

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

FOR THE PERIOD ENDING
September 30, 2007

November 19, 2007

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KEY POINTS

Third Quarter, 2007

- Domestic equity markets had mixed returns in the third quarter. The S&P 500 Index returned 2.1% for the quarter while the Russell 2000® small capitalization index returned -3.1%.
- Domestic bond markets were positive in the quarter, with the Lehman Aggregate returning 2.9% and the median fixed income manager returning 2.6%.
- CCCERA Total Fund returned 2.5% for the third quarter, above the 2.0% return of the median total fund and the 2.0% return of the median public fund. CCCERA Total Fund performance has been well above the median fund over all longer cumulative periods ended September 30, 2007.
- CCCERA domestic equities returned 2.0% in the quarter, above the 1.6% return of the Russell 3000® and the 0.8% return of the median equity manager.
- CCCERA international equities returned 3.1% for the quarter, above the 2.2% return of the MSCI EAFE Index and the 1.9% return of the median international equity manager.
- CCCERA fixed income returned 2.9% for the quarter, above the Lehman Universal return of 2.6% and the median fixed income manager return of 2.6%.
- CCCERA international fixed income returned 2.7% for the quarter, trailing the 2.9% return of the Citigroup Non US Government Hedged Index.
- CCCERA alternative assets returned 6.5% for the quarter, above the 3.1% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned 1.6% for the quarter, below the median real estate manager return of 3.1% and the CCCERA real estate benchmark return of 3.0%.
- Domestic equities, international equities and domestic fixed income were over-weighted vs. target at the end of the third quarter, offset by under-weightings in alternative investments and commodities. US equities are the “parking place” for assets intended for alternative investments while US fixed income is the parking place for the commodities allocation (pending a decision on where to move the commodities allocation). Real estate, international fixed income and cash & equivalents were all close to target levels at quarter end.

WATCH LIST

<u>Manager</u>	<u>Since</u>	<u>Reason</u>
ING Investments	2/22/2006	Personnel changes, performance concerns
PIMCO Stocks Plus	9/13/2006	Performance concerns
Wentworth, Hauser	2/28/2007	Personnel changes, performance concerns
Western Asset	9/12/2007	Failure to meet reporting requirements

SUMMARY

There was a general flight to quality during the third quarter. Larger capitalization stocks outperformed mid and small capitalization securities. Large capitalization stocks, as measured by the S&P 500, returned 2.1% in the third quarter while the Russell 2000® Index returned -3.1%. The median equity manager returned 0.8% and the broad market, represented by the Russell 3000® Index, returned 1.6%. International equity markets had positive results in the third quarter, with the MSCI EAFE Index returning 2.2% and the MSCI ACWI ex-US Index returning 4.7%. The U.S. bond market was positive in the third quarter of 2007, with the Lehman Universal Index returning 2.6%, the Aggregate Index returning 2.9% and the median fixed income manager returning 2.6%. Hedged international bonds were also positive, with the Citigroup Hedged Index returning 2.9%. The domestic private real estate market continued to post positive results in the third quarter of 2007, with the NCREIF Property Index returning 3.6%, while the publicly traded real estate market was up modestly with the Dow Jones Wilshire REIT Index returning 1.4%.

CCCERA's third quarter return of 2.5% was above both the median total fund and the median public fund. CCCERA has outperformed both medians over all longer trailing time periods, ranking in the upper quintile of both universes over the past two through five-year periods.

CCCERA total domestic equities returned 2.0% for the quarter, above the 1.6% return of the Russell 3000® and the 0.8% return of the median manager. Of CCCERA's domestic equity managers, Delaware had the strongest performance with a return of 8.1%, well above the 4.2% return of the Russell 1000® Growth Index. Intech Large Cap Core returned 2.1%, matching the S&P 500. Intech Enhanced Plus returned 2.0%, marginally below the S&P 500. Wentworth returned 2.0%, marginally below the 2.1% return of the S&P 500. PIMCO returned 2.0%, also marginally trailing the S&P 500. Emerald returned 1.6%, exceeding the 0.0% return of the Russell 2000® Growth Index. ING returned 1.4%, trailing the S&P 500 and the S&P 500 ex-Tobacco Indexes. Boston Partners returned 0.8%, better than the -0.2% return of the Russell 1000® Value Index. Progress returned -0.9%, better than the -3.1% return of the Russell 2000® Index. Finally, Rothschild returned -4.2%, better than the -6.1% return of the Russell 2500® Value Index.

CCCERA international equities returned 3.1%, above the 2.2% return of the MSCI EAFE Index and the 1.9% return of the median international manager. The GMO Intrinsic Value portfolio returned 2.4%, slightly below the S&P Citi PMI EPAC Value Index return of 2.5% but above the median international equity manager. McKinley Capital returned 3.8%, below the MSCI ACWI ex-US Growth Index return of 6.4%, but above the median international equity manager.

CCCERA total domestic fixed income returned 2.9% for the third quarter, above the 2.6% return of the Lehman Universal and the 2.6% return of the median fixed income manager. AFL-CIO's return of 3.1% exceeded the Lehman Aggregate and the median fixed income manager. PIMCO returned 4.0%, well above the Lehman Aggregate and the median. Western Asset returned 2.5%, slightly under the Lehman Aggregate and the median. ING Clarion returned -7.2%, well below the high yield fixed income median of 0.3% and the 0.3% return of the Merrill Lynch High Yield Master II Index. ING Clarion II returned -4.7% in the third quarter, also below the ML High Yield II Index and the high yield fixed income median. Nicholas Applegate returned 1.2% versus 0.3% for the ML High Yield II Index and exceeded the high yield median manager.

The Fischer Francis Trees & Watts international fixed income portfolio returned 2.7% for the third quarter, trailing the 2.9% return of the Citigroup Non-US Government Hedged Index.

CCCERA total alternative investments returned 6.5% in the third quarter. The Bay Area Equity Fund reported a return of 18.0%, Pathway returned 10.8%, Adams Street Partners reported a return of 7.9%, Energy Investor Fund II reported a return of 4.4%, the Hancock PT Timber Fund returned 1.6%, Nogales had a return of 0.8% for the quarter and Energy Investor Fund reported a return of 0.2%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending June 30.)

The median real estate manager returned 3.1% for the quarter while CCCERA's total real estate returned 1.6%. The vast bulk of this underperformance is attributable to the overweight to REIT securities, as these were up only slightly in the quarter, following an extensive selloff in the second quarter. DLJ's RECP I returned 21.1%; DLJ's RECP III returned 5.0%; BlackRock Realty returned 3.0%; Prudential SPF-II returned 2.8%; Adelante returned 1.6%; Fidelity II returned 1.4%; DLJ's RECP II returned 0.6%; the Willows Office property returned 0.4%; FFCA returned -0.5%; and Invesco returned -5.1%. 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 real estate and private equity funds.

Asset Allocation

The CCCERA fund at September 30, 2007 was slightly over-weighted in domestic fixed income at 26% vs. the target of 25% and domestic equity at 45% versus the target of 43%. The fund was under-weight in alternatives at 3% versus the target of 5% and commodities at 0% versus the target of 2%. Assets earmarked for alternative investments are temporarily invested in U.S. equities while assets earmarked for commodities are temporarily invested in U.S. fixed income. The Board has opted not to proceed with the commodity investment at this time, so a re-allocation of funds currently earmarked for commodities is required. Other asset classes were near their respective targets.

Third quarter securities lending income from the custodian, State Street Bank, totaled \$337,749.

Performance versus 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 now 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 September 30, 2007**

	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	-	-	-	-	-	-
Emerald Advisors	Yes	Yes	Yes	-	-	-
ING Investments	No	No	No	No	No	No
Intech - Enhanced Plus	Yes	Yes	Yes	Yes	Yes	Yes
Intech - Large Core	-	-	-	-	-	-
PIMCO Stocks Plus	No	No	No	Yes	No	No
Progress	Yes	Yes	Yes	-	-	-
Rothschild	Yes	Yes	Yes	-	-	-
Wentworth, Hauser	Yes	Yes	No	No	No	No
Total Domestic Equities	Yes	Yes	Yes	Yes	No	No
INT'L EQUITY						
GMO Intrinsic Value	-	-	-	-	-	-
McKinley Capital	-	-	-	-	-	-
Total Int'l Equities	Yes	Yes	Yes	Yes	Yes	Yes
DOMESTIC FIXED INCOME						
AFL-CIO Housing	Yes	Yes	Yes	Yes	Yes	Yes
Nicholas Applegate	Yes	No	Yes	No	No	Yes
ING Clarion	Yes	Yes	Yes	-	-	-
ING Clarion II	-	-	-	-	-	-
PIMCO	Yes	Yes	Yes	Yes	Yes	Yes
Western Asset	Yes	No	Yes	Yes	Yes	Yes
Total Domestic Fixed	Yes	Yes	Yes	Yes	Yes	Yes
INT'L FIXED INCOME						
Fischer Francis	No	No	No	Yes	Yes	No
ALTERNATIVE INVESTMENTS						
Adams Street	Yes	Yes	-	No	No	-
Bay Area Equity Fund	No	No	-	-	-	-
Energy Investor Fund	Yes	Yes	-	-	-	-
Energy Investor Fund II	-	-	-	-	-	-
Nogales	No	No	-	-	-	-
Pathway	Yes	Yes	-	Yes	Yes	-
Hancock PT Timber Fund	No	No	-	No	No	-
Total Alternative	Yes	Yes	-	No	No	-
REAL ESTATE						
Adelante Capital REIT	Yes	Yes	Yes	Yes	Yes	Yes
BlackRock Realty	-	-	-	-	-	-
DLJ RECP I	Yes	Yes	Yes	No	No	Yes
DLJ RECP II	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP III	-	-	-	-	-	-
FFCA	No	No	No	No	No	No
Fidelity II	No	No	No	-	-	-
Invesco Fund I	-	-	-	-	-	-
Prudential SPF II	Yes	Yes	Yes	Yes	Yes	Yes
U.S. Realty	No	No	Yes	No	No	Yes
Willows Office Property	No	No	No	No	No	No
Total Real Estate	Yes	Yes	Yes	Yes	Yes	Yes
CCCERA Total Fund	Yes	Yes	Yes	Yes	Yes	Yes

ASSET ALLOCATION
As of September 30, 2007

	Market Value	% of Portion	% of Total	Target % of Total
EQUITY - DOMESTIC				
Boston Partners	\$ 357,819,839	14.9 %	6.7 %	6.8 %
Delaware Investments	386,668,859	16.1	7.2	6.8
Emerald	160,504,736	6.7	3.0	3.0
ING	298,019,039	12.4	5.5	5.6
Intech - Enhanced Plus	27,208,725	1.1	0.5	0.5
Intech - Large Core	273,414,520	11.4	5.1	5.1
PIMCO	283,480,843	11.8	5.3	3.6
Progress	160,381,797	6.7	3.0	3.0
Rothschild	154,326,019	6.4	2.9	3.0
Wentworth	299,685,137	12.5	5.6	5.6
TOTAL DOMESTIC	\$ 2,401,509,514	100.0 %	44.7 %	43.0 %
			<i>Range:</i>	<i>35 to 55 %</i>
INTERNATIONAL EQUITY				
McKinley Capital	\$ 314,979,384	50.4 %	5.9 %	5.75 %
GMO Intrinsic Value	309,675,142	49.6	5.8	5.75
TOTAL INT'L EQUITY	\$ 624,654,526	100.0 %	11.6 %	11.5 %
			<i>Range:</i>	<i>7 to 13 %</i>
FIXED INCOME - (non hy)				
AFL-CIO	\$ 193,122,254	14.2 %	3.6 %	3.6 %
ING Clarion	1,114,510	0.1	0.0	0.0
ING Clarion II	77,497,807	5.7	1.4	1.8
PIMCO	553,039,009	40.5	10.3	8.8
Western Asset	539,146,168	39.5	10.0	8.8
TOTAL FIXED INCOME	1,363,919,748	100.0 %	25.4 %	23.0 %
			<i>Range:</i>	<i>19 to 35 %</i>
HIGH YIELD				
Nicholas Applegate	\$ 104,591,737	100.0 %	1.9 %	2.0 %
TOTAL HIGH YIELD	104,591,737	100.0 %	1.9 %	2.0 %
			<i>Range:</i>	<i>1 to 4 %</i>
TOTAL U.S. FIXED	\$ 1,468,511,485	100.0 %	27.3 %	25.0 %
INTERNATIONAL FIXED				
Fischer Francis	\$ 202,628,877	100.0 %	3.8 %	4.0 %
TOTAL INT'L FIXED	\$ 202,628,877	100.0 %	3.8 %	4.0 %
			<i>Range:</i>	<i>3 to 7 %</i>

ASSET ALLOCATION
As of September 30, 2007

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
REAL ESTATE				
Adelante Capital	\$ 288,856,234	59.4 %	5.4 %	- %
BlackRock Realty	32,164,365	6.6	0.6	-
DLJ RECP I	595,792	0.1	0.0	-
DLJ RECP II	11,439,871	2.4	0.2	-
DLJ RECP III	58,029,250	11.9	1.1	-
FFCA	4,815,865	1.0	0.1	-
Fidelity II	38,253,604	7.9	0.7	-
Hearthstone I	-222,000 *	0.0	0.0	-
Hearthstone II	-166,000	0.0	0.0	-
Invesco Fund I	34,629,910	7.1	0.6	-
Prudential SPF II	6,984,325	1.4	0.1	-
Willows Office Property	11,000,000	2.3	0.2	-
TOTAL REAL ESTATE	\$ 486,381,216	100.0 %	9.1 %	9.0 %
			<i>Range:</i>	<i>5 to 12 %</i>
COMMODITIES				
N/A	\$ -	0.0 %	0.0 %	2.0 %
TOTAL COMMODITIES	\$ -	0.0 %	0.0 %	2.0 %
			<i>Range:</i>	<i>0 to 3 %</i>
ALTERNATIVE INVESTMENTS				
Adams Street Partners	\$ 57,583,159	35.2 %	1.1 %	- %
Bay Area Equity Fund	5,192,411	3.2	0.1	-
Energy Investor Fund	2,878,650	1.8	0.1	-
Energy Investor Fund II	32,564,208	19.9	0.6	-
Energy Investor Fund III	-94,270	-0.1	0.0	-
Nogales	12,412,421	7.6	0.2	-
Pathway	40,131,431	24.5	0.7	-
Hancock PT Timber	12,931,501	7.9	0.2	-
TOTAL ALTERNATIVE	\$ 163,599,511	100.0 %	3.0 %	5.0 %
			<i>Range:</i>	<i>0 to 7 %</i>
CASH				
Custodian Cash	\$ 22,319,642	94.2 %	0.4 %	- %
Treasurer's Fixed	1,385,000	5.8	0.0	-
TOTAL CASH	\$ 23,704,642	100.0 %	0.4 %	0.5 %
			<i>Range:</i>	<i>0 to 2 %</i>
TOTAL ASSETS	\$ 5,370,989,770	100.0 %	100.0 %	100.0 %

*For a discussion of the negative asset value of the Hearthstone Fund, please refer to page 81.

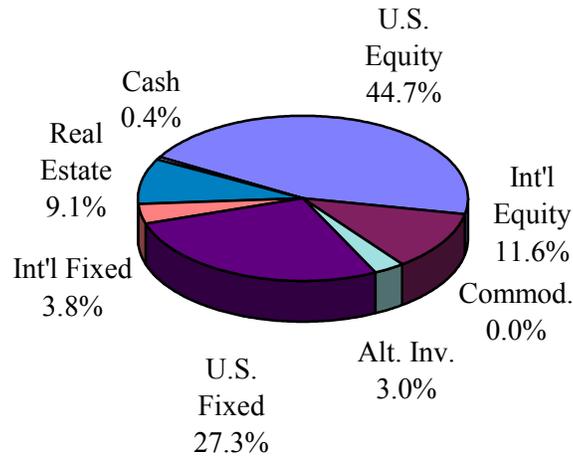
**CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$12 million to FFCA, \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million to Prudential's SPF-II; \$50 million to INVESCO IREF; \$85 million INVESCO IREF II; \$130 million to Adams Street Partners; \$10 million to Bay Area Equity Fund; \$30 million to Energy Investors USPF I; \$50 million to Energy Investors USPF II; \$65 million to Energy Investors USPF III; \$15 million to Nogales; \$125 million to Pathway and \$15 million to Hancock PT Timber Fund III.

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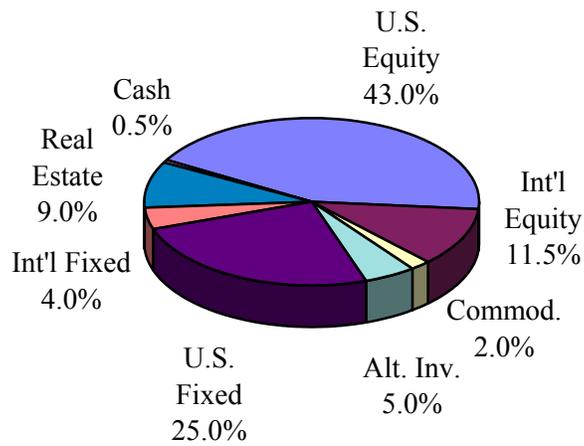
ASSET ALLOCATION

As of September 30, 2007

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

DOMESTIC EQUITY	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Boston Partners	0.8 %	8.0 %	8.4 %	17.9 %	15.5 %	16.7 %	18.0 %	18.5 %
<i>Rank vs Equity</i>	49	41	56	35	18	21	16	33
<i>Rank vs Lg Value</i>	26	22	34	24	32	28	33	39
Delaware	8.1	12.7	13.5	20.5	10.3	-	-	-
<i>Rank vs Equity</i>	4	11	18	20	79	-	-	-
<i>Rank vs Lg Growth</i>	13	38	41	33	66	-	-	-
Emerald Advisors	1.6	8.5	12.8	19.2	15.6	17.4	13.9	-
<i>Rank vs Equity</i>	42	32	21	25	18	14	59	-
<i>Rank vs Sm Cap Growth</i>	31	36	32	48	27	33	73	-
ING Investments	1.4	7.6	8.3	15.4	13.0	13.0	13.1	15.1
<i>Rank vs Equity</i>	45	44	58	60	53	69	73	79
<i>Rank vs Lg Core</i>	61	60	72	75	76	83	84	86
Intech - Enhanced Plus	2.0	6.0	8.0	14.4	12.6	13.7	14.9	16.7
<i>Rank vs Equity</i>	38	57	59	67	58	55	48	57
<i>Rank vs Lg Core</i>	50	74	75	79	81	48	31	29
Intech - Large Core	2.1	4.3	7.3	-	-	-	-	-
<i>Rank vs Equity</i>	32	70	63	-	-	-	-	-
<i>Rank vs Lg Core</i>	25	90	79	-	-	-	-	-
PIMCO Stocks Plus	2.0	7.8	8.8	16.1	13.4	12.9	13.2	15.5
<i>Rank vs Equity</i>	37	43	54	54	47	71	72	69
<i>Rank vs Lg Core</i>	47	57	67	68	69	86	82	53
Progress	-0.9	6.7	10.8	20.2	14.7	16.1	-	-
<i>Rank vs Equity</i>	66	52	31	21	26	25	-	-
<i>Rank vs Small Core</i>	17	10	15	17	25	32	-	-
Rothschild	-4.2	0.5	5.1	14.2	14.4	16.7	18.2	-
<i>Rank vs Equity</i>	88	89	78	68	29	20	15	-
<i>Rank vs Sm Cap Value</i>	34	39	32	31	19	13	29	-
Wentworth, Hauser	2.0	8.0	10.8	16.7	11.3	13.4	13.1	15.4
<i>Rank vs Equity</i>	38	41	30	43	71	58	73	75
<i>Rank vs Lg Core</i>	50	52	11	36	94	52	86	79
Total Domestic Equities	2.0	7.7	9.6	17.0	13.1	14.3	14.5	16.6
<i>Rank vs Equity</i>	37	44	38	39	51	47	51	60
Median Equity	0.8	7.0	9.1	16.4	13.2	14.1	14.7	17.4
S&P 500	2.1	8.5	9.2	16.5	13.6	13.1	13.3	15.5
S&P 500 ex-Tobacco	2.0	8.4	9.0	16.2	13.4	12.9	13.1	15.3
Russell 3000®	1.6	7.4	8.8	16.5	13.3	13.8	13.9	16.2
Russell 1000® Value	-0.2	4.7	6.0	14.5	14.5	15.2	16.5	18.1
Russell 1000® Growth	4.2	11.4	12.7	19.4	12.5	12.2	11.0	13.8
Russell 2000®	-3.1	1.2	3.2	12.4	11.1	13.4	14.7	18.8
INT'L EQUITY								
GMO Intrinsic Value	2.4	9.5	14.7	25.3	22.5	-	-	-
<i>Rank vs Int'l Eq</i>	43	45	40	49	50	-	-	-
McKinley Capital	3.8	13.2	21.2	33.2	-	-	-	-
<i>Rank vs Int'l Eq</i>	33	28	14	16	-	-	-	-
Total Int'l Equities	3.1	11.3	18.0	29.2	26.1	27.1	25.1	26.2
<i>Rank vs Int'l Eq</i>	37	35	22	27	18	22	26	29
Median Int'l Equity	1.9	8.8	13.1	25.3	22.5	23.9	23.5	24.5
MSCI EAFE Index	2.2	9.1	13.6	25.4	22.5	23.7	23.4	24.1
MSCI ACWI ex-US	4.7	13.5	17.9	31.1	25.1	26.5	25.7	26.3
S&P Citi PMI EPAC Value	2.5	9.9	14.7	26.4	24.1	25.6	25.4	25.6
MSCI ACWI ex-US Growth	6.4	15.6	20.7	33.4	25.1	26.3	24.1	24.2

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
DOMESTIC FIXED INCOME								
AFL-CIO Housing	3.1 %	2.3 %	4.0 %	5.4 %	4.8 %	4.3 %	4.3 %	4.5 %
<i>Rank vs Fixed Income</i>	<i>22</i>	<i>59</i>	<i>56</i>	<i>52</i>	<i>32</i>	<i>31</i>	<i>32</i>	<i>37</i>
Nicholas Applegate	1.2	1.3	4.1	8.6	8.0	7.5	8.0	10.6
<i>Rank vs High Yield</i>	<i>18</i>	<i>46</i>	<i>47</i>	<i>32</i>	<i>25</i>	<i>17</i>	<i>29</i>	<i>41</i>
ING Clarion	-7.2	-5.1	4.3	50.6	32.7	27.2	-	-
<i>Rank vs High Yield</i>	<i>100</i>	<i>100</i>	<i>42</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>-</i>
ING Clarion II	-4.7	-3.4	-0.5	2.9	-	-	-	-
<i>Rank vs High Yield</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
PIMCO	4.0	2.8	4.6	5.9	5.0	4.8	4.8	5.6
<i>Rank vs Fixed Income</i>	<i>11</i>	<i>26</i>	<i>24</i>	<i>29</i>	<i>22</i>	<i>15</i>	<i>15</i>	<i>9</i>
Western Asset	2.5	1.2	2.7	4.3	4.0	4.0	4.5	5.4
<i>Rank vs Fixed Income</i>	<i>52</i>	<i>87</i>	<i>90</i>	<i>87</i>	<i>87</i>	<i>46</i>	<i>19</i>	<i>12</i>
Total Domestic Fixed	2.9	1.8	3.6	6.7	6.0	5.6	5.6	6.4
<i>Rank vs Fixed Income</i>	<i>35</i>	<i>77</i>	<i>71</i>	<i>15</i>	<i>10</i>	<i>9</i>	<i>10</i>	<i>6</i>
Median Fixed Income	2.6	2.4	4.0	5.4	4.7	4.0	3.9	4.2
Median High Yield Mgr.	0.3	1.2	4.0	7.9	7.1	6.5	7.4	10.5
Lehman Universal	2.6	2.1	3.8	5.3	4.7	4.3	4.3	4.9
Lehman Aggregate	2.9	2.3	3.8	5.1	4.4	3.9	3.8	4.1
Merrill Lynch HY II	0.3	0.6	3.4	7.7	7.8	7.4	8.6	12.5
Merrill Lynch BB/B	0.8	0.9	3.4	7.3	7.4	7.0	8.1	11.1
T-Bills	1.3	2.6	3.9	5.2	4.8	4.1	3.3	2.9
INT'L FIXED INCOME								
Fischer Francis	2.7	2.0	2.9	3.7	3.2	4.6	4.5	4.4
Citigroup NonUS Govt Hdg	2.9	1.9	2.9	3.6	3.4	4.6	4.2	4.1
ALTERNATIVE INVESTMENTS*								
Adams Street**	7.9	12.3	25.9	29.8	27.0	23.1	20.4	15.2
Bay Area Equity Fund**	18.0	23.9	55.4	50.5	20.6	13.9	-	-
Energy Investor Fund**	0.2	1.8	17.4	21.3	17.8	36.9	-	-
Energy Investor Fund II**	4.4	6.3	8.8	11.5	-	-	-	-
Nogales**	0.8	1.4	20.1	22.5	16.9	15.9	-	-
Pathway**	10.8	21.7	43.4	47.1	37.2	36.3	29.2	23.4
Hancock PT Timber Fund	1.6	5.1	6.7	18.2	10.8	11.2	9.2	7.1
Total Alternative	6.5	10.8	24.0	28.2	24.4	26.8	22.2	17.0
S&P 500 + 400 bps	3.1	10.6	12.4	21.1	18.1	17.6	17.8	20.0

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 June 30, 2007.*

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
REAL ESTATE*								
Adelante Capital REIT	1.6 %	-7.0 %	-3.4 %	6.2 %	17.9 %	22.2 %	23.7 %	24.0 %
<i>Rank vs REITs</i>	<i>80</i>	<i>84</i>	<i>80</i>	<i>81</i>	<i>30</i>	<i>17</i>	<i>37</i>	<i>44</i>
BlackRock Realty	3.0	6.5	13.0	18.2	20.8	-	-	-
<i>Rank</i>	<i>60</i>	<i>58</i>	<i>25</i>	<i>17</i>	<i>9</i>	<i>-</i>	<i>-</i>	<i>-</i>
DLJ RECP I**	21.1	22.2	26.7	34.5	33.9	25.5	23.5	19.5
<i>Rank</i>	<i>1</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>7</i>	<i>18</i>	<i>27</i>
DLJ RECP II**	0.6	2.7	23.6	37.0	38.2	39.1	36.6	34.0
<i>Rank</i>	<i>84</i>	<i>72</i>	<i>4</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
DLJ RECP III**	5.0	4.4	21.0	27.8	26.1	-	-	-
<i>Rank</i>	<i>20</i>	<i>67</i>	<i>4</i>	<i>4</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>-</i>
FFCA	-0.5	-1.4	2.1	5.7	15.1	15.9	13.3	12.6
<i>Rank</i>	<i>91</i>	<i>83</i>	<i>79</i>	<i>83</i>	<i>69</i>	<i>68</i>	<i>74</i>	<i>77</i>
Fidelity II	1.4	-0.9	1.6	3.7	9.9	13.9	-	-
<i>Rank</i>	<i>76</i>	<i>82</i>	<i>80</i>	<i>87</i>	<i>83</i>	<i>78</i>	<i>-</i>	<i>-</i>
Invesco Fund I	-5.1	2.5	6.5	18.2	24.7	-	-	-
<i>Rank</i>	<i>98</i>	<i>73</i>	<i>69</i>	<i>17</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>-</i>
Prudential SPF II	2.8	13.7	18.3	45.3	53.0	46.6	38.9	32.5
<i>Rank</i>	<i>61</i>	<i>6</i>	<i>5</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Willows Office Property	0.4	1.3	2.5	3.7	5.7	6.2	2.4	3.4
<i>Rank</i>	<i>85</i>	<i>76</i>	<i>78</i>	<i>87</i>	<i>90</i>	<i>93</i>	<i>96</i>	<i>97</i>
Total Real Estate	1.6	-2.7	2.5	11.6	20.2	23.3	23.2	22.4
<i>Rank</i>	<i>74</i>	<i>84</i>	<i>78</i>	<i>64</i>	<i>11</i>	<i>9</i>	<i>19</i>	<i>21</i>
Median Real Estate	3.1	7.5	11.7	15.7	16.0	17.1	15.6	14.6
Real Estate Benchmark	3.0	3.9	7.7	13.8	17.1	18.7	18.0	16.9
DJ Wilshire REIT	1.4	-8.1	-4.6	3.8	15.3	19.6	21.0	21.9
NCREIF Property Index	3.6	8.3	12.2	17.3	17.5	18.0	16.6	14.8
NCREIF Index + 300 bps	4.3	10.2	15.1	21.1	21.1	21.6	20.1	18.2
NCREIF Index + 500 bps	4.8	10.9	16.3	22.9	23.1	23.7	22.2	20.3
NCREIF Apartment	2.9	6.3	9.3	13.3	15.1	16.4	15.0	13.8
NCREIF Apt + 300 bps	3.7	7.8	11.7	16.6	18.5	19.8	18.4	17.1
CCCERA Total Fund	2.5 %	5.6 %	8.7 %	15.0 %	13.7 %	14.6 %	14.4 %	15.3 %
<i>Rank vs. Total Fund</i>	<i>30</i>	<i>57</i>	<i>39</i>	<i>37</i>	<i>16</i>	<i>11</i>	<i>10</i>	<i>13</i>
<i>Rank vs. Public Fund</i>	<i>25</i>	<i>59</i>	<i>28</i>	<i>24</i>	<i>8</i>	<i>4</i>	<i>5</i>	<i>6</i>
Median Total Fund	2.0	5.9	8.1	13.8	11.4	11.2	11.0	12.0
Median Public Fund	2.0	6.0	7.7	13.0	10.6	10.6	10.6	11.5
CPI + 400 bps	1.1	3.6	6.4	6.9	6.5	7.3	7.2	7.1

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 June 30, 2007.*

REAL ESTATE AND ALTERNATIVE INVESTMENT PORTFOLIO IRR RETURNS

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
REAL ESTATE					
BlackRock Realty	22.0%	<i>n/a</i>	18.9%	<i>n/a</i>	11/19/04
DLJ RECP I	17.0%	<i>n/a</i>	<i>n/a</i>	11.0%	05/14/96
DLJ RECP II	30.0%	<i>n/a</i>	<i>n/a</i>	20.0%	09/24/99
DLJ RECP III	34.0%	<i>n/a</i>	<i>n/a</i>	22.0%	06/23/05
FFCA	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	03/11/92
Fidelity Growth Fund II	11.8%	10.2%	10.5%	9.2%	03/10/04
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	21.1%	21.1%	16.0%	17.4%	2/1/2005
Prudential SPF II	<i>n/a</i>	13.4%	<i>n/a</i>	11.7%	05/14/96
ALTERNATIVE INVESTMENTS					
Adams Street Partners	<i>n/a</i>	17.7%	<i>n/a</i>	14.9%	03/18/96
Bay Area Equity Fund	24.7%	21.4%	9.8%	8.4%	06/14/04
EIF US Power Fund I	26.2%	30.1%	21.1%	23.8%	11/26/03
EIF US Power Fund II	12.3%	11.4%	6.5%	5.9%	08/16/05
Nogales	19.9%	17.1%	11.7%	10.3%	02/15/04
Pathway	15.2%	15.2%	12.9%	12.9%	11/09/98
Benchmark ³	13.1%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
Benchmark ⁴	-1.7%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
PruTimber	<i>n/a</i>	<i>n/a</i>	3.3%	3.4%	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 6/30/04
Benchmark ⁴	Venture Economics Venture Capital IRR - 1999-2004 as of 6/30/04

