

QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT  
for

Contra Costa County  
Employees' Retirement  
Association

FOR THE PERIOD ENDING  
*December 31, 2009*

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## MARKET OVERVIEW

### *Domestic Equity Markets*

Domestic equities continued to climb off their lows of March 2009 during the fourth quarter of 2009. The S&P 500 was up 6.0% to end the year up 26.5%. Small cap stocks also advanced as the Russell 2000® Index returned 3.9% in the quarter and ended the year up 27.2%.

Nine of the ten S&P 500 sectors had positive returns during the quarter. Information Technology led (up 10.8%), followed by Telecom Services (9.8%), Consumer Discretionary (8.9%), Health Care (8.7%), Materials (7.3%), Utilities (7.3%), Energy (5.6%), Industrials (5.4%) and Consumer Staples (5.0%). Only the Financials sector had a negative return at -3.2%.

In the quarter, Value stocks trailed Growth-oriented securities in both the large cap and small cap market segments. In the domestic large capitalization area, the Russell 1000® Value Index returned 4.2%, compared to the Russell 1000® Growth Index return of 7.9%. In the small cap arena, the Russell 2000® Value Index returned 3.6% while the Growth Index returned 4.1%.

### *International Equity Markets*

International equity markets were up during the quarter, with the MSCI EAFE Index returning 2.2%. The MSCI EAFE return prior to translation into US\$ was 3.4%. The Europe portion of EAFE had a return of 3.3%, out-pacing the MSCI Asia Index return of 1.2% in US\$.

### *Domestic Bond Markets*

The Barclays Capital Aggregate Index returned a modest 0.2% during the quarter. In a reversal of last quarter, longer-duration bonds trailed shorter-duration bonds. The Barclays Capital Long Government/Credit Index returned -2.6% while the shorter Barclays Capital 1-3 Year Government/ Credit Index returned 0.4%. Credit issues again led Government issues in the quarter as investors continued to reverse their flight to safety that had been the dominant theme from autumn 2008 through early March 2009. The Barclays Capital Credit Index returned 1.0% compared to -1.3% for the Barclays Capital Treasury Index. The agency bond market sector returned -0.1%. High yield continued its strong recovery with the Merrill Lynch High Yield Master II Index returning 6.0%.

### *Real Estate*

The domestic real estate market, as measured by the NCREIF ODCE Index, returned -3.4% for the fourth quarter of 2009. Leveraged funds performed worse. Real estate markets are soft and property prices are falling. We expect further difficult real estate returns in the months ahead. The FTSE NAREIT Equity Index, which measures the domestic public REIT market, was up 9.4% (following its third quarter return of 33.3%). Global real estate securities, as measured by the FTSE EPRA/NAREIT Global Developed Markets Index, returned 4.4%.

## KEY POINTS

### *Fourth Quarter, 2009*

- The CCCERA Total Fund returned 4.2% for the fourth quarter, better than the 3.1% return of the median total fund and the median public fund. CCCERA Total Fund performance has been below median over the past three years but above median over the four through ten-year periods.
- CCCERA domestic equities returned 6.6% in the quarter, better than the 5.9% return of the Russell 3000® and above the 5.8% return of the median equity manager.
- CCCERA international equities returned 3.2% for the quarter, better than the 2.2% return of the MSCI EAFE Index and the 2.7% return of the median international equity manager.
- CCCERA fixed income returned 2.1% for the quarter, exceeding the Barclays U.S. Universal return of 0.6% and the median fixed income manager return of 0.8%.
- CCCERA alternative assets returned 0.6% for the quarter, trailing the 7.1% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned 4.4% for the quarter, helped by the REIT portfolios, well above the median real estate manager return of -3.0% and the CCCERA real estate benchmark return of 0.9%.
- Global equity was over-weighted vs. target at the end of the fourth quarter, offset by modest under-weights in global fixed income and alternative investments. Global equities are the “parking place” for assets intended for alternative investments.
- Several portfolio changes will occur during the first quarter of 2010, including the funding of the J.P. Morgan global equity portfolio and the funding of the Goldman Sachs opportunistic mandate. Also, an on-site due diligence visit was conducted with Oaktree Capital in February in anticipation of making a commitment to the Oaktree Private Investment Fund 2009 later in the month.

## WATCH LIST

<b><u>Manager</u></b>	<b><u>Since</u></b>	<b><u>Reason</u></b>
Adelante	2/25/2009	Performance
Delaware	11/25/2008	Performance
Emerald Advisors	5/28/2008	Performance
McKinley Capital	5/27/2009	Performance
Nogales Investors	5/28/2008	Performance
PIMCO (StocksPLUS)	5/28/2008	Performance
Progress	11/25/2008	Performance

- We remain concerned about the slight, but persistent, underperformance of the Adelante portfolio. Given the firm's proximity, we recommend an on-site visit be conducted in the next 1-2 months.
- Delaware had a strong 2009 and now approximately matches the index performance since inception on a net of fees basis. We recommend that the firm be removed from the Watch List.
- Emerald, PIMCO StocksPLUS and Progress have not yet recovered from their performance deficits and we recommend that they remain on watch. PIMCO StocksPLUS and Progress have both had good recent relative performance while Emerald has struggled. For this reason, we are most concerned with Emerald.
- After a weak third quarter, McKinley's relative performance recovered somewhat in the fourth quarter (but has lagged again thus far in 2010). Given McKinley's substantial poor relative performance over time, we recommend that the firm be terminated.
- Nogales will remain on the Watch List until the fund is completely wound down.
- Finally, we recommend that Rothschild be added to the Watch List. The firm has experienced significant underperformance in 2009 and has recently made a change to their investment process (incorporating a new quantitative factor). We recommend that the firm be asked to present to the Board at the earliest possible meeting.

## SUMMARY

CCCERA's fourth quarter return of 4.2% was better than the median total fund and the median public fund. CCCERA slightly trailed the median funds over the past two and three-year periods. CCCERA has out-performed both medians over trailing time periods four years and longer, ranking well above median in both universes over the past four through ten-year periods.

CCCERA total domestic equities returned 6.6% for the quarter, exceeding the 5.9% return of the Russell 3000® and the 5.8% return of the median manager. Of CCCERA's domestic equity managers, Delaware had the best absolute return at 10.9%, exceeding the Russell 1000® Growth Index return of 7.9%. PIMCO returned 7.1%, above the S&P 500 return of 6.0%. Intech Large Cap Core returned 6.5%, better than S&P 500 Index. Intech Enhanced Plus returned 6.4%, also better than S&P 500 Index. Wentworth Hauser returned 6.4%, better than the 6.0% return of the S&P 500. The Legacy ING portfolio, now managed on an interim basis by State Street, returned 6.2%, better than the S&P 500 Index. Emerald returned 6.1%, better than the 4.1% return of the Russell 2000® Growth Index. Progress returned 5.4%, better than the 3.9% return of the Russell 2000® Index. Boston Partners returned 4.5%, slightly better than the 4.2% return of the Russell 1000® Value Index. Finally, Rothschild returned 3.8%, trailing the Rothschild Small/Mid Value benchmark return of 4.6%.

CCCERA international equities returned 3.2%, better than the 2.2% return of the MSCI EAFE Index and the 2.7% return of the median international manager. McKinley Capital returned 6.9%, better than the MSCI ACWI ex-US Growth Index return of 5.3% and the median international equity manager. The GMO Intrinsic Value portfolio returned -0.5%, trailing the S&P Citi PMI EPAC Value Index return of 0.2% and the median international equity manager.

CCCERA total domestic fixed income returned 2.1% for the fourth quarter, ahead of the 0.6% return the Barclays Universal and the 0.8% return of the median fixed income manager. The ING Clarion II fund returned 9.4%, better than the ML High Yield II Index return of 6.0% and the high yield fixed income median return of 5.6%. The workout portfolio overseen by Goldman Sachs returned 7.0%, well above the Barclays Aggregate return of 0.2%. The ING Clarion Fund III returned 6.2% in the fourth quarter, above the Merrill Lynch High Yield II Index. Nicholas Applegate returned 5.7%, which lagged the 6.0% return of the ML High Yield II Index but was better than 5.6% return of the median high yield manager. PIMCO returned 1.2%, above the Barclays U.S. Aggregate and the median. Lord Abbett returned 1.0%, above the Barclays U.S. Aggregate and the median fixed income manager. Goldman Sachs returned 0.6%, slightly above the Barclays U.S. Aggregate Index but below the median fixed income manager. AFL-CIO returned 0.2% which matched the Barclays U.S. Aggregate but trailed the median fixed income manager.

Lazard Asset Management returned 0.2% in the fourth quarter, better than the Barclays Global Aggregate return of -0.8% but ranked in the 57<sup>th</sup> percentile of global fixed income portfolios.

CCCERA total alternative investments returned 0.6% in the fourth quarter. Pathway returned 5.6%, Nogales returned 3.4%, Adams Street Partners returned 0.9%, Bay Area Equity Fund returned 0.4%, Energy Investor Fund II returned -0.1%, Paladin III returned -0.6%, Energy Investor Fund III returned -0.7%, Carpenter Community Bancfund returned -1.1%, Energy Investor Fund returned -5.8%, and Hancock PT Timber Fund returned -7.5%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending September 30.)

The median real estate manager returned -3.0% for the quarter while CCCERA's total real estate returned 4.4%. DLJ's RECP IV returned 22.9%, Adelante Capital REIT returned 8.9%, Fidelity III returned 7.7%, Invesco International REIT returned 1.9%, Willows Office Property returned 1.1%, BlackRock Realty returned 1.1%, DLJ RECP III returned -0.1%, DLJ's RECP II returned -0.2%, DLJ RECP I returned -0.9%, Fidelity II returned -3.7%, Prudential SPF II returned -16.2%,

Invesco Fund II returned -27.7% and Invesco Fund I returned -28.9%. Also, please refer to the internal rate of return (IRR) table for closed-end funds on page 15, which is the preferred measurement for the individual closed-end debt, real estate and private equity funds.

**Asset Allocation**

The CCCERA fund at December 31, 2009 was above target in domestic equity at 42.1% compared to the target of 38.6%, international equity was above target at 10.8% vs. 10.4% and cash at 0.7% vs. 0.5%. Asset classes below their respective targets included investment grade fixed income at 26.9% vs. 29.0% and alternatives at 5.0% vs. 7.0%. High yield was at its target of 3% and real estate was at its target of 11.5%. Assets earmarked for alternative investments were temporarily invested in U.S. equities.

## Performance Compared to Investment Performance Objectives

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

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

### Summary of Managers Compliance with Investment Performance Objectives As of December 31, 2009

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

**Summary of Managers Compliance with Investment Performance Objectives (cont)  
As of December 31, 2009**

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

**ASSET ALLOCATION**  
**As of December 31, 2009**

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
<b>EQUITY - DOMESTIC</b>				
Boston Partners	\$ 293,336,550	15.4 %	6.5 %	6.1 %
Delaware Investments	305,456,127	16.0	6.8	6.1
Emerald	134,417,485	7.1	3.0	2.7
State Street (Legacy ING)	221,207,218	11.6	4.9	5.0
Intech - Enhanced Plus	20,317,658	1.1	0.4	0.4
Intech - Large Core	220,449,668	11.6	4.9	4.6
PIMCO	207,375,366	10.9	4.6	3.3
Progress	134,358,768	7.1	3.0	2.7
Rothschild	126,534,725	6.6	2.8	2.7
Wentworth	240,504,537	12.6	5.3	5.0
<b>TOTAL DOMESTIC</b>	<b>\$ 1,903,958,102</b>	<b>79.6 %</b>	<b>42.1 %</b>	<b>38.6 %</b>
<b>INTERNATIONAL EQUITY</b>				
McKinley Capital	\$ 256,664,251	10.7 %	5.7 %	5.2 %
GMO Intrinsic Value	232,091,557	9.7	5.1	5.2
<b>TOTAL INT'L EQUITY</b>	<b>\$ 488,755,808</b>	<b>20.4 %</b>	<b>10.8 %</b>	<b>10.4 %</b>
<b>TOTAL GLOBAL EQUITY</b>	<b>\$ 2,392,713,910</b>	<b>100.0 %</b>	<b>52.9 %</b>	<b>49.0 %</b>
			<i>Range:</i>	<i>45 to 53 %</i>
<b>FIXED INCOME</b>				
AFL-CIO	\$ 134,079,113	11.0 %	3.0 %	3.4 %
Goldman Sachs	217,406,935	17.8	4.8	5.8
ING Clarion II	37,023,527	3.0	0.8	0.9
ING Clarion III	23,839,286	2.0	0.5	1.8
Lord Abbett	222,442,326	18.2	0.0	5.8
PIMCO	350,284,967	28.7	7.7	7.3
Workout (GSAM)	64,830,594	5.3	1.4	0.0
<b>TOTAL US FIXED INCOME</b>	<b>\$ 1,049,906,748</b>	<b>86.1 %</b>	<b>23.2 %</b>	<b>25.0 %</b>
<b>GLOBAL FIXED</b>				
Lazard Asset Mgmt	\$ 169,052,597	13.9 %	3.7 %	4.0 %
<b>TOTAL GLOBAL FIXED</b>	<b>\$ 169,052,597</b>	<b>13.9 %</b>	<b>3.7 %</b>	<b>4.0 %</b>
<b>TOTAL INV GRADE FIXED</b>	<b>\$ 1,218,959,345</b>	<b>100.0 %</b>	<b>26.9 %</b>	<b>29.0 %</b>
			<i>Range:</i>	<i>24 to 34 %</i>
<b>HIGH YIELD</b>				
Nicholas Applegate	\$ 136,180,964	100.0 %	3.0 %	3.0 %
<b>TOTAL HIGH YIELD</b>	<b>\$ 136,180,964</b>	<b>100.0 %</b>	<b>3.0 %</b>	<b>3.0 %</b>
			<i>Range:</i>	<i>1 to 5 %</i>

