used as a valuation technique employed by investment managers.

Principal Only Strip (PO) – A PO is a type of CMO that gets its cash flows from principal payments only. POs are sold at a discount and perform well if prepayments come in faster than expected (i.e. interest rates decrease) and extend and perform poorly if prepayments come in

slower than expected (i.e. interest rates rise).

Quality – Quality relates to the credit risk of a bond (i.e. the issuer's ability to pay). Quality is most relevant for corporate bonds. Several rating organizations publish ratings of bonds including Moody's and Standard & Poor's. AAA is the highest quality rating, followed by AA+, AA, AA-, A+, A, A- and then BBB+, BBB, BBB-, BB+, BB, BB-, etc. Bonds rated above BBB- are said to be of investment grade.

R² (R Squared) – R² is a measure of how well a manager moves with the market. If a manager's performance closely tracks that of the market, the R² will be close to 1. Broadly diversified managers have an R² of 0.90 or greater, while the R² of un-diversified managers will be lower.

Return On Equity – The return on equity for a common stock is the annual net income divided by total common stockholders' equity.

Standard Deviation – Standard deviation is the degree of variability of a time series, such as quarterly returns, relative to the average. Standard deviation measures the volatility of the time series.

Weighted Capitalization – Weighted capitalization is the sum of the capitalization of each stock in the portfolio weighted by its percentage of the portfolio.

Yield to Maturity – The yield to maturity is the discount rate that equates the present value of cash flows (coupons and principal) to the market price taking into account the time value of money.