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

DOMESTIC EQUITY	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Boston Partners	0.7 %	7.8 %	8.2 %	17.5 %	15.2 %	16.3 %	17.6 %	18.1 %
Delaware	8.0	12.5	13.2	20.0	9.8	-	-	-
Emerald Advisors	1.5	8.2	12.3	18.6	14.9	16.8	13.3	-
ING Investments	1.3	7.5	8.1	15.1	12.7	12.7	12.9	14.7
Intech - Enhanced Plus	1.9	5.8	7.7	14.1	12.3	13.4	14.6	16.4
Intech - Large Core	2.0	4.2	7.0	-	-	-	-	-
PIMCO Stocks Plus	1.9	7.7	8.6	15.8	13.0	12.6	12.9	15.2
Progress	-1.0	6.3	10.2	19.4	13.9	15.3	-	-
Rothschild	-4.4	0.2	4.6	13.5	13.7	16.0	17.5	-
Wentworth, Hauser	1.9	7.9	10.7	16.5	11.1	13.2	12.9	15.1
<i>Rank vs Equity</i>	<i>38</i>	<i>41</i>	<i>30</i>	<i>43</i>	<i>71</i>	<i>58</i>	<i>73</i>	<i>75</i>
Total Domestic Equities	1.9	7.5	9.3	16.6	12.7	13.9	14.2	16.2
Median Equity	0.8	7.0	9.1	16.4	13.2	14.1	14.7	17.4
S&P 500	2.1	8.5	9.2	16.5	13.6	13.1	13.3	15.5
S&P 500 ex-Tobacco	37.0	44.0	38.0	39.0	51.0	47.0	51.0	60.0
Russell 3000®	1.6	7.4	8.8	16.5	13.3	13.8	13.9	16.2
Russell 1000® Value	-0.2	4.7	6.0	14.5	14.5	15.2	16.5	18.1
Russell 1000® Growth	4.2	11.4	12.7	19.4	12.5	12.2	11.0	13.8
Russell 2000®	-3.1	1.2	3.2	12.4	11.1	13.4	14.7	18.8
Russell 2500 [™] Value	-6.1	-3.3	-0.3	8.8	10.0	13.6	16.3	19.1
Russell 2000® Growth	0.0	6.7	9.4	18.9	12.2	14.1	13.6	18.7
INT'L EQUITY								
GMO Intrinsic Value	2.2	9.1	14.2	24.5	21.7	-	-	-
McKinley Capital	3.7	12.9	20.8	32.6	-	-	-	-
Total Int'l Equities	2.9	11.0	17.5	28.6	25.5	26.6	24.7	25.8
Median Int'l Equity	1.9	8.8	13.1	25.3	22.5	23.9	23.5	24.5
MSCI EAFE Index	2.2	9.1	13.6	25.4	22.5	23.7	23.4	24.1
MSCI ACWI ex-US	4.7	13.5	17.9	31.1	25.1	26.5	25.7	26.3
S&P Citi PMI EPAC Value	2.5	9.9	14.7	26.4	24.1	25.6	25.4	25.6
MSCI ACWI ex-US Growth	6.4	15.6	20.7	33.4	25.1	26.3	24.1	24.2
DOMESTIC FIXED INCOME								
AFL-CIO Housing	3.0	2.1	3.7	5.0	4.5	3.9	3.9	4.2
Nicholas Applegate	1.1	1.0	3.8	8.1	7.5	7.0	7.5	10.1
ING Clarion	-7.2	-5.1	4.3	50.3	31.4	25.4	-	-
ING Clarion II	-5.6	-6.6	-10.6	-10.0	-	-	-	-
PIMCO	4.0	2.7	4.4	5.6	4.8	4.5	4.5	5.3
Western Asset	2.5	1.1	2.6	4.1	3.8	3.8	4.3	5.2
Total Domestic Fixed	2.8	1.6	3.3	6.3	5.6	5.2	5.2	6.0
Median Fixed Income	2.6	2.4	4.0	5.4	4.7	4.0	3.9	4.2
Median High Yield Mgr.	0.3	1.2	4.0	7.9	7.1	6.5	7.4	10.5
Lehman Universal	2.6	2.1	3.8	5.3	4.7	4.3	4.3	4.9
Lehman Aggregate	2.9	2.3	3.8	5.1	4.4	3.9	3.8	4.1
Merrill Lynch HY II	0.3	0.6	3.4	7.7	7.8	7.4	8.6	12.5
Merrill Lynch BB/B	0.8	0.9	3.4	7.3	7.4	7.0	8.1	11.1
T-Bills	1.3	2.6	3.9	5.2	4.8	4.1	3.3	2.9
INT'L FIXED INCOME								
Fischer Francis	2.6	1.8	2.7	3.4	2.8	4.3	4.2	4.1
Citigroup NonUS Govt Hdg	2.9	1.9	2.9	3.6	3.4	4.6	4.2	4.1

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

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
ALTERNATIVE INVESTMENTS*								
Adams Street**	7.4 %	11.1 %	24.0 %	27.4 %	24.4 %	20.5 %	17.8 %	12.7 %
Bay Area Equity Fund**	16.5	21.0	49.9	42.8	12.5	2.1	-	-
Energy Investor Fund**	-0.5	0.5	15.4	18.7	15.2	33.4	-	-
Energy Investor Fund II**	3.6	4.7	6.2	7.8	-	-	-	-
Nogales**	0.2	0.4	18.4	19.6	13.9	10.5	-	-
Pathway**	10.4	20.7	41.6	44.5	34.8	33.9	26.4	20.5
Hancock PT Timber Fund	1.4	4.6	5.9	17.1	9.8	10.1	8.2	6.1
Total Alternative	5.9	9.6	22.0	25.8	21.9	24.1	18.9	14.0
S&P 500 + 400 bps	3.1	10.6	12.4	21.1	18.1	17.6	17.8	20.0
REAL ESTATE*								
Adelante Capital REIT	1.4	-7.3	-3.7	5.7	17.3	21.7	23.1	23.5
BlackRock Realty	2.7	5.2	11.2	15.7	16.6	-	-	-
DLJ RECP I**	21.1	22.2	26.1	33.8	33.3	24.4	22.2	18.2
DLJ RECP II**	0.2	2.0	22.5	35.7	37.2	37.8	34.8	31.5
DLJ RECP III**	5.0	3.9	19.8	26.5	25.0	-	-	-
FFCA	-0.7	-1.7	1.7	5.1	14.5	15.1	12.5	11.8
Fidelity II	1.8	1.7	4.1	6.4	9.7	12.1	-	-
Invesco Fund I	-4.4	1.9	5.4	15.4	22.5	-	-	-
Prudential SPF II	1.7	10.6	14.4	35.1	43.2	38.9	32.9	27.6
Willows Office Property	0.4	1.3	2.5	3.7	5.7	6.2	2.4	3.4
Total Real Estate	1.7	-2.7	2.3	11.2	19.4	22.3	22.2	22.2
Median Real Estate	3.1	7.5	11.7	15.7	16.0	17.1	15.6	14.6
Real Estate Benchmark	3.0	3.9	7.7	13.8	17.1	18.7	18.0	16.9
DJ Wilshire REIT	1.4	-8.1	-4.6	3.8	15.3	19.6	21.0	21.9
NCREIF Property Index	3.6	8.3	12.2	17.3	17.5	18.0	16.6	14.8
NCREIF Index + 300 bps	5.7	10.3	16.1	21.0	21.6	21.5	19.6	17.8
NCREIF Index + 500 bps	5.8	11.0	17.3	22.9	23.6	23.6	21.7	19.9
NCREIF Apartment	3.3	6.2	10.1	13.3	16.0	16.4	14.8	13.7
NCREIF Apt + 300 bps	4.0	7.8	12.5	16.6	19.4	19.7	18.1	17.0
CCCERA Total Fund	2.4 %	5.3 %	8.3 %	14.5 %	13.2 %	14.0 %	13.8 %	14.8 %
CPI + 400 bps	1.1	3.6	6.4	6.9	6.5	7.3	7.2	7.1

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

DOMESTIC EQUITY	YTD	2006	2005	2004	2003	2002	2001
Boston Partners	8.4 %	20.2 %	12.0 %	16.6 %	27.1 %	-18.7 %	4.1 %
<i>Rank vs Equity</i>	<i>56</i>	<i>12</i>	<i>14</i>	<i>31</i>	<i>75</i>	<i>32</i>	<i>21</i>
<i>Rank vs Lg Value</i>	<i>34</i>	<i>36</i>	<i>14</i>	<i>32</i>	<i>81</i>	<i>54</i>	<i>22</i>
Delaware	13.5	3.2	-	-	-	-	-
<i>Rank vs Equity</i>	<i>18</i>	<i>91</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>41</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Emerald Advisors	12.8	13.8	10.1	4.1	-	-	-
<i>Rank vs Equity</i>	<i>21</i>	<i>56</i>	<i>25</i>	<i>93</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Growth</i>	<i>32</i>	<i>39</i>	<i>20</i>	<i>86</i>	<i>-</i>	<i>-</i>	<i>-</i>
ING	8.3	15.9	5.4	11.2	26.7	-	-
<i>Rank vs Equity</i>	<i>58</i>	<i>38</i>	<i>61</i>	<i>60</i>	<i>77</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>72</i>	<i>39</i>	<i>40</i>	<i>36</i>	<i>83</i>	<i>-</i>	<i>-</i>
Intech - Enhanced Plus	8.0	14.4	8.9	15.3	29.4	-	-
<i>Rank vs Equity</i>	<i>59</i>	<i>54</i>	<i>34</i>	<i>37</i>	<i>60</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>75</i>	<i>80</i>	<i>14</i>	<i>7</i>	<i>34</i>	<i>-</i>	<i>-</i>
Intech - Large Cap Core	7.3	-	-	-	-	-	-
<i>Rank vs Equity</i>	<i>63</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>79</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
PIMCO Stocks Plus	8.8	15.7	4.6	11.1	29.9	-	-
<i>Rank vs Equity</i>	<i>54</i>	<i>43</i>	<i>75</i>	<i>62</i>	<i>58</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>67</i>	<i>64</i>	<i>78</i>	<i>15</i>	<i>29</i>	<i>-</i>	<i>-</i>
Progress	10.8	15.4	9.1	-	-	-	-
<i>Rank vs Equity</i>	<i>31</i>	<i>46</i>	<i>32</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Core</i>	<i>15</i>	<i>46</i>	<i>36</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Rothschild	5.1	21.3	11.2	20.7	-	-	-
<i>Rank vs Equity</i>	<i>78</i>	<i>9</i>	<i>18</i>	<i>15</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Value</i>	<i>32</i>	<i>19</i>	<i>23</i>	<i>39</i>	<i>-</i>	<i>-</i>	<i>-</i>
Wentworth, Hauser	10.8	7.2	9.6	13.6	27.1	-23.4	-6.7
<i>Rank vs Equity</i>	<i>30</i>	<i>83</i>	<i>28</i>	<i>46</i>	<i>75</i>	<i>65</i>	<i>42</i>
<i>Rank vs Lg Core</i>	<i>11</i>	<i>98</i>	<i>9</i>	<i>15</i>	<i>82</i>	<i>77</i>	<i>11</i>
Total Domestic Equities	9.6	13.5	8.8	13.0	31.0	-28.0	-9.2
<i>Rank vs Equity</i>	<i>38</i>	<i>60</i>	<i>35</i>	<i>49</i>	<i>50</i>	<i>83</i>	<i>48</i>
Median Equity	9.1	15.0	6.5	12.9	31.0	-22.0	-9.7
S&P 500	9.2	15.8	4.9	10.9	28.7	-22.1	-11.9
S&P 500 ex-Tobacco	9.0	15.7	4.6	10.7	28.4	-22.3	-12.1
Russell 3000®	8.8	15.7	6.1	12.0	31.0	-21.6	-11.5
Russell 1000® Value	6.0	22.2	7.0	16.5	30.0	-15.5	-5.6
Russell 1000® Growth	12.7	9.1	5.3	6.3	29.8	-27.9	-20.4
Russell 2000®	3.2	18.4	4.6	18.3	47.3	-20.5	2.5
INT'L EQUITY							
GMO	14.7	26.2	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>40</i>	<i>44</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
McKinley Capital	21.2	-	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>14</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Int'l Equities	18.0	26.6	20.0	18.1	39.9	-14.6	-18.1
<i>Rank vs Int'l Eq</i>	<i>22</i>	<i>41</i>	<i>32</i>	<i>68</i>	<i>27</i>	<i>45</i>	<i>59</i>
Median Int'l Equity	13.1	25.9	15.9	19.9	36.4	-15.0	-16.5
MSCI EAFE Index	13.6	26.9	14.0	20.7	39.2	-15.7	-21.2
MSCI ACWI ex-US	17.9	27.2	17.1	21.4	41.4	-14.7	-19.5
S&P Citi PMI EPAC Value	14.7	28.1	15.7	23.5	42.1	-13.1	-18.1
MSCI ACWI ex-US Growth	20.7	24.0	17.1	17.1	34.9	-14.7	-23.4

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

	<u>YTD</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
DOMESTIC FIXED INCOME							
AFL-CIO Housing	4.0 %	5.1 %	3.0 %	4.6 %	4.2 %	12.1 %	8.6 %
<i>Rank vs Fixed Income</i>	56	28	25	41	66	6	43
Nicholas Applegate	4.1	10.2	3.8	9.1	21.2	4.8	3.6
<i>Rank vs. High Yield</i>	47	32	15	66	68	5	40
ING Clarion	4.3	64.8	15.3	-	-	-	-
<i>Rank vs Fixed Income</i>	42	1	1	-	-	-	-
ING Clarion II	-0.5	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	100	-	-	-	-	-	-
PIMCO	4.6	4.8	3.4	5.6	6.9	-	-
<i>Rank vs Fixed Income</i>	24	37	18	20	21	-	-
Western Asset	2.7	5.2	2.4	6.5	7.1	-	-
<i>Rank vs Fixed Income</i>	90	27	56	15	18	-	-
Total Domestic Fixed	3.6	7.5	3.7	6.3	7.9	9.1	7.2
<i>Rank vs Fixed Income</i>	71	11	14	16	14	52	75
Median Fixed Income	4.0	4.5	2.5	4.4	4.6	9.2	8.4
Median High Yield Mgr.	4.0	9.0	2.5	9.8	24.0	-1.1	2.7
Lehman Universal	3.8	5.0	2.7	5.0	5.8	9.8	8.1
Lehman Aggregate	3.8	4.3	2.4	4.3	4.1	10.3	8.4
Citigroup Mortgage	3.8	5.2	2.7	4.8	3.1	8.8	8.2
ML High Yield II	3.4	11.7	2.7	10.8	28.1	-1.9	
T-Bills	3.9	4.8	3.1	1.3	1.1	1.8	4.4
INT'L FIXED INCOME							
Fischer Francis	2.9	2.6	5.4	6.4	3.5	7.3	5.4
Citigroup NonUS Govt Hdg	2.9	3.1	5.7	5.2	1.9	6.9	6.1
ALTERNATIVE INVESTMENTS							
Adams Street**	25.9	23.5	17.0	13.0	4.5	-10.9	-28.9
Bay Area Equity Fund**	55.4	-6.5	1.9	-	-	-	-
Energy Investor Fund**	17.4	12.7	84.2	-	-	-	-
Energy Investor Fund II**	8.8	-	-	-	-	-	-
Nogales**	20.1	11.0	13.1	-	-	-	-
Pathway**	43.4	21.4	42.5	12.2	0.2	-23.1	-33.9
Hancock PT Timber Fund	6.7	12.1	9.8	6.9	3.8	-1.1	0.2
Total Alternative	24.0	19.2	33.3	11.4	3.5	-9.3	-22.8
S&P 500 + 400 bps	12.4	19.8	8.9	14.9	32.7	-18.1	-7.9

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

** Performance as of June 30, 2007.

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YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2007

	<u>YTD</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
REAL ESTATE							
Adelante Capital REIT	-3.4 %	38.2 %	16.7 %	36.9 %	36.1 %	4.2 %	- %
<i>Rank</i>	80	13	4	11	53	47	-
BlackRock Realty	13.0	23.8	28.7	-	-	-	-
<i>Rank</i>	25	27	11	-	-	-	-
DLJ RECP I**	26.7	41.2	14.2	11.8	4.2	6.8	9.0
<i>Rank</i>	2	6	62	54	84	39	35
DLJ RECP II**	23.6	35.7	51.3	33.8	25.8	9.9	4.9
<i>Rank</i>	4	17	4	19	28	14	66
DLJ RECP III**	21.0	10.2	-	-	-	-	-
<i>Rank</i>	4	79	-	-	-	-	-
FFCA	2.1	25.3	29.3	14.5	9.6	9.9	10.2
<i>Rank</i>	79	25	11	39	43	13	21
Fidelity II	1.6	16.5	16.1	-	-	-	-
<i>Rank</i>	80	45	51	-	-	-	-
Invesco Fund I	6.5	38.1	-	-	-	-	-
<i>Rank</i>	69	10	-	-	-	-	-
Prudential SPF II	18.3	83.8	38.3	19.7	12.4	6.5	4.1
<i>Rank</i>	5	1	7	30	33	40	68
Willows Office Property	2.5	7.4	7.5	-8.9	7.9	8.2	66.1
<i>Rank</i>	78	87	80	96	67	29	1
Total Real Estate	2.5	33.8	20.4	30.4	25.6	7.5	10.2
<i>Rank</i>	78	20	29	23	28	35	25
Median Real Estate	11.7	15.6	16.7	12.3	9.5	4.8	7.3
DJ Wilshire REIT Index	-4.6	36.0	13.8	33.1	36.2	3.6	12.2
NCREIF Property Index	12.2	16.6	20.1	14.5	9.0	6.7	6.3
CCCERA Total Fund	8.7	15.3	10.8	13.38	23.5	-9.5	-2.4
<i>Rank vs. Total Fund</i>	39	13	5	15	20	63	54
<i>Rank vs. Public Fund</i>	28	11	2	8	19	69	47
Median Total Fund	8.1	12.0	6.1	10.4	19.1	-8.1	-1.6
Median Public Fund	7.7	11.9	6.0	10.0	20.4	-8.0	-2.4
CPI + 400 bps	6.4	6.6	7.6	7.4	6.5	6.5	5.5

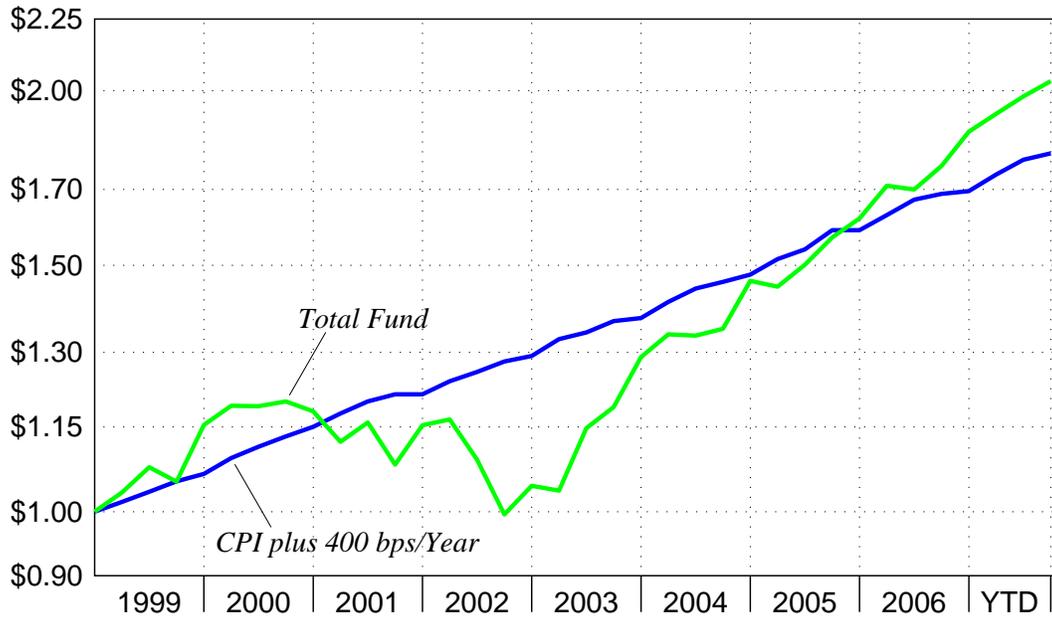
** Performance as of June 30, 2007.

TOTAL FUND PERFORMANCE

Total Fund

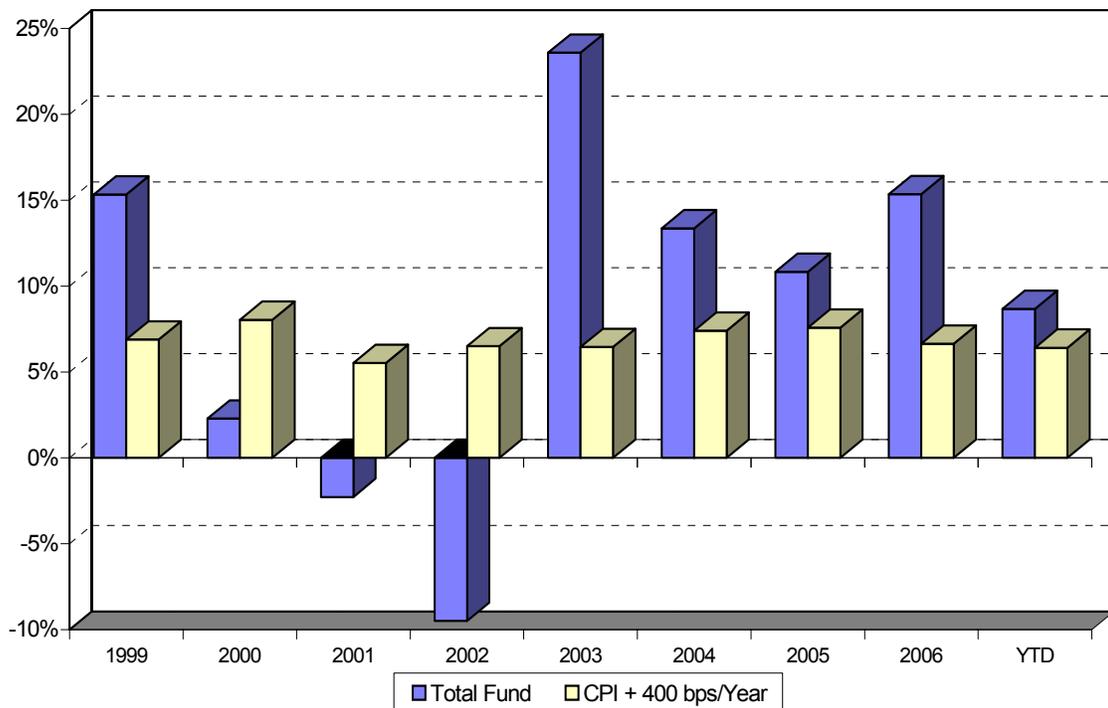
Total Fund vs. CPI plus 400 bps/Year

Cumulative Value of \$1 (Gross of Fees)

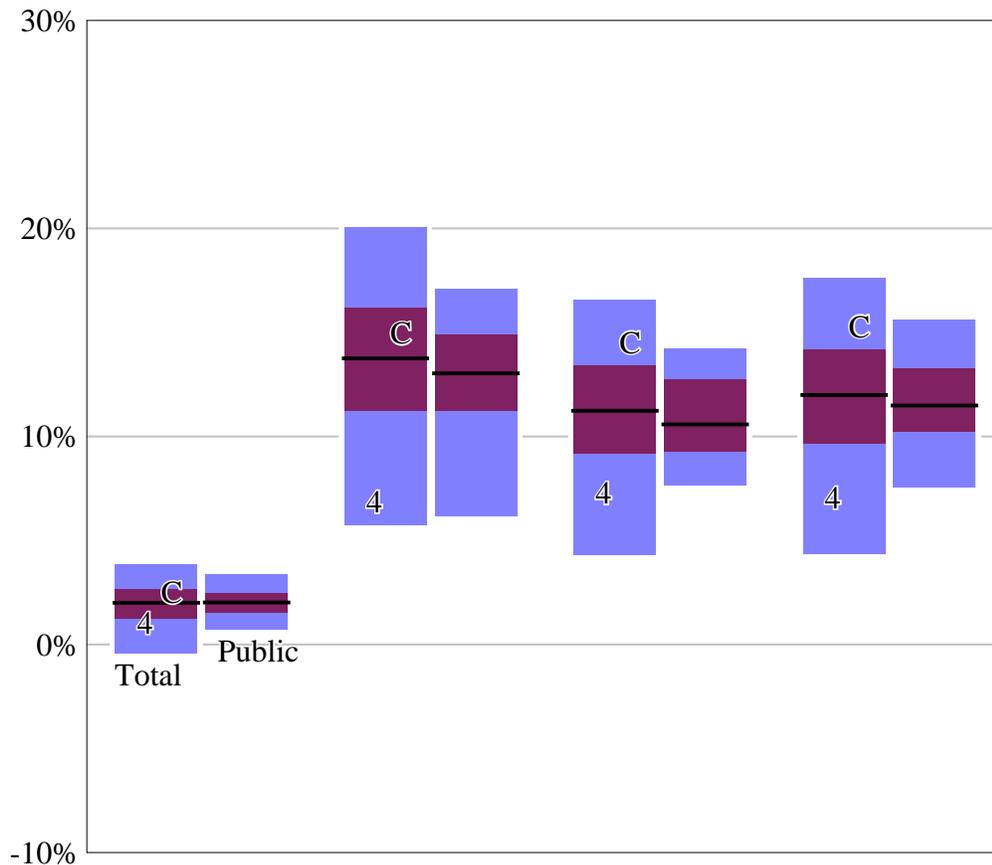


Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



Total Fund



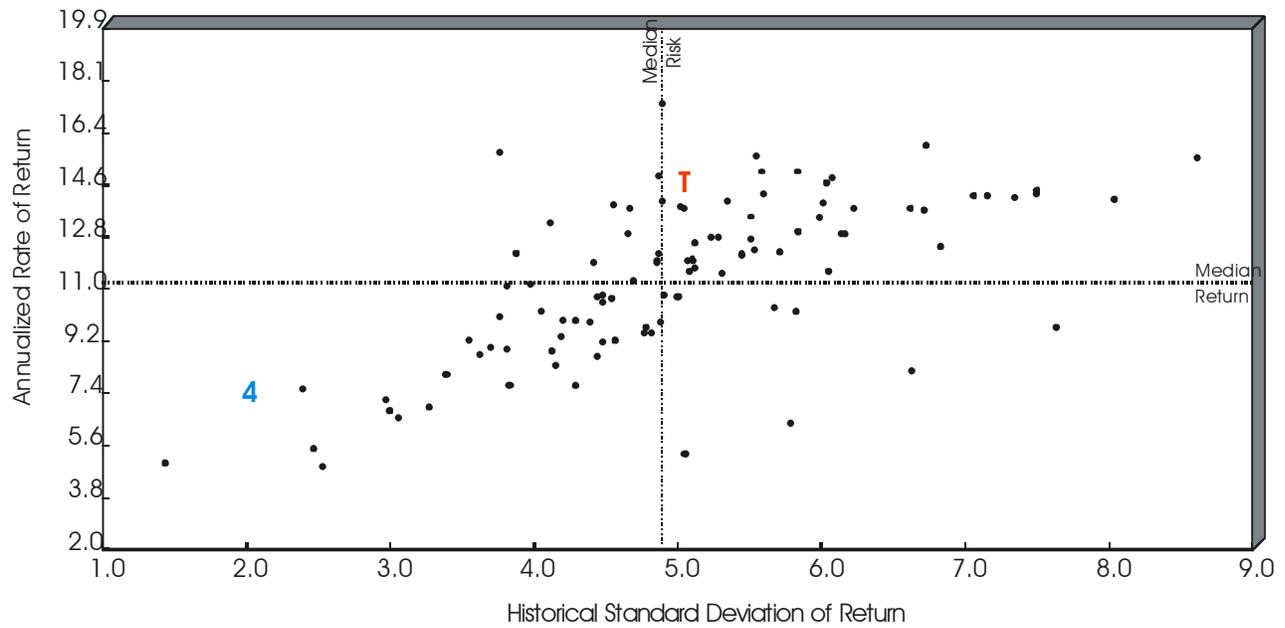
	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Fund (C)	2.5	15.0	14.6	15.3
<i>Rank v. Total</i>	30	37	11	13
<i>Rank v. Public</i>	25	24	4	6
CPI plus 400bp (4)	1.1	6.9	7.3	7.1
Total Fund Median	2.0	13.8	11.2	12.0
Public Fund Median	2.0	13.0	10.6	11.5

CCCERA Total Fund returned 2.5% in the third quarter, above the 2.0% return of the median total fund and the 2.0% return of the median total public fund. For the one-year period, the Total Fund returned 15.0%, above 13.8% for the median total fund and 13.0% for the median public fund. Over the longer periods CCCERA has performed much 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 three and five year periods. CCCERA Total Fund also exceeded the CPI plus 400 basis points over the past five years.

TOTAL FUND PERFORMANCE

Performance and Variability

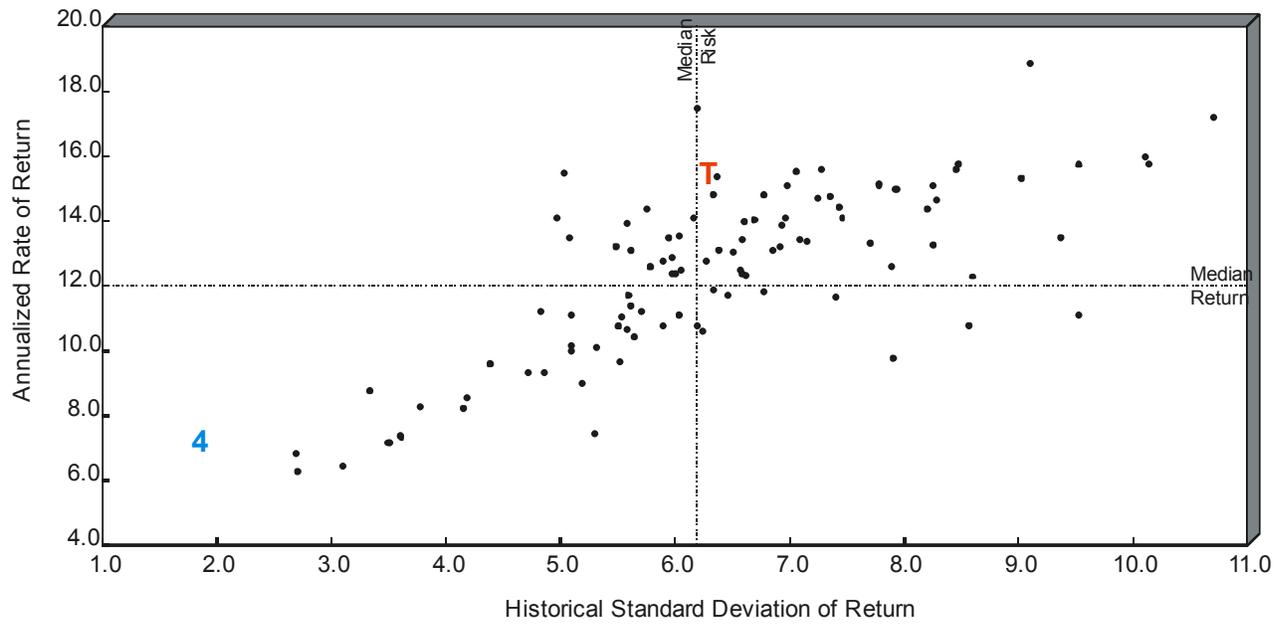
Three Years Ending September 30, 2007



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
T Total Fund	14.55	11	5.10	59
4 CPI + 400bps/yr	7.31	85	2.06	6
Median	11.24		4.89	

Performance and Variability

Five Years Ending September 30, 2007



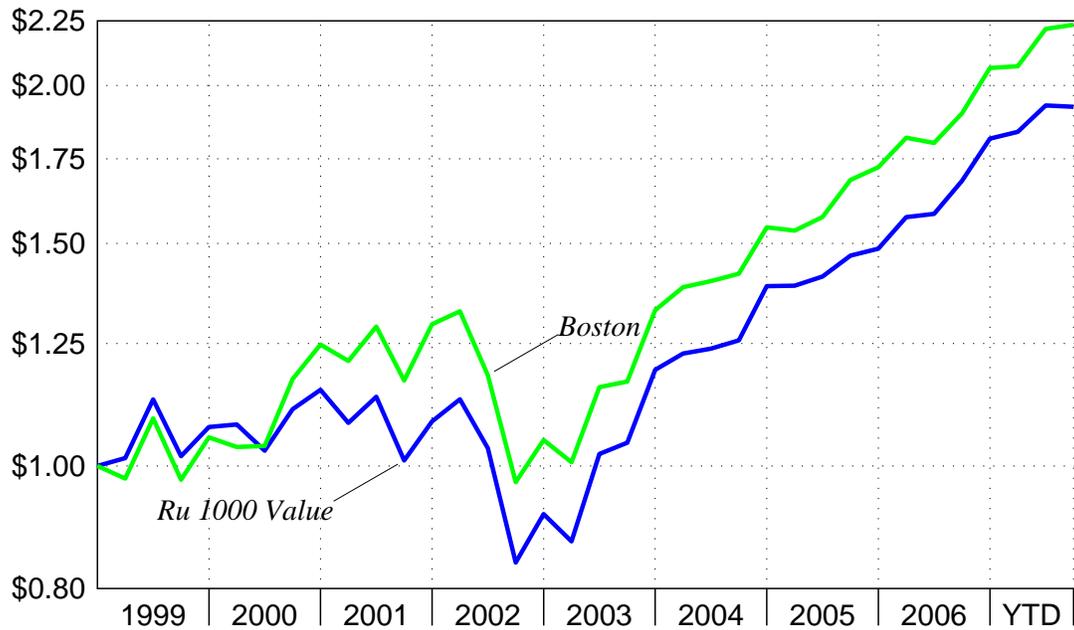
	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
T Total Fund	15.33	13	6.32	55
4 CPI + 400bps/yr	7.09	87	1.89	4
Median	12.00		6.19	

MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners

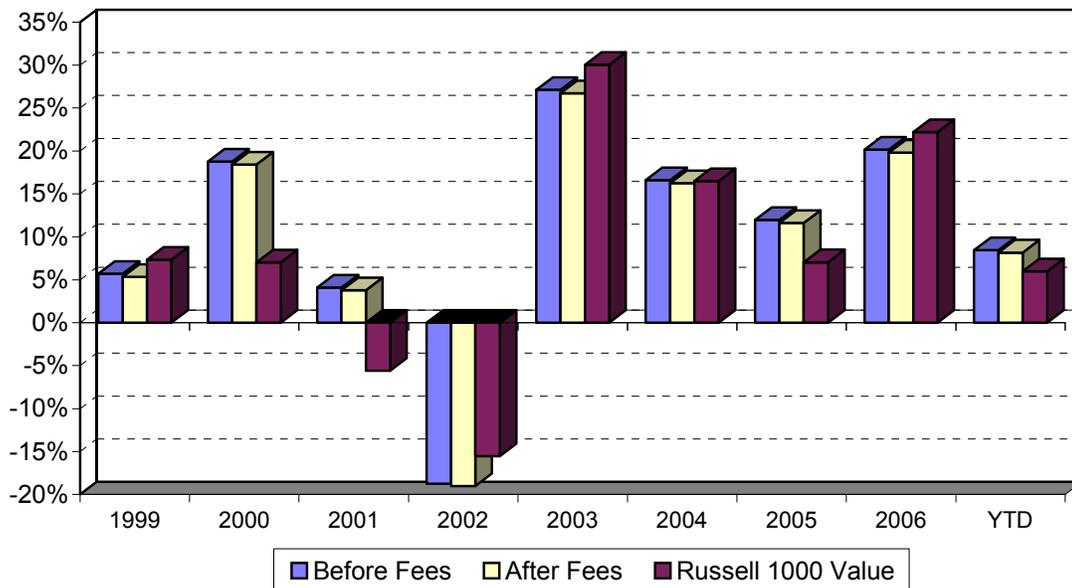
Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

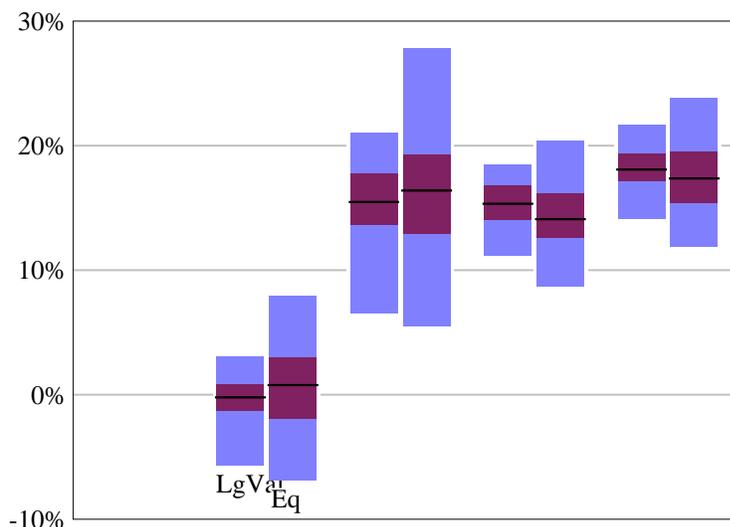


Boston vs. Russell 1000® Value

Year by Year Performance



Boston Partners



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Boston (B)	0.8	17.9	16.7	18.5
Rank v. Lg Value	26	24	28	39
Rank v. Equity	49	35	21	33
Ru 1000® Val. (r)	-0.2	14.5	15.2	18.1
Lg Value Median	-0.2	15.5	15.3	18.1
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	344.4	N/A
Wtd. Avg. Cap (\$Bil)	97.9	121.4
Beta	0.97	0.92
Yield (%)	1.77	2.47
P/E Ratio	16.07	14.90
Cash (%)	3.8	0.0
Number of Holdings	77	621
Turnover Rate (%)	67.0	-

Sector	Boston Partners	Russell 1000® Value
Energy	12.2 %	14.5 %
Materials	0.5	4.1
Industrials	9.8	10.5
Cons. Discretionary	10.8	7.6
Consumer Staples	3.7	7.8
Health Care	14.0	7.0
Financials	27.8	32.3
Info Technology	17.6	3.6
Telecom Services	2.3	6.7
Utilities	1.3	6.0

Boston Partners' third quarter return of 0.8% exceeded the -0.2% return of the Russell 1000® Value Index and ranked in the 26th percentile of large value managers. For the one-year period, Boston Partners returned 17.9%, above the 14.5% 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 beta and P/E ratio than the index and a yield that was below the value index. It included 77 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest economic sector over-weightings were in the information technology, health care and consumer discretionary sectors, while the largest under-weightings were in the utilities, financials and telecom services sectors. Boston's annual portfolio turnover rate for the year ended September 30, 2007 was 67.0%, up from last quarter's rate of 59.3%.