**ASSET ALLOCATION**  
**As of December 31, 2009**

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
<b>REAL ESTATE*</b>				
Adelante Capital	\$ 321,510,949	61.7 %	7.1 %	1.4 %
BlackRock Realty	10,661,716	2.0	0.2	-
DLJ RECP I	171,526	0.0	0.0	-
DLJ RECP II	5,218,129	1.0	0.1	-
DLJ RECP III	47,093,122	9.0	1.0	-
DLJ RECP IV	28,506,967	5.5	0.6	-
Fidelity II	14,761,384	2.8	0.3	-
Fidelity III	4,325,609	0.8	0.1	-
Hearthstone I	-77,000	0.0	0.0	-
Hearthstone II	39,472	0.0	0.0	-
Invesco Fund I	17,296,184	3.3	0.4	-
Invesco Fund II	7,410,267	1.4	0.2	-
Invesco International REIT	48,434,620	9.3	1.1	1.0
Prudential SPF II	0	0.0	0.0	-
Willows Office Property	15,560,000	3.0	0.3	-
<b>TOTAL REAL ESTATE</b>	<u>\$ 520,912,945</u>	<u>100.0 %</u>	<u>11.5 %</u>	<u>11.5 %</u>
			<i>Range:</i>	<i>8 to 14 %</i>
<b>ALTERNATIVE INVESTMENTS*</b>				
Adams Street Partners	\$ 59,100,638	26.3 %	1.3 %	- %
Bay Area Equity Fund	9,517,221	4.2	0.2	-
Carpenter Bancfund	10,715,065	4.8	0.2	-
Energy Investor Fund	13,644,935	6.1	0.3	-
Energy Investor Fund II	46,001,734	20.5	1.0	-
Energy Investor Fund III	19,876,948	8.8	0.4	-
Nogales	2,234,766	1.0	0.0	-
Paladin III	7,981,721	3.6	0.2	-
Pathway	49,187,244	21.9	1.1	-
Hancock PT Timber	6,471,517	2.9	0.1	-
<b>TOTAL ALTERNATIVE</b>	<u>\$ 224,731,789</u>	<u>100.0 %</u>	<u>5.0 %</u>	<u>7.0 %</u>
			<i>Range:</i>	<i>5 to 9 %</i>
<b>CASH</b>				
Custodian Cash	\$ 26,121,773	85.5 %	0.6 %	- %
Treasurer's Fixed	4,432,448	14.5	0.1	-
<b>TOTAL CASH</b>	<u>\$ 30,554,221</u>	<u>100.0 %</u>	<u>0.7 %</u>	<u>0.5 %</u>
			<i>Range:</i>	<i>0 to 1 %</i>
<b>TOTAL ASSETS</b>	<b>\$ 4,524,053,174</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

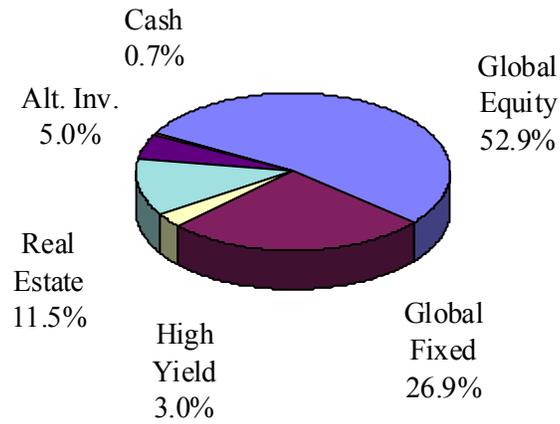
\*CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$100 million to DLJ IV; \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million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

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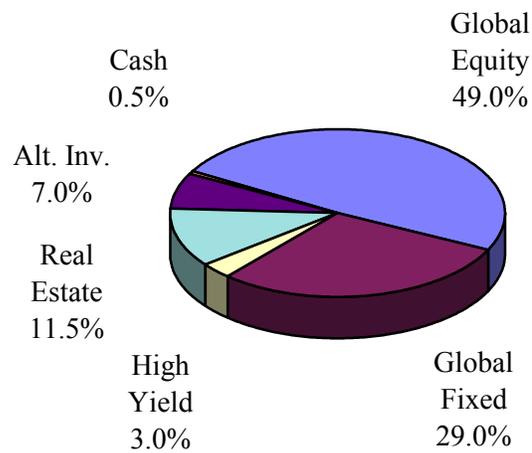
# ASSET ALLOCATION

As of December 31, 2009

## CCCERA Asset Allocation



## Target Asset Allocation



**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

<b>DOMESTIC EQUITY</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>2 Yr</b>	<b>3 Yr</b>	<b>4 Yr</b>	<b>5 Yr</b>	<b>7 Yr</b>	<b>10 Yr</b>
<b>Boston Partners</b>	<b>4.5 %</b>	<b>27.3 %</b>	<b>-7.8 %</b>	<b>-3.9 %</b>	<b>1.6 %</b>	<b>3.6 %</b>	<b>8.5 %</b>	<b>5.9 %</b>
<i>Rank vs Equity</i>	73	57	35	45	28	24	39	28
<i>Rank vs Lg Value</i>	65	27	18	17	14	9	27	16
<b>Delaware</b>	<b>10.9</b>	<b>43.9</b>	<b>-9.1</b>	<b>-2.1</b>	<b>-0.8</b>	-	-	-
<i>Rank vs Equity</i>	2	10	45	27	72	-	-	-
<i>Rank vs Lg Growth</i>	2	11	50	45	75	-	-	-
<b>Emerald Advisors</b>	<b>6.1</b>	<b>33.2</b>	<b>-8.0</b>	<b>-4.4</b>	<b>-0.2</b>	<b>1.8</b>	-	-
<i>Rank vs Equity</i>	42	36	37	49	52	48	-	-
<i>Rank vs Sm Cap Growth</i>	29	54	54	69	69	72	-	-
<b>State Street (Legacy ING)</b>	<b>6.2</b>	<b>26.0</b>	<b>-10.7</b>	<b>-5.5</b>	<b>-0.5</b>	<b>0.6</b>	<b>5.5</b>	-
<i>Rank vs Equity</i>	34	69	64	62	61	72	85	-
<i>Rank vs Lg Core</i>	21	72	61	46	45	56	89	-
<b>Intech - Enhanced Plus</b>	<b>6.4</b>	<b>25.7</b>	<b>-11.0</b>	<b>-5.3</b>	<b>-0.7</b>	<b>1.2</b>	<b>6.7</b>	-
<i>Rank vs Equity</i>	30	70	70	58	70	62	59	-
<i>Rank vs Lg Core</i>	15	75	74	37	70	42	37	-
<b>Intech - Large Core</b>	<b>6.5</b>	<b>24.6</b>	<b>-10.8</b>	<b>-5.3</b>	-	-	-	-
<i>Rank vs Equity</i>	30	75	68	58	-	-	-	-
<i>Rank vs Lg Core</i>	14	85	71	37	-	-	-	-
<b>PIMCO Stocks Plus</b>	<b>7.1</b>	<b>37.3</b>	<b>-11.9</b>	<b>-6.6</b>	<b>-1.4</b>	<b>-0.3</b>	<b>5.1</b>	-
<i>Rank vs Equity</i>	20	23	76	79	80	90	90	-
<i>Rank vs Lg Core</i>	7	6	82	79	84	93	95	-
<b>Progress</b>	<b>5.4</b>	<b>33.5</b>	<b>-12.4</b>	<b>-6.6</b>	<b>-1.5</b>	<b>0.5</b>	-	-
<i>Rank vs Equity</i>	59	36	80	80	81	75	-	-
<i>Rank vs Small Core</i>	30	40	93	79	86	83	-	-
<b>Rothschild</b>	<b>3.8</b>	<b>13.7</b>	<b>-9.9</b>	<b>-6.1</b>	<b>0.1</b>	<b>2.2</b>	-	-
<i>Rank vs Equity</i>	81	94	51	76	48	42	-	-
<i>Rank vs Sm Cap Value</i>	54	97	85	50	43	31	-	-
<b>Wentworth, Hauser</b>	<b>6.4</b>	<b>35.2</b>	<b>-6.1</b>	<b>-2.1</b>	<b>0.2</b>	<b>2.0</b>	<b>6.9</b>	<b>2.4</b>
<i>Rank vs Equity</i>	30	30	23	27	47	45	58	54
<i>Rank vs Lg Core</i>	14	8	6	8	25	24	34	27
<b>Total Domestic Equities</b>	<b>6.6</b>	<b>30.8</b>	<b>-9.6</b>	<b>-4.5</b>	<b>-0.3</b>	<b>1.4</b>	<b>6.8</b>	<b>0.1</b>
<i>Rank vs Equity</i>	27	43	49	50	55	55	58	66
Median Equity	5.8	29.0	-9.7	-4.5	0.0	1.7	7.6	2.9
S&P 500	6.0	26.5	-10.7	-5.6	-0.7	0.4	5.5	-1.0
S&P 500 ex-Tobacco	6.1	26.5	-10.9	-5.9	-0.9	0.2	5.3	0.0
Russell 3000®	5.9	28.3	-10.3	-5.4	-0.5	0.8	6.2	-0.2
Russell 1000® Value	4.2	19.7	-13.1	-9.0	-2.0	-0.3	5.9	2.5
Russell 1000® Growth	7.9	37.2	-8.1	-1.9	0.8	1.6	5.9	-4.0
Russell 2000®	3.9	27.2	-8.2	-6.1	-0.5	0.5	8.7	3.5
Rothschild Benchmark	4.6	27.7	-6.8	-7.0	-0.8	0.4	-	-
Russell 2000® Growth	4.1	34.5	-9.1	-4.0	0.1	0.9	8.5	-1.4
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	<b>-0.5</b>	<b>19.3</b>	<b>-14.3</b>	<b>-6.7</b>	<b>0.7</b>	-	-	-
<i>Rank vs Int'l Eq</i>	91	92	73	78	82	-	-	-
<b>McKinley Capital</b>	<b>6.9</b>	<b>27.5</b>	<b>-20.1</b>	<b>-8.5</b>	-	-	-	-
<i>Rank vs Int'l Eq</i>	11	72	95	87	-	-	-	-
<b>Total Int'l Equities</b>	<b>3.2</b>	<b>23.3</b>	<b>-17.0</b>	<b>-7.4</b>	<b>0.2</b>	<b>3.9</b>	<b>10.4</b>	<b>1.4</b>
<i>Rank vs Int'l Eq</i>	42	83	85	84	85	75	84	91
Median Int'l Equity	2.7	36.1	-11.9	-4.3	2.6	5.1	12.5	4.9
MSCI EAFE Index	2.2	32.5	-13.2	-5.6	1.7	4.0	10.8	1.6
MSCI ACWI ex-US	3.8	42.1	-11.8	-3.0	3.8	6.3	12.8	3.1
S&P Citi PMI EPAC Value	0.2	32.2	-13.7	-5.8	1.7	4.3	11.7	3.7
MSCI ACWI ex-US Growth	5.3	39.2	-12.8	-2.7	3.4	6.0	11.3	0.4

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

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>DOMESTIC FIXED INCOME</b>								
<b>AFL-CIO Housing</b>	<b>0.2 %</b>	<b>6.7 %</b>	<b>6.2 %</b>	<b>6.5 %</b>	<b>6.2 %</b>	<b>5.5 %</b>	<b>5.2 %</b>	<b>6.9 %</b>
<i>Rank vs Fixed Income</i>	75	61	39	39	34	29	34	23
<b>Goldman Sachs</b>	<b>0.6</b>	<b>9.8</b>	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	56	39	-	-	-	-	-	-
<b>ING Clarion II*</b>	<b>9.4</b>	<b>16.4</b>	<b>-36.1</b>	<b>-27.5</b>	-	-	-	-
<i>Rank vs High Yield</i>	1	97	98	98	-	-	-	-
<b>ING Clarion III*</b>	<b>6.2</b>	<b>45.2</b>	-	-	-	-	-	-
<i>Rank vs High Yield</i>	22	60	-	-	-	-	-	-
<b>Lord Abbett</b>	<b>1.0</b>	<b>15.6</b>	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	46	11	-	-	-	-	-	-
<b>Nicholas Applegate</b>	<b>5.7</b>	<b>47.1</b>	<b>8.4</b>	<b>6.8</b>	<b>7.7</b>	<b>6.9</b>	<b>9.1</b>	-
<i>Rank vs High Yield</i>	47	52	3	3	5	4	19	-
<b>PIMCO</b>	<b>1.2</b>	<b>16.4</b>	<b>7.9</b>	<b>8.1</b>	<b>7.2</b>	<b>6.5</b>	<b>6.4</b>	-
<i>Rank vs Fixed Income</i>	37	9	12	10	10	10	10	-
<b>Workout (GSAM)</b>	<b>7.0</b>	<b>35.1</b>	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	2	1	-	-	-	-	-	-
<b>Total Domestic Fixed</b>	<b>2.1</b>	<b>17.8</b>	<b>4.0</b>	<b>4.6</b>	<b>5.3</b>	<b>5.0</b>	<b>5.6</b>	<b>6.6</b>
<i>Rank vs Fixed Income</i>	25	6	79	81	66	55	20	38
Median Fixed Income	0.8	8.3	5.7	6.1	5.7	5.1	4.9	6.4
Median High Yield Mgr.	5.6	47.3	4.6	3.7	5.2	4.8	8.1	-
Barclays Universal	0.6	8.6	5.5	5.8	5.6	5.0	5.1	6.4
Barclays Aggregate	0.2	5.9	5.6	6.0	5.6	5.0	4.8	6.3
Merrill Lynch HY II	6.0	57.5	7.8	5.9	7.3	6.4	9.9	6.5
Merrill Lynch BB/B	4.7	46.1	5.7	4.7	6.1	5.6	8.5	5.9
T-Bills	0.0	0.2	1.1	2.4	2.5	2.6	2.2	2.8
<b>GLOBAL FIXED INCOME</b>								
<b>Lazard Asset Mgmt</b>	<b>0.2</b>	<b>11.3</b>	<b>5.3</b>	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	57	54	41	-	-	-	-	-
Barclays Global Aggregate	-0.8	6.9	5.9	7.1	7.0	4.6	-	-
<b>ALTERNATIVE INVESTMENTS*</b>								
<b>Adams Street**</b>	<b>0.9</b>	<b>-6.9</b>	<b>-5.9</b>	<b>4.2</b>	<b>8.7</b>	<b>10.3</b>	<b>9.9</b>	<b>8.9</b>
<b>Bay Area Equity Fund**</b>	<b>0.4</b>	<b>0.2</b>	<b>11.6</b>	<b>26.8</b>	<b>17.5</b>	<b>14.2</b>	-	-
<b>Carpenter Bancfund**</b>	<b>-1.1</b>	<b>7.1</b>	-	-	-	-	-	-
<b>Energy Investor Fund**</b>	<b>-5.8</b>	<b>90.3</b>	<b>147.0</b>	<b>84.1</b>	<b>62.8</b>	<b>66.9</b>	-	-
<b>Energy Investor Fund II**</b>	<b>-0.1</b>	<b>0.4</b>	<b>9.6</b>	<b>10.6</b>	-	-	-	-
<b>Energy Investor Fund III**</b>	<b>-0.7</b>	<b>11.0</b>	<b>52.2</b>	-	-	-	-	-
<b>Nogales**</b>	<b>3.4</b>	<b>-47.7</b>	<b>-49.6</b>	<b>-32.5</b>	<b>-23.5</b>	<b>-17.3</b>	-	-
<b>Paladin III**</b>	<b>-0.6</b>	<b>10.1</b>	<b>-1.0</b>	-	-	-	-	-
<b>Pathway**</b>	<b>5.6</b>	<b>-9.0</b>	<b>-7.8</b>	<b>8.5</b>	<b>11.6</b>	<b>17.2</b>	<b>13.9</b>	<b>5.8</b>
<b>Hancock PT Timber Fund</b>	<b>-7.5</b>	<b>-5.8</b>	<b>2.7</b>	<b>6.6</b>	<b>7.9</b>	<b>8.3</b>	<b>7.5</b>	<b>5.4</b>
<b>Total Alternative</b>	<b>0.6</b>	<b>-1.5</b>	<b>0.1</b>	<b>8.7</b>	<b>11.2</b>	<b>15.3</b>	<b>13.0</b>	<b>10.1</b>
S&P 500 + 400 bps	7.1	31.4	-7.1	-1.8	3.3	4.4	9.7	3.0

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

*\* See also see Internal Rates of Return for closed-end funds on page 15.*

*\*\* Performance as of September 30, 2009.*

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>REAL ESTATE*</b>								
<b>Adelante Capital REIT</b>	<b>8.9 %</b>	<b>29.3 %</b>	<b>-15.5 %</b>	<b>-16.0 %</b>	<b>-4.9 %</b>	<b>-0.9 %</b>	<b>8.6 %</b>	<b>- %</b>
<i>Rank vs REITs</i>	<i>54</i>	<i>48</i>	<i>86</i>	<i>87</i>	<i>82</i>	<i>66</i>	<i>49</i>	<i>-</i>
<b>BlackRock Realty</b>	<b>1.1</b>	<b>-53.1</b>	<b>-41.9</b>	<b>-27.1</b>	<b>-16.8</b>	<b>-9.2</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>29</i>	<i>100</i>	<i>99</i>	<i>98</i>	<i>97</i>	<i>98</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP I**</b>	<b>-0.9</b>	<b>-3.1</b>	<b>16.1</b>	<b>21.8</b>	<b>26.4</b>	<b>23.9</b>	<b>19.1</b>	<b>16.3</b>
<i>Rank</i>	<i>39</i>	<i>27</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>2</i>
<b>DLJ RECP II**</b>	<b>-0.2</b>	<b>-30.5</b>	<b>-15.0</b>	<b>-0.9</b>	<b>7.2</b>	<b>14.9</b>	<b>18.9</b>	<b>14.0</b>
<i>Rank</i>	<i>38</i>	<i>74</i>	<i>28</i>	<i>12</i>	<i>7</i>	<i>5</i>	<i>4</i>	<i>6</i>
<b>DLJ RECP III**</b>	<b>-0.1</b>	<b>-15.4</b>	<b>-7.2</b>	<b>4.0</b>	<b>5.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>37</i>	<i>32</i>	<i>12</i>	<i>6</i>	<i>11</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP IV**</b>	<b>22.9</b>	<b>-53.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>1</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Fidelity II</b>	<b>-3.7</b>	<b>-40.0</b>	<b>-40.9</b>	<b>-28.5</b>	<b>-19.2</b>	<b>-13.1</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>54</i>	<i>93</i>	<i>99</i>	<i>99</i>	<i>98</i>	<i>98</i>	<i>-</i>	<i>-</i>
<b>Fidelity III</b>	<b>7.7</b>	<b>-71.2</b>	<b>-49.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>12</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund I</b>	<b>-28.9</b>	<b>-49.2</b>	<b>-37.5</b>	<b>-24.5</b>	<b>-12.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>99</i>	<i>98</i>	<i>99</i>	<i>98</i>	<i>96</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund II</b>	<b>-27.7</b>	<b>-72.8</b>	<b>-77.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>99</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Int'l REIT</b>	<b>1.9</b>	<b>39.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs REITs</i>	<i>99</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Prudential SPF II</b>	<b>-16.2</b>	<b>-17.7</b>	<b>-29.5</b>	<b>-10.3</b>	<b>7.4</b>	<b>12.9</b>	<b>13.8</b>	<b>11.8</b>
<i>Rank</i>	<i>97</i>	<i>33</i>	<i>92</i>	<i>59</i>	<i>7</i>	<i>7</i>	<i>11</i>	<i>15</i>
<b>Willows Office Property</b>	<b>1.1</b>	<b>4.9</b>	<b>4.3</b>	<b>16.3</b>	<b>14.0</b>	<b>12.7</b>	<b>8.6</b>	<b>13.5</b>
<i>Rank</i>	<i>30</i>	<i>24</i>	<i>3</i>	<i>2</i>	<i>3</i>	<i>7</i>	<i>31</i>	<i>6</i>
<b>Total Real Estate</b>	<b>4.4</b>	<b>-0.5</b>	<b>-19.1</b>	<b>-14.2</b>	<b>-4.1</b>	<b>0.4</b>	<b>7.6</b>	<b>8.2</b>
<i>Rank</i>	<i>19</i>	<i>26</i>	<i>54</i>	<i>86</i>	<i>56</i>	<i>54</i>	<i>33</i>	<i>29</i>
Median Real Estate	-3.0	-28.7	-18.6	-9.8	-3.5	0.6	4.8	5.0
Real Estate Benchmark	0.9	-3.3	-9.5	-4.5	1.5	4.7	8.3	8.9
DJ Wilshire REIT	9.2	28.6	-11.6	-13.6	-3.2	-0.1	8.8	10.7
NCREIF Property Index	-2.1	-16.9	-11.8	-3.4	1.2	4.8	6.7	7.3
NCREIF Index + 300 bps	-1.4	-14.2	-9.1	-0.4	4.4	7.9	9.9	10.5
NCREIF Index + 500 bps	-0.9	-12.5	-7.3	1.5	6.3	9.9	11.9	12.6
NCREIF Apartment	-1.8	-17.5	-12.6	-5.2	-0.6	3.4	5.5	6.9
NCREIF Apt + 300 bps	-1.1	-14.9	-9.8	-2.3	2.4	6.5	8.6	10.1
<b>CCCERA Total Fund</b>	<b>4.2 %</b>	<b>21.9 %</b>	<b>-5.4 %</b>	<b>-1.3 %</b>	<b>2.6 %</b>	<b>4.2 %</b>	<b>8.1 %</b>	<b>4.5 %</b>
<i>Rank vs. Total Fund</i>	<i>16</i>	<i>32</i>	<i>60</i>	<i>58</i>	<i>47</i>	<i>23</i>	<i>10</i>	<i>21</i>
<i>Rank vs. Public Fund</i>	<i>9</i>	<i>26</i>	<i>71</i>	<i>65</i>	<i>49</i>	<i>19</i>	<i>8</i>	<i>19</i>
Median Total Fund	3.1	18.4	-4.4	-0.8	2.5	3.2	5.9	3.6
Median Public Fund	3.1	18.1	-3.6	-0.4	2.6	3.5	6.3	3.6
CPI + 400 bps	1.0	6.9	5.5	6.4	6.5	6.7	6.8	6.9

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

*\* See also see Internal Rates of Return for closed-end funds on page 15.*

*\*\* Performance as of September 30, 2009.*

## CLOSED END FUNDS INTERNAL RATE OF RETURN (IRR)

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
<b>FIXED INCOME</b>					
ING Clarion II	-35.0%	-33.4%	-37.5%	-35.9%	07/01/06
ING Clarion III*	51.3%	45.0%	38.9%	35.8%	12/12/08
<b>REAL ESTATE</b>					
BlackRock Realty	-15.6%	-15.2%	-16.9%	-17.7%	11/19/04
DLJ RECP II	26.8%	22.6%	23.7%	18.4%	09/24/99
DLJ RECP III	1.4%	0.3%	-0.4%	-1.4%	06/23/05
DLJ RECP IV	-32.3%	-21.2%	-37.1%	-26.7%	02/11/08
Fidelity Growth Fund II	-18.9%	-18.9%	-20.4%	-20.4%	03/10/04
Fidelity Growth Fund III	-58.9%	-58.6%	-62.8%	-62.8%	03/30/07
Hearthstone I	<i>n/a</i>	<i>n/a</i>	3.8%	3.7%	06/15/95
Hearthstone II	<i>n/a</i>	<i>n/a</i>	27.2%	26.8%	06/17/98
Invesco Real Estate I	-15.7%	-15.7%	-17.5%	-17.5%	02/01/05
Invesco Real Estate II	-81.3%	-81.1%	-82.0%	-81.8%	11/26/07
Prudential SPF II	13.6%	13.4%	11.8%	11.7%	05/14/96
<b>ALTERNATIVE INVESTMENTS</b>					
Adams Street Partners <i>(combined)</i>	13.2%	13.2%	10.0%	10.0%	03/18/96
Bay Area Equity Fund	15.9%	16.3%	6.2%	6.4%	06/14/04
Carpenter Bancfund	-3.8%	-3.2%	-13.1%	-11.0%	01/31/08
EIF US Power Fund I	35.5%	36.8%	30.7%	30.7%	11/26/03
EIF US Power Fund II	11.9%	10.5%	8.0%	6.8%	08/16/05
EIF US Power Fund III	8.8%	8.8%	-1.0%	-1.0%	05/30/07
Nogales	-19.1%	-20.0%	-30.9%	-31.5%	02/15/04
Paladin	-14.0%	-13.7%	-14.0%	-13.7%	11/30/07
Pathway	8.8%	8.8%	5.7%	5.7%	11/09/98
Benchmark <sup>3</sup>	-7.0%	-7.0%	-7.0%	-7.0%	
Benchmark <sup>4</sup>	-1.2%	-1.2%	-1.2%	-1.2%	
PruTimber	4.7%	4.8%	3.8%	3.9%	12/12/95

Benchmarks:

Pathway

Benchmark <sup>3</sup>

Benchmark <sup>4</sup>

Venture Economics Buyout Pooled IRR - 1999-2004 as of 9/30/08

Venture Economics Venture Capital IRR - 1999-2004 as of 9/30/08

\* ING Clarion Fund III was incepted less than a year ago. Returns exhibited are changes in value over the initial investment.