Boston Partners' third quarter performance relative to the Russell 1000® Value Index was helped by stock selection decisions but hurt by sector allocation decisions. Stock selection decisions in the consumer discretionary and information technology sectors had the strongest positive impacts on the portfolio. Top performing holdings included Nokia Corp (+35%), Davita Inc. (+17%) and Medco Health Solutions (+16%), while the worst performing holdings included Countrywide Financial (-47%), Discover Financial Services (-27%) and Wyeth (-22%).

MANAGER COMMENTS – DOMESTIC EQUITY

Delaware

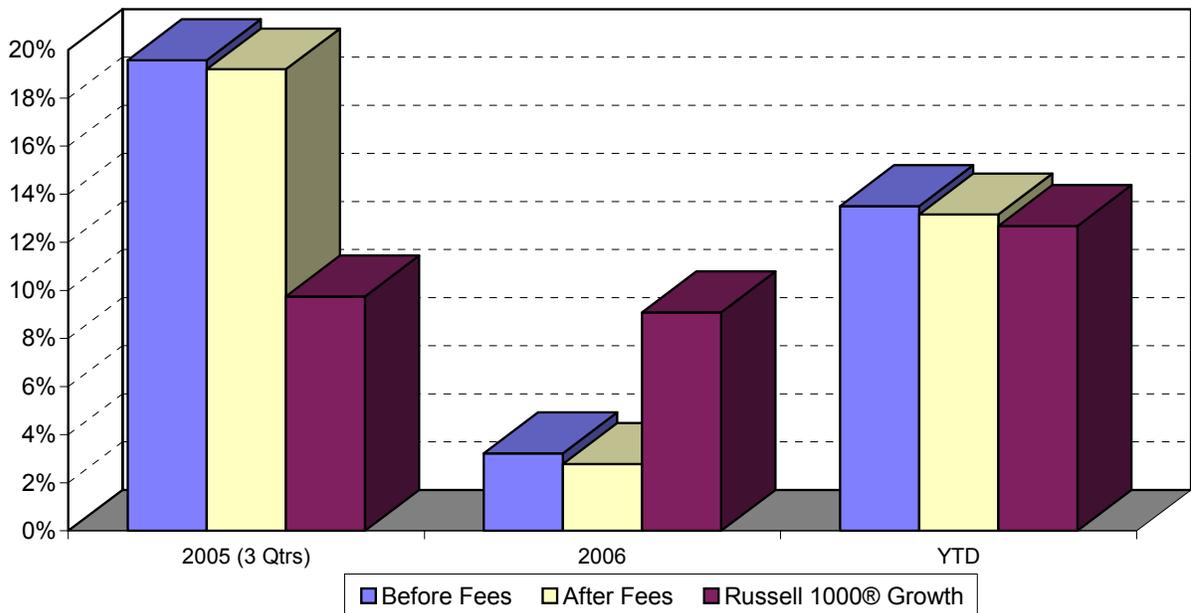
Delaware vs. Ru. 1000 Growth

Cumulative Value of \$1 (Net of Fees)

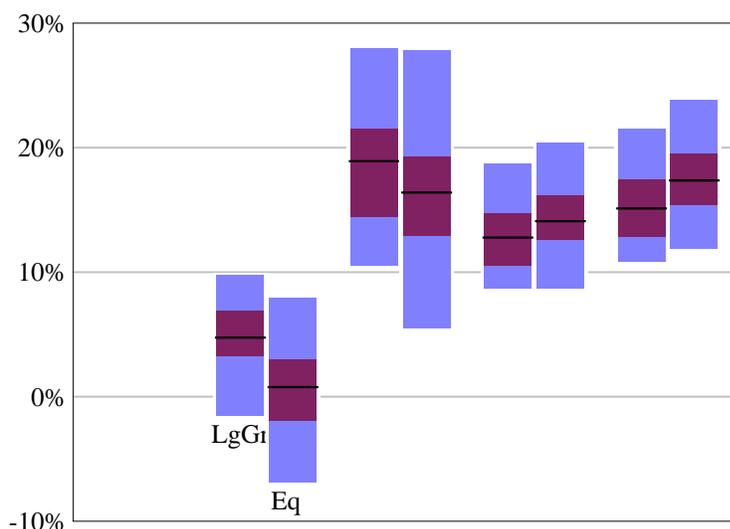


Delaware vs. Russell 1000® Growth

Year by Year Performance



Delaware



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Delaware (D)	8.1	20.5	-	-
Rank v. Lg Growth	13	33	-	-
Rank v. Equity	4	20	-	-
Ru 1000® Gro. (R)	4.2	19.4	12.2	13.8
Lg Growth Median	4.8	18.9	12.8	15.1
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	383.87	N/A
Wtd. Avg. Cap (\$Bil)	51.05	73.1
Beta	1.20	1.11
Yield (%)	0.74	1.07
P/E Ratio	28.77	22.60
Cash (%)	0.7	0.0
Number of Holdings	27	698
Turnover Rate (%)	17.5	-

Sector	Delaware	Russell 1000® Growth
Energy	0.0 %	8.4 %
Materials	4.0	3.2
Industrials	6.6	13.1
Cons. Discretionary	15.9	12.7
Consumer Staples	10.1	9.8
Health Care	16.6	15.7
Financials	8.1	7.2
Info Technology	36.1	27.6
Telecom Services	2.7	0.9
Utilities	0.0	1.6

Delaware's return of 8.1% for the third quarter was well above the 4.2% return of the Russell 1000® Growth Index, ranking in the 13th percentile in the universe of large growth equity managers. Over the past year, the portfolio returned 20.5%, exceeding the Russell 1000® Growth Index return of 19.4%, and ranked in the 33rd percentile of large growth equity managers. The portfolio got off to a good start in early 2005; since inception performance exceeds 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 27 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weightings relative to the Russell 1000® Growth Index were in the information technology, consumer discretionary and telecom sectors, while the largest under-weightings were in the energy, industrials and utilities sectors.

Delaware's third quarter performance relative to the Russell 1000® Growth Index was boosted significantly by stock selection and hurt slightly by sector allocation decisions. Stock selection in the information technology and consumer discretionary sectors had the most positive impacts. Trading decisions had a small positive impact on performance for the quarter. The top performing holdings included Research in Motion (+48%), eBay (+21%) and Seagate Technologies (+18%). The worst performing holdings included Staples (-9%), Wal Mart (-9%) and UnitedHealth Group (-5%).

MANAGER COMMENTS – DOMESTIC EQUITY

Emerald

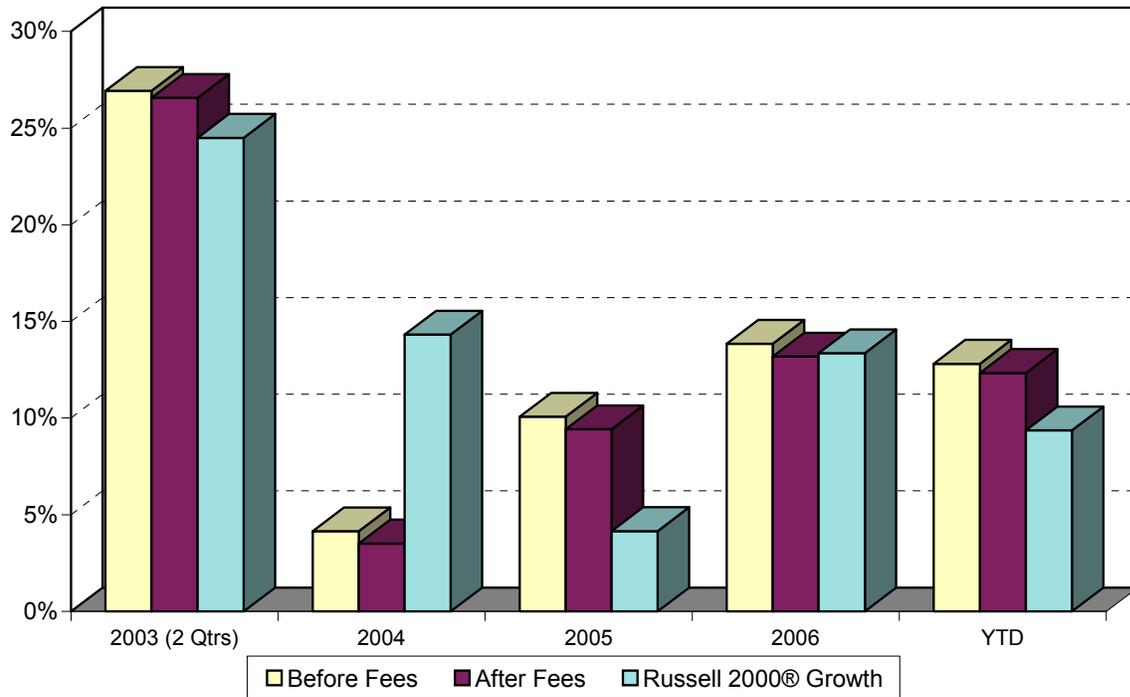
Emerald vs. Rus. 2000 Growth

Cumulative Value of \$1 (Net of Fees)

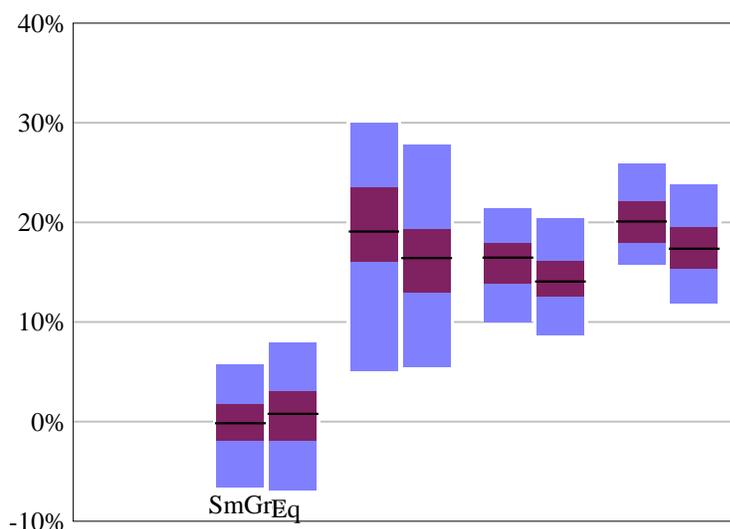


Emerald vs. Russell 2000® Growth

Year by Year Performance



Emerald



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Emerald (E)	1.6	19.2	17.4	-
Rank v. Sm. Gro	31	48	33	-
Rank v. Equity	42	25	14	-
Ru 2000® Gro (R)	0.0	18.9	14.1	18.7
Sm. Gro Median	-0.2	19.1	16.5	20.1
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Emerald	Russell 2000@ Growth
Eq Mkt Value (\$Mil)	157.24	N/A
Wtd. Avg. Cap (\$Bil)	1.71	1.42
Beta	1.55	1.38
Yield (%)	0.14	0.56
P/E Ratio	36.43	49.42
Cash (%)	2.0	0.0
Number of Holdings	123	1,229
Turnover Rate (%)	93.4	-

Sector	Emerald	Russell 2000@ Growth
Energy	3.8 %	6.4 %
Materials	3.6	3.6
Industrials	16.3	16.3
Cons. Discretionary	13.0	17.0
Consumer Staples	1.4	2.6
Health Care	19.6	20.7
Financials	4.3	8.5
Info Technology	35.7	22.9
Telecom Services	2.5	1.6
Utilities	0.0	0.5

Emerald's return of 1.6% for the third quarter was above the 0.0% return of the Russell 2000® Growth index and ranked in the 31st percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 19.2%, above the 18.9% return of the Russell 2000® Growth and ranked in the 48th percentile in the universe of small growth equity managers. Over the three-year period, Emerald returned 17.4%, above the 14.1% return of the index, but ranked in the 33rd percentile of small growth managers. Emerald is in compliance with the CCCERA's performance objectives over the past three years.

The portfolio has a beta of 1.55x compared to 1.38x for the Russell 2000® Growth Index and has a well below-index yield. It includes 123 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weightings relative to the Russell 2000® Growth Index are in the information technology and telecom services sectors. The largest under-weightings are in the financials, consumer discretionary and energy sectors. Annual portfolio turnover was 93.4%.

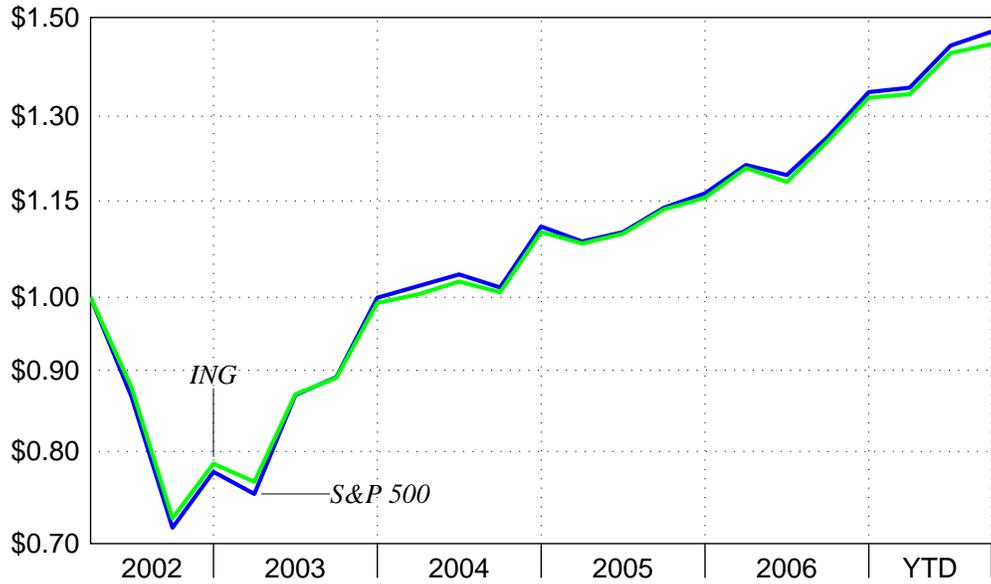
Emerald's third quarter performance relative to the Russell 2000® Growth Index was hindered by sector allocation but helped by stock selection decisions. Stock selection was strongest in the information technology and industrials sectors. This was offset by underperformance in the consumer staples sector. Trading decisions had a large positive impact on performance for the quarter. The top performing holdings included Crocs (+56%), Cepheid Inc (+56%) and Third Wave Technologies (+48%). The worst performing holdings included Coldwater Creek (-53%), Wet Seal (-36%) and NutriSystems (-33%).

MANAGER COMMENTS – DOMESTIC EQUITY

ING Investment

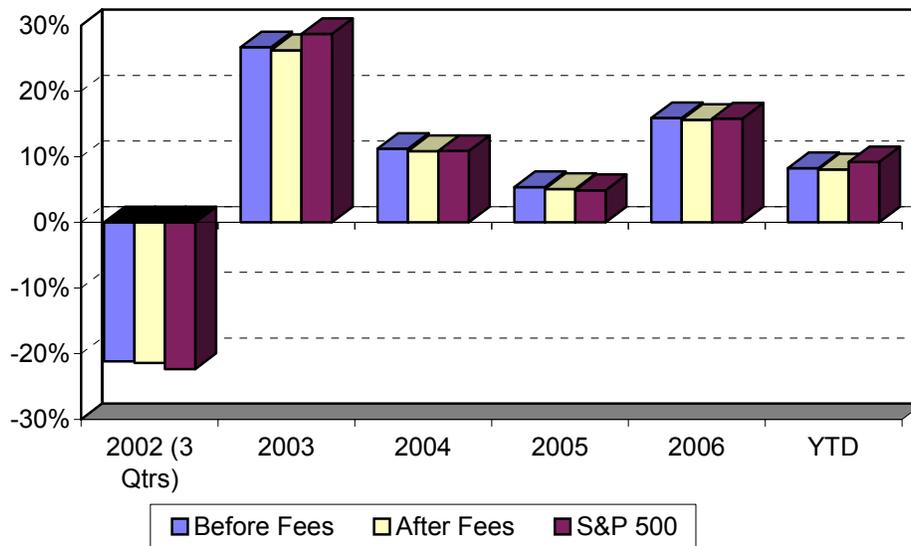
ING vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

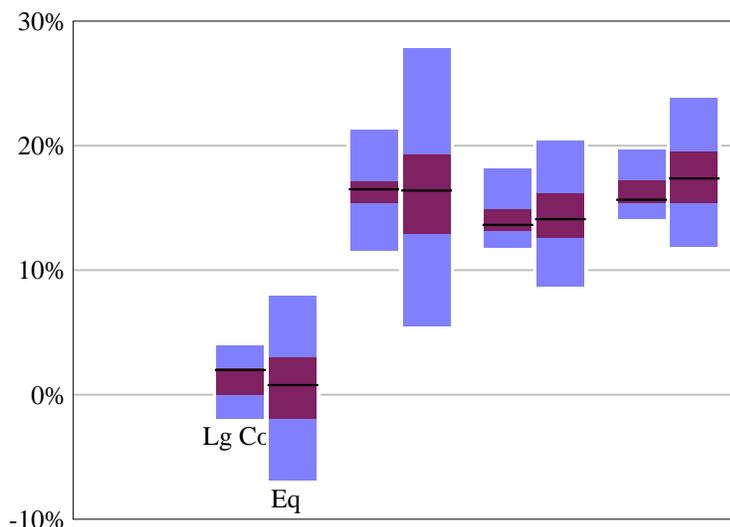


ING vs. S&P 500

Year by Year Performance



ING Investment Management



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
ING (I)	1.4	15.4	13.0	15.1
Rank v. Lg Core	61	75	83	86
Rank v. Equity	45	60	69	79
S&P 500 (S)	2.1	16.5	13.1	15.5
S&P 500 x-Tob (T)	2.0	16.2	12.9	15.3
Lg Core Median	2.0	16.5	13.6	15.7
Equity Median	0.8	16.4	14.1	17.4

Portfolio

<u>Characteristics</u>	<u>ING</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	297.10	N/A
Wtd. Avg. Cap (\$Bil)	108.15	109.92
Beta	1.01	1.00
Yield (%)	1.78 %	1.86 %
P/E Ratio	16.87	17.46
Cash (%)	0.3 %	0.0 %

Number of Holdings	331	500
Turnover Rate (%)	86.7	-

<u>Sector</u>	<u>ING</u>	<u>S&P 500</u>
Energy	11.6 %	11.7 %
Materials	3.4	3.2
Industrials	11.5	11.5
Cons. Discretionary	9.6	9.2
Consumer Staples	9.4	9.5
Health Care	11.1	11.6
Financials	19.7	19.8
Info Technology	16.6	16.2
Telecom Services	3.6	3.8
Utilities	3.6	3.4

ING's return of 1.4% for the third quarter trailed the 2.1% return of the S&P 500 and the 2.0% return of the S&P 500 ex-Tobacco, and ranked in the 61st percentile in the universe of large core equity managers. For the one-year period, ING returned 15.4%, trailing the 16.5% return of the S&P 500 and the Tobacco-free Index return of 16.2%. ING has slightly trailed the S&P 500 over the past three and five years. ING is not in compliance with CCCERA's performance objectives over the past three and five years. As of June 2005, ING stopped using Innovest's rankings, but the portfolio is still tobacco-free (as are all CCCERA US equity portfolios).

The portfolio had a slightly above-market beta, a marginally lower yield and a below-market P/E ratio. It included 331 stocks, concentrated in large capitalization sectors. The portfolio closely resembles the S&P 500. ING's largest economic sector over-weightings were in the information technology and consumer discretionary sectors, while the largest under-weightings were in the health care and telecom services sectors. Portfolio turnover was at an annual rate of 86.7% this quarter.

ING's performance for the third quarter relative to the S&P 500 was hurt slightly by stock selection decisions. Trading decisions during the quarter had a much larger negative impact on performance and were responsible for the bulk of the third quarter underperformance. The best performing holdings during the quarter included Juniper Networks (+45%), Hilton Hotels (+39%) and National Oilwell (+39%), while the worst performing holdings included Countrywide Financial (-47%), MGIC Investment Corp (-43%) and E-trade Financial (-41%).

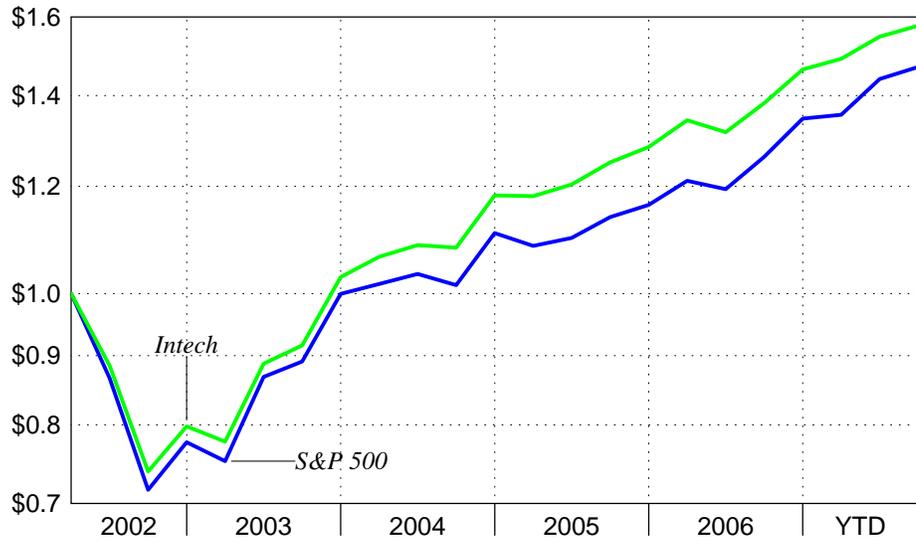
Vincent Costa reported that the strategy struggled in early August, experiencing a higher than expected tracking error. ING responded by cutting its targeted tracking error in half and holding more securities. Reducing the targeted tracking error hurt returns when the strategy bounded back, holding back returns by 72 basis points.

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Enhanced Plus

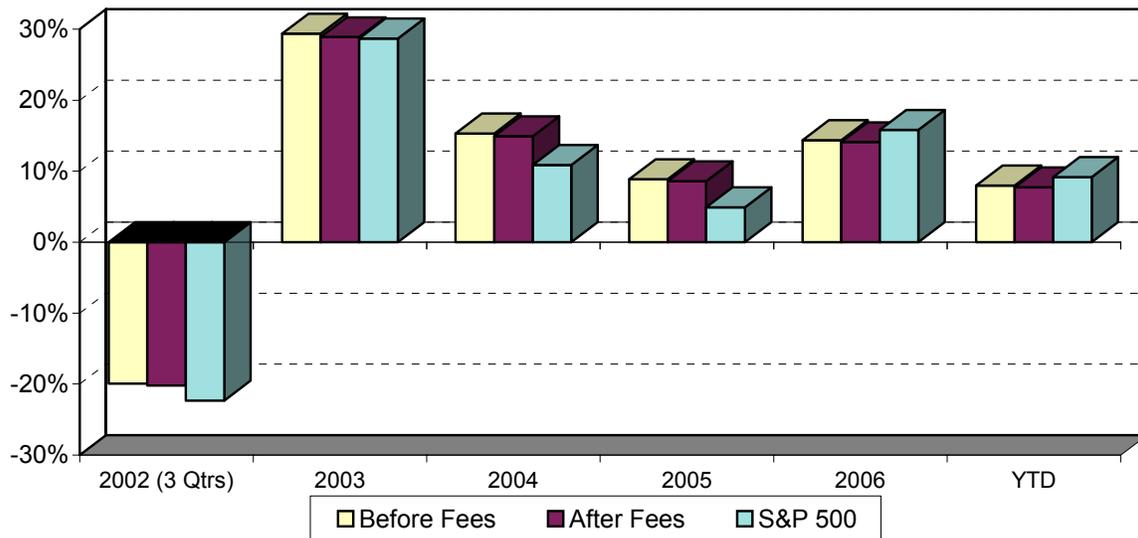
Intech Enhanced Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

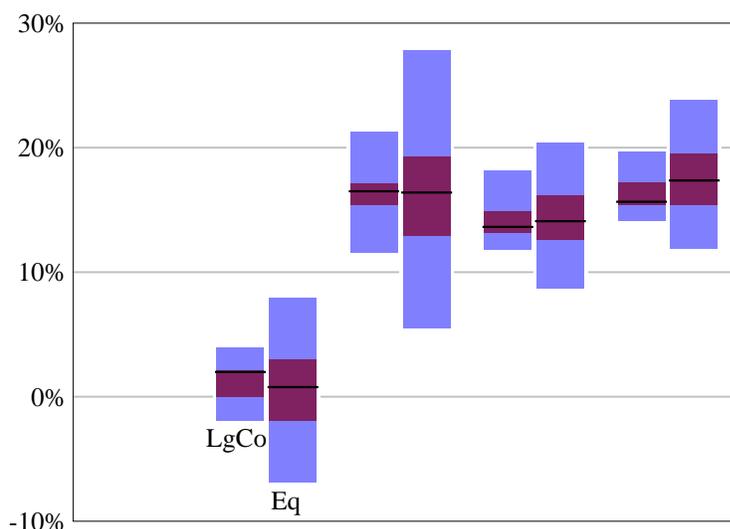


Intech Enhanced Plus vs. S&P 500

Year by Year Performance



Intech - Enhanced Plus



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Intech Enhanced (I)	2.0	14.4	13.7	16.7
Rank v. Lg Core	50	79	48	29
Rank v. Equity	38	67	55	57
S&P 500 (S)	2.1	16.5	13.1	15.5
Lg Core Median	2.0	16.5	13.6	15.7
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Intech - Enhanced	
	Plus	S&P 500
Eq Mkt Value (\$Mil)	26.91	N/A
Wtd. Avg. Cap (\$Bil)	106.11	109.92
Beta	0.99	1.00
Yield (%)	1.69 %	1.86 %
P/E Ratio	18.92	17.46
Cash (%)	1.1 %	0.0 %
Number of Holdings	299	500
Turnover Rate (%)	250.7	-

Sector	Intech - Enhanced	
	Plus	S&P 500
Energy	9.0 %	11.7 %
Materials	4.3	3.2
Industrials	10.7	11.5
Cons. Discretionary	14.7	9.2
Consumer Staples	9.9	9.5
Health Care	13.2	11.6
Financials	11.8	19.8
Info Technology	12.2	16.2
Telecom Services	5.3	3.8
Utilities	8.9	3.4

Intech's return of 2.0% for the third quarter was slightly below the 2.1% return of the S&P 500, ranking in the 50th percentile in the universe of large core equity managers. For the one-year period, Intech returned 14.4%, trailing 16.5% for the S&P 500 and ranking in the 79th percentile.

Over the past five years, Intech returned 16.7%, above the 15.5% return of the S&P 500, and ranked in the 29th percentile of large core equity managers. Over the past three and five years, Intech's performance exceeded the median large core equity manager and the S&P 500. Intech is in compliance with CCCERA's performance objectives.

The portfolio has nearly the same beta as the market at 0.99x, a lower yield and an above-market P/E ratio. The portfolio has 299 holdings concentrated in large capitalization sectors. The largest economic sector over-weightings were in the consumer discretionary, utilities and health care sectors, while largest under-weightings were in the financials, information technology and energy sectors. Third quarter portfolio turnover was at an annual rate of 250.7%.