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>DOMESTIC EQUITY</b>								
<b>Boston Partners</b>	4.4 %	26.9 %	-8.1 %	-4.3 %	1.3 %	3.3 %	8.1 %	5.6 %
<b>Delaware</b>	10.8	43.3	-9.5	-2.5	-1.2	-	-	-
<b>Emerald Advisors</b>	5.9	32.4	-8.6	-5.0	-0.8	1.2	-	-
<b>State Street (Legacy ING)</b>	6.2	25.9	-10.8	-5.7	-0.8	0.4	-	-
<b>Intech - Enhanced Plus</b>	6.3	25.3	-11.3	-5.6	-1.0	0.8	-	-
<b>Intech - Large Core</b>	6.4	24.2	-11.1	-	-	-	-	-
<b>PIMCO Stocks Plus</b>	7.0	36.9	-12.3	-7.0	-1.8	-0.6	4.8	-
<b>Progress</b>	5.2	32.6	-13.0	-7.3	-2.2	-0.2	-	-
<b>Rothschild</b>	3.6	12.9	-10.5	-6.8	-0.6	1.6	-	-
<b>Wentworth, Hauser</b>	6.4	34.9	-6.3	-2.2	0.0	1.8	6.7	2.2
<b>Total Domestic Equities</b>	6.5	30.3	-9.9	-4.9	-0.7	1.1	6.5	-0.2
Median Equity	5.8	29.0	-9.7	-4.5	0.0	1.7	7.6	2.9
S&P 500	6.0	26.5	-10.7	-5.6	-0.7	0.4	5.5	-1.0
Russell 3000®	5.9	28.3	-10.3	-5.4	-0.5	0.8	6.2	-0.2
Russell 1000® Value	4.2	19.7	-13.1	-9.0	-2.0	-0.3	5.9	2.5
Russell 1000® Growth	7.9	37.2	-8.1	-1.9	0.8	1.6	5.9	-4.0
Russell 2000®	3.9	27.2	-8.2	-6.1	-0.5	0.5	8.7	3.5
Russell 2500™ Value	4.6	27.7	-6.8	-7.0	-0.8	0.8	9.1	8.2
Russell 2000® Growth	4.1	34.5	-9.1	-4.0	0.1	0.9	8.5	-1.4
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	-0.6	18.6	-14.7	-7.2	0.1	-	-	-
<b>McKinley Capital</b>	6.7	26.9	-20.5	-9.0	-	-	-	-
<b>Total Int'l Equities</b>	3.1	22.7	-17.4	-7.9	-0.4	3.4	9.9	1.0
Median Int'l Equity	2.7	36.1	-11.9	-4.3	2.6	5.1	12.5	4.9
MSCI EAFE Index	2.2	32.5	-13.2	-5.6	1.7	4.0	10.8	1.6
MSCI ACWI ex-US	3.8	42.1	-11.8	-3.0	3.8	6.3	12.8	3.1
S&P Citi PMI EPAC Value	0.2	32.2	-13.7	-5.8	1.7	4.3	11.7	3.7
MSCI ACWI ex-US Growth	5.3	39.2	-12.8	-2.7	3.4	6.0	11.3	0.4
<b>DOMESTIC FIXED INCOME</b>								
<b>AFL-CIO Housing</b>	0.1	6.2	5.8	6.1	5.7	5.1	4.8	6.5
<b>Goldman Sachs</b>	0.5	-	-	-	-	-	-	-
<b>ING Clarion II</b>	8.1	10.6	-38.6	-32.1	-	-	-	-
<b>ING Clarion III</b>	5.0	-	-	-	-	-	-	-
<b>Lord Abbett</b>	0.9	-	-	-	-	-	-	-
<b>Nicholas Applegate</b>	5.6	46.5	8.0	6.3	7.2	6.4	8.6	-
<b>PIMCO</b>	1.1	16.1	7.6	7.8	6.9	6.2	6.1	-
<b>Workout (GSAM)</b>	7.0	-	-	-	-	-	-	-
<b>Total Domestic Fixed</b>	2.0	17.2	3.6	4.1	4.9	4.6	5.2	6.3
Median Fixed Income	0.8	8.3	5.7	6.1	5.7	5.1	4.9	6.4
Median High Yield Mgr.	5.6	47.3	4.6	3.7	5.2	4.8	8.1	5.2
Barclays Universal	0.6	8.6	5.5	5.8	5.6	5.0	5.1	6.4
Barclays Aggregate	0.2	5.9	5.6	6.0	5.6	5.0	4.8	6.3
Merrill Lynch HY II	6.0	57.5	7.8	5.9	7.3	6.4	9.9	6.5
Merrill Lynch BB/B	4.7	46.1	5.7	4.7	6.1	5.6	8.5	5.9
T-Bills	0.0	0.2	1.1	2.4	2.5	2.6	2.2	2.8
<b>GLOBAL FIXED INCOME</b>								
<b>Lazard Asset Mgmt</b>	0.1	11.0	-	-	-	-	-	-
Barclays Global Aggregate	-0.8	6.9	5.9	7.1	7.0	4.6	-	-

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

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>ALTERNATIVE INVESTMENTS*</b>								
Adams Street**	0.3 %	-9.0 %	-7.6 %	2.3 %	6.7 %	8.2 %	7.6 %	6.8 %
Bay Area Equity Fund**	-0.2	-2.2	8.7	22.4	12.2	7.4	-	-
Carpenter Bancfund**	-2.1	-10.2	-	-	-	-	-	-
Energy Investor Fund**	-6.5	84.2	135.9	73.5	54.9	59.4	-	-
Energy Investor Fund II**	-0.7	-2.0	7.0	7.5	-	-	-	-
Energy Investor Fund III**	-2.1	4.2	-	-	-	-	-	-
Nogales**	2.3	-75.4	-66.6	-49.1	-38.6	-31.3	-	-
Paladin III	-0.6	4.2	-6.2	-	-	-	-	-
Pathway**	5.1	-11.0	-9.8	6.3	9.4	14.9	11.3	6.6
Hancock PT Timber Fund	-7.7	-6.7	1.7	5.6	6.9	7.3	6.4	4.4
<b>Total Alternative</b>	<b>0.0</b>	<b>-5.1</b>	<b>-3.1</b>	<b>5.6</b>	<b>8.4</b>	<b>12.4</b>	<b>9.9</b>	<b>7.4</b>
S&P 500 + 400 bps	7.1	31.4	-7.1	-1.8	3.3	4.4	9.7	3.0
<b>REAL ESTATE*</b>								
Adelante Capital REIT	8.8	28.6	-16.0	-16.4	-5.3	-1.4	8.1	-
BlackRock Realty	0.8	-53.9	-41.9	-27.5	-17.7	-10.6	-	-
DLJ RECP I**	-0.9	-3.1	11.6	18.5	23.7	21.4	16.9	14.7
DLJ RECP II**	-0.5	-31.9	-15.7	-1.7	6.4	14.0	17.3	12.5
DLJ RECP III**	-0.4	-16.2	-7.5	3.4	4.8	-	-	-
DLJ RECP IV**	24.6	-52.3	-	-	-	-	-	-
Fidelity II	-4.4	-41.4	-42.1	-29.0	-20.2	-14.5	-	-
Fidelity III	3.2	-74.4	-56.3	-	-	-	-	-
Invesco Fund I	-29.3	-50.1	-38.5	-25.6	-13.7	-13.5	-	-
Invesco Fund II	-28.3	-73.8	-78.4	-	-	-	-	-
Invesco Int'l REIT	1.7	38.7	-	-	-	-	-	-
Prudential SPF II	-16.2	-17.7	-30.8	-13.0	2.5	8.1	9.8	8.7
Willows Office Property	1.1	4.9	4.3	16.3	14.0	12.7	8.6	13.5
<b>Total Real Estate</b>	<b>4.3</b>	<b>-1.6</b>	<b>-19.9</b>	<b>-15.0</b>	<b>-5.0</b>	<b>-0.6</b>	<b>6.6</b>	<b>7.0</b>
Median Real Estate	-3.0	-28.7	-18.6	-9.8	-3.5	0.6	4.8	5.0
Real Estate Benchmark	0.9	-3.3	-9.5	-4.5	1.5	4.7	8.3	8.9
DJ Wilshire REIT	9.2	28.6	-11.6	-13.6	-3.2	-0.1	8.8	10.7
NCREIF Property Index	-2.1	-16.9	-11.8	-3.4	1.2	4.8	6.7	7.3
NCREIF Index + 300 bps	-1.4	-14.2	-9.1	-0.4	4.4	7.9	9.9	10.5
NCREIF Index + 500 bps	-0.9	-12.5	-7.3	1.5	6.3	9.9	11.9	12.6
NCREIF Apartment	-1.8	-17.5	-12.6	-5.2	-0.6	3.4	5.5	6.9
NCREIF Apt + 300 bps	-1.1	-14.9	-9.8	-2.3	2.4	6.5	8.6	10.1
<b>CCCERA Total Fund</b>	<b>4.1 %</b>	<b>21.1 %</b>	<b>-5.9 %</b>	<b>-1.9 %</b>	<b>2.1 %</b>	<b>3.7 %</b>	<b>7.5 %</b>	<b>4.1 %</b>
CPI + 400 bps	1.0	6.9	5.5	6.4	6.5	6.7	6.8	6.9

See also IRRs on closed end funds (some fixed income, alternatives and real estate) on Page 15.

\*\* Performance as of September 30, 2009.

**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

<b>DOMESTIC EQUITY</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Boston Partners</b>	<b>27.3 %</b>	<b>-33.2 %</b>	<b>4.3 %</b>	<b>20.2 %</b>	<b>12.0 %</b>	<b>16.6 %</b>	<b>27.1 %</b>
<i>Rank vs Equity</i>	<i>57</i>	<i>22</i>	<i>60</i>	<i>12</i>	<i>14</i>	<i>31</i>	<i>75</i>
<i>Rank vs Lg Value</i>	<i>27</i>	<i>16</i>	<i>24</i>	<i>36</i>	<i>14</i>	<i>32</i>	<i>81</i>
<b>Delaware</b>	<b>43.9</b>	<b>-42.6</b>	<b>13.6</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>10</i>	<i>81</i>	<i>15</i>	<i>91</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>11</i>	<i>76</i>	<i>33</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Emerald Advisors</b>	<b>33.2</b>	<b>-36.5</b>	<b>3.2</b>	<b>13.8</b>	<b>10.1</b>	<b>4.1</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>36</i>	<i>41</i>	<i>64</i>	<i>56</i>	<i>25</i>	<i>93</i>	<i>-</i>
<i>Rank vs Sm Cap Growth</i>	<i>54</i>	<i>35</i>	<i>48</i>	<i>39</i>	<i>20</i>	<i>86</i>	<i>-</i>
<b>State Street (Legacy ING)</b>	<b>26.0</b>	<b>-36.7</b>	<b>5.8</b>	<b>15.9</b>	<b>5.4</b>	<b>11.2</b>	<b>26.7</b>
<i>Rank vs Equity</i>	<i>69</i>	<i>41</i>	<i>44</i>	<i>38</i>	<i>61</i>	<i>60</i>	<i>77</i>
<i>Rank vs Lg Core</i>	<i>72</i>	<i>35</i>	<i>75</i>	<i>39</i>	<i>40</i>	<i>36</i>	<i>83</i>
<b>Intech - Enhanced Plus</b>	<b>25.7</b>	<b>-37.0</b>	<b>7.4</b>	<b>14.4</b>	<b>8.9</b>	<b>15.3</b>	<b>29.4</b>
<i>Rank vs Equity</i>	<i>70</i>	<i>48</i>	<i>36</i>	<i>54</i>	<i>34</i>	<i>37</i>	<i>60</i>
<i>Rank vs Lg Core</i>	<i>75</i>	<i>53</i>	<i>79</i>	<i>80</i>	<i>14</i>	<i>7</i>	<i>34</i>
<b>Intech - Large Cap Core</b>	<b>24.6</b>	<b>-36.2</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>75</i>	<i>37</i>	<i>38</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>85</i>	<i>27</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>PIMCO Stocks Plus</b>	<b>37.3</b>	<b>-43.5</b>	<b>5.0</b>	<b>15.7</b>	<b>4.6</b>	<b>11.1</b>	<b>29.9</b>
<i>Rank vs Equity</i>	<i>23</i>	<i>85</i>	<i>56</i>	<i>43</i>	<i>75</i>	<i>62</i>	<i>58</i>
<i>Rank vs Lg Core</i>	<i>6</i>	<i>97</i>	<i>68</i>	<i>64</i>	<i>78</i>	<i>15</i>	<i>29</i>
<b>Progress</b>	<b>33.5</b>	<b>-42.5</b>	<b>6.1</b>	<b>15.4</b>	<b>9.1</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>36</i>	<i>81</i>	<i>42</i>	<i>46</i>	<i>32</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Core</i>	<i>40</i>	<i>91</i>	<i>17</i>	<i>46</i>	<i>36</i>	<i>-</i>	<i>-</i>
<b>Rothschild</b>	<b>13.7</b>	<b>-28.6</b>	<b>1.8</b>	<b>21.3</b>	<b>11.2</b>	<b>20.7</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>94</i>	<i>11</i>	<i>70</i>	<i>9</i>	<i>18</i>	<i>15</i>	<i>-</i>
<i>Rank vs Sm Cap Value</i>	<i>97</i>	<i>28</i>	<i>31</i>	<i>19</i>	<i>23</i>	<i>39</i>	<i>-</i>
<b>Wentworth, Hauser</b>	<b>35.2</b>	<b>-34.8</b>	<b>6.6</b>	<b>7.2</b>	<b>9.6</b>	<b>13.6</b>	<b>27.1</b>
<i>Rank vs Equity</i>	<i>30</i>	<i>29</i>	<i>40</i>	<i>83</i>	<i>28</i>	<i>46</i>	<i>75</i>
<i>Rank vs Lg Core</i>	<i>8</i>	<i>16</i>	<i>36</i>	<i>98</i>	<i>9</i>	<i>15</i>	<i>82</i>
<b>Total Domestic Equities</b>	<b>30.8</b>	<b>-37.5</b>	<b>6.5</b>	<b>13.5</b>	<b>8.8</b>	<b>13.0</b>	<b>31.0</b>
<i>Rank vs Equity</i>	<i>43</i>	<i>55</i>	<i>40</i>	<i>60</i>	<i>35</i>	<i>49</i>	<i>50</i>
Median Equity	29.0	-37.0	5.5	15.0	6.5	12.9	31.0
S&P 500	26.5	-37.0	5.5	15.8	4.9	10.9	28.7
S&P 500 ex-Tobacco	26.5	-37.3	5.2	15.7	4.6	10.7	28.4
Russell 3000®	28.3	-37.3	5.1	15.7	6.1	12.0	31.0
Russell 1000® Value	19.7	-36.9	-0.2	22.2	7.0	16.5	30.0
Russell 1000® Growth	37.2	-38.4	11.8	9.1	5.3	6.3	29.8
Russell 2000®	27.2	-33.8	-1.6	18.4	4.6	18.3	47.3
Rothschild Benchmark	27.7	-32.0	-7.3	20.2	5.5	22.3	-
Russell 2000® Growth	34.5	-38.5	7.1	13.4	4.2	14.3	-
<b>INT'L EQUITY</b>							
<b>GMO</b>	<b>19.3</b>	<b>-38.4</b>	<b>10.6</b>	<b>26.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>92</i>	<i>18</i>	<i>60</i>	<i>44</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>McKinley Capital</b>	<b>27.5</b>	<b>-49.9</b>	<b>20.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>72</i>	<i>82</i>	<i>17</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total Int'l Equities</b>	<b>23.3</b>	<b>-44.1</b>	<b>15.3</b>	<b>26.6</b>	<b>20.0</b>	<b>18.1</b>	<b>39.9</b>
<i>Rank vs Int'l Eq</i>	<i>83</i>	<i>55</i>	<i>36</i>	<i>41</i>	<i>32</i>	<i>68</i>	<i>27</i>
Median Int'l Equity	36.1	-43.4	11.9	25.9	15.9	19.9	36.4
MSCI EAFE Index	32.5	-43.1	11.6	26.9	14.0	20.7	39.2
MSCI ACWI ex-US	42.1	-45.2	17.1	27.2	17.1	21.4	41.4
S&P Citi PMI EPAC Value	32.2	-43.7	12.2	28.1	15.7	23.5	42.1
MSCI ACWI ex-US Growth	39.2	-45.4	21.4	24.0	17.1	17.1	34.9

**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>DOMESTIC FIXED INCOME</b>							
AFL-CIO Housing	6.7 %	5.7 %	7.1 %	5.1 %	3.0 %	4.6 %	4.2 %
<i>Rank vs Fixed Income</i>	61	25	34	28	25	41	66
Goldman Sachs	9.8	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	39	-	-	-	-	-	-
ING Clarion II	16.4	-64.9	-6.6	-	-	-	-
<i>Rank vs Fixed Income</i>	97	99	100	-	-	-	-
ING Clarion III	45.2	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	60	-	-	-	-	-	-
Lord Abbett	15.6	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	11	-	-	-	-	-	-
Nicholas Applegate	47.1	-20.0	7.1	10.2	3.8	9.1	21.2
<i>Rank vs. High Yield</i>	52	14	34	32	15	66	68
PIMCO	16.4	0.0	8.4	4.8	3.4	5.6	6.9
<i>Rank vs Fixed Income</i>	9	73	13	37	18	20	21
Workout (GSAM)	35.1	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	1	-	-	-	-	-	-
Total Domestic Fixed	17.8	-8.1	5.8	7.5	3.7	6.3	7.9
<i>Rank vs Fixed Income</i>	6	92	62	11	14	16	14
Median Fixed Income	8.3	3.9	6.5	4.5	2.5	4.4	4.6
Median High Yield Mgr.	47.3	-24.9	6.5	9.0	2.5	9.8	24.0
Barclays Universal	8.6	2.4	6.5	5.0	2.7	5.0	5.8
Barclays Aggregate	5.9	5.2	7.0	4.3	2.4	4.3	4.1
ML High Yield II	57.5	-26.2	2.1	11.7	2.7	10.8	28.1
T-Bills	0.2	2.1	5.0	4.8	3.1	1.3	1.1
<b>Global Fixed Income</b>							
Lazard Asset Mgmt	11.3	-0.4	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	54	31	-	-	-	-	-
Barclays Global Aggregate	6.9	4.8	-	-	-	-	-
<b>ALTERNATIVE INVESTMENTS</b>							
Adams Street**	-6.9	-4.9	27.9	23.5	17.0	13.0	4.5
Bay Area Equity Fund**	0.2	24.4	63.6	-6.5	1.9	-	-
Carpenter Bancfund	7.1	-	-	-	-	-	-
Energy Investor Fund**	90.3	220.5	2.2	12.7	84.2	-	-
Energy Investor Fund II**	0.4	19.7	12.5	-	-	-	-
Energy Investor Fund III**	11.0	108.9	-	-	-	-	-
Nogales**	-47.7	-51.4	21.2	11.0	13.1	-	-
Paladin III**	10.1	-10.9	-	-	-	-	-
Pathway**	-9.0	-6.6	50.4	21.4	42.5	12.2	0.2
Hancock PT Timber Fund	-5.8	11.9	14.7	12.1	9.8	6.9	3.8
Total Alternative	-1.5	1.8	28.0	19.2	33.3	11.4	3.5
S&P 500 + 400 bps	31.4	-34.4	9.7	19.8	8.9	14.9	32.7

See also IRRs on closed end funds (some fixed income, alternatives and real estate) on Page 15.

\*\* Performance as of September 30, 2009.

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**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2009**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>REAL ESTATE</b>							
<b>Adelante Capital REIT</b>	<b>29.3 %</b>	<b>-44.8 %</b>	<b>-16.9 %</b>	<b>38.2 %</b>	<b>16.7 %</b>	<b>36.9 %</b>	<b>36.1 %</b>
<i>Rank</i>	<i>48</i>	<i>65</i>	<i>55</i>	<i>13</i>	<i>4</i>	<i>11</i>	<i>53</i>
<b>BlackRock Realty</b>	<b>-53.1</b>	<b>-28.2</b>	<b>14.8</b>	<b>23.8</b>	<b>28.7</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>100</i>	<i>80</i>	<i>44</i>	<i>27</i>	<i>11</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP I**</b>	<b>-3.1</b>	<b>39.0</b>	<b>34.2</b>	<b>41.2</b>	<b>14.2</b>	<b>11.8</b>	<b>4.2</b>
<i>Rank</i>	<i>27</i>	<i>1</i>	<i>2</i>	<i>6</i>	<i>62</i>	<i>54</i>	<i>84</i>
<b>DLJ RECP II**</b>	<b>-30.5</b>	<b>4.0</b>	<b>34.8</b>	<b>35.7</b>	<b>51.3</b>	<b>33.8</b>	<b>25.8</b>
<i>Rank</i>	<i>74</i>	<i>12</i>	<i>1</i>	<i>17</i>	<i>4</i>	<i>19</i>	<i>28</i>
<b>DLJ RECP III**</b>	<b>-15.4</b>	<b>1.7</b>	<b>30.5</b>	<b>10.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>32</i>	<i>16</i>	<i>2</i>	<i>79</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP IV**</b>	<b>-53.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Fidelity II</b>	<b>-40.0</b>	<b>-41.9</b>	<b>5.0</b>	<b>16.5</b>	<b>16.1</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>93</i>	<i>93</i>	<i>74</i>	<i>45</i>	<i>51</i>	<i>-</i>	<i>-</i>
<b>Fidelity III</b>	<b>-71.2</b>	<b>-10.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>100</i>	<i>58</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund I</b>	<b>-49.2</b>	<b>-23.2</b>	<b>10.4</b>	<b>38.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>98</i>	<i>78</i>	<i>63</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund II</b>	<b>-72.8</b>	<b>-81.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Intl REIT</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Prudential SPF II</b>	<b>-17.7</b>	<b>-39.6</b>	<b>45.3</b>	<b>83.8</b>	<b>38.3</b>	<b>19.7</b>	<b>12.4</b>
<i>Rank</i>	<i>33</i>	<i>90</i>	<i>1</i>	<i>1</i>	<i>7</i>	<i>30</i>	<i>33</i>
<b>Willows Office Property</b>	<b>4.9</b>	<b>3.7</b>	<b>44.5</b>	<b>7.4</b>	<b>7.5</b>	<b>-8.9</b>	<b>7.9</b>
<i>Rank</i>	<i>24</i>	<i>13</i>	<i>1</i>	<i>87</i>	<i>80</i>	<i>96</i>	<i>67</i>
<b>Total Real Estate</b>	<b>-0.5</b>	<b>-34.2</b>	<b>-3.0</b>	<b>33.8</b>	<b>20.4</b>	<b>30.4</b>	<b>25.6</b>
<i>Rank</i>	<i>26</i>	<i>83</i>	<i>82</i>	<i>20</i>	<i>29</i>	<i>23</i>	<i>28</i>
Median Real Estate	-28.7	-10.4	13.9	15.6	16.7	12.3	9.5
Real Estate Benchmark	-3.3	-15.2	6.3	-	-	-	-
DJ Wilshire REIT Index	28.6	-39.2	-17.6	36.0	13.8	33.1	36.2
NCREIF Property Index	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0
<b>CCCERA Total Fund</b>	<b>21.9</b>	<b>-26.5</b>	<b>7.3</b>	<b>15.3</b>	<b>10.8</b>	<b>13.38</b>	<b>23.5</b>
<i>Rank vs. Total Fund</i>	<i>32</i>	<i>68</i>	<i>45</i>	<i>13</i>	<i>5</i>	<i>15</i>	<i>20</i>
<i>Rank vs. Public Fund</i>	<i>26</i>	<i>74</i>	<i>42</i>	<i>11</i>	<i>2</i>	<i>8</i>	<i>19</i>
Median Total Fund	18.4	-23.0	7.1	12.0	6.1	10.4	19.1
Median Public Fund	18.1	-22.9	6.9	11.9	6.0	10.0	20.4
CPI + 400 bps	6.9	4.2	8.3	6.6	7.6	7.4	6.5

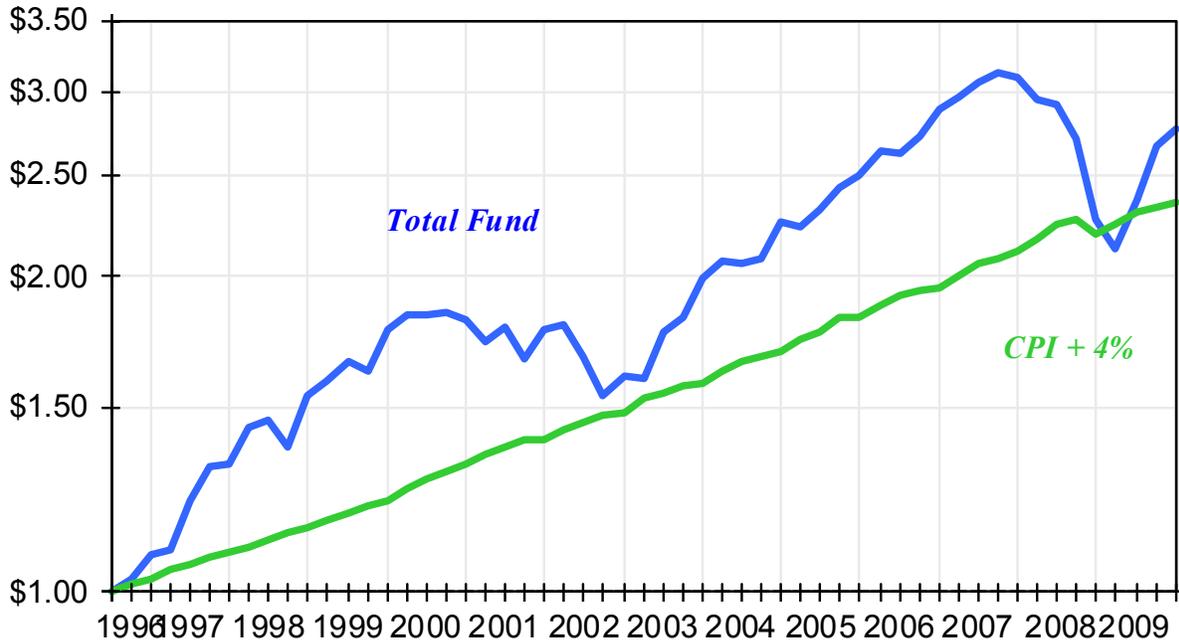
\*\* Performance as of September 30, 2009.

# TOTAL FUND PERFORMANCE

## Total Fund

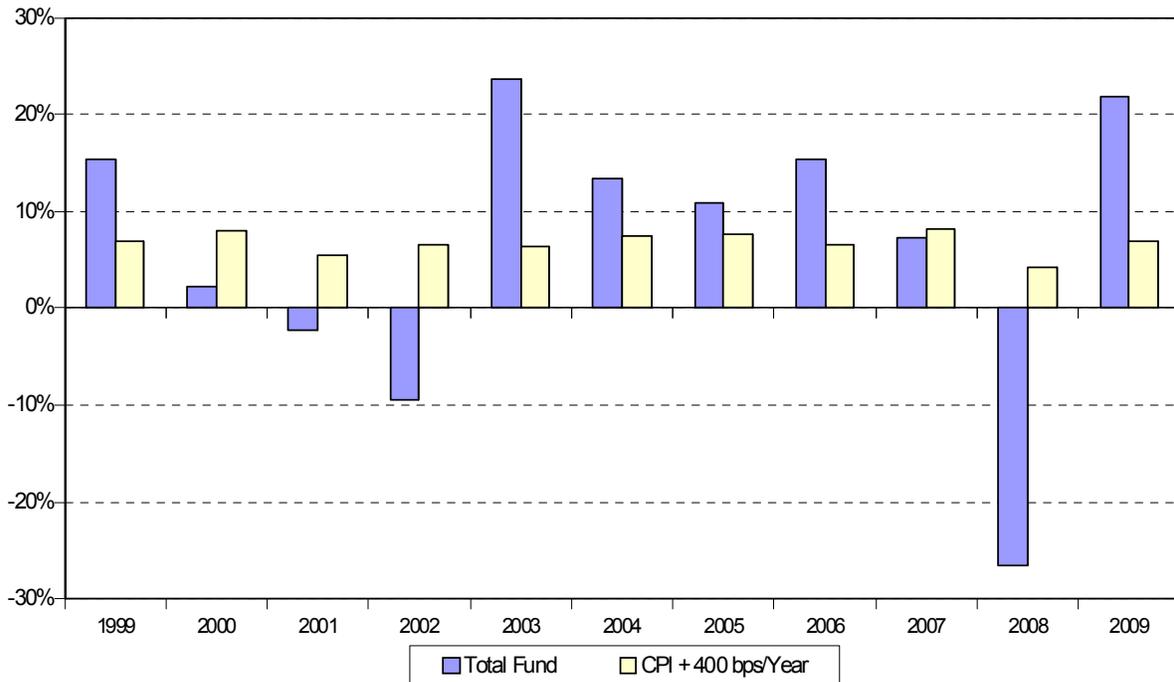
### Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