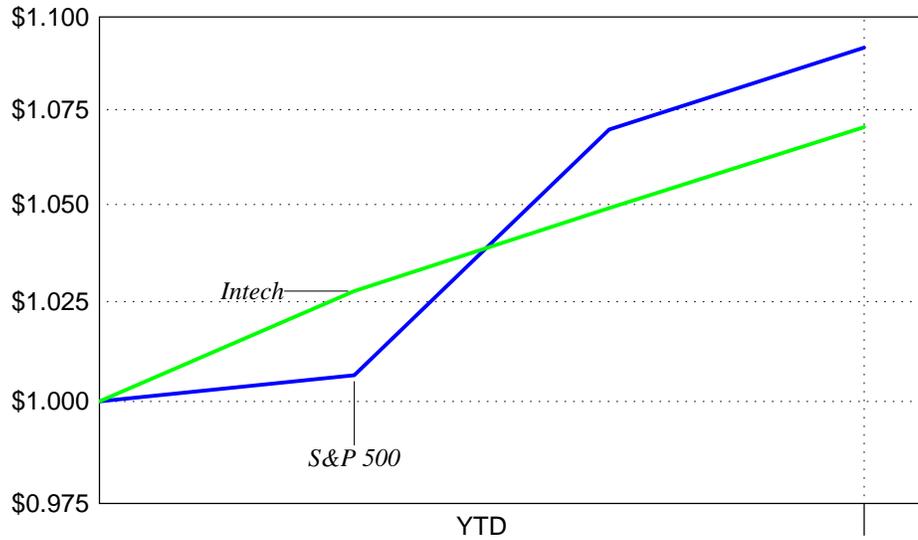
Intech's third quarter performance relative to the S&P 500 was helped by stock selection decisions but hurt by sector allocation decisions. Active trading decisions had a positive impact on performance. An overweight to the consumer discretionary sector and an underweight to the energy sector detracted the most from third quarter performance. The best performing portfolio stocks included Juniper Networks (+45%), Hilton Hotels (+39%) and National Oilwell (+39%), while the worst performing holdings during the quarter included King Pharmaceuticals (-43%), Akamai Technologies (-41%) and Radioshack (-38%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Large Cap Core

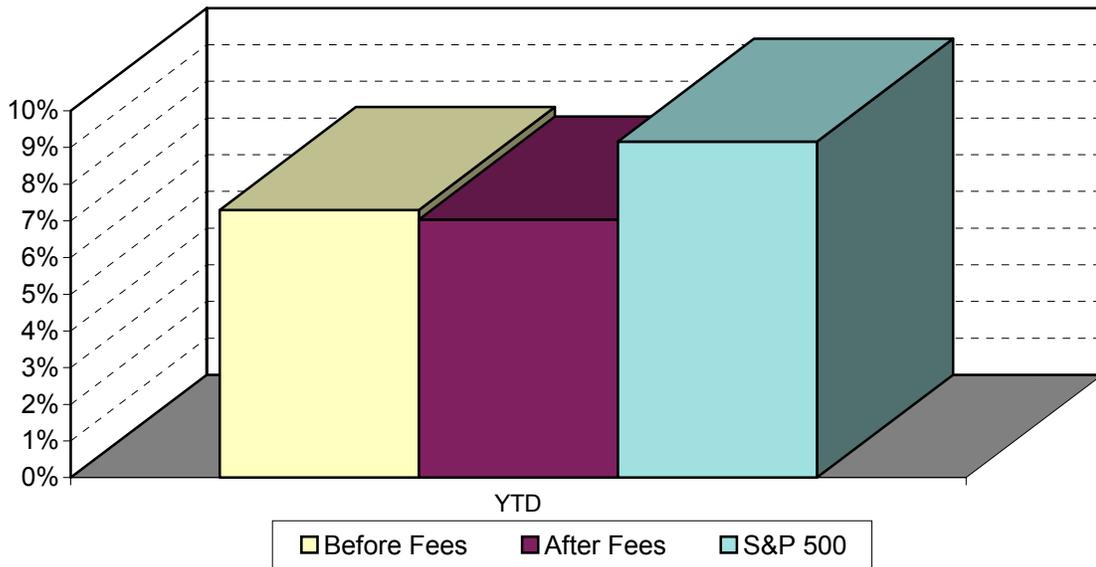
Intech Large Cap Core vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

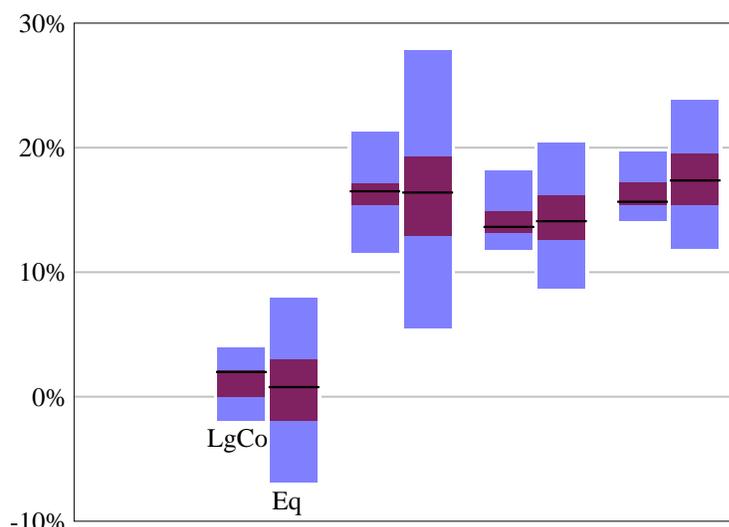


Intech Large Cap Core vs. S&P 500

Year by Year Performance



Intech - Large Cap Core



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Intech Lg Core (I)	2.1	-	-	-
Rank v. Lg Core	25	-	-	-
Rank v. Equity	32	-	-	-
S&P 500 (S)	2.1	16.5	13.1	15.5
Lg Core Median	2.0	16.5	13.6	15.7
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Intech - Large Cap	S&P 500
Eq Mkt Value (\$Mil)	270.41	N/A
Wtd. Avg. Cap (\$Bil)	100.89	109.92
Beta	1.00	1.00
Yield (%)	1.63 %	1.86 %
P/E Ratio	19.49	17.46
Cash (%)	1.1 %	0.0 %
Number of Holdings	241	500
Turnover Rate (%)	-	-

Sector	Intech - Large Cap	S&P 500
Energy	7.7 %	11.7 %
Materials	4.3	3.2
Industrials	10.6	11.5
Cons. Discretionary	17.3	9.2
Consumer Staples	10.0	9.5
Health Care	13.1	11.6
Financials	8.2	19.8
Info Technology	11.3	16.2
Telecom Services	6.3	3.8
Utilities	11.1	3.4

Intech's Large Cap Core return of 2.1% for the third quarter matched the 2.1% return of the S&P 500 and ranked in the 25th percentile in the universe 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 1.00x, a lower yield and an above-market P/E ratio. The portfolio has 241 holdings concentrated in large capitalization sectors. The largest economic sector over-weightings were in the consumer discretionary, utilities and telecom sectors, while largest under-weightings were in the financials, information technology and energy sectors.

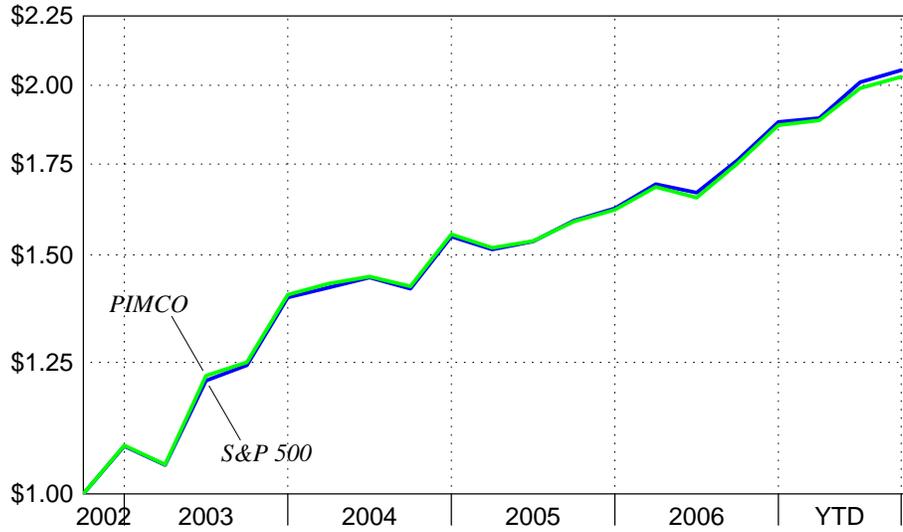
Intech's third quarter performance relative to the S&P 500 was helped by stock selection decisions but hurt by sector allocation decisions. Active trading decisions had a positive impact on performance. Stock selection in the health care and financials sector helped performance the most during the quarter. The best performing portfolio stocks included Juniper Networks (+45%), Hilton Hotels (+39%) and National Oilwell (+39%), while the worst performing holdings during the quarter included King Pharmaceuticals (-43%), Akamai Technologies (-41%) and Radioshack (-38%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

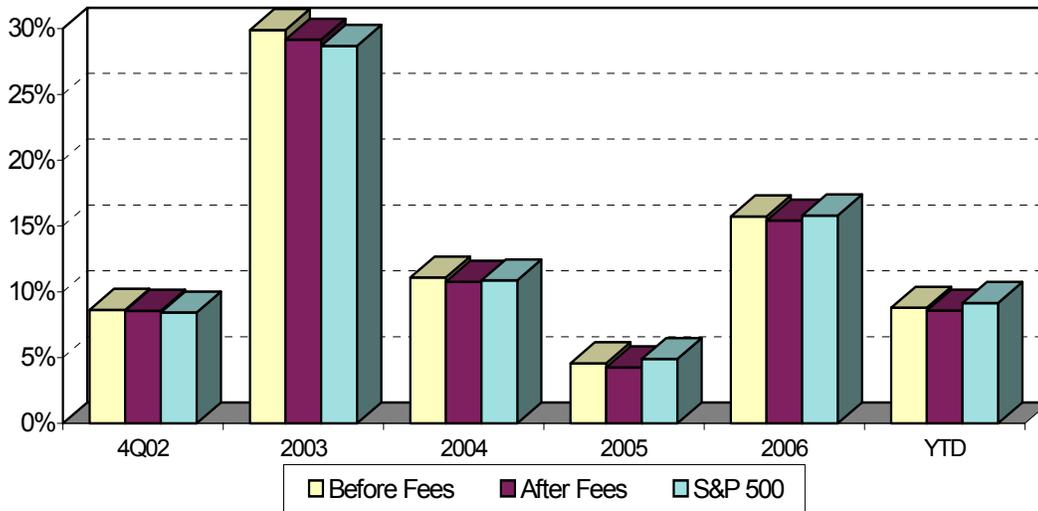
PIMCO Stocks Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

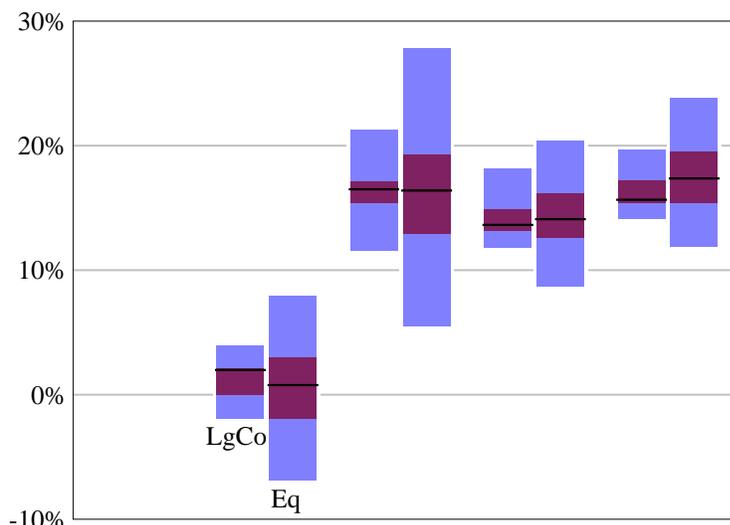


PIMCO vs. S&P 500

Year by Year Performance



PIMCO



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
PIMCO (P)	2.0	16.1	12.9	15.5
Rank v. Lg Core	47	68	86	53
Rank v. Equity	37	54	71	69
S&P 500 (S)	2.1	16.5	13.1	15.5
Lg Core Median	2.0	16.5	13.6	15.7
Equity Median	0.8	16.4	14.1	17.4

Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	283.5	N/A
Wtd. Avg. Cap (\$Bil)	*	109.92
Beta	*	1.00
Yield (%)	* %	1.86 %
P/E Ratio	*	17.46
Cash (%)	12.9 %	0.0 %

Number of Holdings	*	500
Turnover Rate (%)	778.7	-

Sector

Sector	PIMCO	S&P 500
Energy	* %	11.7 %
Materials	*	3.2
Industrials	*	11.5
Cons. Discretionary	*	9.2
Consumer Staples	*	9.5
Health Care	*	11.6
Financials	*	19.8
Info Technology	*	16.2
Telecom Services	*	3.8
Utilities	*	3.4

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

PIMCO's StocksPLUS (futures plus cash) portfolio returned 2.0% for the third quarter, slightly trailing the 2.1% return of the S&P 500 but ranking in the 47th percentile of large core managers. For the one-year period, PIMCO returned 16.1%, below the 16.4% return of the S&P 500, and ranked in the 68th percentile. Over the past three and five years, the portfolio has trailed the median larger core manager and trailed or matched the return of the S&P 500. The portfolio has not met the objective of exceeding the S&P 500 over the past three years, but has essentially matched the S&P 500 before fees since inception.

PIMCO's mix of fixed income strategies trailed the benchmark in the third quarter. Strategies that detracted from third quarter returns included mortgage holdings, which lagged treasury securities and corporate holdings, which experienced price deterioration as yield premiums widened amid the global credit crunch. Strategies that added value included US duration exposure which was focused on shorter maturities, non-US exposure and short duration asset-backed holdings, which provided incremental yield and were well insulated from concerns in the sub-prime mortgage market.

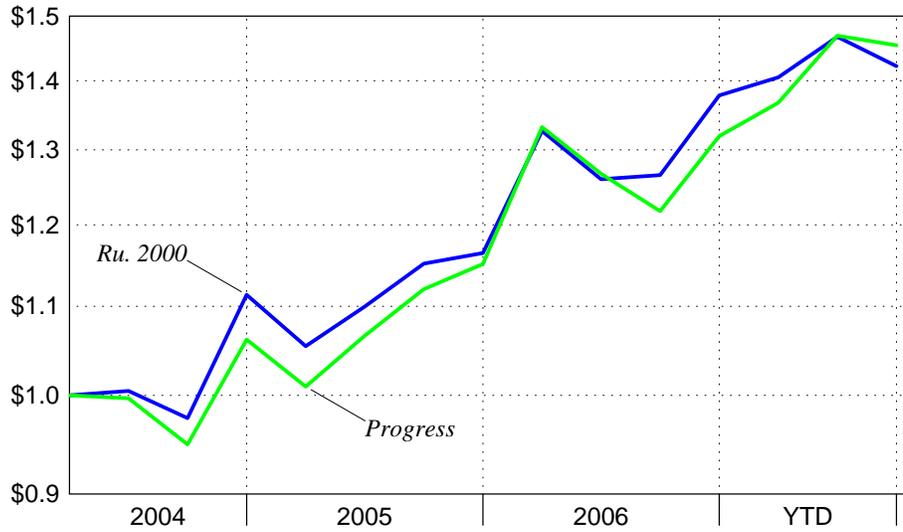
PIMCO will manage StocksPLUS portfolios in the short term to take advantage of any gains as yields decline amid further Fed easing. The firm plans to employ strategies involving short position in longer-term US instrument that should benefit from rising longer-term yields and yield curve steepening, use strategies that gain from accommodative monetary policy in the UK, seek to add value with high quality mortgage holdings and add attractively valued corporate and bank loan debt.

MANAGER COMMENTS – DOMESTIC EQUITY

Progress

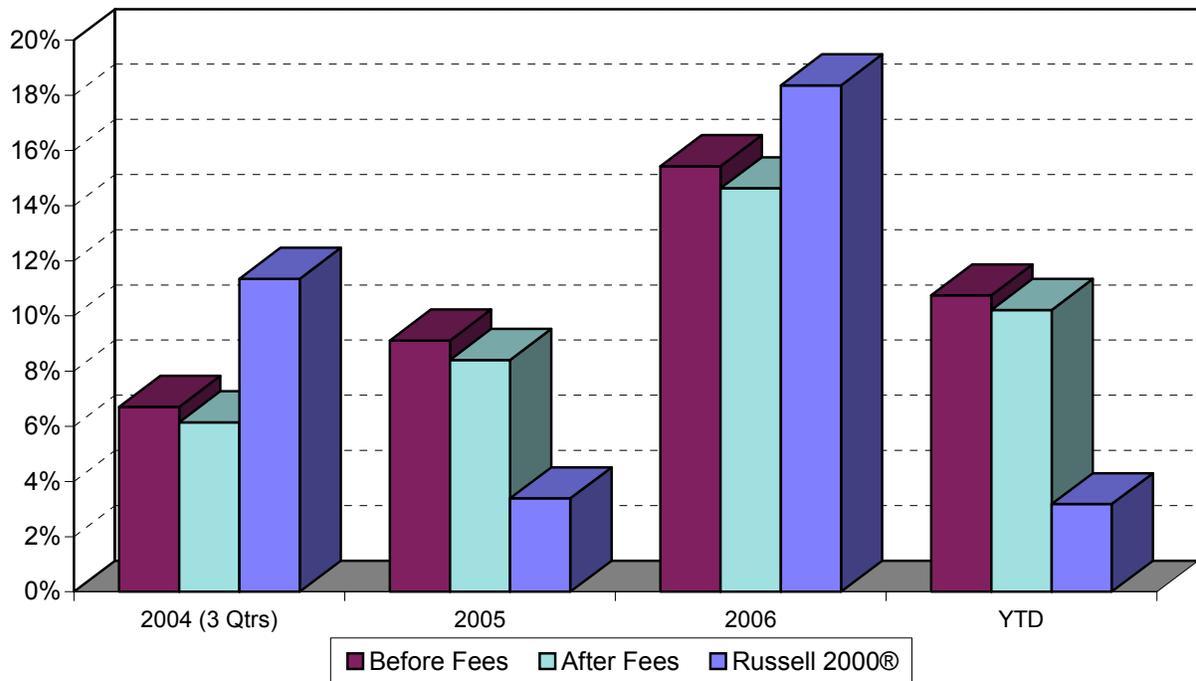
Progress vs. Russell 2000

Cumulative Value of \$1 (Net of Fees)

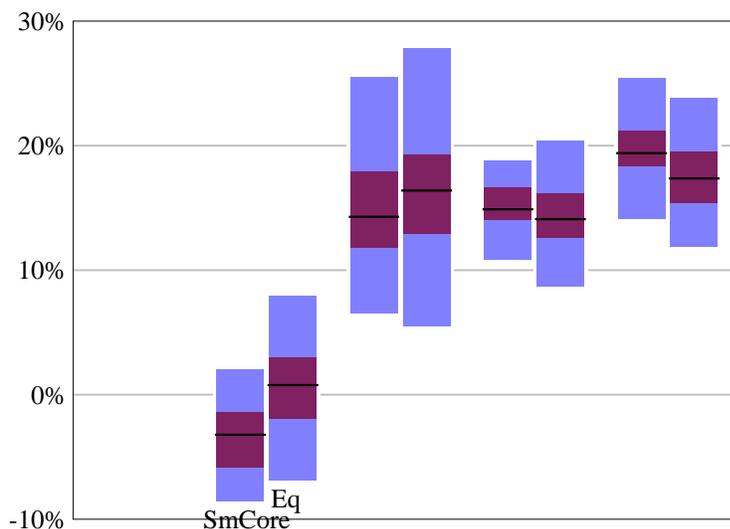


Progress vs. Russell 2000®

Year by Year Performance



Progress



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Progress (P)	-0.9	20.2	16.1	-
Rank v. Small Core	17	17	32	-
Rank v. Equity	66	21	25	-
Russell 2000® (R)	-3.1	12.4	13.4	18.8
Small Cap Median	-3.2	14.3	14.9	19.4
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Progress	Russell 2000®
Eq Mkt Value (\$Mil)	160.38	N/A
Wtd. Avg. Cap (\$Bil)	1.94	1.32
Beta	1.26	1.25
Yield (%)	0.98 %	1.22 %
P/E Ratio	25.46	33.44
Cash (%)	0.0 %	0.0 %
Number of Holdings	603	1,910
Turnover Rate (%)	0.6	-

Sector	Progress	Russell 2000®
Energy	7.1 %	6.0 %
Materials	6.2	5.2
Industrials	18.2	14.9
Cons. Discretionary	15.3	14.8
Consumer Staples	2.2	3.1
Health Care	10.6	13.2
Financials	16.5	20.2
Info Technology	18.3	18.2
Telecom Services	2.3	1.6
Utilities	3.4	2.8

Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned -0.9% for the third quarter, better than the -3.1% return of the Russell 2000® Index and ranking in the 17th percentile of small core managers. Over the past year, Progress returned 20.2%, well above the 12.4% return of the Russell 2000® Index, and ranked in the 17th percentile of small cap equity managers. Over the past three years, Progress has exceeded its benchmark and has ranked in the 32nd percentile of the small core universe. Progress is in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.26x compared to 1.25x for the Russell 2000® Index. The portfolio also had a below-market yield and a below-market P/E ratio. It included 603 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weightings relative to the Russell 2000® were in the industrials, materials and energy sectors, while the largest under-weightings were in the financials, health care and consumer staples sectors.

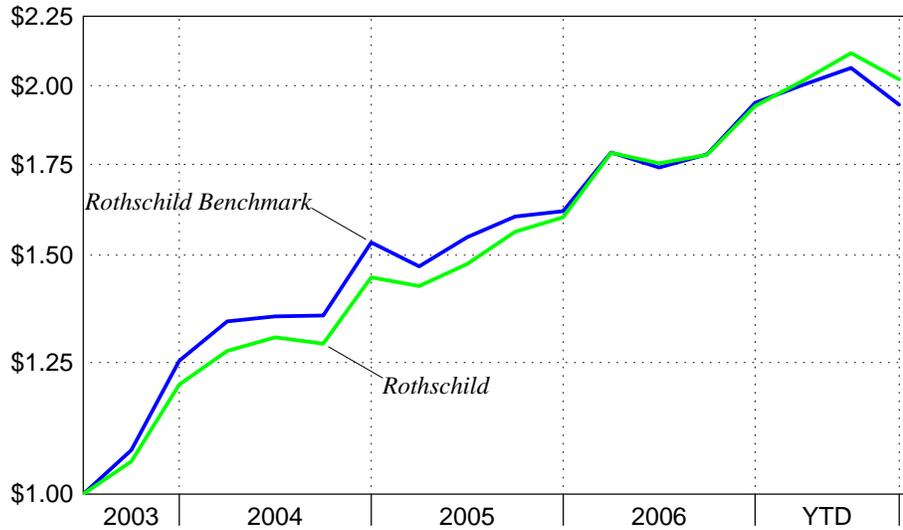
The portfolio's third quarter performance was boosted relative to the Russell 2000® by both stock selection and sector allocation decisions. Stock selection in the industrials sector had the largest positive impact on third quarter performance. Aggregate trading decisions had a positive impact on performance. During the quarter, the best performing holdings included Dryships (+110%), EDO Corp (+71%) and Intuitive Surgical (+66%). The worst performing holdings included the Sun-Times Media Group (-57%), Coldwater Creek (-53%) and Children's Place Retail (-53%).

MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild

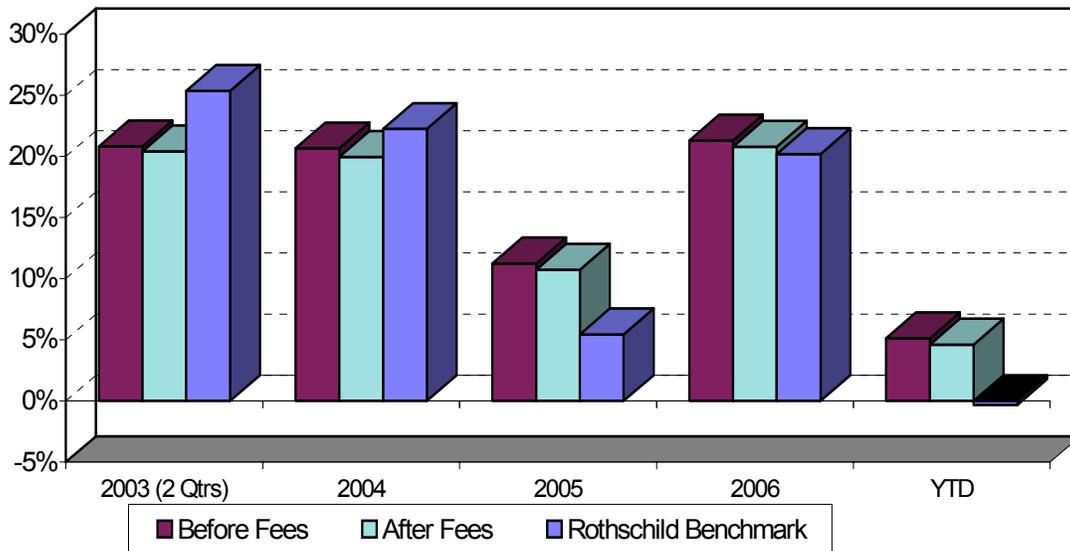
Rothschild vs. Custom Bench

Cumulative Value of \$1 (Net of Fees)



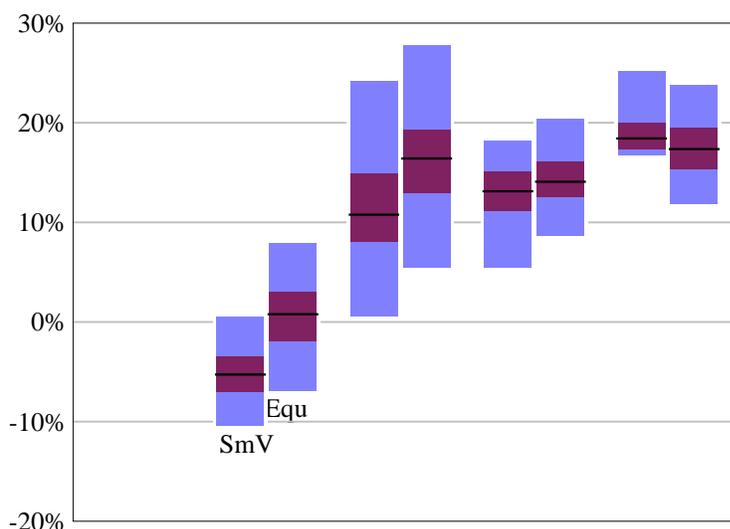
Rothschild vs. Custom Benchmark

Year by Year Performance



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

Rothschild



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Rothschild (R)	-4.2	14.2	16.7	-
Rank v. Sm. Value	34	31	13	-
Rank v. Equity	88	68	20	-
Custom Bench (B)	-6.1	8.8	12.7	18.8
Sm. Value Median	-5.3	10.8	13.1	18.4
Equity Median	0.8	16.4	14.1	17.4

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

Rothschild's return of -4.2% for the third quarter was better than the -6.1% return of the Russell 2500™ Value Index and ranked in the 34th percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 14.2%, exceeding the custom benchmark return of 8.8% and ranked in the 31st percentile. Over the past three years, Rothschild again exceeded its custom benchmark and ranked the 13th percentile. This portfolio is in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.09x versus 1.38x for the Index, a below-index yield and a below-index P/E ratio. It included 141 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weightings relative to the Russell 2500™ were in the information technology, industrials and health care sectors, while the largest under-weightings were in the financials, materials and consumer discretionary sectors. Third quarter portfolio turnover was at an annual rate of 96.6%, down slightly from last quarter's rate of 99.5%.

Rothschild's third quarter performance relative to the Russell 2500™ Value index was helped by both stock selection and sector allocation decisions. Trading decisions had a negative impact on performance. Stock selection in the health care sector had the largest positive impact on the portfolio during the third quarter. The best performing portfolio stocks were Sequa Corporation (+48%), Arch Chemicals (+34%) and Alabama National Bancorp (+27%). The worst performing holdings included Radioshack (-38%), RCN Corp (-35%) and Par Pharmaceuticals (-34%).

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	152.31	N/A
Wtd. Avg. Cap (\$Bil)	2.62	2.56
Beta	1.09	1.05
Yield (%)	1.34 %	2.07 %
P/E Ratio	17.82	20.21
Cash (%)	1.3 %	0.0 %
Number of Holdings	141	1,576
Turnover Rate (%)	96.6	-

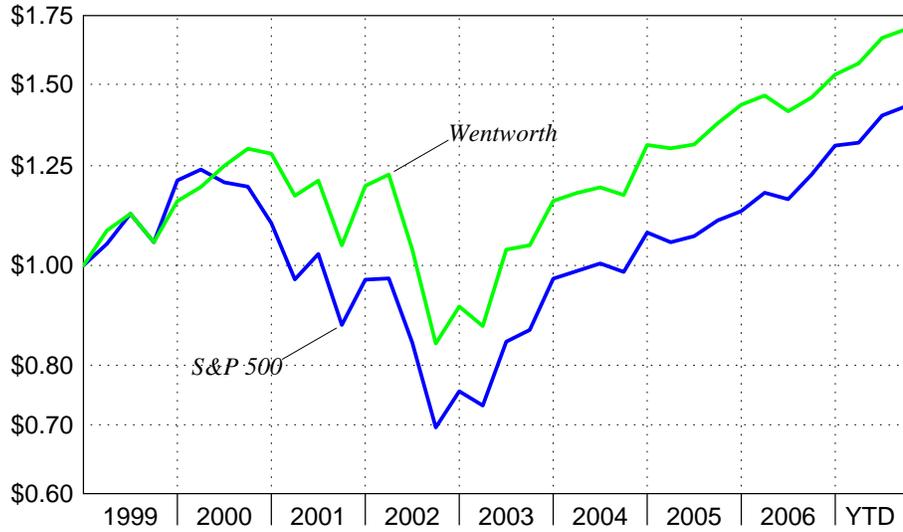
Sector	Rothschild	Russell 2500™ Value
Energy	5.0 %	5.3 %
Materials	5.7	8.3
Industrials	15.7	12.0
Cons. Discretionary	8.9	11.3
Consumer Staples	5.0	4.0
Health Care	8.0	4.9
Financials	27.9	32.3
Info Technology	14.4	10.7
Telecom Services	1.2	1.8
Utilities	8.4	9.5

MANAGER COMMENTS – DOMESTIC EQUITY

Wentworth, Hauser and Violich

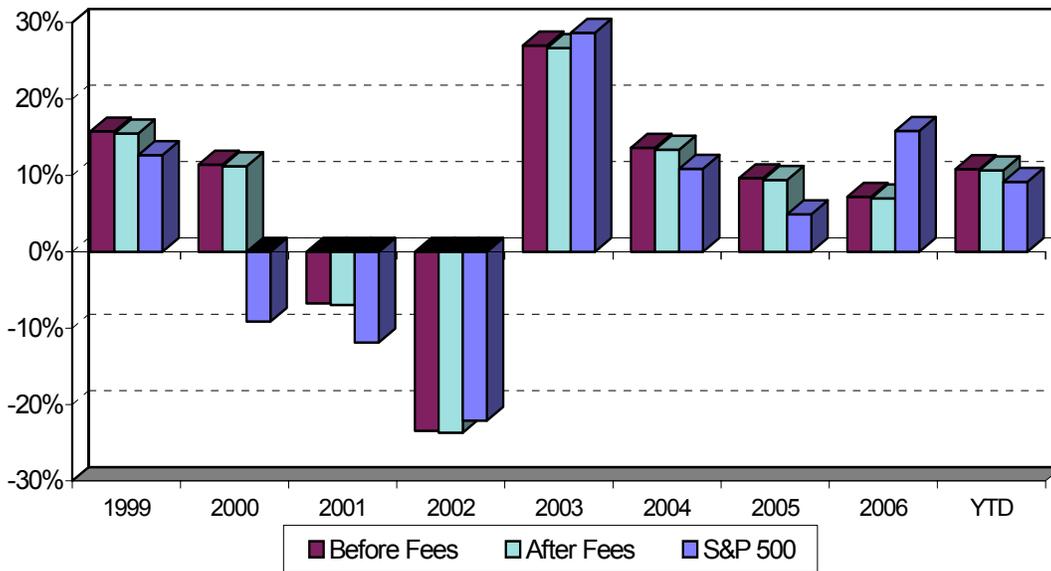
Wentworth, Hauser vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

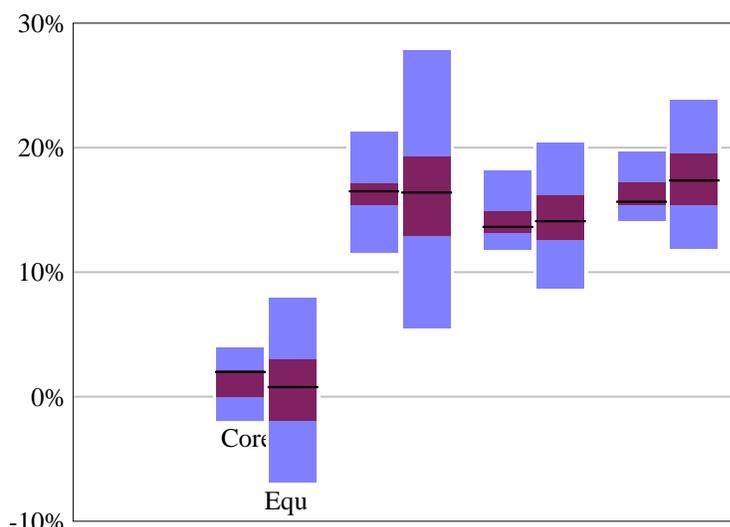


Wentworth vs. S&P 500

Year by Year Performance



Wentworth, Hauser and Violich



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Wentworth (W)	2.0	16.7	13.4	15.4
Rank v. Lg Core	50	36	52	79
Rank v. Equity	38	43	58	75
S&P 500 (S)	2.1	16.5	13.1	15.5
Lg Core Median	2.0	16.5	13.6	15.7
Equity Median	0.8	16.4	14.1	17.4

Portfolio

<u>Characteristics</u>	<u>Wentworth</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	290.97	N/A
Wtd. Avg. Cap (\$Bil)	93.36	109.92
Beta	1.02	1.00
Yield (%)	1.87	1.86
P/E Ratio	16.70	17.46
Cash (%)	2.9	0.0
Number of Holdings	38	500
Turnover Rate (%)	27.2	-

<u>Sector</u>	<u>Wentworth</u>	<u>S&P 500</u>
Energy	16.0 %	11.7 %
Materials	0.0	3.2
Industrials	13.5	11.5
Cons. Discretionary	8.0	9.2
Consumer Staples	13.6	9.5
Health Care	13.0	11.6
Financials	20.0	19.8
Info Technology	12.7	16.2
Telecom Services	0.0	3.8
Utilities	3.2	3.4

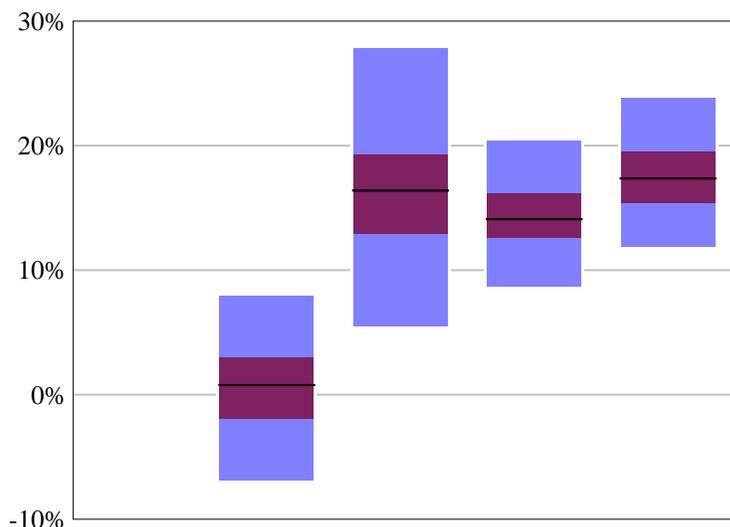
Wentworth's return of 2.0% for the third quarter was slightly below the 2.1% return of the S&P 500 and ranked in the 50th percentile of large core managers. For the one-year period, Wentworth returned 16.7%, above the 16.5% return of the S&P 500 and ranked in the 36th percentile. Wentworth has exceeded the S&P 500 over the past three years, but slightly trailed the index over the past five years. The portfolio has ranked below the median of the large core universe over both time periods. Wentworth is not in compliance with some of the CCCERA performance guidelines.