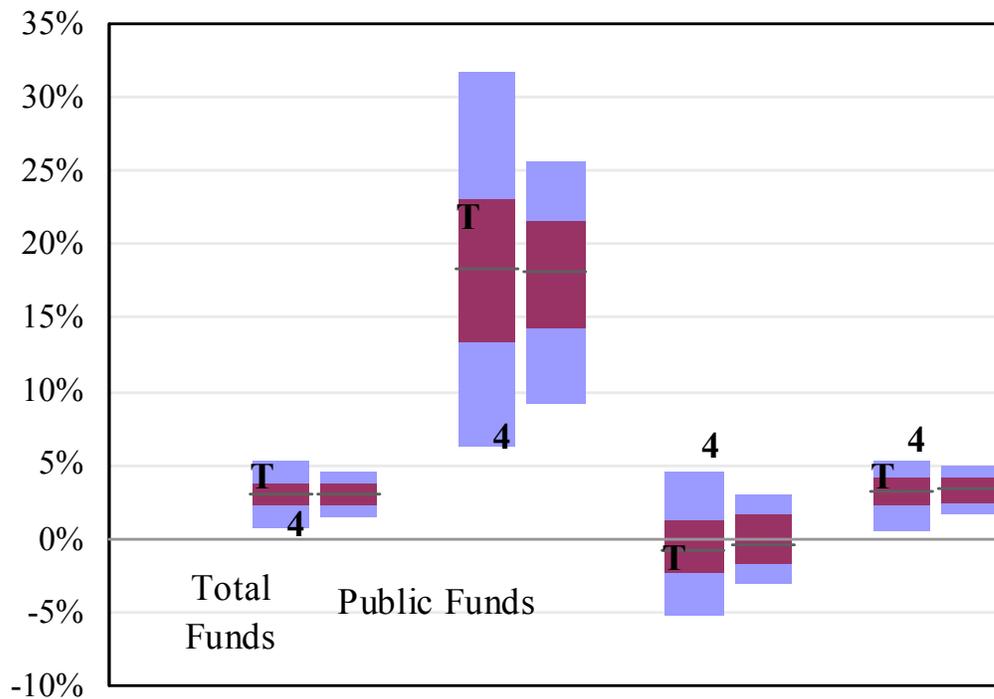


### Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



## Total Fund



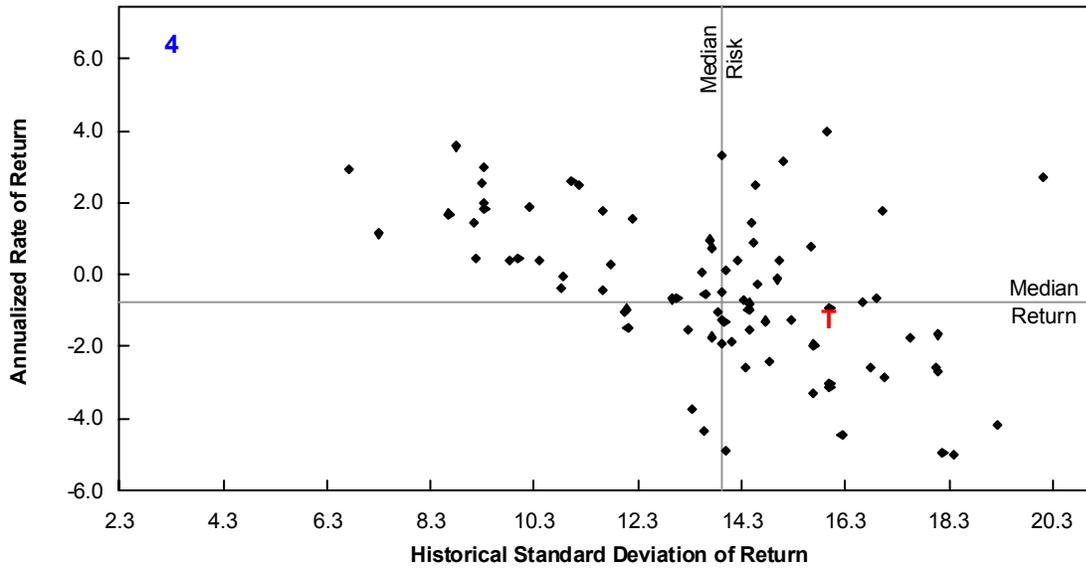
	Qtr	1 Year	3 Years	5 Years
Total Fund (T)	4.2	21.9	-1.3	4.2
<i>Rank v. Total Fd</i>	16	32	58	23
<i>Rank v. Public Fd</i>	9	26	65	19
CPI + 4% (4)	1.0	6.9	6.4	6.7
Total Fund Median	3.1	18.4	-0.8	2.3
Total Public Median	3.1	18.1	-0.4	3.5

CCCERA Total Fund returned 4.2% in the fourth quarter, above the 3.1% return of the median total fund and the 3.1% return of the median total public fund. For the one-year period, the Total Fund returned 21.9%, above the 18.4% for the median total fund and 18.1% for the median public fund. Over the longer periods CCCERA has performed better than both fund medians. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past five years. However, the CCCERA Total Fund did not exceed the CPI plus 400 basis points over the past five years.

# TOTAL FUND PERFORMANCE

## Performance and Variability

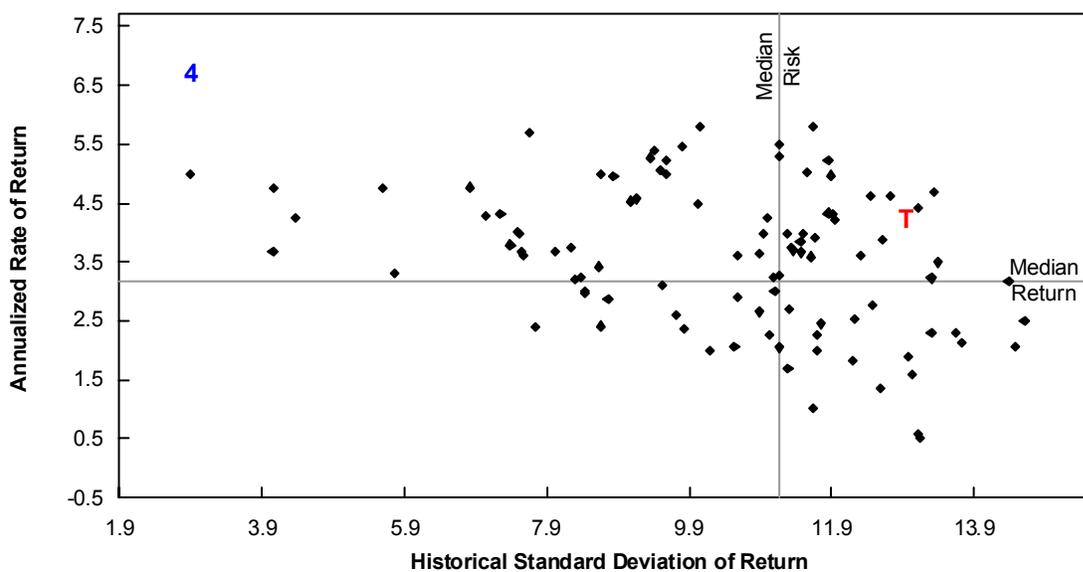
*Three Years Ending December 31, 2009*



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	-1.3 %	16.0 %	-0.23
CPI + 4% ( <b>4</b> )	6.4	3.3	1.22
Median Fund	-0.8	13.9	-0.23

## Performance and Variability

*Five Years Ending December 31, 2009*



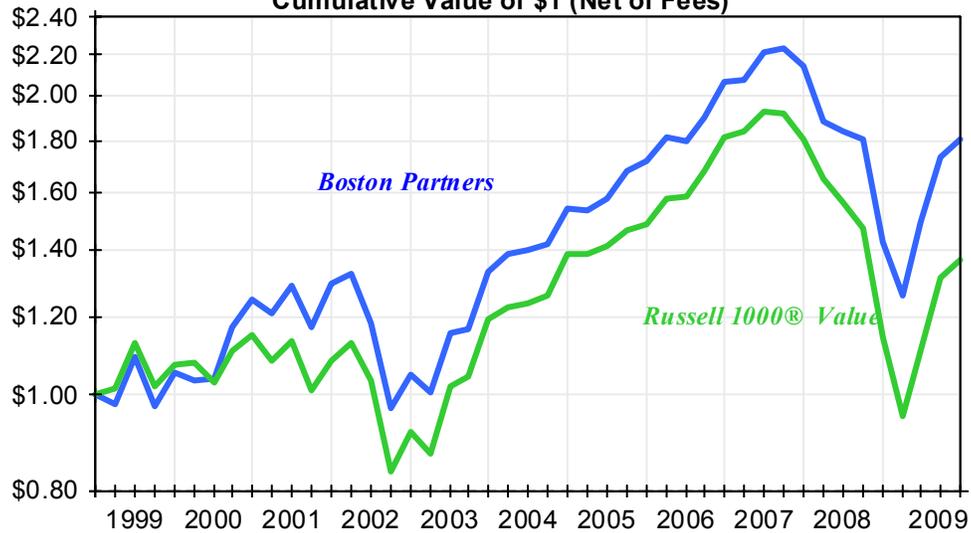
	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	4.2 %	16.0 %	0.10
CPI + 4% ( <b>4</b> )	6.7	3.3	1.25
Median Fund	3.2	13.9	0.04

# MANAGER COMMENTS – DOMESTIC EQUITY

## Boston Partners

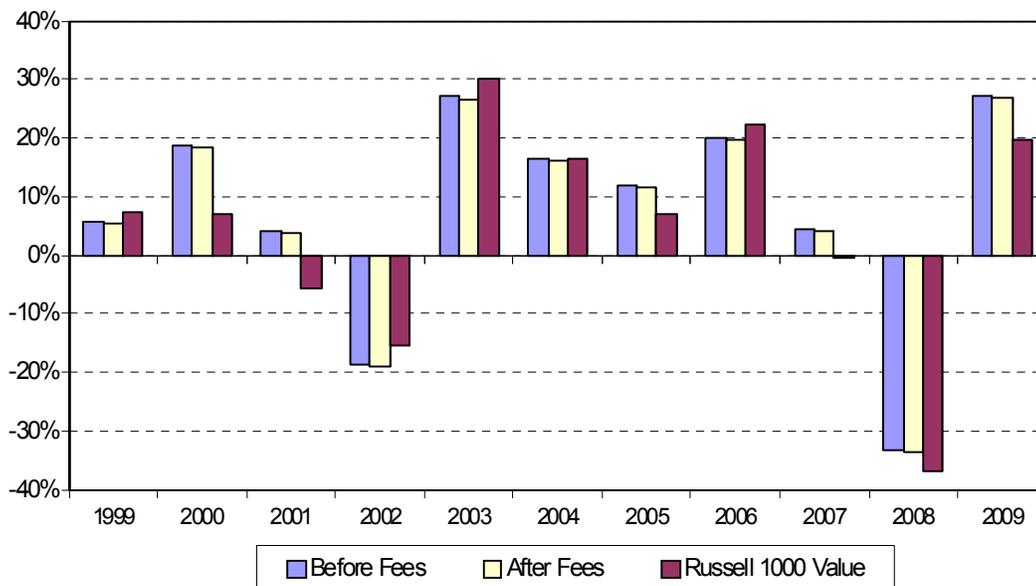
### Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

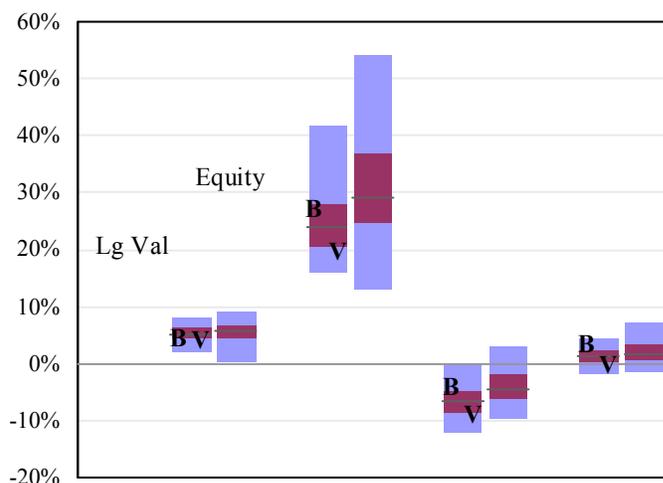


### Boston vs. Russell 1000® Value

Year by Year Performance



## Boston Partners



	Qtr	1 Year	3 Years	5 Years
Boston (B)	4.5	27.3	-3.9	3.6
Rank v. Lg Value	65	27	17	9
Rank v. Equity	73	57	45	24
Rus 1000 Val (V)	4.2	19.7	-9.0	-0.3
Lg Val Median	5.2	23.9	-6.7	0.3
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	288.9	N/A
Wtd. Avg. Cap (\$Bil)	74.3	68.8
Beta	0.96	1.12
Yield (%)	1.61	2.23
P/E Ratio	26.04	45.06
Cash (%)	1.4	0.0
Number of Holdings	87	679
Turnover Rate (%)	84.9	-

Sector	Boston Partners	Russell 1000® Value
Energy	14.6 %	18.6 %
Materials	3.6	4.1
Industrials	8.2	10.6
Cons. Discretionary	8.0	10.0
Consumer Staples	3.9	5.5
Health Care	12.9	9.1
Financials	28.0	24.1
Info Technology	17.3	5.2
Telecom Services	1.3	5.7
Utilities	2.1	7.1

Boston Partners' fourth quarter return of 4.5% exceeded the 4.2% return of the Russell 1000® Value Index but ranked in the 65<sup>th</sup> percentile of large value managers. For the one-year period, Boston Partners returned 27.3%, better than the 19.7% 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 lower P/E ratio than the inflated value of the index. At the end of the quarter, the portfolio held 87 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest positive economic sector over-weights were in the information technology, financials and health care sectors, while the largest under-weights were in the utilities, telecom services and energy sectors.

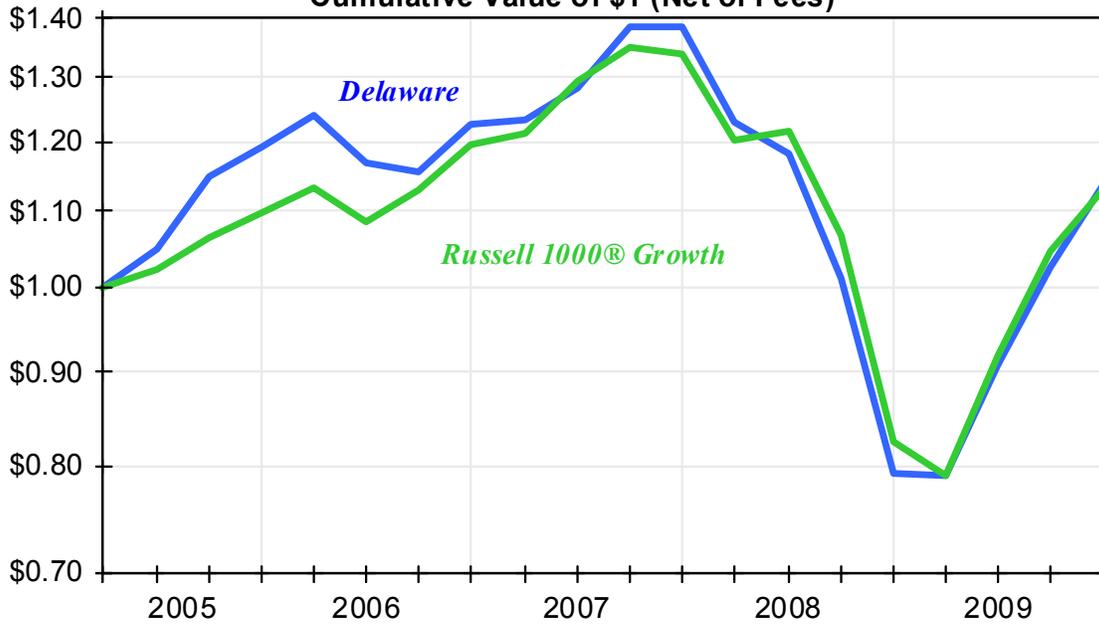
Boston Partners' fourth quarter performance relative to the Russell 1000® Value Index was helped by stock selection decisions but hurt by sector allocation decisions. Stock selection was strong in the information technology and financials sectors but an overweight to the financials sector negatively impacted performance. Top performing holdings included IMS Health (+37%), SLM Corp. (+29%) and Allegheny Technologies (+29%), while the worst performing holdings included Apollo Group (-18%), State Street Corp. (-17%) and Bank of America (-11%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Delaware

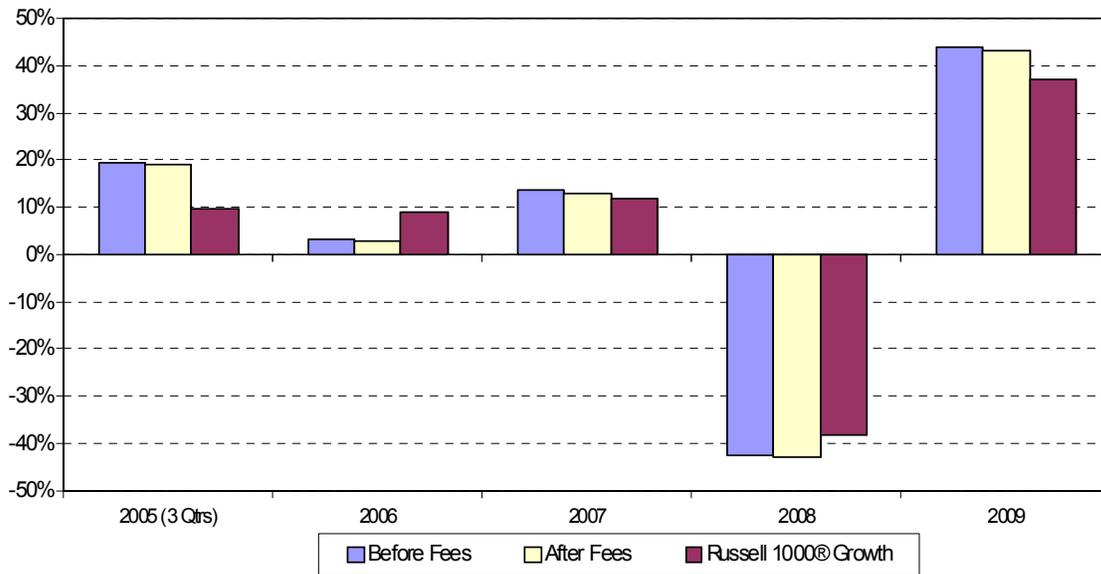
### Delaware vs. Russell 1000 Growth

Cumulative Value of \$1 (Net of Fees)

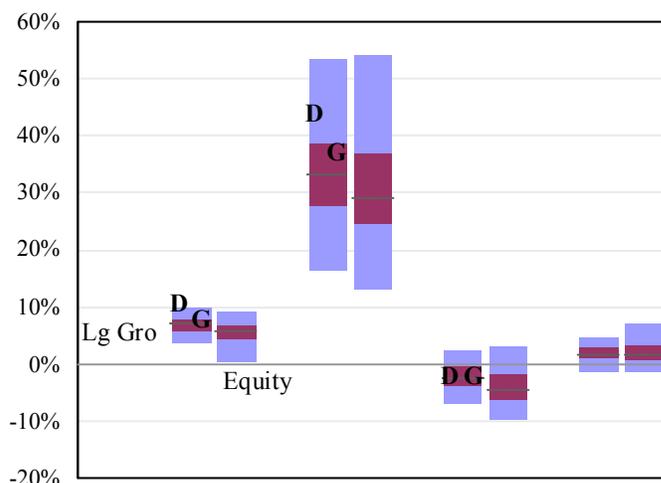


### Delaware vs. Russell 1000® Growth

Year by Year Performance



## Delaware



	Qtr	1 Year	3 Years	5 Years
Delaware (D)	10.9	43.9	-2.1	-
Rank v. Lg Gro	2	11	45	-
Rank v. Equity	2	10	27	-
Ru 1000 Gro (G)	7.9	37.2	-1.9	-
Lg Gro Median	7.0	33.3	-2.5	1.8
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	301.81	N/A
Wtd. Avg. Cap (\$Bil)	48.91	78.0
Beta	0.92	0.92
Yield (%)	0.72	1.53
P/E Ratio	46.49	26.35
Cash (%)	1.2	0.0
Number of Holdings	31	622
Turnover Rate (%)	83.3	-

Sector	Delaware	Russell 1000® Growth
Energy	3.9 %	4.3 %
Materials	5.2	3.9
Industrials	5.5	10.2
Cons. Discretionary	11.9	10.5
Consumer Staples	5.7	15.7
Health Care	15.7	15.9
Financials	9.3	5.0
Info Technology	38.6	33.3
Telecom Services	4.3	0.6
Utilities	0.0	0.9

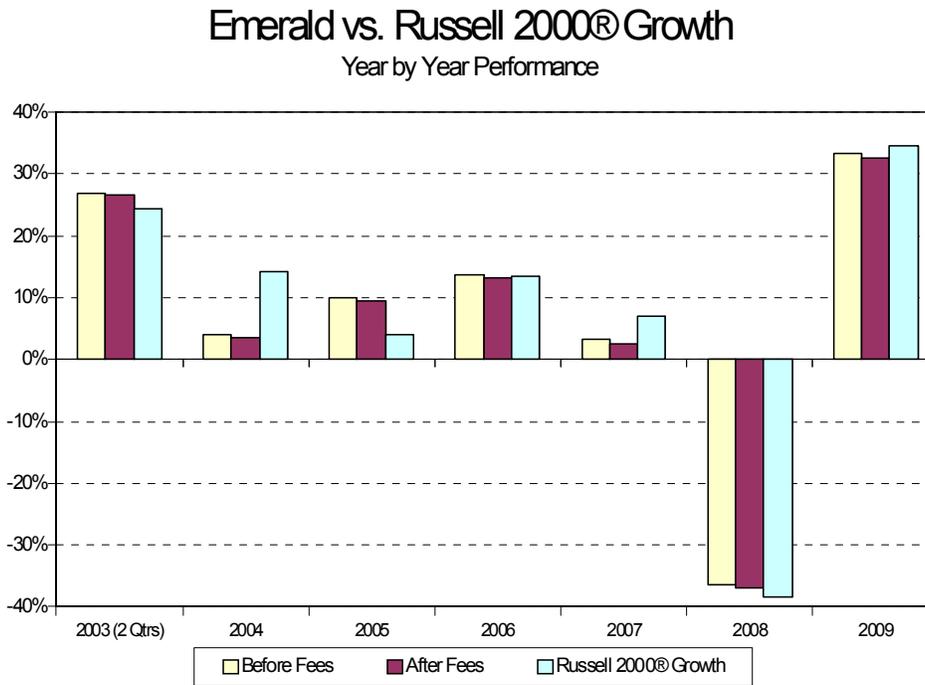
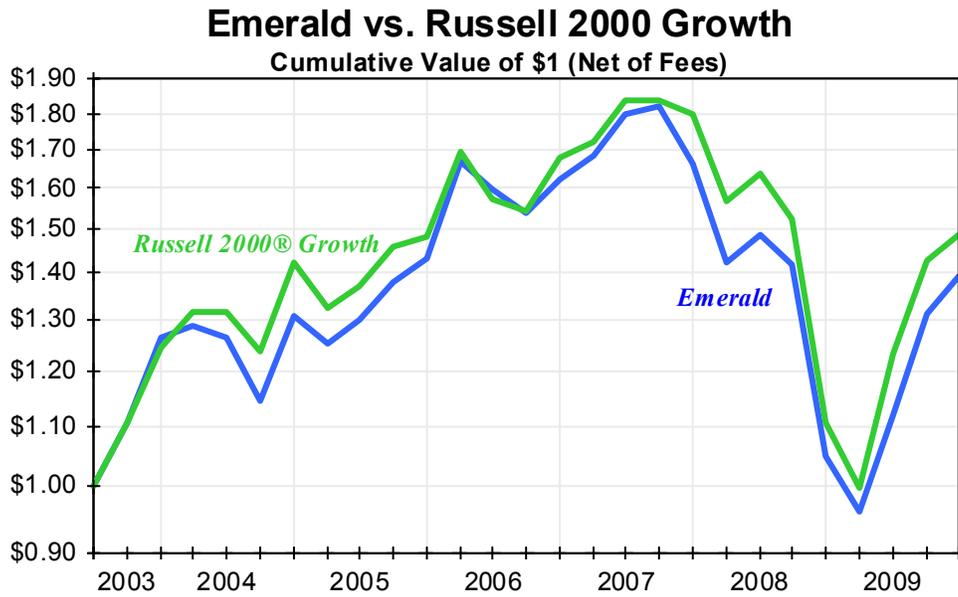
Delaware's return of 10.9% for the fourth quarter exceeded the 7.9% return of the Russell 1000® Growth Index, and ranked in the 2<sup>nd</sup> percentile in the universe of large growth equity managers. Over the past year, the portfolio returned 43.9%, better than the Russell 1000® Growth Index return of 37.2%, and ranked in the 11<sup>th</sup> percentile of large growth equity managers. Since inception performance approximately matches the Russell 1000® Growth Index, net of fees. Delaware is in compliance with some of CCCERA's performance objectives.

The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 31 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weights relative to the Russell 1000® Growth Index were in the information technology, financials and telecom sectors, while the largest under-weights were in the consumer staples, industrials and utilities sectors.

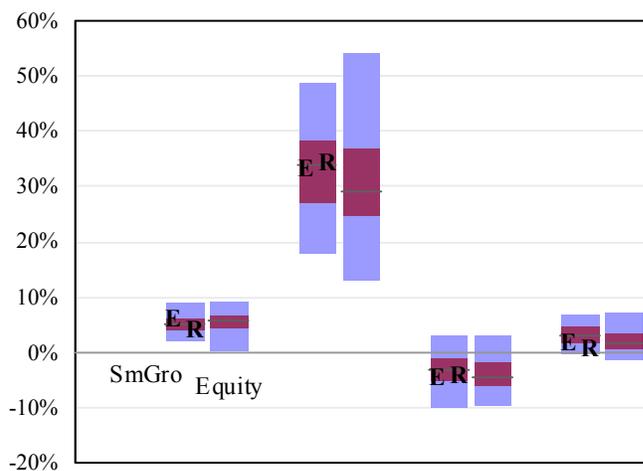
Delaware's fourth quarter performance relative to the Russell 1000® Growth Index was boosted by both stock selection and sector allocation decisions. Stock selection was strongest in the information technology and financials sectors. Trading decisions had a positive impact on performance for the quarter. The top performing holdings included Priceline (+32%), Visa (+27%) and Mastercard (+27%). The worst performing holdings included Gilead Sciences (-7%), Bank of New York Mellon (-3%) and Walgreen (-2%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Emerald



## Emerald



	Qtr	1 Year	3 Years	5 Years
Emerald (E)	6.1	33.2	-4.4	1.8
Rank v. Sm Gro	29	54	69	72
Rank v. Equity	42	36	49	48
Ru 2000 Gro (R)	4.1	34.5	-4.0	0.9
Sm Gro Median	5.1	33.9	-3.0	2.9
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Emerald	Russell 2000@ Growth
Eq Mkt Value (\$Mil)	133.56	N/A
Wtd. Avg. Cap (\$Bil)	1.31	1.10
Beta	1.34	1.19
Yield (%)	0.20	0.53
P/E Ratio	-78.19	100.56
Cash (%)	0.6	0.0
Number of Holdings	122	1,275
Turnover Rate (%)	149.3	-

Sector	Emerald	Russell 2000@ Growth
Energy	4.2 %	4.3 %
Materials	6.2	2.4
Industrials	9.1	14.9
Cons. Discretionary	21.0	16.1
Consumer Staples	3.0	4.1
Health Care	21.0	23.9
Financials	4.4	5.8
Info Technology	31.2	27.2
Telecom Services	0.0	1.1
Utilities	0.0	0.2

Emerald's return of 6.1% for the fourth quarter exceeded the 4.1% return of the Russell 2000® Growth index and ranked in the 29<sup>th</sup> percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 33.2%, below the 34.5% return of the Russell 2000® Growth, and ranked in the 54<sup>th</sup> percentile in the universe of small growth equity managers. Over the past five years Emerald has returned 1.8%, exceeding the index return of 0.9% but ranking below the small growth median. Emerald is in compliance with some of CCCERA's performance objectives.