The portfolio has an above-market beta of 1.02x, an above -market yield and a below-market P/E ratio. The portfolio has 38 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weightings are in the energy, consumer staples and industrials sectors, while largest under-weightings are in the telecom services, information technology and materials sectors. Third quarter portfolio turnover was at an annual rate of 27.2%, down from last quarter's rate of 28.6%.

Wentworth's third quarter performance relative to the S&P 500 was hurt by stock selection decisions but helped slightly by sector allocation decisions. Stock selection in the financials and consumer discretionary sectors was particularly weak. The best performing portfolio stocks included Schlumberger (+24%), Weatherford International (+22%) and Procter & Gamble (+16%) while the worst performing holdings included Wyeth (-22%), Robert Half International (-18%) and Capitalsource (-15%).

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Total Domestic Equity



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Equity (B)	2.0	17.0	14.3	16.6
Rank v. Equity	37	39	47	60
Russell 3000® (R)	1.6	16.5	13.8	16.2
Equity Median	0.8	16.4	14.1	17.4

Portfolio Characteristics	Total Fund	Russell 3000®
Eq Mkt Value (\$Mil)	2,367.05	N/A
Wtd. Avg. Cap (\$Bil)	73.89	89.01
Beta	1.09	1.03
Yield (%)	1.42 %	1.71 %
P/E Ratio	21.00	18.75
Cash (%)	3.0 %	0.0 %
Number of Holdings	1,284	2,921
Turnover Rate (%)	161.7	-

Sector	Total Fund	Russell 3000®
Energy	8.6 %	10.9 %
Materials	3.1	3.8
Industrials	11.6	12.1
Cons. Discretionary	12.0	10.6
Consumer Staples	8.0	8.3
Health Care	13.3	11.6
Financials	16.9	19.5
Info Technology	20.0	16.0
Telecom Services	2.8	3.5
Utilities	3.6	3.7

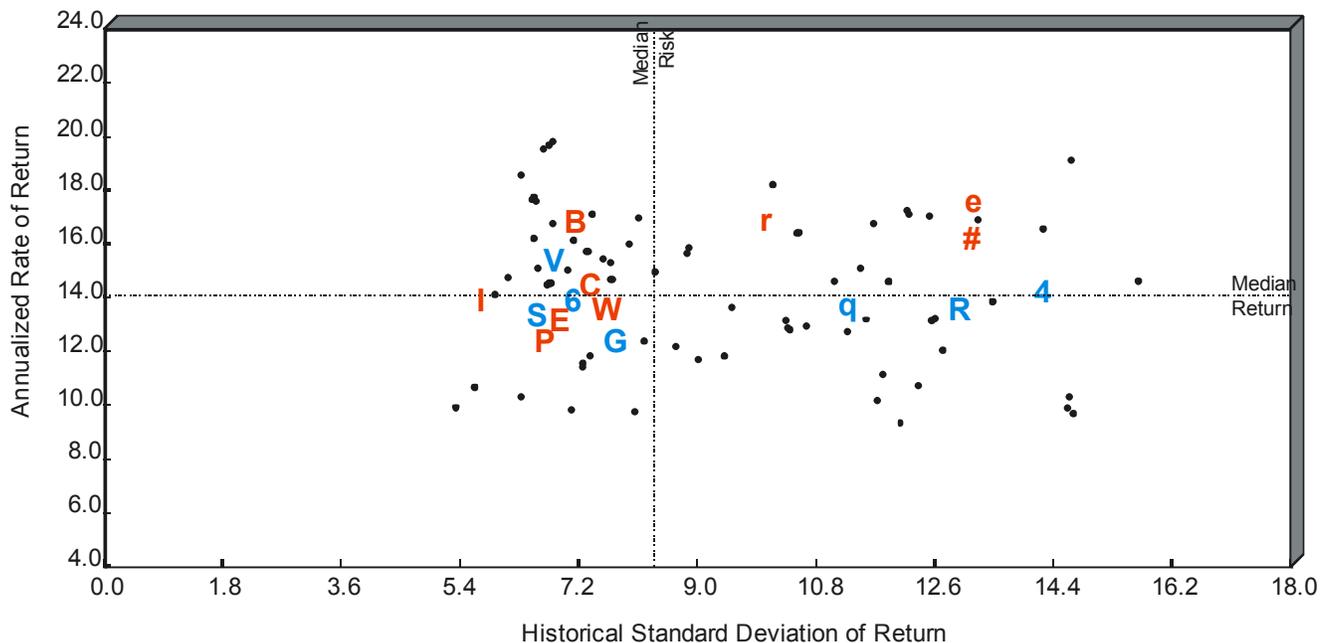
CCCERA total domestic equities returned 2.0% in the third quarter, above the 1.6% return of the Russell 3000® Index, and ranked in the 37th percentile of all equity managers. For the one-year period, the CCCERA equity return of 17.0% exceeded the 16.5% return of the Russell 3000® and the 16.4% return of the median manager. Over the past three and five years, CCCERA domestic equities exceed the Russell 3000® index. Returns exceeded the median over the past three years but trailed the median over the past five years.

The combined domestic equity portfolio has a beta of 1.09x, a below-index yield and an above-index P/E ratio. The portfolio is broadly diversified with 1,284 stocks. The combined portfolio's largest economic sector over-weightings are in the information technology, health care and consumer discretionary sectors, while the largest under-weightings are in the financials and energy sectors.

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

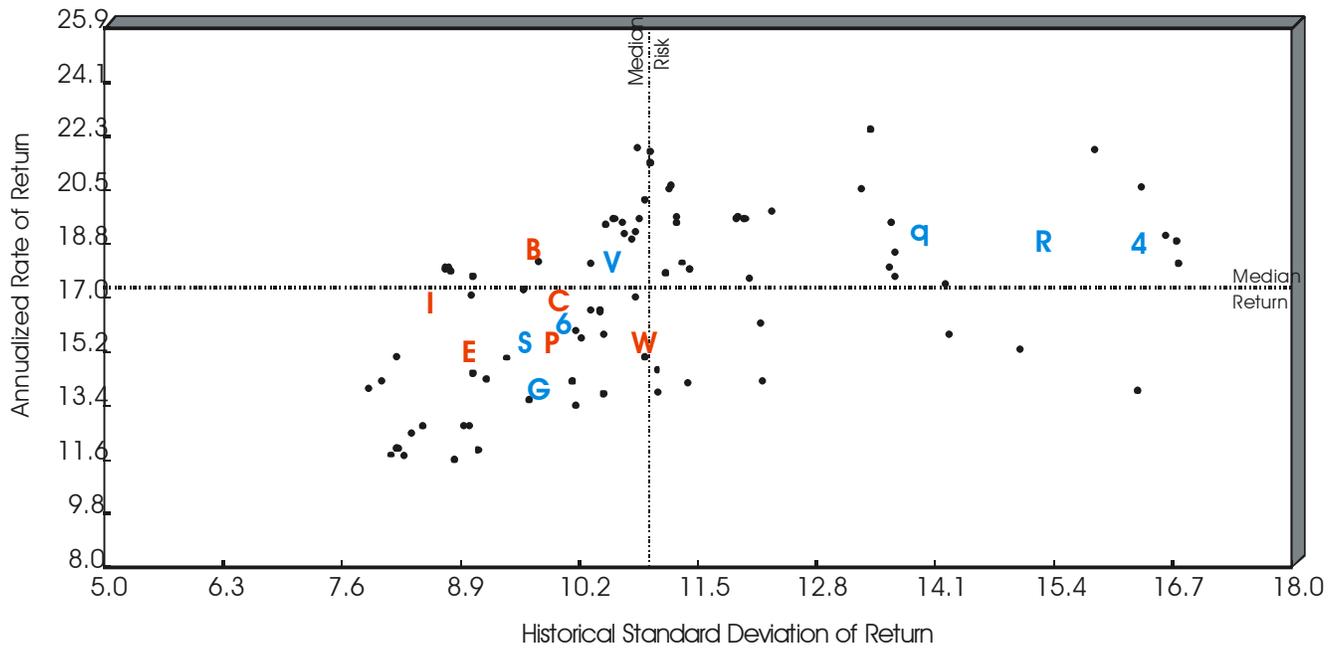
Three Years Ending September 30, 2007



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	16.68	21	7.17	34
e	Emerald Advisors	17.44	14	13.26	91
E	ING Investment Mgmt	13.02	69	6.90	28
I	Intech Enhanced Plus	13.71	55	5.85	6
P	PIMCO StocksPLUS	12.90	71	6.86	26
#	Progress Investment Mgmt Co	16.05	25	13.24	91
r	Rothschild Asset Management	16.70	20	10.16	64
W	Wentworth, Hauser & Violich	13.39	58	7.60	42
C	Domestic Equity	14.30	47	7.40	39
6	Russell 3000®	13.75	54	7.19	34
S	Standard & Poors 500	13.14	65	6.82	22
G	Russell 1000 Growth®	12.21	78	7.78	45
V	Russell 1000 Value®	15.23	35	6.88	27
R	Russell 2000®	13.36	59	13.00	89
4	Russell 2000 Growth®	14.10	49	14.32	95
q	Russell 2500 Value®	13.61	56	11.35	77
	Median	14.08		8.35	

Domestic Equity Performance and Variability

Five Years Ending September 30, 2007



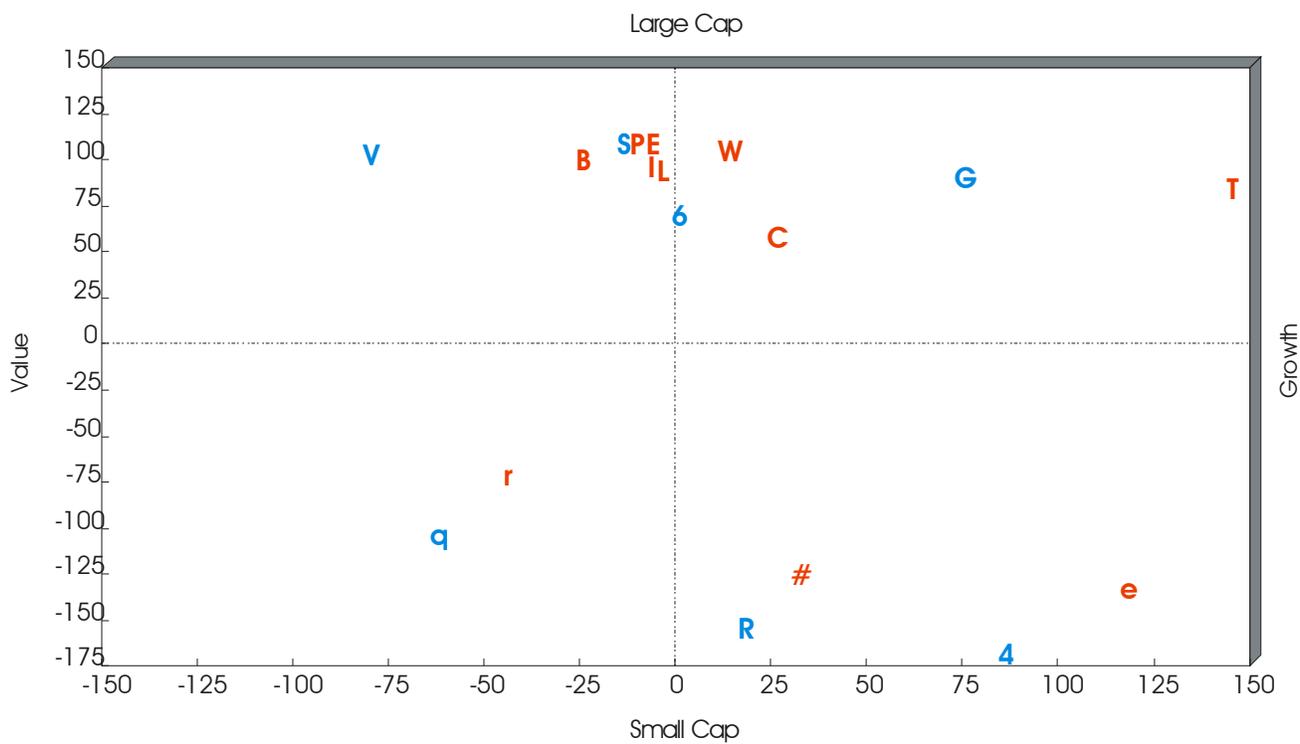
		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	18.50	33	9.77	28
E	ING Investment Mgmt	15.05	79	9.07	13
I	Intech Enhanced Plus	16.72	57	8.67	8
P	PIMCO StocksPLUS	15.53	69	10.00	32
W	Wentworth, Hauser & Violich	15.37	75	10.92	51
C	Domestic Equity	16.56	60	10.00	32
6	Russell 3000®	16.19	64	10.05	33
S	Standard & Poors 500	15.45	71	9.72	23
G	Russell 1000 Growth®	13.84	86	9.78	29
V	Russell 1000 Value®	18.06	39	10.62	45
R	Russell 2000®	18.75	30	15.33	88
4	Russell 2000 Growth®	18.70	31	16.37	93
q	Russell 2500 Value®	19.11	27	13.97	83
	Median	17.35		10.97	

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MANAGER COMMENTS - DOMESTIC EQUITY

Domestic Equity Style Map

As of September 30, 2007



	Growth-Value	Size
B Boston Partners	-22.85	97.79
T Delaware	147.40	82.59
e Emerald Advisors	119.51	-134.85
E ING Investment Mgmt	-5.50	105.67
I Intech Enhanced Plus	-2.23	97.45
L Intech Large Cap Core	-1.24	96.82
P PIMCO StocksPLUS	-8.45	106.42
# Progress Investment Mgmt Co	33.63	-127.15
r Rothschild Asset Management	-41.60	-73.32
W Wentworth, Hauser & Violich	14.44	102.98
C Domestic Equity	27.50	55.85
S Standard & Poors 500	-8.89	106.36
G Russell 1000 Growth®	76.19	87.74
V Russell 1000 Value®	-78.23	100.78
R Russell 2000®	19.60	-156.68
4 Russell 2000 Growth®	87.74	-145.36
q Russell 2500 Value®	-60.63	-86.10
6 Russell 3000®	2.25	73.96

s

PORTFOLIO PROFILE REPORT

	Russell 3000® 9/30/2007	Combined Equity 9/30/2007	Russell 1000® Value 9/30/2007	Boston 9/30/2007	Russell 1000® Growth 9/30/2007	Delaware 9/30/2007
Equity Market Value		2,367,054,716		344,388,784		383,866,024
Beta	1.03	1.09	0.92	0.97	1.11	1.20
Yield	1.71	1.42	2.47	1.77	1.07	0.74
P/E Ratio	18.75	21.00	14.90	16.07	22.60	28.77
Standard Error	1.04	2.45	1.40	1.56	1.66	4.62
R ²	0.96	0.83	0.93	0.92	0.92	0.62
Wtd Cap Size (\$Mil)	89,014	73,887.34	121,430	97,930	73,079	51,054
Avg Cap Size (\$Mil)	1,204	20,563.28	5,575	24,476	6,087	19,490
Number of Holdings	2,921	1,284	621	77	698	27
Economic Sectors						
Energy	10.93	8.64	14.49	12.22	8.37	0.00
Materials	3.76	3.11	4.06	0.53	3.23	4.04
Industrials	12.06	11.63	10.48	9.79	13.09	6.63
Consumer Discretionary	10.61	12.05	7.63	10.81	12.73	15.87
Consumer Staples	8.34	7.99	7.80	3.72	9.76	10.08
Health Care	11.58	13.29	6.99	14.00	15.70	16.58
Financials	19.50	16.91	32.27	27.75	7.15	8.10
Information Technology	16.04	19.96	3.60	17.59	27.56	36.06
Telecom. Services	3.54	2.84	6.71	2.30	0.85	2.65
Utilities	3.65	3.59	5.98	1.29	1.57	0.00

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	9/30/2007	9/30/2007	9/30/2007	9/30/2007	9/30/2007	9/30/2007
Equity Market Value		297,097,373	26,906,116	270,410,621	283,480,843	290,969,630
Beta	1.00	1.01	0.99	1.00	1.00	1.02
Yield	1.86	1.78	1.69	1.63	1.86	1.87
P/E Ratio	17.46	16.87	18.92	19.49	17.46	16.70
Standard Error	0.00	0.74	1.40	1.65	0.00	1.61
R ²	1.00	0.98	0.93	0.91	1.00	0.92
Wtd Cap Size (\$Mil)	109,922	108,148	106,111	100,886	109,922	93,362
Avg Cap Size (\$Mil)	13,447	18,899	17,560	18,116	13,447	59,438
Number of Holdings	500	331	299	241	500	38
Economic Sectors						
Energy	11.69	11.59	8.98	7.72	11.69	16.02
Materials	3.23	3.42	4.30	4.26	3.23	0.00
Industrials	11.51	11.45	10.71	10.64	11.51	13.47
Consumer Discretionary	9.23	9.63	14.70	17.25	9.23	7.98
Consumer Staples	9.52	9.42	9.94	10.01	9.52	13.61
Health Care	11.64	11.09	13.21	13.13	11.64	13.00
Financials	19.83	19.65	11.78	8.17	19.83	19.96
Information Technology	16.15	16.63	12.17	11.34	16.15	12.72
Telecom. Services	3.75	3.55	5.31	6.34	3.75	0.00
Utilities	3.44	3.58	8.90	11.14	3.44	3.24

PORTFOLIO PROFILE REPORT

	Russell 2000® 9/30/2007	Progress 9/30/2007	Russell 2500™ Value 9/30/2007	Rothschild 9/30/2007	Russell 2000® Growth 9/30/2007	Emerald 9/30/2007
Equity Market Value		160,381,797		152,310,884		157,242,644
Beta	1.25	1.26	1.05	1.09	1.38	1.55
Yield	1.22	0.98	2.07	1.34	0.56	0.14
P/E Ratio	33.44	25.46	20.21	17.82	49.42	36.43
Standard Error	4.78	5.07	3.50	3.78	5.84	5.94
R ²	0.63	0.61	0.70	0.68	0.57	0.63
Wtd Cap Size (\$Mil)	1,316	1,941	2,563	2,621	1,418	1,709
Avg Cap Size (\$Mil)	649	1,235	804	1,910	693	1,155
Number of Holdings	1,910	603	1,576	141	1,229	123
Economic Sectors						
Energy	6.01	7.09	5.26	5.00	6.39	3.76
Materials	5.15	6.24	8.33	5.70	3.64	3.55
Industrials	14.94	18.17	12.03	15.65	16.33	16.30
Consumer Discretionary	14.83	15.30	11.29	8.87	17.00	12.96
Consumer Staples	3.07	2.21	3.99	5.01	2.55	1.42
Health Care	13.15	10.60	4.85	7.97	20.65	19.57
Financials	20.23	16.45	32.25	27.90	8.52	4.25
Information Technology	18.24	18.26	10.68	14.36	22.91	35.71
Telecom. Services	1.62	2.28	1.77	1.17	1.56	2.48
Utilities	2.75	3.41	9.54	8.38	0.46	0.00

PORTFOLIO PROFILE REPORT

	Russell 3000® 9/30/2007	Combined Equity 9/30/2007	Russell 1000® Value 9/30/2007	Boston 9/30/2007	Russell 1000® Growth 9/30/2007	Delaware 9/30/2007
Beta Sectors						
1 0.0 - 0.9	49.04	46.64	58.01	52.55	42.42	45.58
2 0.9 - 1.1	10.40	8.50	6.91	3.40	13.27	8.29
3 1.1 - 1.3	12.06	12.78	10.97	18.07	13.31	7.97
4 1.3 - 1.5	10.64	9.81	15.37	12.39	6.37	3.48
5 Above 1.5	17.86	22.27	8.74	13.60	24.63	34.68
Yield Sectors						
1 Above 5.0	22.02	28.82	7.23	16.69	30.18	40.99
3 3.0 - 5.0	28.88	30.78	19.46	31.11	39.91	40.15
3 1.5 - 3.0	31.22	27.56	39.68	34.19	26.50	18.86
4 0.0 - 1.5	14.09	10.20	26.72	16.84	3.06	0.00
5 0.0	3.80	2.64	6.91	1.17	0.36	0.00
P/E Sectors						
1 0.0 - 12.0	17.35	15.15	29.42	24.03	4.98	2.65
2 12.0 -20.0	37.46	33.89	45.32	42.71	31.55	19.09
3 20.0 -30.0	28.54	29.33	16.81	25.31	41.01	33.17
4 30.0 - 150.0	14.68	20.29	6.62	6.75	20.84	45.09
5 N/A	1.97	1.33	1.83	1.21	1.63	0.00
Capitalization Sectors						
1 Above 20.0 (\$Bil)	62.55	56.10	69.86	68.63	66.31	54.29
2 10.0 - 20.0	13.36	15.94	14.55	13.83	14.52	42.94
3 5.0 - 10.0	8.46	6.80	7.36	11.70	10.90	0.00
4 1.0 - 5.0	12.43	15.75	8.21	5.84	8.28	2.77
5 0.5 - 1.0	2.04	3.70	0.01	0.00	0.00	0.00
6 0.1 - 0.5	1.15	1.67	0.00	0.00	0.00	0.00
7 0.0 - 0.1	0.00	0.04	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	13.89	11.67	17.10	8.10	9.17	4.53
2 0.0 -10.0	25.03	25.44	26.92	25.36	22.70	21.69
3 10.0 -20.0	30.38	30.68	23.50	24.47	37.65	39.46
4 Above 20.0	30.70	32.21	32.48	42.07	30.47	34.31

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	9/30/2007	9/30/2007	9/30/2007	9/30/2007	9/30/2007	9/30/2007
Beta Sectors						
1 0.0 - 0.9	50.54	48.31	51.34	49.45	50.54	50.42
2 0.9 - 1.1	10.01	9.46	10.98	11.79	10.01	4.90
3 1.1 - 1.3	12.47	14.61	11.82	10.34	12.47	15.70
4 1.3 - 1.5	11.29	12.31	12.04	13.39	11.29	10.32
5 Above 1.5	15.68	15.32	13.83	15.03	15.68	18.65
Yield Sectors						
1 Above 5.0	14.76	15.09	17.73	19.22	14.76	10.32
3 3.0 - 5.0	30.42	32.11	31.95	31.40	30.42	38.11
3 1.5 - 3.0	35.69	35.80	34.96	34.88	35.69	38.56
4 0.0 - 1.5	15.69	13.22	13.16	12.72	15.69	5.38
5 0.0	3.44	3.78	2.19	1.78	3.44	7.64
P/E Sectors						
1 0.0 - 12.0	16.83	19.00	11.94	10.15	16.83	20.05
2 12.0 -20.0	40.34	40.98	42.67	41.56	40.34	31.04
3 20.0 -30.0	29.59	27.81	31.21	33.64	29.59	37.39
4 30.0 - 150.0	11.92	11.41	12.81	13.30	11.92	11.53
5 N/A	1.32	0.79	1.37	1.35	1.32	0.00
Capitalization Sectors						
1 Above 20.0 (\$Bil)	77.40	76.57	66.78	67.21	77.40	81.25
2 10.0 - 20.0	14.75	15.93	17.15	17.67	14.75	7.49
3 5.0 - 10.0	6.00	5.26	12.28	11.97	6.00	7.72
4 1.0 - 5.0	1.85	2.24	3.79	3.16	1.85	3.54
5 0.5 - 1.0	0.00	0.00	0.00	0.00	0.00	0.00
6 0.1 - 0.5	0.00	0.00	0.00	0.00	0.00	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	12.51	11.89	14.70	17.20	12.51	8.88
2 0.0 -10.0	25.67	22.77	27.71	26.69	25.67	26.00
3 10.0 -20.0	30.71	31.07	27.33	25.76	30.71	34.59
4 Above 20.0	31.12	34.28	30.26	30.35	31.12	30.53

PORTFOLIO PROFILE REPORT

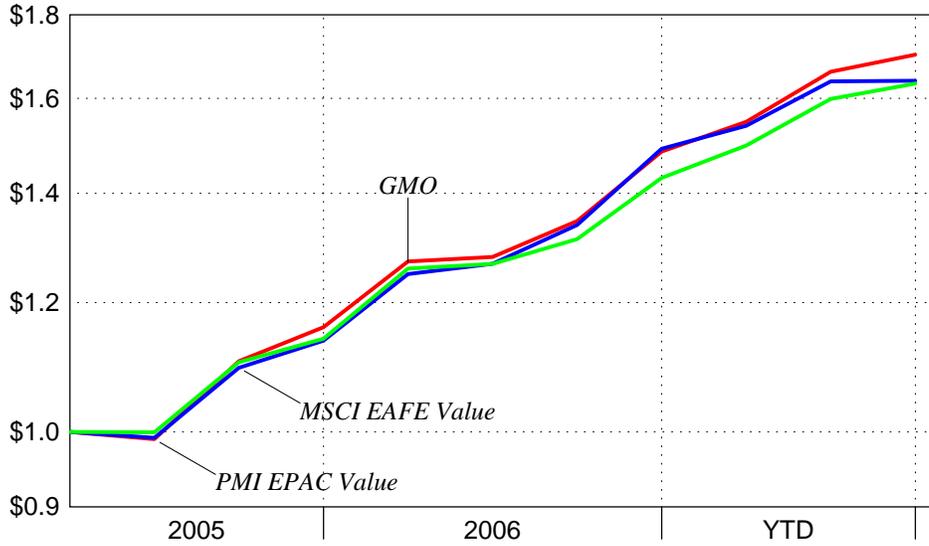
	Russell 2000® 9/30/2007	Progress 9/30/2007	Russell 2500TM Value 9/30/2007	Rothschild 9/30/2007	Russell 2000® Growth 9/30/2007	Emerald 9/30/2007
Beta Sectors						
1 0.0 - 0.9	37.64	35.01	50.32	49.89	31.05	22.25
2 0.9 - 1.1	12.99	12.33	12.35	9.41	12.28	11.50
3 1.1 - 1.3	10.88	10.76	9.54	13.07	10.21	10.75
4 1.3 - 1.5	9.30	9.73	8.30	8.30	9.64	6.21
5 Above 1.5	29.20	32.16	19.49	19.33	36.82	49.29
Yield Sectors						
1 Above 5.0	56.79	61.52	31.36	41.06	72.66	84.39
3 3.0 - 5.0	17.13	15.91	20.56	22.96	15.45	13.23
3 1.5 - 3.0	11.61	9.96	20.62	13.37	6.93	1.60
4 0.0 - 1.5	7.95	7.86	16.15	21.14	2.20	0.78
5 0.0	6.52	4.74	11.31	1.47	2.76	0.00
P/E Sectors						
1 0.0 - 12.0	22.98	16.32	26.92	17.31	19.79	12.78
2 12.0 -20.0	28.45	29.62	40.13	40.57	18.40	14.17
3 20.0 -30.0	20.47	19.45	18.48	24.98	22.25	22.87
4 30.0 - 150.0	23.33	29.94	12.27	16.74	32.43	44.45
5 N/A	4.77	4.68	2.20	0.40	7.14	5.73
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	0.13	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	0.46	0.00	0.00	0.00	0.56
3 5.0 - 10.0	0.36	4.55	9.89	12.35	0.00	2.35
4 1.0 - 5.0	60.14	64.20	69.46	72.79	64.23	61.29
5 0.5 - 1.0	25.21	20.60	12.62	11.14	23.95	23.95
6 0.1 - 0.5	14.28	9.55	8.01	3.72	11.81	11.81
7 0.0 - 0.1	0.01	0.51	0.01	0.00	0.00	0.03
5 Yr Earnings Growth						
1 N/A	24.04	19.57	25.81	19.30	21.06	14.63
2 0.0 -10.0	28.11	26.32	28.50	31.46	26.37	29.11
3 10.0 -20.0	26.64	27.50	23.37	23.45	29.83	34.13
4 Above 20.0	21.22	26.60	22.32	25.79	22.74	22.12

MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

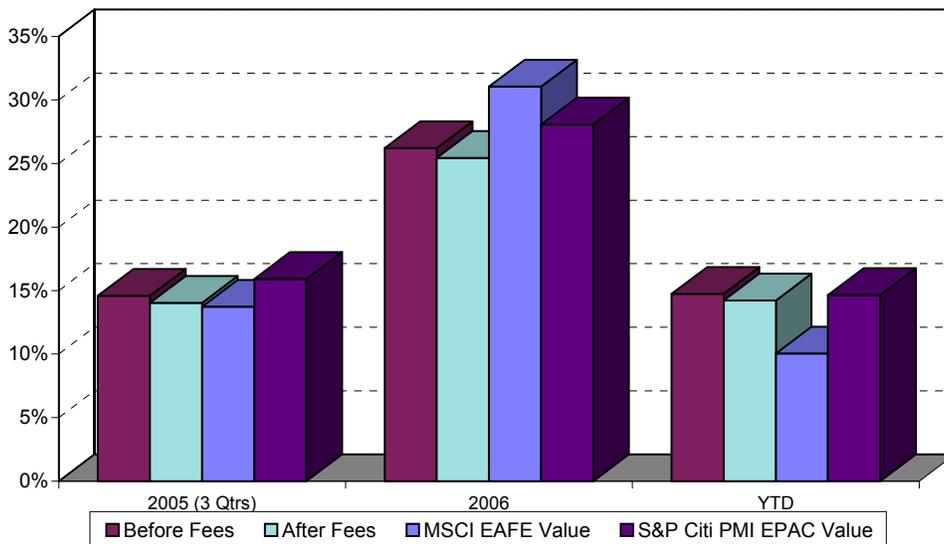
GMO vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

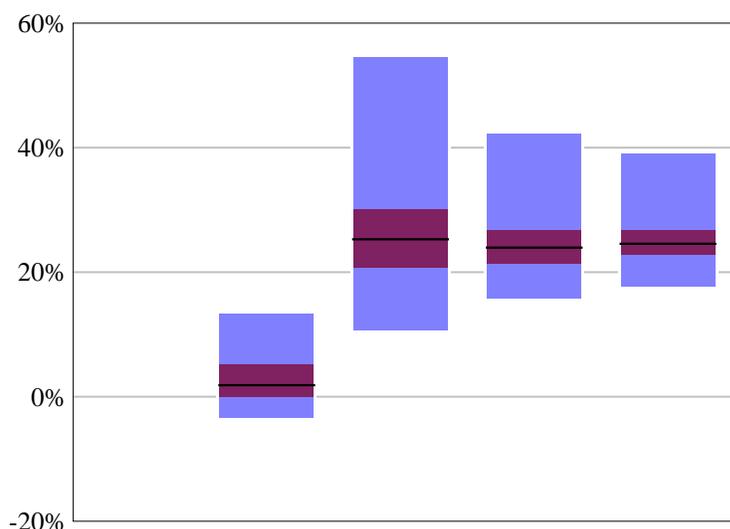


GMO vs. Benchmarks

Year by Year Performance



Grantham, Mayo, van Otterloo & Co



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
GMO (G)	2.4	25.3	-	-
Rank v. Intl Eq	43	49	-	-
PMI EPAC Val (V)	2.5	26.4	25.6	25.6
EAFE Value (E)	0.1	22.5	24.0	26.3
Int'l Median	1.9	25.3	23.9	24.5

Portfolio Characteristics	GMO	MSCI EAFE
IEq Mkt Value (\$Mil)	309.7	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	GMO	MSCI EAFE
Netherlands	8.0 %	4.3 %
Japan	23.1	20.6
Canada	2.4	0.0

Under-Weighted Countries	GMO	MSCI EAFE
Switzerland	3.7 %	6.5 %
Spain	1.6	4.2
Australia	4.3	6.6

The GMO value international portfolio returned 2.4% in the third quarter, below the 2.5% return of the S&P Citigroup PMI EPAC Value Index, but ranked in the 43rd percentile of international equity managers. Over the past year, the portfolio has returned 25.3%, trailing the S&P Citigroup PMI EPAC Value Index return of 26.4% but ranking in the 49th percentile.

The portfolio's largest country over-weightings were the Netherlands, Japan and the Canada, while the largest under-weightings were in Switzerland, Spain and Australia.

Both stock selection and country allocation decisions detracted from third quarter relative returns vs. EAFE. Underweighting Australia had the largest negative impact on performance. Trading decisions had a large positive impact on third quarter performance.

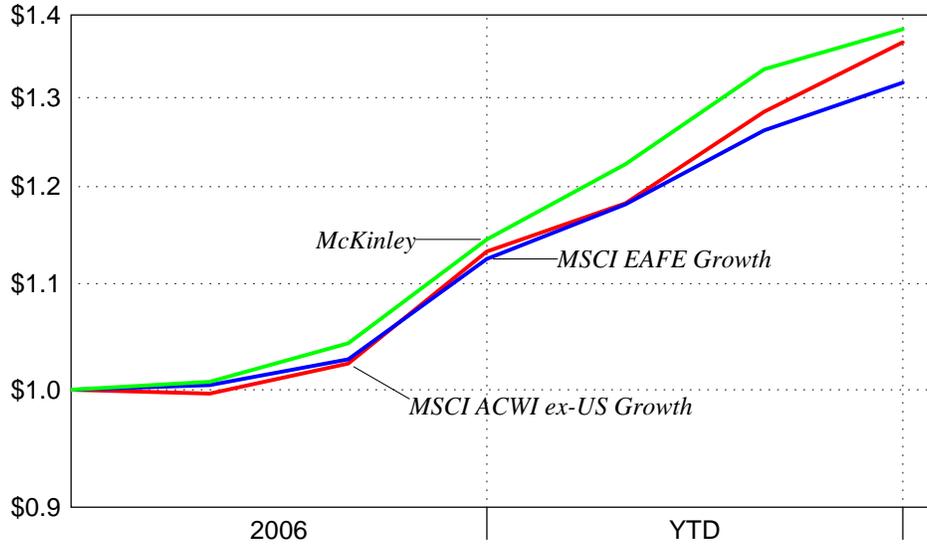
GMO's investment discipline had mixed results in the third quarter as the momentum component of the added value while both quality-adjusted value and intrinsic value underperformed relative to the index. Positions in French steel maker ArcelorMittal, Dutch financial ABN AMRO, and UK mining company Rio Tinto helped this quarter's return. Stocks that detracted included Japanese auto maker Honda Motor, British financial Royal Bank of Scotland, and an underweight position in Australian mining company BHP Billiton.

MANAGER COMMENTS – INTERNATIONAL EQUITY

McKinley Capital

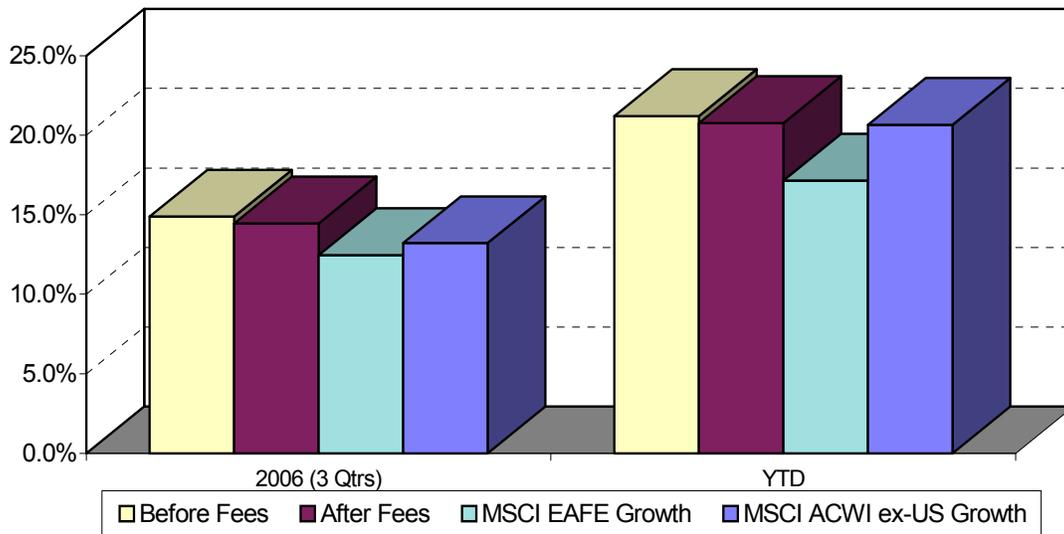
McKinley Capital vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

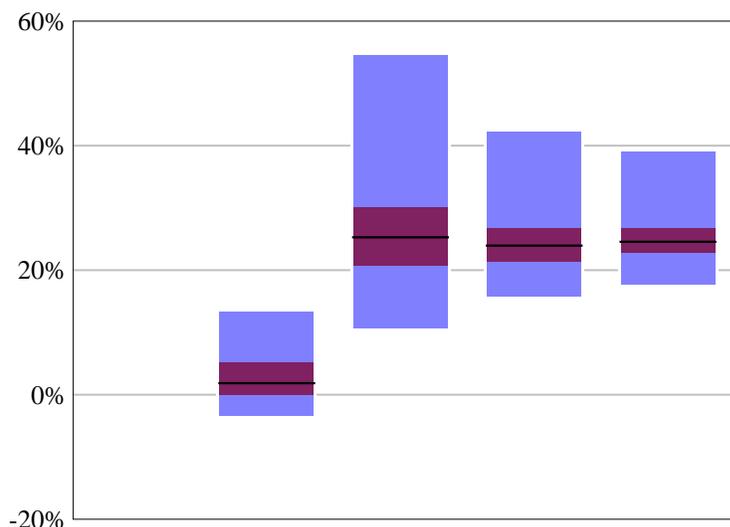


McKinley vs. Benchmarks

Year by Year Performance



McKinley Capital



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
McKinley (M)	3.8	33.2	-	-
Rank v. Intl Eq	33	16	-	-
ACWI x-US Gro(G)	6.4	33.4	26.3	24.2
EAFE Growth (E)	4.4	28.2	23.5	21.8
Int'l Median	1.9	25.3	23.9	24.5

Portfolio Characteristics	McKinley Capital	MSCI EAFE
IEq Mkt Value (\$Mil)	311.8	N/A
Cash	1.0 %	0.0 %

Over-Weighted Countries	McKinley Capital	MSCI EAFE
Canada	5.1 %	0.0 %
Germany	12.3	8.5
Taiwan	2.5	0.0

Under-Weighted Countries	McKinley Capital	MSCI EAFE
Japan	9.9 %	20.6 %
United Kingdom	15.7	22.4
Switzerland	1.5	6.5

The McKinley Capital portfolio returned 3.8% in the third quarter, trailing the 6.4% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 33rd percentile of international equity managers. Over the past year, McKinley has returned 33.2%, slightly trailing the 33.4% return of the MSCI ACWI ex-US Growth Index, and ranked in the 16th percentile of international equity managers.

The portfolio's largest country over-weightings were in Canada, Germany and Taiwan, while the largest under-weightings were in Japan, the United Kingdom and Switzerland.

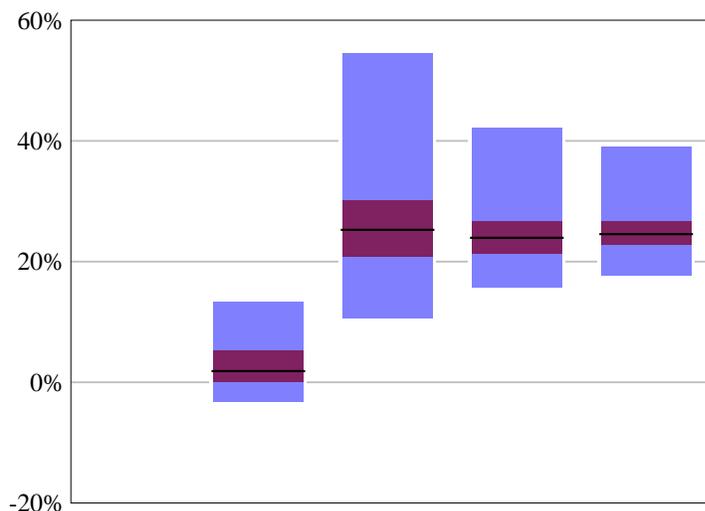
Both stock selection and country allocation decisions relative to EAFE boosted third quarter returns. Stock selection was particularly strong in Canada and Japan. On a country allocation basis, an overweight to Luxembourg and an underweight to Japan had the largest positive impacts on performance. Active trading had a negative impact on third quarter returns.

McKinley reports that holdings in China Mobile (China), Research in Motion (Canada) and Nintendo (Japan) positively impacted third quarter performance while holdings in Sumco (Japan), ACS (Spain) and Rhodia (France) detracted from performance. The firm's investment process is currently identifying relatively more companies in the Industrials, Energy and Utilities sectors, and – on a country basis – in China and South Korea.

Sheila Borer of McKinley reported that McKinley noted a significant change in market leadership in early September. McKinley process is designed to rotate into new leaders (as identified in their investment process) only after they have asserted leadership for a sustained period. As a result, the portfolio lagged the index in September, which accounted for the bulk of the third quarter underperformance.

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Total International Equity



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Int'l Eq (I)	3.1	29.2	27.1	26.2
Rank v. Intl Eq	37	27	22	29
EAFE (E)	2.2	33.4	26.3	24.2
ACWI ex-US (A)	4.7	31.1	26.5	26.3
Int'l Median	1.9	25.3	23.9	24.5

Portfolio Characteristics	Total International	MSCI EAFE
IEq Mkt Value (\$Mil)	621.4	N/A
Cash	1.4 %	0.0 %

Over-Weighted Countries	Total International	MSCI EAFE
Canada	3.8 %	0.0 %
Germany	11.0	8.5
Netherlands	6.4	4.3

Under-Weighted Countries	Total International	MSCI EAFE
Japan	16.3 %	20.6 %
Switzerland	2.6	6.5
United Kingdom	18.4	22.4

The total international equity composite returned 3.1% in the third quarter, exceeding the 2.2% return of the MSCI EAFE Index. This return ranked in the 37th percentile of international equity managers. Over the past year, total international equity has returned 29.2%, trailing the 33.4% return of the MSCI EAFE Index, and ranked in the 27th 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 and has ranked well above median in the international equity universe.

The composite's largest country over-weightings were in Canada, Germany and the Netherlands, while the largest under-weightings were in Japan, Switzerland and the United Kingdom.

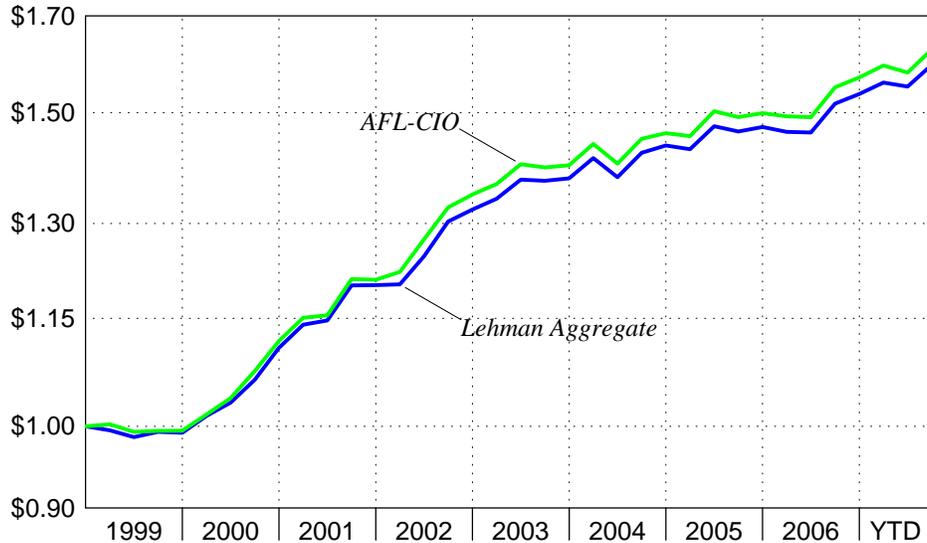
Stock selection in aggregate contributed to third quarter performance vs. EAFE while country allocation decisions detracted slightly from returns. Stock selection was particularly strong in Japan, Canada and Hong Kong. On a country allocation basis, the underweight position in Australia proved to be a drag on performance. Active trading had a positive impact on third quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

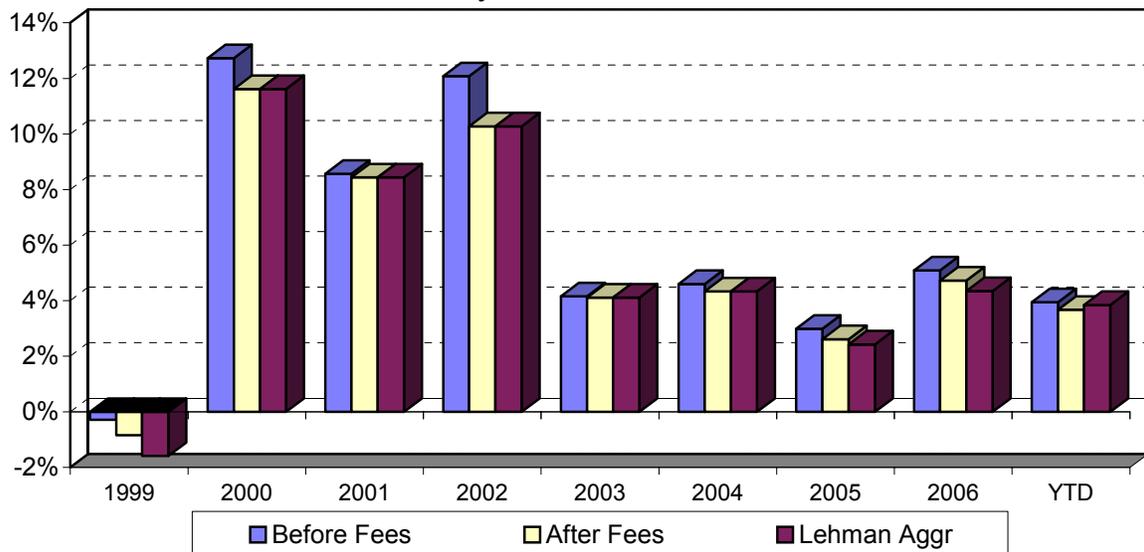
AFL-CIO vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

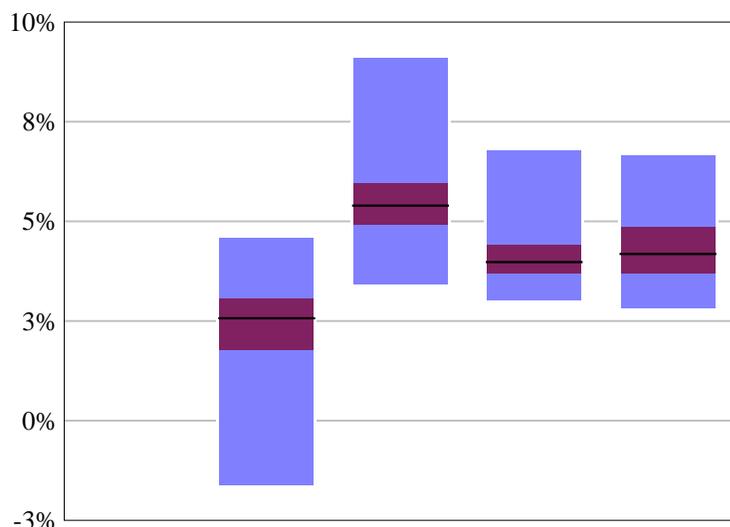


AFL-CIO vs. Lehman Aggregate

Year by Year Performance



AFL-CIO Housing Investment Trust



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
AFL-CIO (A)	3.1	5.4	4.3	4.5
Rank	22	52	31	37
LB Agg (L)	2.9	5.1	3.9	4.1
Fixed Median	2.6	5.4	4.0	4.2

Portfolio Characteristics	AFL CIO	Lehman Aggregate
Mkt Value (\$Mil)	193.1	n/a
Yield to Maturity (%)	5.6 %	5.3 %
Duration (yrs)	4.8	4.6
Avg. Quality	AAA	AA+

Sectors	AFL CIO	Lehman Aggregate
Treasury/Agency	10 %	33 %
Single-Family MBS	31	34
Multi-Family MBS	57	0
Corporates	0	19
High Yield	0	0
Asset-Backed	0	0
CMBS	2	0
International	0	14
Emerging Markets	0	0
Cash	1	0

AFL-CIO returned 3.1% in the third quarter, above the 2.9% return of the Lehman Aggregate. The portfolio ranked in the 22nd percentile of fixed income managers. For the past year, AFL-CIO returned 5.4%, which was better than the 5.1% return of the Lehman Aggregate but ranked in the 52nd percentile. Over the past five years, AFL-CIO has exceeded the Lehman Aggregate and the median, meeting performance objectives.

At the end of the third quarter, the AFL-CIO Housing Investment Trust had 10% in US Treasury notes, 31% of the portfolio allocated to single-family mortgage backed securities, 57% allocated to multi-family mortgage back securities, 2% to commercial mortgage backed securities and 1% to short-term. The AFL-CIO portfolio duration at the end of the third quarter was 4.8 years and the current yield of the portfolio was 5.6%.

Recent market volatility has resulted in high credit quality multifamily MBS offering higher yield premiums versus comparable U.S. Treasuries than they have in several years. The HIT portfolio has no subprime mortgages in its portfolio and little credit risk rated below AAA. In addition, the portfolio can benefit from multifamily mortgage spreads that are near their widest levels in the past several years. The HIT has commenced negotiations with potential counterparties to execute total return swap strategies involving tax-exempt bonds to increase the portfolio income in future periods. This strategy should also allow the Trust to be more competitive in sourcing new construction multifamily mortgage investments.

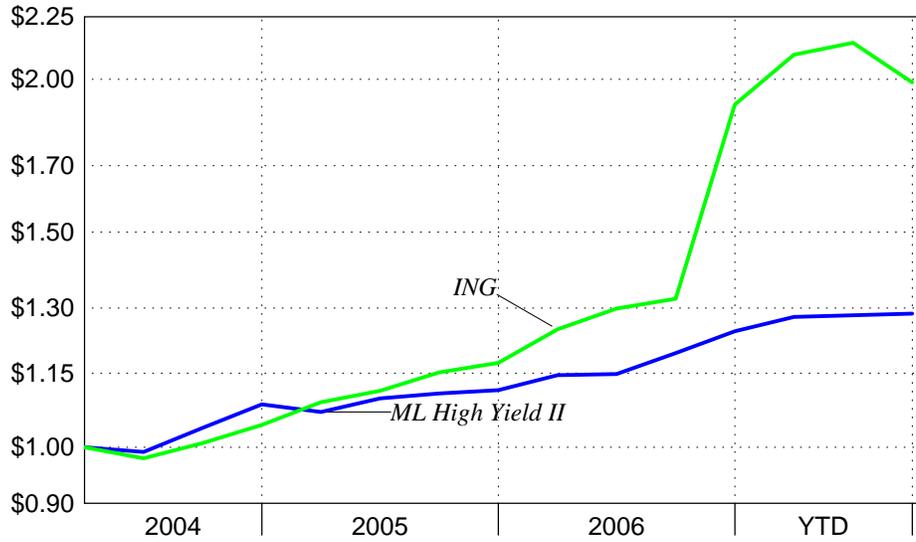
Provided that market conditions allow it, the Trust will attempt to shift almost completely out of cash and Treasury securities by year-end. These positions will be shifted to higher yielding securities. The Trust will seek to purchase approximately \$200-\$250 million of high credit quality mortgage investments with significant yield spreads versus treasuries—including new construction multi-family mortgage investments. Finally, the Trust expects to activate its new authority to use Total Return Swaps (TRS).

MANAGER COMMENTS – FIXED INCOME

ING Clarion

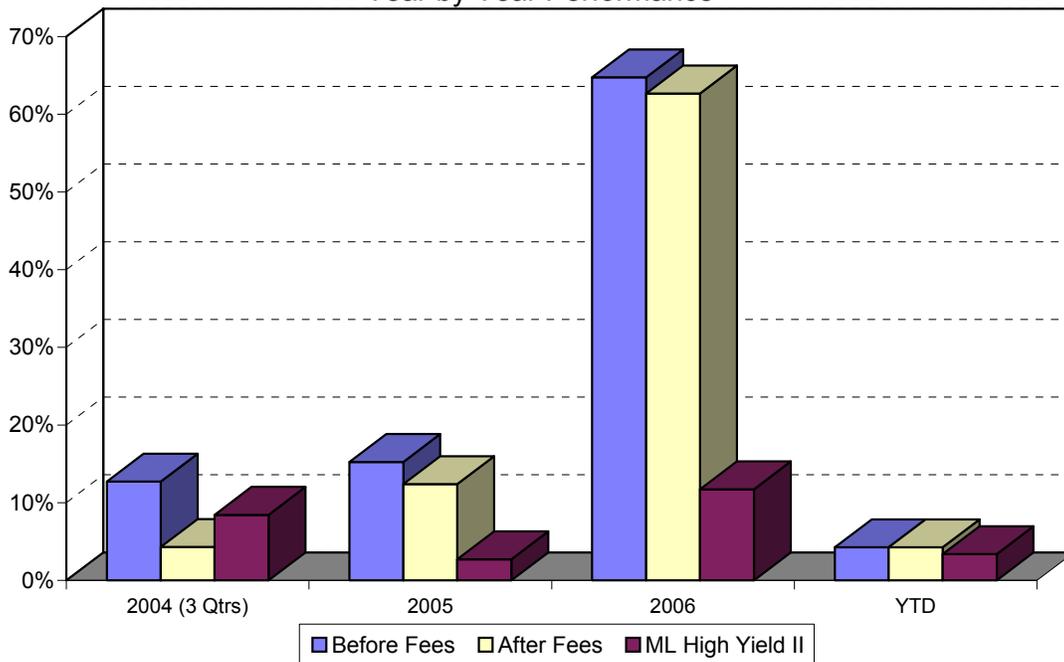
ING Clarion vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

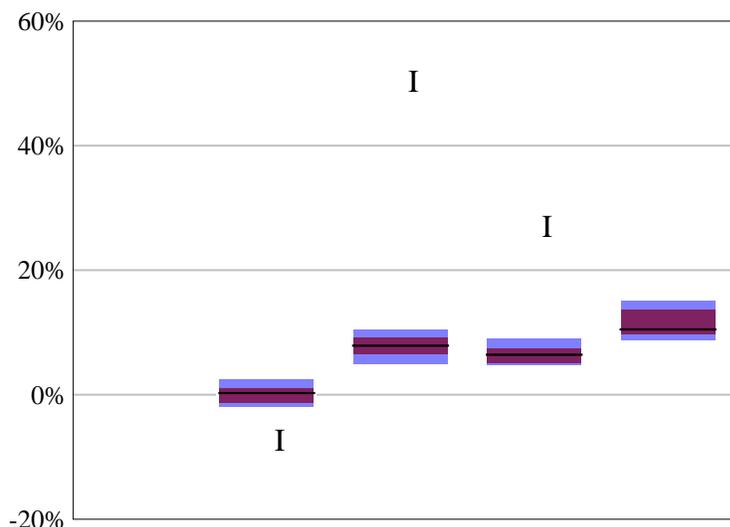


ING Clarion vs. ML High Yield II

Year by Year Performance



ING Clarion



Portfolio Characteristics	ING Clarion	ML High Yield II
Mkt Value (\$Mil)	1.1	n/a
Yield to Maturity (%)	33.9 %	8.6 %
Duration (yrs)	5.1	4.8
Avg. Quality	B	B

Quality Distribution	ING Clarion	ML High Yield II
A	0 %	0 %
BBB	0	0
BB	0	42
B	0	41
CCC	85	17
Not Rated	15	0
Cash	0	0

	Last Qtr	1 Yr	3 Yrs	5 Yrs
ING Clarion (I)	-7.2	50.6	27.2	-
Rank v. High Yield 100	100	1	1	-
ML HY II (M)	0.3	7.7	7.4	12.5
Hi Yield Median	0.3	7.9	6.5	10.5

ING Clarion returned -7.2% for the third quarter. This return was well below the Merrill Lynch High Yield Master II Index return of 0.3% and ranked in the 100th percentile of high yield portfolios. Over the past year, the portfolio has returned 50.6%, well above the ML High Yield II return of 7.7%, and ranked in the 1st percentile. Over the past three years, the portfolio has returned 27.2%, well above the ML High Yield II return of 7.4% and once again ranked in the 1st percentile. This has been an extremely successful investment.

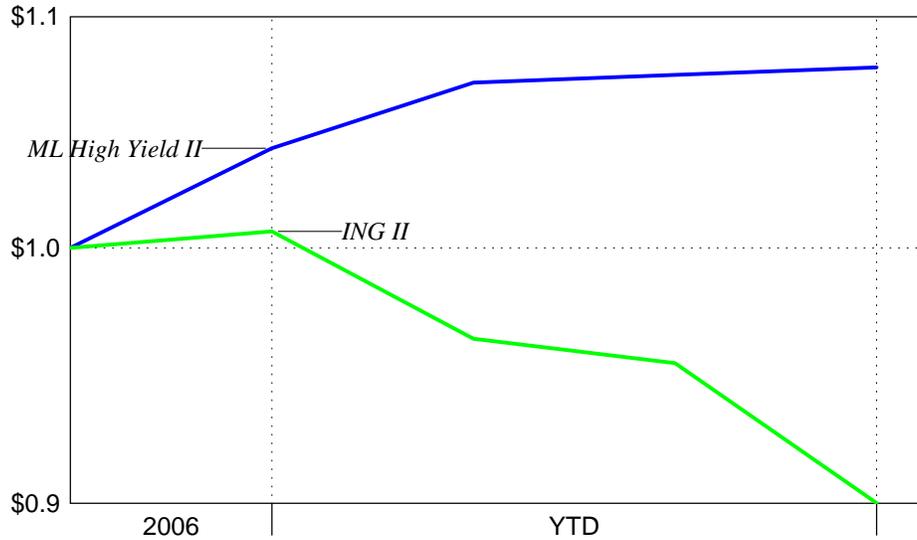
The fund continues to hold a small, residual interest in Ansonia CDO 2006-1, which as of September 30, 2007 consisted of seven tranches of the CDO issue, for a total face amount of \$162.4 million and coupons ranging from 1.00% to 1.25%. This position was valued at \$4.6 million as of September 30, 2007. CCCERA's portion of this position was valued at \$1.1 million.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II

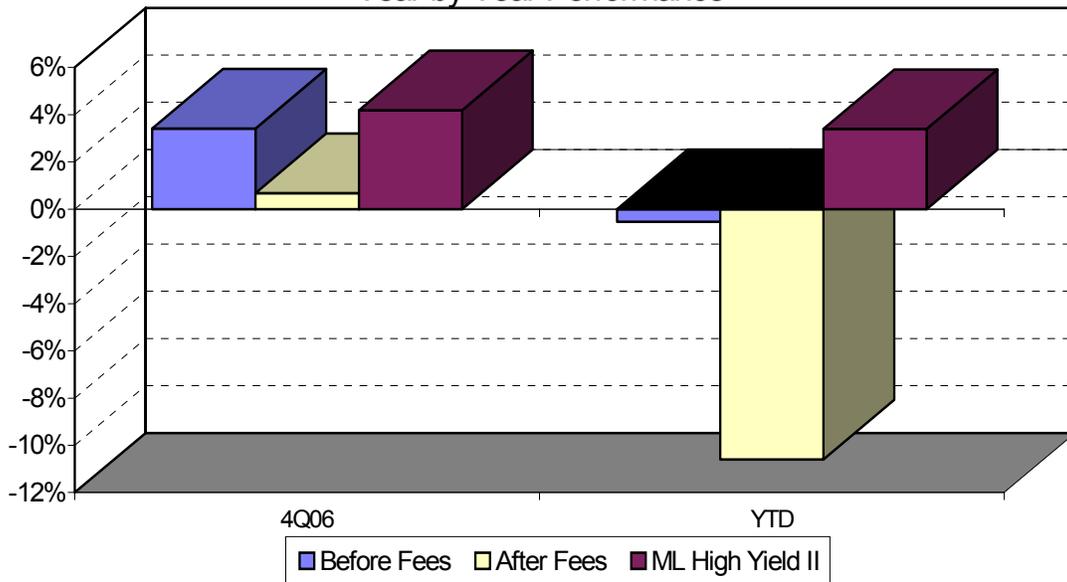
ING Clarion II vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

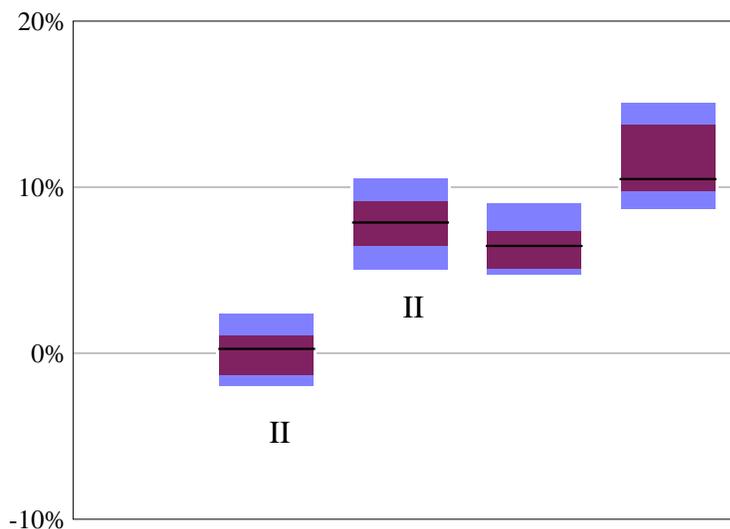


ING Clarion II vs. ML High Yield II

Year by Year Performance



ING Clarion II



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
ING Clarion II (II)	-4.7	2.9	-	-
Rank v. High Yield	100	100	-	-
ML HY II (M)	0.3	7.7	7.4	12.5
Hi Yield Median	0.3	7.9	6.5	10.5

Portfolio Characteristics	ING Clarion II	ML High Yield II
Mkt Value (\$Mil)	77.5	n/a
Yield to Maturity (%)	13.3 %	8.6 %
Duration (yrs)	3.8	4.8
Avg. Quality	B	B

Quality Distribution	ING Clarion II	ML High Yield II
A	0 %	0 %
BBB	6	0
BB	12	42
B	0	41
CCC	18	17
Not Rated	64	0
Cash	0	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 the fourth quarter of 2006. ING Clarion II returned -4.7% for the third quarter, which was below the Merrill Lynch High Yield Master II return of 0.3%, and ranked in the 100th percentile in the universe of high yield portfolios.

ING Clarion invests in lower quality mortgages purchased at a significant discount. During the third quarter, the portfolio acquired an investment in the subordinate classes of a CMBS transaction, a B-note transaction, an investment in the BBB- class of a CMBS transaction and an investment in the BB class of another CMBS transaction.

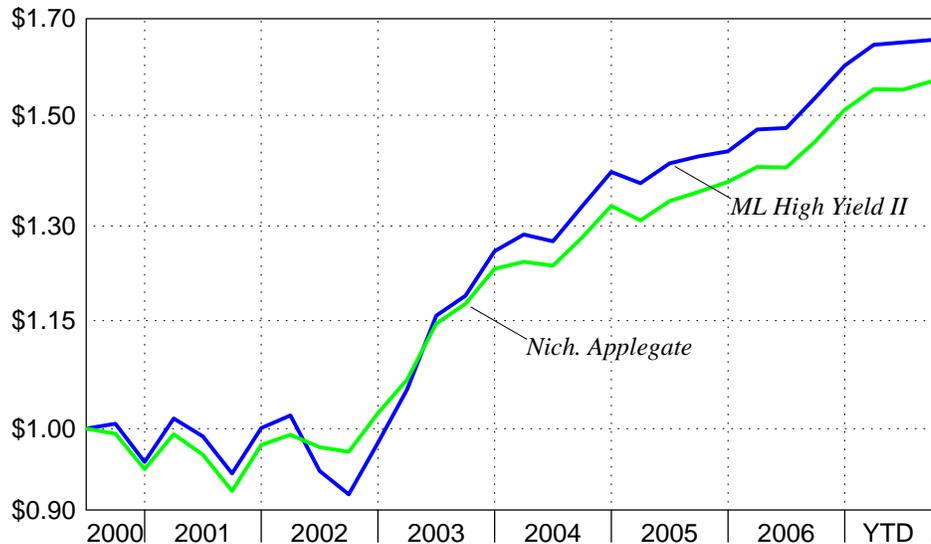
According to Dan Heflin, the current market uncertainty has presented the team with multiple opportunities to pick up debt at bargain prices. The fund has called over \$60 million in capital from CCCERA in the third quarter alone in order to take advantage of these opportunities.

MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate

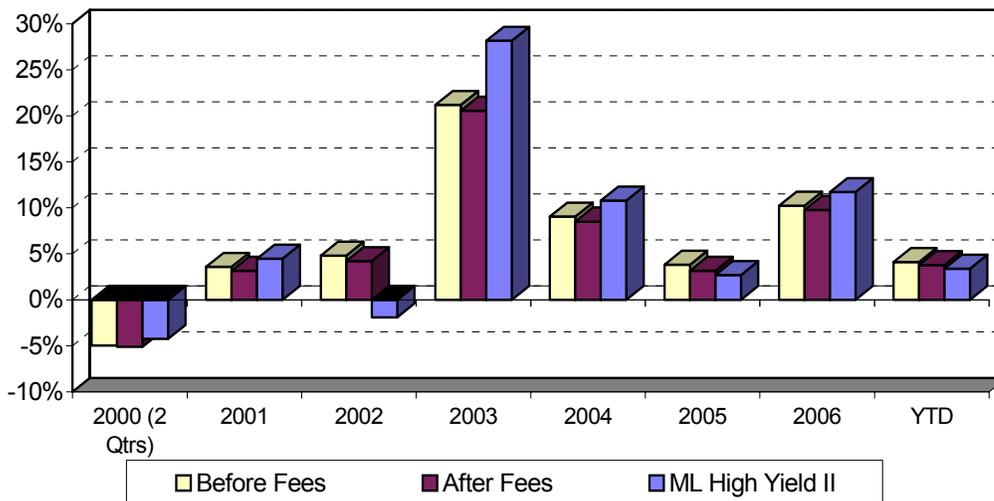
Nicholas-Applegate vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

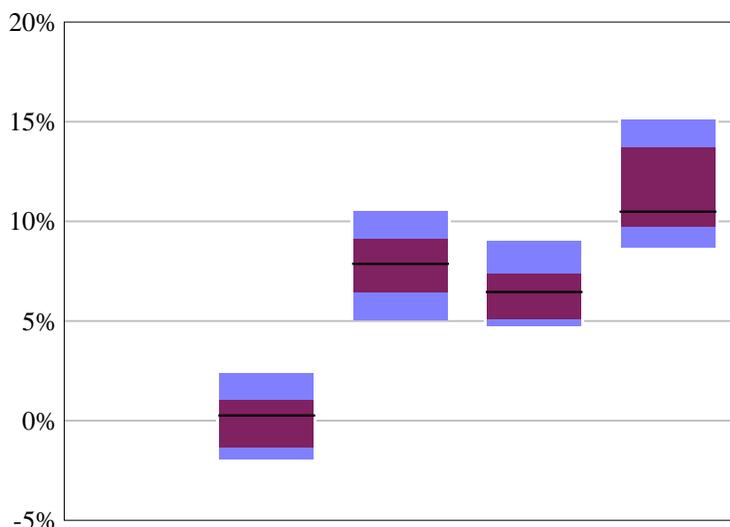


Nicholas Applegate vs. Benchmarks

Year by Year Performance



Nicholas Applegate



Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	104.6	n/a
Yield to Maturity (%)	8.0 %	8.6 %
Duration (yrs)	4.2	4.8
Avg. Quality	BB	B

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	1	0
BB	33	42
B	61	41
CCC	5	17

	Last Qtr	1 Yr	3 Yrs	5 Yrs
Nich. Appl. (N)	1.2	8.6	7.5	10.6
Rank v. High Yield	18	32	17	41
ML HY II (M)	0.3	7.7	7.4	12.5
ML BB/B (B)	0.8	7.3	7.0	11.1
Hi Yield Median	0.3	7.9	6.5	10.5

Nicholas Applegate's high yield fixed income portfolio returned 1.2% for the third quarter, above the 0.3% return of the Merrill Lynch High Yield II Index, and ranked in the 18th percentile of high yield managers. Nicholas Applegate returned 8.6% in the past year versus 7.7% for the ML High Yield II Index and 7.9% for the median. For the five-year period, Nicholas Applegate's return of 10.6% was below the 12.5% return of the ML High Yield II Index but above the 10.5% return of the median high yield manager.

As of September 30, 2007, the Nicholas Applegate high yield portfolio was allocated 1% to BBB rated securities vs. 0% for the ML High Yield II Index, 33% to BB rated issues versus 42% for the Index, 61% to B rated issues versus 41% in the Index and 5% to CCC rated securities versus 17% for the Index. The portfolio's September 30, 2007 duration was 4.2 years, shorter than 4.8 years for the ML High Yield II Index.

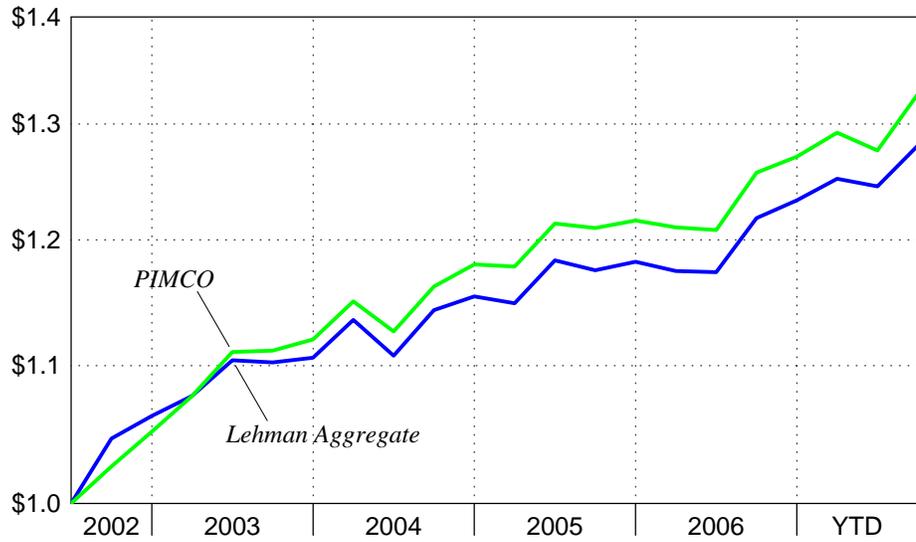
Most of the portfolio's outperformance was the result of rebounds of good credits as well as some purchases and trading during the sharpest downticks. Positive movers included Williams Scotsman, Echostar DBS Corp, Dynegy Inc and Edison Mission Energy. The team specifically added to the merchant energy issuers after a severe technical sell-off. These bonds rebounded quickly because the core fundamentals had not changed. Negative performers included Clark American Corp, Cenveo Inc and Bon-Ton Stores Inc. Bon-Ton was the only issuer in this list to move lower due to fundamental weakness. The company had not met expectations for the quarter and was sold. Most other issuers that were lower in the period were taken down with the market and have not rebounded fully. There were six positive rating actions in the quarter for the portfolio. There were only two downgrades in the period. Most additions to the portfolio in the quarter were add-ons to existing positions. Sales included Bon-Ton Stores Inc., Burlington Coat Factory and Georgia Gulf Corp. The portfolio lost several names to calls or tenders including Alamosa Delaware, Lyondell Chemical Corp, Vertrue Inc and Case New Holland Inc.

MANAGER COMMENTS – FIXED INCOME

PIMCO

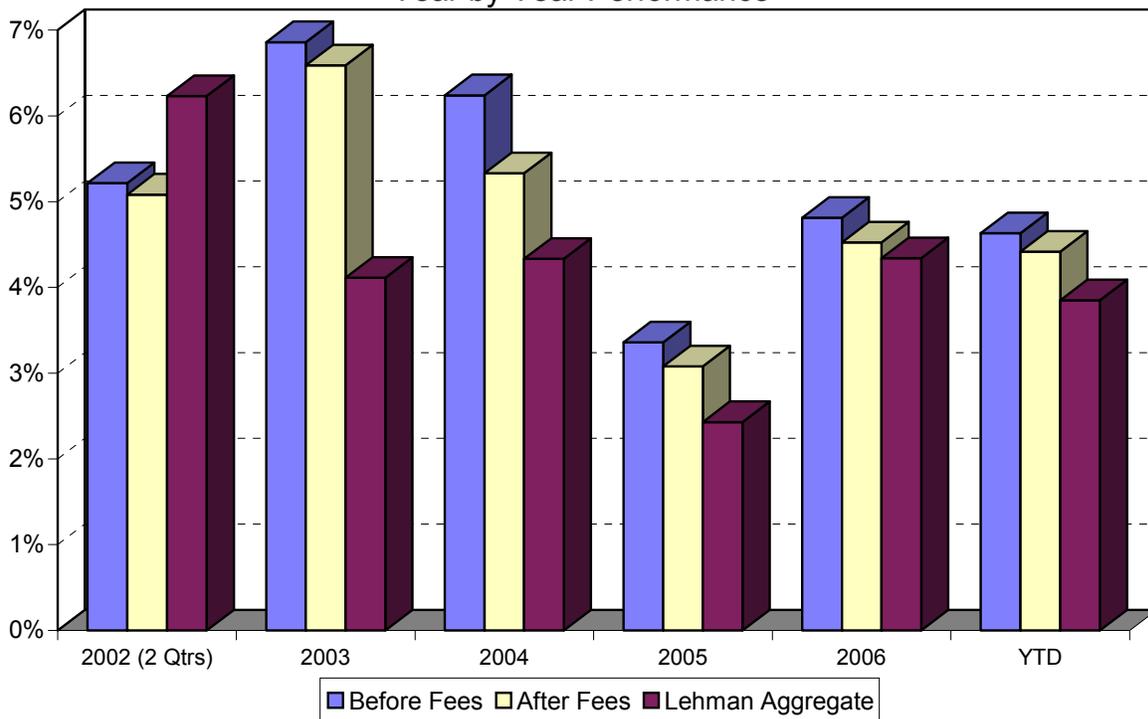
PIMCO vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

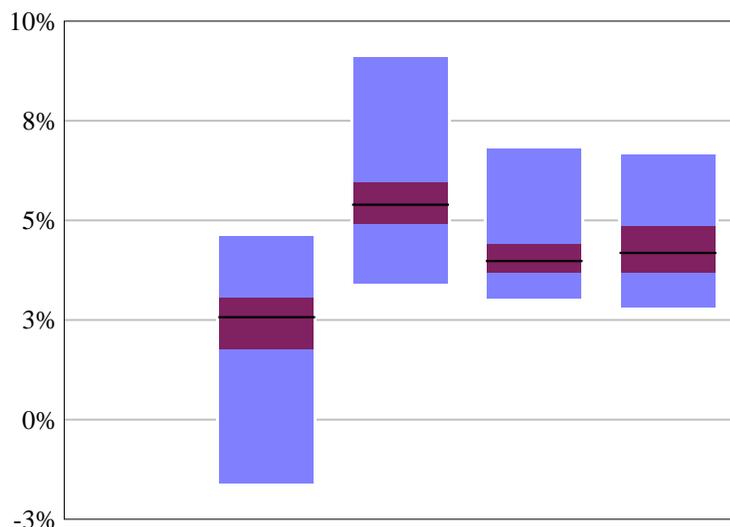


PIMCO vs. Lehman Aggregate

Year by Year Performance



PIMCO



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
PIMCO (P)	4.0	5.9	4.8	5.6
Rank	11	29	15	9
LB Agg (L)	2.9	5.1	3.9	4.1
LB Univ (U)	2.6	5.3	4.3	4.9
Fixed Median	2.6	5.4	4.0	4.2

Portfolio Characteristics	PIMCO	Lehman Aggregate
Mkt Value (\$Mil)	553.0	n/a
Yield to Maturity (%)	5.5 %	5.3 %
Duration (yrs)	5.0	4.6
Avg. Quality	AA	AA+

Sectors	PIMCO	Lehman Aggregate
Treasury/Agency	16 %	33 %
Mortgages	46	34
Corporates	10	19
High Yield	2	0
Asset-Backed	0	0
CMBS	0	0
International	10	14
Emerging Markets	7	0
Other	1	0
Cash	8	0

PIMCO's return of 4.0% for the third quarter was above the 2.9% return of the Lehman Aggregate and ranked in the 11th percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 5.9% was better than the 5.1% return of the Lehman Aggregate and ranked in the 29th percentile. Over the past five years, the portfolio has returned 5.6%, again above the Lehman Aggregate return of 4.1%, and ranked in the 9th percentile.

During the third quarter, PIMCO significantly reduced (-11%) the allocation to treasury and agency securities. The allocations to mortgages and investment grade credits were both up by 5%. All other sectors had smaller changes. The duration of the PIMCO fixed income portfolio at the end of the third quarter was 5.0 years, longer than last quarter's duration and slightly longer than the benchmark.

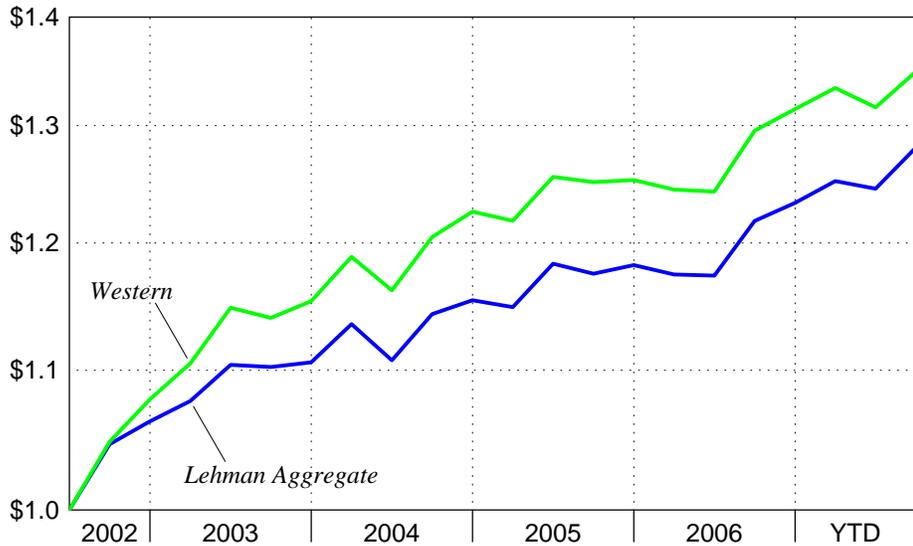
Third quarter performance was helped by an above-benchmark duration as interest rates fell. Other contributing strategies included an emphasis on shorter maturities in the US and UK, strong mortgage security selection, an underweight to corporate debt and avoiding asset-backed commercial paper which suffered sharp losses. The only significant detractor from performance was a modest allocation to relatively low volatility municipal bonds, which did not keep pace with taxable bonds as rates fell and high quality bonds rallied.

Looking forward, PIMCO plans to focus on high quality assets and strategies that should benefit from steeper yield curves and US dollar weakness. The firm also plans to emphasize short maturities in the US and UK, looks to overweight high quality mortgage-backed bonds that now trade compelling valuations and continue to insulate the portfolio from the sub-prime crisis by owning high quality short term asset-backed bonds backed by strong collateral.

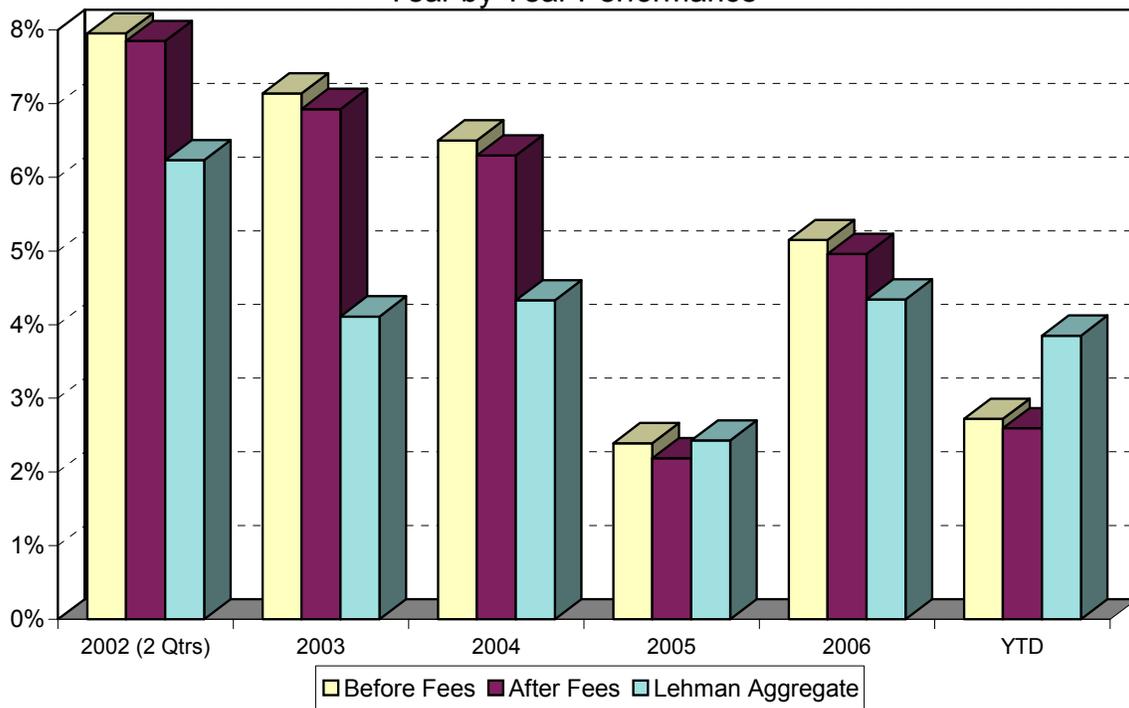
MANAGER COMMENTS – FIXED INCOME

Western Asset Management

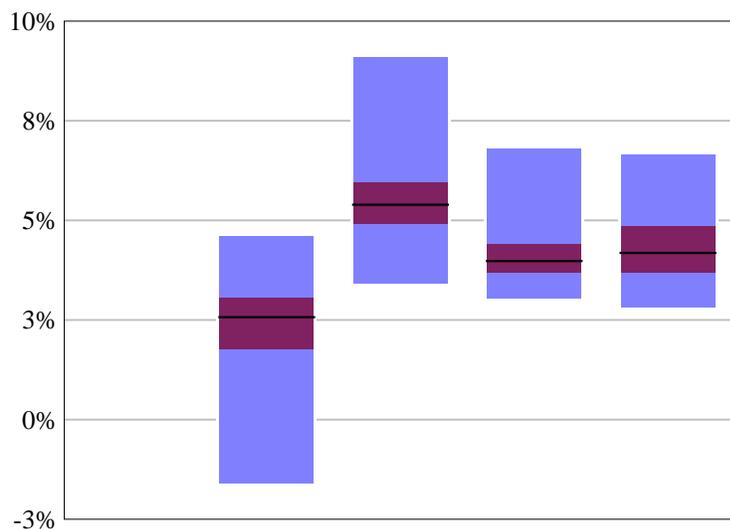
Western Asset Mgmt vs. Lehman Aggregate
Cumulative Value of \$1 (Net of Fees)



Western Asset vs. Lehman Aggregate
Year by Year Performance



Western Asset Management



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Western Asset (W)	2.5	4.3	4.0	5.4
Rank	52	87	46	12
LB Agg (L)	2.9	5.1	3.9	4.1
LB Univ (U)	2.6	5.3	4.3	4.9
Fixed Median	2.6	5.4	4.0	4.2

Portfolio Characteristics	Western Asset	Lehman Aggregate
Mkt Value (\$Mil)	539.1	n/a
Yield to Maturity (%)	6.7 %	5.7 %
Duration (yrs)	5.3	4.7
Avg. Quality	AA+	AA+

Sectors	Western Asset	Lehman Aggregate
Treasury/Agency	12 %	33 %
Mortgages	60	34
Corporates	14	19
High Yield	6	0
Asset-Backed	2	0
CMBS	2	0
International	3	14
Emerging Markets	0	0
Other	0	0
Cash	2	0

Western Asset Management's return of 2.5% for the third quarter trailed the 2.9% return of the Lehman Aggregate and ranked in the 52nd percentile in the universe of fixed income managers. For the one-year period, Western's return of 4.3% trailed the 5.1% return of the Lehman Aggregate and ranked in the 87th percentile. Over the past five years, Western returned 5.4%, above the Lehman Aggregate return of 4.1%, and ranked in the 12th percentile.

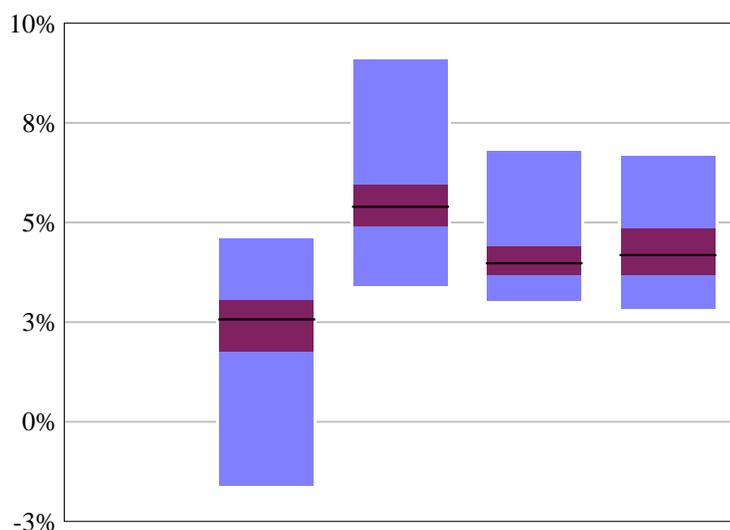
During the third quarter, Western Asset made few changes to the portfolio. The allocations to treasuries/agencies decreased by 8% while the mortgage allocation was up by 11%. Corporates were down 1%, asset-backed securities were up 1% and international was down 2%. All other sectors were unchanged. The duration of the Western Asset fixed income portfolio at the end of the third quarter was 5.3 years, slightly longer than the 5.0 year duration at the end of the previous quarter, and longer than that of the index.

Western Asset Management's third quarter performance was hurt by lower quality corporate holdings, an overweight to mortgages, moderate exposure to high yield bonds and a moderate exposure to non-dollar bonds. Tactical duration adjustments added to third quarter performance, as did a bulleted exposure to the front end of the yield curve and a moderate exposure to TIPS. Western Asset intends to maintain a tactically neutral duration, allowing duration to follow the direction of interest rates with a view that bond yields will be relatively range-bound. Western also intends to maintain its underweight to the corporate sector and overweight to the mortgage sector.

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MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
CCC Total (C)	2.9	6.7	5.6	6.4
Rank	35	15	9	6
LB Univ (U)	2.6	5.3	4.3	4.9
LB Agg (L)	2.9	5.1	3.9	4.1
Fixed Median	2.6	5.4	4.0	4.2

Portfolio Characteristics	Total Fixed	Lehman Universal
Mkt Value (\$Mil)	1,468.5	n/a
Yield to Maturity (%)	6.5 %	5.6 %
Duration (yrs)	5.0	4.7
Avg. Quality	AA	AA

Sectors	Total Fixed	Lehman Universal
Treasury/Agency	12 %	28 %
Mortgages	51	33
Corporates	9	25
High Yield	15	0
Asset-Backed	1	0
CMBS	1	0
International	5	14
Emerging Markets	3	0
Other	0	0
Cash	4	0

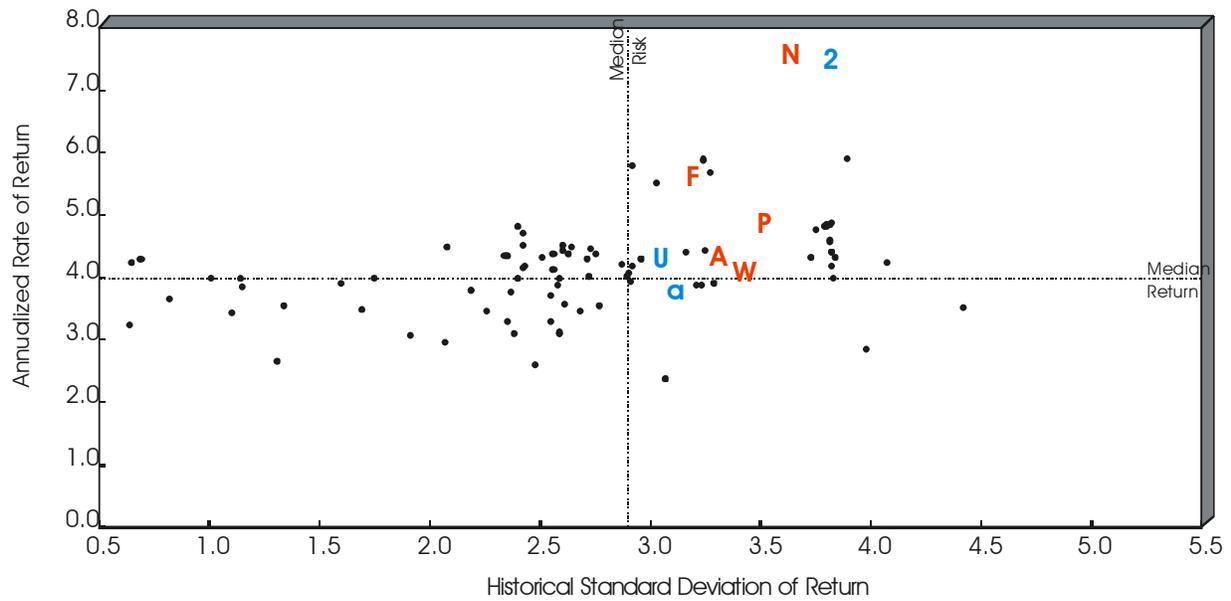
CCCERA total fixed income returned 2.9% in the third quarter, which was above the 2.6% return of the Lehman Universal and matched the 2.6% return of the Lehman Aggregate, ranking in the 35th percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 6.7%, significantly better than the 5.3% return of the Lehman Universal and the 5.1% return of the Lehman Aggregate. Much of the past year's strong performance was generated by the large ING Clarion liquidation distributions in December 2006. The CCCERA total fixed income returns have significantly exceeded the Lehman Universal and the median fixed income manager over both the three and five year periods.

During the third quarter, the allocation to treasury/agency securities was down by 7%, mortgages were up 3%, corporate debt was up 1%, high yield was up 4%, asset-backed securities were down 1%, emerging markets were up 1% and cash was down by 2%. All other sector allocations were unchanged. The duration of the total fixed income portfolio at the end of the third quarter was 5.0 years, slightly longer than the 4.7 year duration of the index.

MANAGER COMMENTS – FIXED INCOME

Domestic Fixed Income Performance and Variability

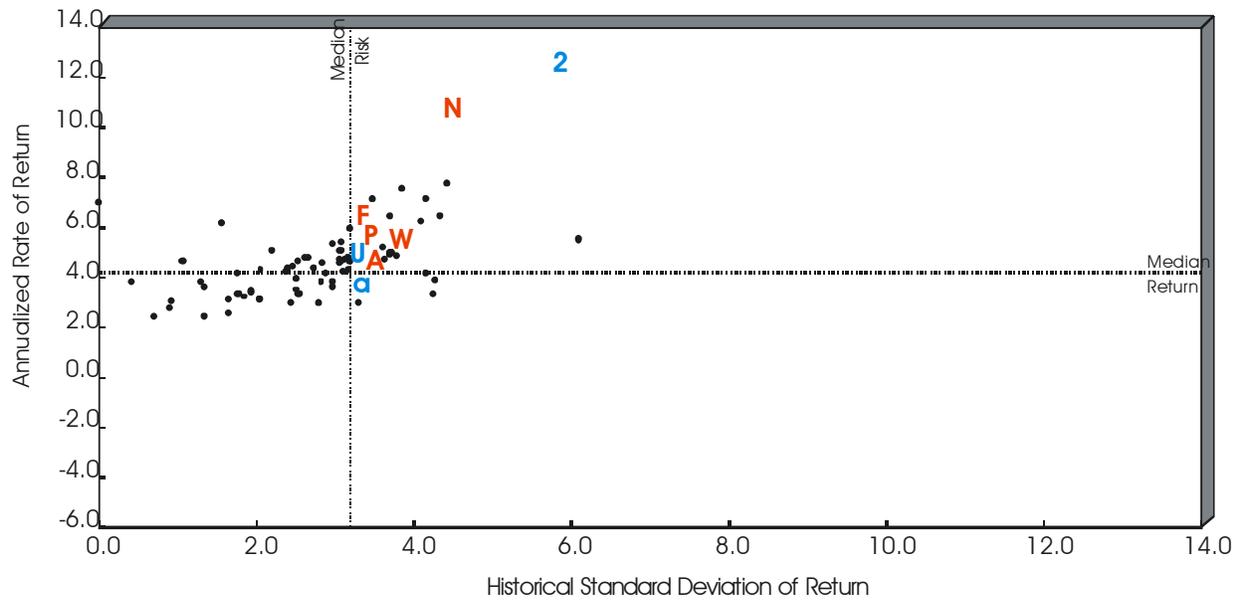
Three Years Ending September 30, 2007



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
A AFL-CIO	4.29	31	3.33	75
N Nicholas Applegate	7.52	2	3.65	84
P PIMCO	4.82	15	3.54	82
W Western Asset Management	4.03	46	3.43	79
F Total Fixed Income	5.55	9	3.22	70
a LB Aggregate	3.86	62	3.13	63
2 ML High Yield II	7.44	3	3.84	91
U Lehman Universal	4.26	33	3.07	60
Median	3.98		2.90	

Domestic Fixed Income Performance and Variability

Five Years Ending September 30, 2007



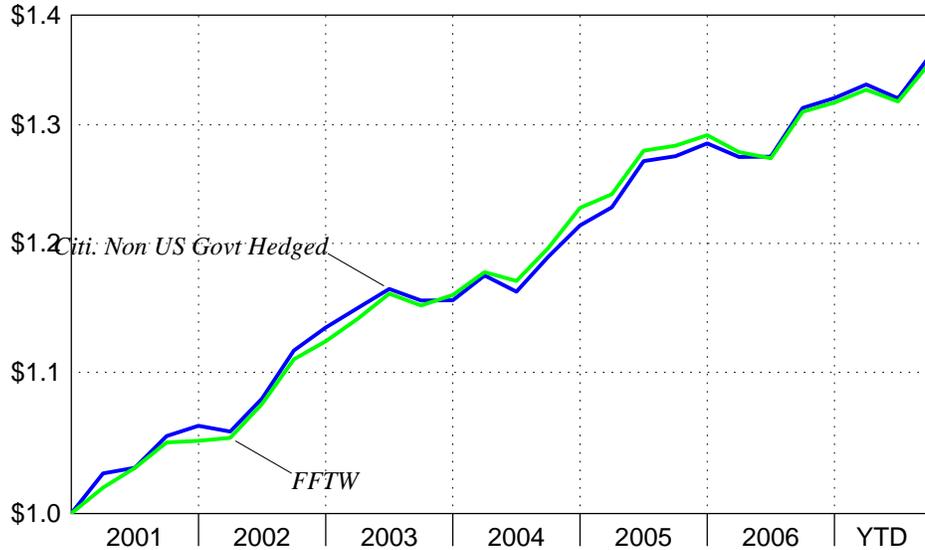
		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
A	AFL-CIO	4.52	37	3.47	68
N	Nicholas Applegate	10.64	1	4.53	92
P	PIMCO	5.57	9	3.52	70
W	Western Asset Management	5.38	12	3.84	85
F	Total Fixed Income	6.38	6	3.44	65
a	LB Aggregate	4.13	54	3.27	56
2	ML High Yield II	12.48	1	5.91	96
U	Lehman Universal	4.86	24	3.33	61
	Median	4.18		3.19	

MANAGER COMMENTS – INTERNATIONAL FIXED INCOME

Fischer Francis Trees & Watts

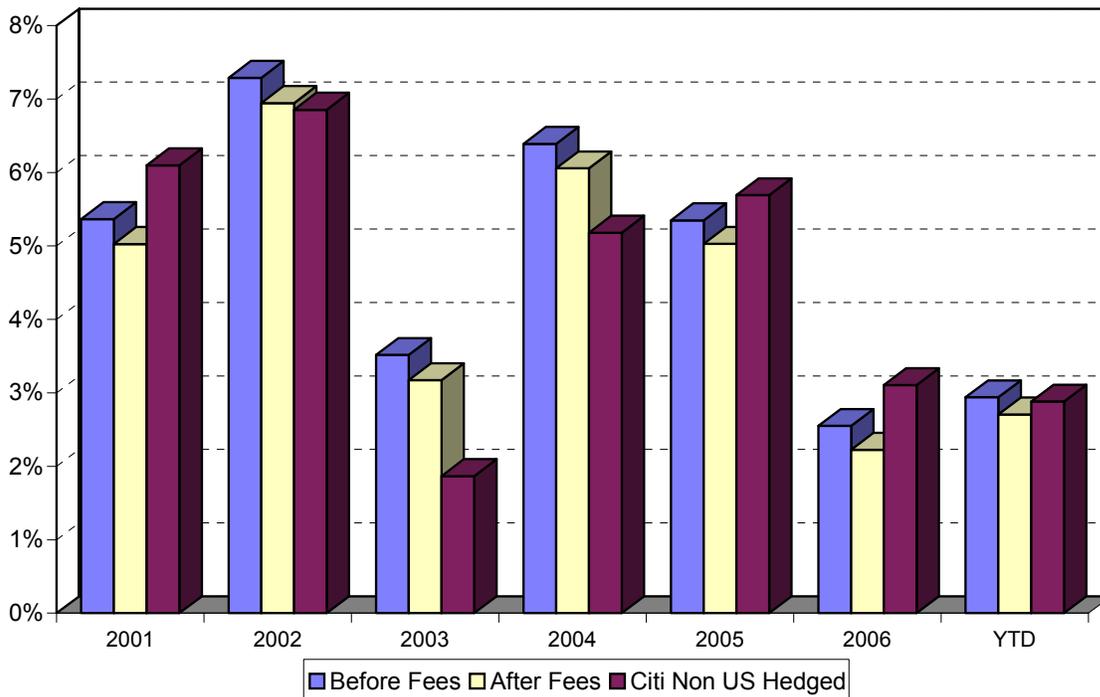
FFTW vs. Citi. Non US Govt Hedged

Cumulative Value of \$1 (Net of Fees)



FFTW vs. Citi Non-US Govt Hedged

Year by Year Performance



Fischer Francis Trees & Watts

Performance

	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
FFTW	2.7%	3.7%	4.6%	4.4%
Citi. NonUS Hdg	2.9	3.6	4.6	4.1

Over-Weighted

<u>Countries</u>	<u>FFTW</u>	<u>Citigroup NonUS</u>
United States	14%	0%
Germany	23	13

Portfolio

<u>Characteristics</u>	<u>FFTW</u>	<u>Citi. NonUS</u>
Mkt. Value (\$mil)	202.6	N/A
Duration (years)	6.3	6.3

Under-Weighted

<u>Countries</u>	<u>FFTW</u>	<u>Citigroup NonUS</u>
Italy	0%	11%
France	5	10

Securities

	<u>FFTW</u>	<u>Citigroup NonUS</u>
Non-US Collateralized	6%	0%
US ABS	6	0
Non-US Credit	1	0
US Credit	0	0
Non-US Gov/Agency	79	100
US Gov/Agency	6	0

The Board decided to terminate Fischer Francis Trees & Watts (FFTW) during the third quarter and selected Lazard to manage a global aggregate fixed income mandate. The Fischer Francis Trees & Watts (FFTW) portfolio returned 2.7% for the third quarter, slightly trailing the 2.9% return of the Citigroup Non US Government Hedged Index. For the past year, FFTW returned 3.7%, above the 3.6% return of the Index. For the five-year period, FFTW's return of 4.4% was above the 4.1% return of the Index. The portfolio is in compliance with performance objectives.

As of September 30, 2007, the portfolio's largest country over-weightings remain the United States and Germany, while the largest under-weightings are in Italy and France. The portfolio contained 6% non-US collateralized securities, 6% US asset backed securities, 1% other non-US credits, 0% US Credits and 6% US government securities. The portfolio's third quarter duration was 6.3 years, matching the 6.3 year duration of the Citigroup Non US Government Index.

In trailing the benchmark, FFTW had relatively strong performance in its foreign exchange strategies, neutral contributions from its interest rate and corporate credit strategies and a negative contribution from mortgage-backed security strategies. The bulk of the foreign exchange out-performance came from the firm's short US dollar position versus a basket of currencies. This position underperformed in August as risk aversion continued to grow, but outperformed in September as weak US data and the Fed cut caused the dollar to reach new trade-weighted lows. FFTW remains bearish on both the Japanese yen and US dollar from a growth perspective, but favor the dollar over the yen in terms of both carry and relative value. In early August the firm entered a tactical overweight in US duration on the back of a deteriorated outlook for the US economy, which they maintained throughout the rest of the quarter. An aggregate overweight in European credit detracted from portfolios during the quarter, with an overweight in subordinated financials the primary negative contributor to performance. Finally, the portfolio was overweight to the MBS and CMBS portions of the market, which detracted from third quarter performance. FFTW does not believe that we have entered a new easing cycle in interest rates and believes that the recent credit crisis was not severe enough to push developed markets into recession.

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management \$288,856,234

Adelante Capital Management reported a return of 1.6% for the third quarter, better than the 1.4% of the DJ Wilshire Index but ranking in the 80th percentile in the universe of REIT portfolios. Adelante's one-year return of 6.2% out-performed the NAREIT Equity Index return of 5.68%.

As of September 30, the portfolio consisted of 26 holdings. Office properties comprised 19.1% of the portfolio, apartments made up 18.9%, retail represented 23.9%, industrials accounted for 10.2%, 7.8% is accounted for as diversified/specialty, hotels accounted for 14.8%, and 5.3% is cash. The properties were diversified regionally with 6.9% in the East North Central region, 14.2% in the Mideast, 8.0% in the Mountain, 30.0% in the Northeast, 21.5% in the Pacific region, 9.4% in the Southeast, 5.8% in the Southwest region, 2.3% in the West North Central region, international made up 1.2% and 0.6% unclassified.

For the quarter, the Dow Jones Wilshire REIT Index makes a modest advance; however, there was significant volatility intra-quarter. While there was very little news flow out of the REIT sector in third quarter 2007, broad markets were roiled in July and August by fears of contagion from the sub-prime debacle only to be rescued by the Federal Open Market Committee's ("FOMC") 50 bps cut in the discount rate on August 17 and 50 bps cuts in the federal funds and discount rates on September 18. In the end, the Dow Jones Wilshire REIT Index advanced 1.4%, slightly less than the S&P 500 Index which advanced 2.0% but much better than the Russell 2000® Index which declined 3.1%. From the announcement of the first FOMC action through quarter end, the Dow Jones Wilshire REIT Index gained 9.7%, outpacing the recovery in the S&P 500 and the Russell 2000® Indices, which advanced 8.4% and 5.0%, respectively..

During the September 24, 2007 reconstitution, seven health care REITs were added to the Dow Jones Wilshire REIT and Real Estate Securities Indices.

BlackRock Realty \$32,164,365

BlackRock Realty Apartment Value Fund III (AVF III) reported a third quarter total return of 3.0%. Over the one-year period, BlackRock has returned 18.2%. CCCERA has an 18.7% interest in the AVF III.

As of September 30, 2007, the fund held 17 investments. The portfolio consisted of 100% apartment properties. The properties were distributed regionally as follows: 45% in the Pacific, 12% in the Northeast, 5% in the Mideast, 18% in the East North Central, 5% in the Southwest and 15% in the Southeast. Average portfolio occupancy rate of developed existing properties is near 91%.

There will be no further acquisitions for the AVF III as the fund is fully invested. AVF III is contemplating the disposition of several assets in the fourth quarter which have completed their renovation program and have been stabilized for a minimum of one year.

Due to higher general vacancy and aggressive concessions on the Fund properties undergoing renovation or lease-up, AVF III's total property net operating income was below budget by 15%.

DLJ Real Estate Capital Partners
\$595,792

DLJ Real Estate Capital Partners (RECP) reported a return of 21.1% in the quarter ending June 30, 2007. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 34.5%. CCCERA has a 3.8% ownership interest in RECP.

As of June 30, the portfolio consisted of 100% land development. The properties were diversified regionally with 47.4% in the Pacific, 49.2% in the Southwest and 3.4% in the Southeast.

RECP I completed its investment activities in 1999 and has since emphasized asset management and asset realizations. By the end of 2006, RECP I has essentially realized its entire portfolio of 49 investments, and DLJ remain focused on realizing the final residual values from a few remaining assets.

DLJ Real Estate Capital Partners II
\$11,439,871

DLJ Real Estate Capital Partners II (RECP II) reported a return of 0.6% in the quarter ending June 30, 2007. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP II has returned 37.0%. CCCERA has a 3.4% ownership interest in RECP II.

As of June 30, the portfolio consisted of 5.4% office properties. Hotels accounted for 26.6%, residential accounted for 26.1%, land development made up 9.0%, retail made up 28.7%, sub-performing loans made up 3.0% and “other” made up 1.2%. The properties were diversified regionally with 31.3% in the Pacific, 16.2% in the Northeast, 0.3% in the Southeast, 25.5% internationally, and 26.6% listed as “Various U.S.”.

The RECP II Fund has acquired 51 investments with total capital committed of \$981 million. RECP II’s investment activities were completed in 2004 and the focus thereafter has been on the management, positioning and realization of the portfolio.

The Fund has received substantial proceeds as partial realizations on their remaining portfolio. These partial proceeds, together with the fully realized transaction, have allowed the Fund to distribute \$1.74 billion, representing 177% of the capital invested by the Fund.

To date, the Fund has fully realized 38 of its 51 investments, generating profits of \$858.6 million. The Fund expects to continue to harvest the majority of the portfolio over the next 6-18 months.

DLJ Real Estate Capital Partners III
\$58,029,250

DLJ Real Estate Capital Partners III (RECP III) reported a return of 5.0% in the quarter ending June 30, 2007. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III has returned 27.8%. CCCERA has a 6.7% ownership interest in RECP III.

As of June 30, 2007 the portfolio consisted of 0.8% office properties, hotels accounted for 40.7%, residential accounted for 14.6%, land development made up 4.9%, retail made up 3.8%, mixed use development accounted for 9.8%, vacation home development company made up 9.8%, industrial/logistics made up 9.4%, sub-performing loans made up 1.2% and “other” made up 5.0%. The properties were diversified regionally with 14.0% in the Pacific, 10.0% in the Northeast, 5.0% in the Southeast, 57.9% internationally, and 13.0% listed as “Various U.S.”.

RECP III made 12 investments in 2007, the Fund completed 48 investments, in locations across Asia, Europe, the U.S. and the Caribbean, with total commitments of \$1.0 billion. In addition, RECP III realized eight investments generating profits of \$123.3 million. These eight realizations, along with partial realizations, refinancing proceeds and operating cash flows from the remainder of the portfolio, have enabled the Fund to receive \$263 million of proceeds, representing approximately 25% of its capital invested.

The Fund has completed 48 investments, committing \$1.0 billion of equity. In addition, the Fund has two transactions in the later stages of the acquisition process, at which point the Fund will be fully vested.

FFCA Co-Investment Limited Partnership **\$4,815,865**

FFCA reported a third quarter total return of -0.5%. For the one-year period, FFCA reported a total return of 5.7%. Over longer periods, FFCA has met the objective of exceeding the CPI plus 500 basis points. CCCERA has a 33% interest in the Co-Investment.

As of September 30, 2007, the Co-Investment's portfolio includes 15 restaurant properties. The Fund continues to receive the contractual payments on these properties. Rental income decreased by \$332,314 for the nine-month period ended September 30, 2007. This was primary due to property sales in Q1, Q2, and Q3 2007. The change in the other income increased by \$1000,967 primarily due to the increase of outstanding cash balances at the end of the period, which resulted in interest income of \$81,723. The remaining change in other income was due to the right of way taking in Q1 2007.

Fidelity Investments US Growth Fund II **\$38,253,604**

Fidelity Investments reported a return of 1.4% for the second quarter of 2007. For the one-year period, Fidelity reported a total return of 3.7%

As of September 30, the fund was comprised of 50 investments. The portfolio consisted of 25% apartment properties, office space accounted for 3%, retail accounted for 5%, for sale housing accounted for 24%, hotels accounted for 7%, self storage made up of 1%, land made up 10%, student housing accounted for 16%, senior housing accounted for 2%, industrials accounted for 2%, and golf courses made up the remaining 1% of the portfolio. The properties were diversified regionally with 20% in the Pacific, 6% in the Northeast, 21% in the Southeast, 16% in the Mideast, 20% in the Mountain region, 11% in the Midwest and 5% in the Southwest.

Hearthstone I & II
(-\$22,000 & -\$166,000)

The two Hearthstone homebuilding funds are approaching completion. Both funds are showing negative asset values. The reason for the negative values is that the liabilities associated with those values are due in the future. Funds required to pay the liabilities either are associated with still existing projects or have been advanced to the fund participants. When the liabilities become due, CCCERA will have to return the advances and/or the liabilities will be paid from future profits from the few remaining projects.

Given the negative asset values, ongoing calculation of quarterly time-weighted performance for the two funds is not meaningful. (We do include the income in the combined real estate and the total fund performance.) As always for closed-end funds, the best measure of performance is the internal rate of return (IRR), shown on page 13. By this measure, the first fund has been a disappointing performer and the second fund a strong one.

Invesco Real Estate Fund I
\$34,629,910

Invesco Real Estate Fund I (“IREF”) reported a third quarter total return of -5.1%. Over the past year, Invesco Real Estate Fund I returned 18.2%. CCCERA has a 15.1% interest in the Real Estate Fund I.

As of September 30, the portfolio consisted of twelve properties. The portfolio consisted of 28% retail, 16% industrial properties, 18% office and 38% multi-family. The properties were diversified regionally with 13.7% in the Mountain, 24.5% in the North East, 8.4% in the Midwest, 7.4% in the Southeast, 6.9% in the Southwest and 39.0% in the “Various”. High yield debt (CMBS) not included in the calculations.

The Fund has committed 103% of its equity capital and has called 74%. Accounting for equity returned to date via dispositions, the Fund’s net called capital stands at 52%. Since inception, IREF I has made fifteen investments, twelve of which are currently held in the portfolio and three which have been sold at disposition pricing in excess of the Fund’s overall return target. The Fund is now in its operating and redemption phase.

As of the third quarter 2007, Invesco announced that Darin Turner will join the team as an Associate Portfolio Manager. Darin has been with Invesco for the past few years, and brings particular expertise in the areas of structured analysis and High Yield Debt products.

Prudential Strategic Performance Fund II
\$6,984,910

For the third quarter, the Prudential Strategic Performance Fund-II (SPF-II) reported a total return of 2.8%, 2.8% from income and 0.1% from appreciation. Over the one year period, the fund returned 45.3%, 34.2% from income and 11.1% from appreciation. CCCERA accounts for 16.2% of SPF-II.

As of September 30, the portfolio was invested in five properties: one office properties (11.2%) and four residential complexes (88.8%). The regional distribution of the portfolio is 11.2% in the Southeast, 21.6% Northeast, and 67.3% Mideast. The residential properties are 91% leased, lower than the last quarter.

SPF-II's investor equity commitments total approximately \$237.3 million. The Fund can leverage up to 40% of gross market value of its assets. On September 8, 2006, the Fund notified the investors that it does not intend to make any further capital calls and therefore released the \$31.8 million outstanding capital commitment.

From inception to September 30, 2007, SPF-II has drawn down approximately \$205.5 million (86.6%) of the capital committed by the investors.

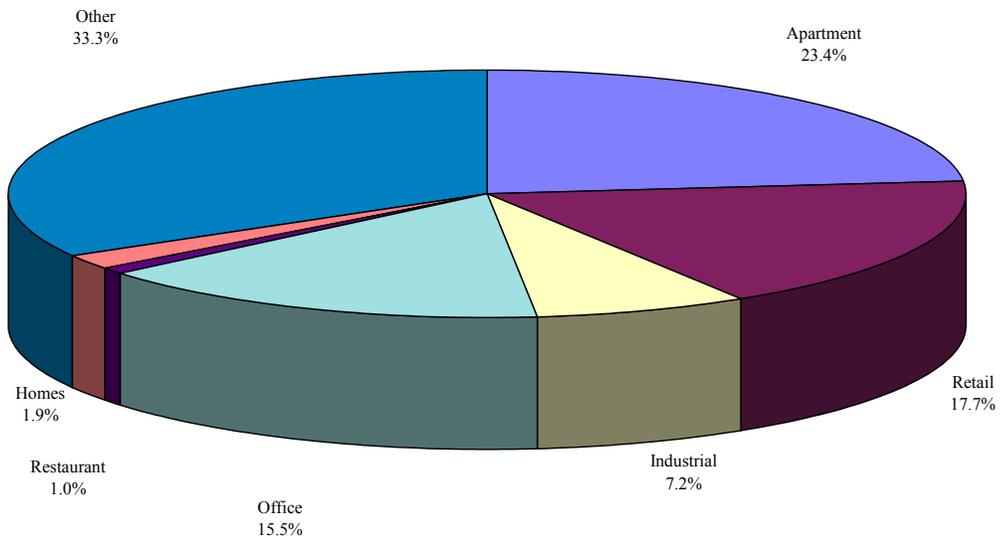
As of September 30, 2007, SPF-II declared a dividend of \$29.0 per share or approximately \$1.7 million for the third quarter 2007. The dividend was paid to investors on October 31, 2007. Since inception, SPF-II has paid dividends of approximately \$215.8 million or 105.3% of the total capital called from investors.

Since inception, SPF-II has returned \$142.4 million of capital representing 69.3% of the total capital called from investors.

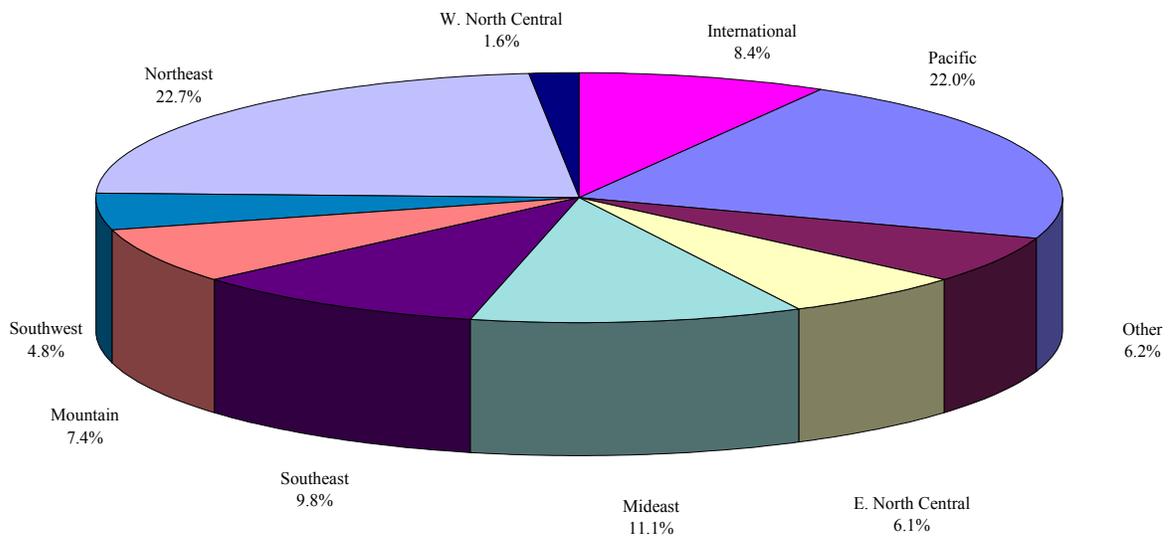
MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification

Diversification by Property Type



Diversification by Geographic Region



MANAGER COMMENTS - ALTERNATIVE INVESTMENTS

Adams Street Partners

\$57,583,159

Adams Street reported a second quarter return of 7.9% for the CCCERA's investments. For the one-year period, Adams Street has returned 29.8%. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) The portfolio continues in acquisition mode.

The Adam's portfolio is comprised of 34.8% venture capital funds, 6.7% in mezzanine funds, 44.6% in buyout funds, 9.7% in special situation funds, and 4.1% in restructuring/distressed debt. Geographically, 82.6% of the commitment is in the U.S.

Bay Area Equity Fund

\$5,192,411

Bay Area Equity Fund reported a second quarter return of 18.0% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 50.5%. CCCERA has a 13.3% ownership interest in the Fund.

As of June 30, 2007, the Bay Area Equity Fund has 17 investments in private companies in the 10-county Bay Area, which are located in or near low- to middle-income neighborhoods. Currently, the Fund has invested \$34 million with approximately \$16 million reserved for follow-on investments, for a total of \$50 million in funds invested and reserved.

BAEF's investment manager is anticipating an ownership change. The BAEF team is negotiating the spin-out of the Fund from J.P. Morgan to occur shortly. At the time of the spin-out Mike Dorsey and Nancy Pfund, the co-managing partners of BAEF, will buy out H&Q Venture Management, the J.P. Morgan entity that is the investment manager of BAEF and which owns a controlling share of the General Partnership of the Fund. After the spin-out the investment process and investment personnel, including the investment committee, will remain unchanged.

Energy Investors - US Power Fund I

\$2,878,650

The Energy Investors Fund Group (EIF) reported a second quarter return of 0.2%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF reports a total return of 21.3%. CCCERA has a 12.0% ownership interest in Fund I.

The second quarter was highlighted by the closing of the \$300 million leveraged recapitalization of the Fund on April 11, 2007. Proceeds from the recapitalization permitted the Fund to make a \$275 million cash distribution on April 11, 2007, bringing year-to-date cash distributions to \$280 million and cash distribution since the Fund's inception to \$441.5 million. On June 26, 2007, the Partners made their final capital contributions totaling \$53.2 million, \$50 million of which was invested in the Neptune project. Neptune, which completed its two-year construction program ahead of schedule and under budget, formally began commercial operations on July 2nd.

During the second quarter, the Fund received approximately \$4.5 million in project cash distributions, comprised of \$2.3 million from Glen Park, \$1.0 million from Hamakua, \$622,000 from Mustang and \$592,000 from Crockett.

Energy Investors - US Power Fund II
\$32,564,208

Energy Investors reported a second quarter return of 4.4% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 11.5%. CCCERA has a 19.7% ownership interest in USPF-II.

During the second quarter of 2007, the Tierra Energy investment was sold. The Fund received a total of \$43.7 million from the sale. The sale was structured such that the USPF II Fund sold 100% of its investment in the Tierra corporate entity and the portfolio of wind development projects but retained their ownership of the Eastshore development project and two small operating cogeneration projects in Idaho.

The Fund made two distributions in the second quarter totaling \$13.1 million, of which \$11.6 million was from the Tierra sale, \$1.0 million was from Berkshire and \$500,000 was from Northbrook. The Fund has distributed to its investors \$32.4 million in 2007 and \$37.9 million since the Fund's inception.

The USPF II Fund made one capital call in the second quarter, primarily to fund its combined \$23 million equity commitment to the Neptune project. The Neptune investment completed its two-year construction phase ahead of schedule and under budget. On July 2nd, the USPF II Funds funded its final equity contribution to Neptune and the project began commercial operation on that date. In addition to Neptune, the USPF II Fund made a number of smaller incremental investments in the second quarter fro Panoche, Bullard, Hot Sulphur and Green Line.

Nogales Investors Fund I
\$12,412,421

The Nogales Investors Fund I reported a second quarter return of 0.8%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned 22.5%. CCCERA makes up 15.2% of the Fund.

The total capital committed to the Partnership is \$98.8 million consisting of Limited and General Partner's capital commitments of \$97.0 million and \$1.8 million, respectively.

The General Partners is currently negotiating an add-on acquisition for Graphic Press, LLC. The target company, a high-end commercial printer with a significant high-margin digital prepress business, generates approximately \$26 million in sales and \$3 million in adjusted EBITDA. The General Partner has executed LOI with the target company and is currently negotiating/finalizing financing arrangements with lenders to purchase the target company. Subject to the completion of financing agreements, the transaction could close within the next 60 days.

Pathway Private Equity Fund
\$12,931,501

The Pathway Private Equity Fund (PPEF) reported a second quarter return of 10.8% (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF reports a total return of 47.1%. PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments.

The PPEF portfolio continued its strong performance during the second quarter, generating a \$3.8 million gain. The PPEF received \$3.1 million in distributions, increasing the total distributions received to \$27.5 million, which represents 58% of the Fund's total contribution.

PT Timber Fund III
\$12,931,501

John Hancock reported for Fund III a third quarter return of 1.6%. For the one-year period, John Hancock reports a total return of 18.2%. CCCERA makes up 16.3% of the Fund III.

As of the end of the first quarter, PT-3's timberland portfolio is comprised of five properties: Covington in Alabama and Florida; Bonifay in Florida; Choctaw in Mississippi; Alexander Plantations LLC in Alabama, Louisiana and Mississippi; and Hamakua in Hawaii.

Cash generated at the property level is now running at 6 percent ahead of budget. The Fund has scaled back its projections for the full year a bit from last quarter, such that its now estimates \$4.0 million greater for the year than budgeted. Relatively dry weather in the southeastern U.S. meant timber production constraints were few, facilitating ample supply, especially in light of modest demand in the lumber and panel sectors. Timber revenue on the Choctaw property, for example, fell back again due to less-than-expected volume production, but has more than compensated via favorable price variances.

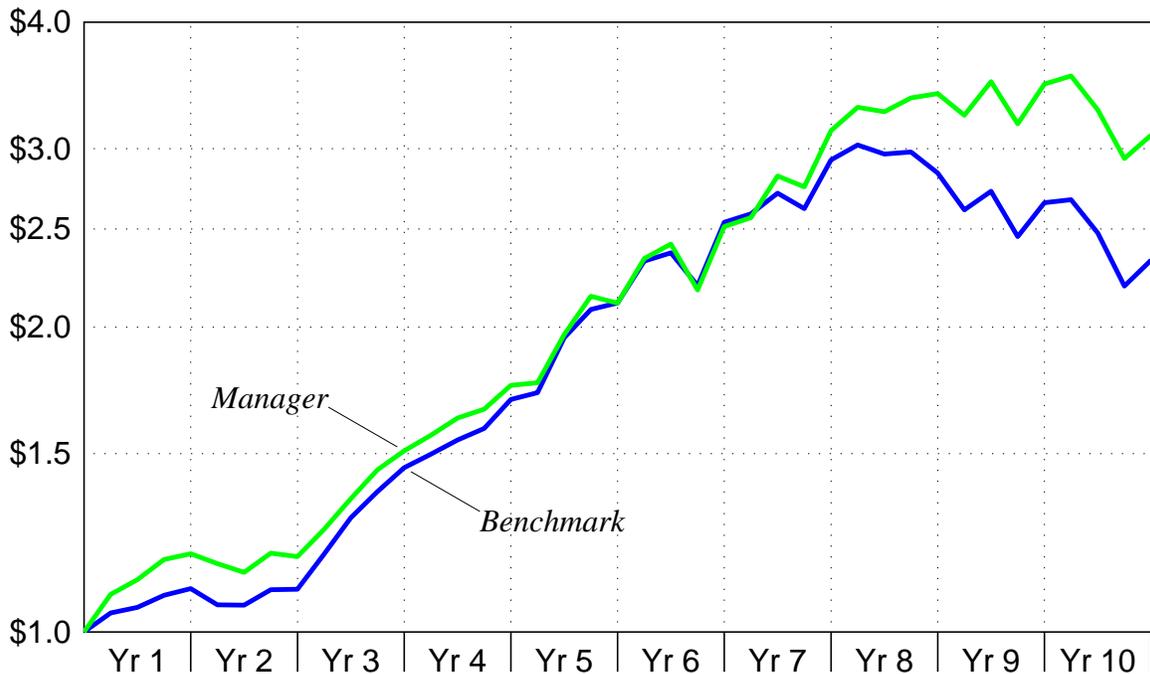
Alexander Plantations, the major generator of cash flow for the portfolio, progressed its timber sale program. For pine sawtimber, the highest-value and primary product grown on the property, prices remained above budget, though down from the favorable levels that prevailed in the first half of the year. Lesser products' prices were similar to those obtained in the first half. The combined effect was the Alexander Plantations' blended average timber price fell nearly 4 percent, but at \$32.82 per ton, is 15% above budget year-to-date. Timber volume harvested is now trailing budget by just 4 percent, and Hancock believes it will meet or exceed budget by year-end.

APPENDIX – EXAMPLE CHARTS

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

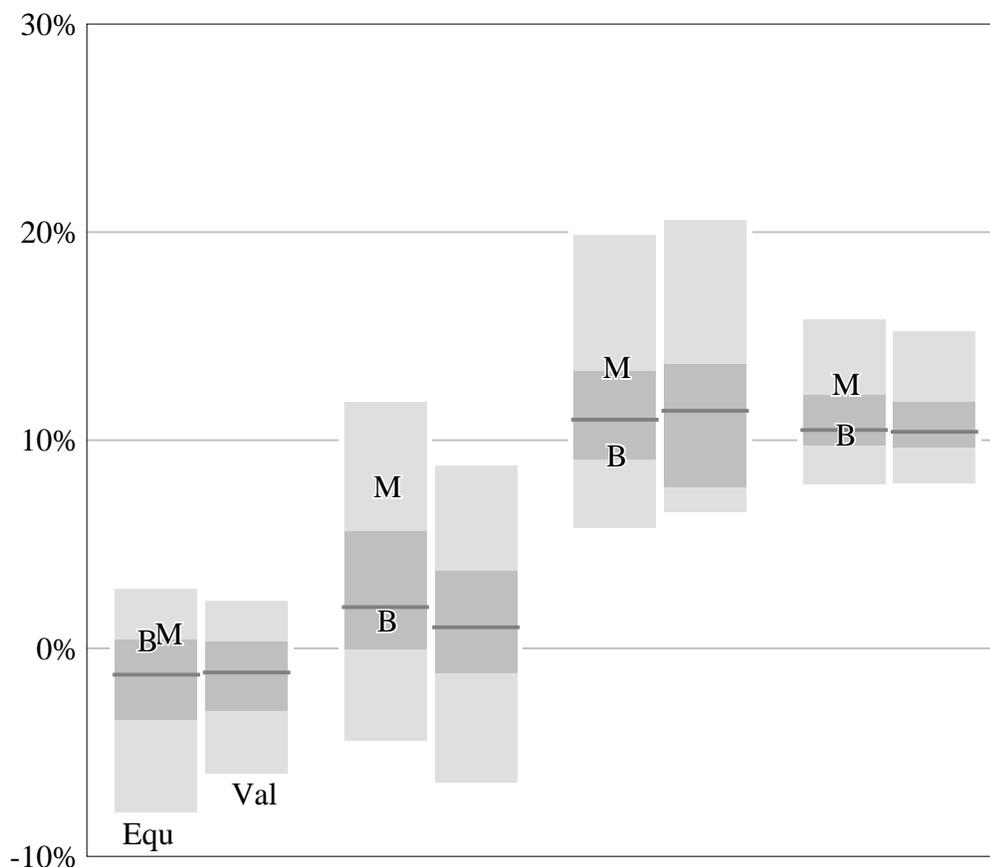


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter of 1985, it would have grown to approximately \$2 by the third 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>	18	13	23	19
<i>Rank v. Value</i>	15	10	25	12
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.