The portfolio has a beta of 1.34x compared to 1.19x for the Russell 2000® Growth Index and has a well below-index yield. It includes 122 stocks, concentrated in the small capitalization sectors. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the consumer discretionary, information technology and materials sectors. The largest under-weights are in the industrials, health care and financials sectors.

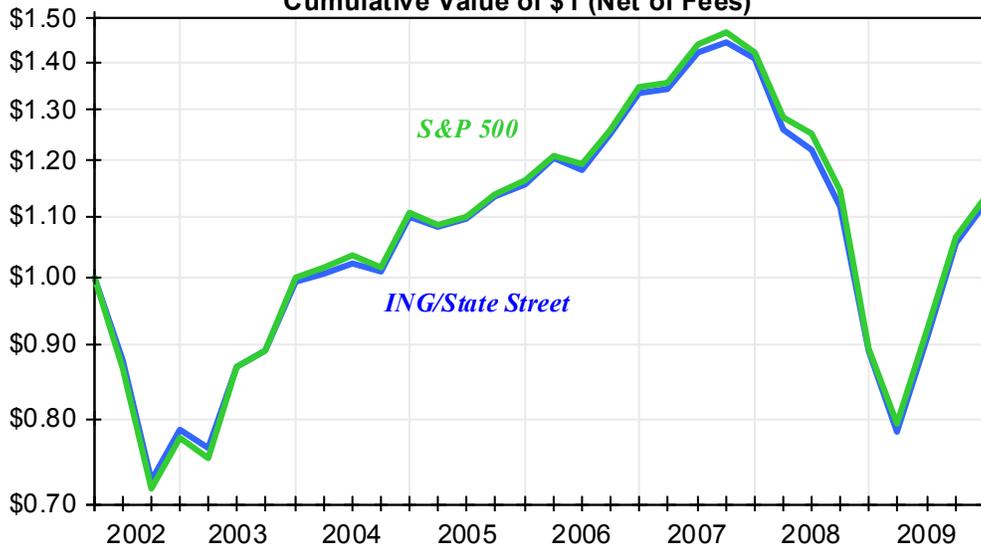
Emerald's fourth quarter performance relative to the Russell 2000® Growth Index was helped by both sector allocation decisions and stock selection decisions. Active trading positions contributed strongly. The top performing holdings included NutriSystems (+106%), Skechers USA (+72%) and Headwaters (+68%). The worst performing holdings included Broadpoint Gleacher (-47%), Western Alliance Bancorp (-40%) and Oncogenex (-38%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## State Street (Legacy ING)

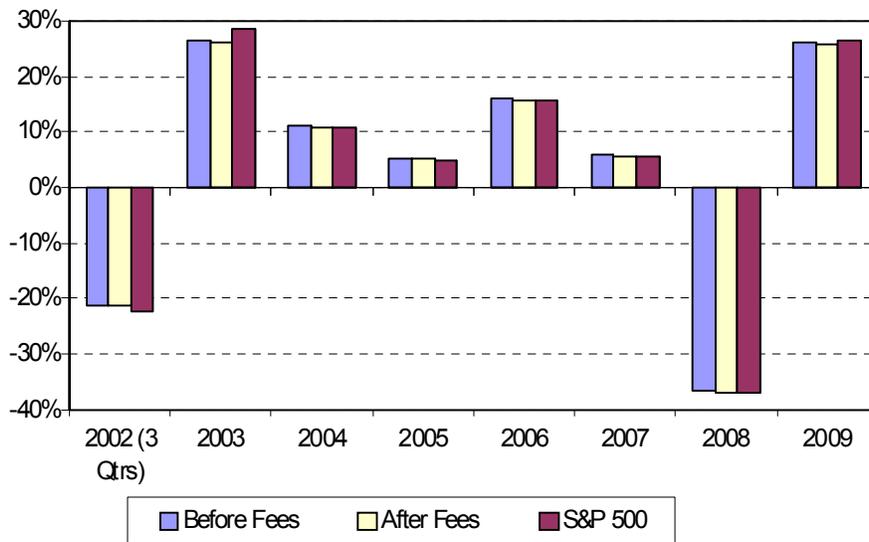
### ING/State Street vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

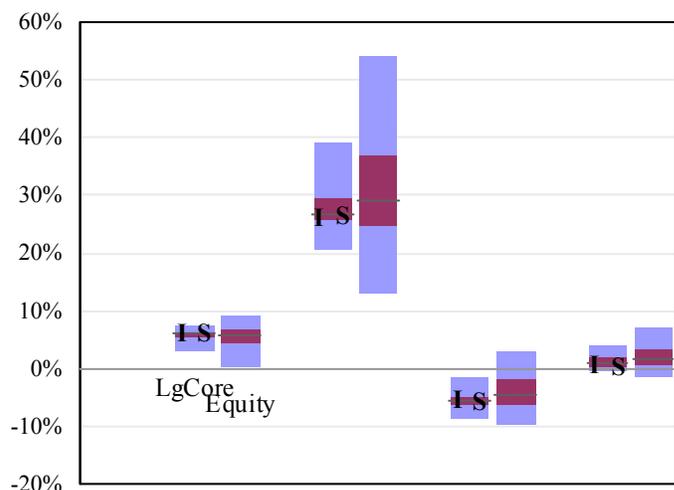


### ING/State Street vs. S&P 500

Year by Year Performance



## State Street (Legacy ING)



	Qtr	1 Year	3 Years	5 Years
State Street (ING) (I)	6.2	26.0	-5.5	0.6
Rank v. Lg Core	21	72	46	56
Rank v. Equity	34	69	62	72
S&P 500 (S)	6.0	26.5	-5.6	0.4
LgCore Median	6.1	26.7	-5.5	1.0
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	State Street	S&P 500
Eq Mkt Value (\$Mil)	220.66	N/A
Wtd. Avg. Cap (\$Bil)	84.31	81.93
Beta	1.00	1.00
Yield (%)	2.03 %	1.94 %
P/E Ratio	31.74	30.79
Cash (%)	0.1 %	0.0 %

Number of Holdings	406	500
Turnover Rate (%)	55.1	-

Sector	State Street	S&P 500
Energy	11.7 %	11.5 %
Materials	3.5	3.6
Industrials	10.5	10.2
Cons. Discretionary	9.0	9.7
Consumer Staples	12.1	11.4
Health Care	12.5	12.6
Financials	13.7	14.4
Info Technology	19.7	19.9
Telecom Services	3.5	3.2
Utilities	4.0	3.7

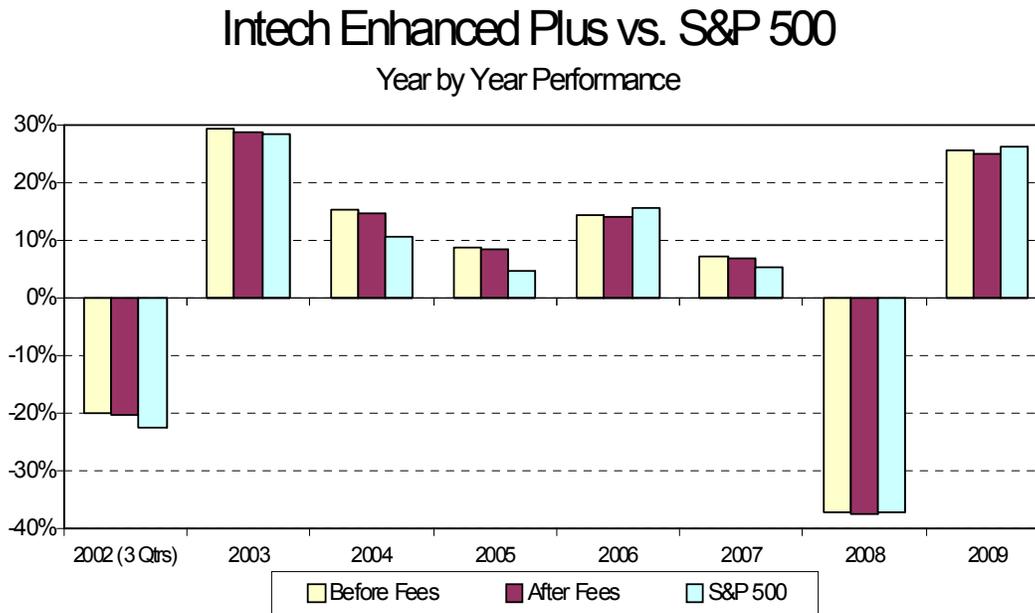
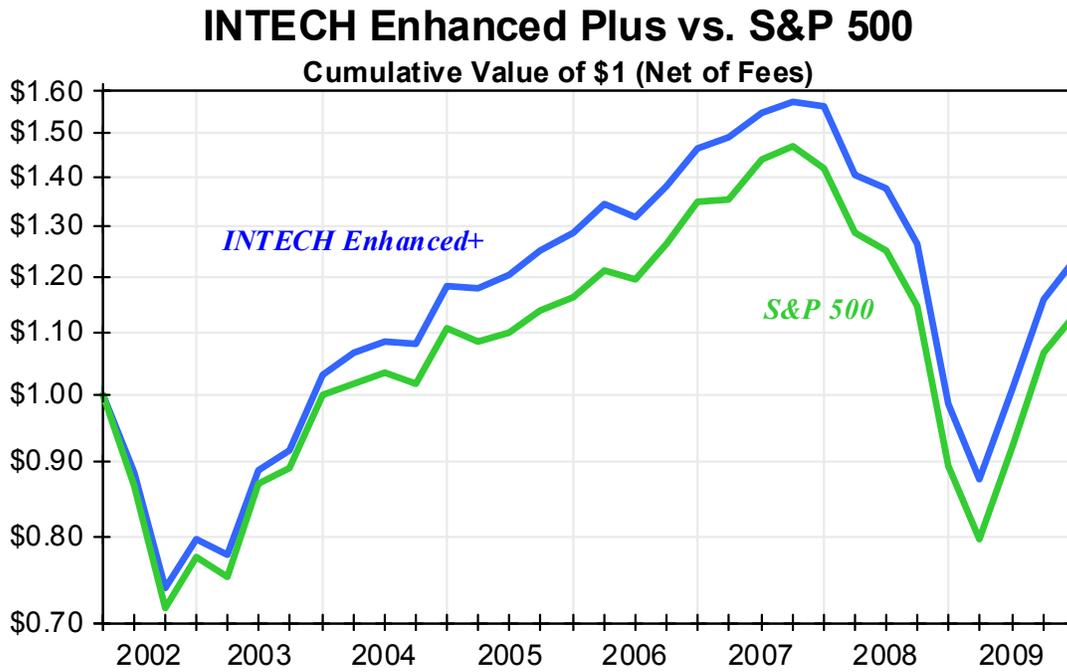
ING was terminated during the first quarter of 2009 and State Street is now overseeing the portfolio. State Street has agreed to manage these assets with a 0.5% targeted tracking error to the S&P 500 for up to one year at no cost to CCCERA. These assets were liquidated to fund the initial global equity investment with J.P. Morgan in January 2010.

The portfolio returned 6.2% during the fourth quarter, which was better than the 6.0% return of the S&P 500 and ranked in the 21<sup>st</sup> percentile in the universe of large core equity managers. For the one-year period, the portfolio (under its combined managers) returned 26.0%, trailing the 26.5% return of the S&P 500.

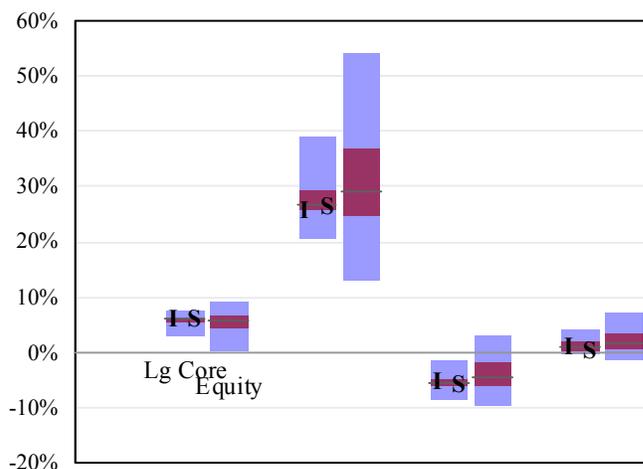
Portfolio characteristics are close to the S&P 500, as expected.

**MANAGER COMMENTS – DOMESTIC EQUITY**

**Intech - Enhanced Plus**



## Intech - Enhanced Plus



	Qtr	1 Year	3 Years	5 Years
INTECH Enh+ (I)	6.4	25.7	-5.3	1.2
Rank v. Lg Core	15	75	37	42
Rank v. Equity	30	70	58	62
S&P 500 (S)	6.0	26.5	-5.6	0.4
Lg Core Median	6.1	26.7	-5.5	1.0
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Intech - Enhanced Plus	S&P 500
Eq Mkt Value (\$Mil)	20.20	N/A
Wtd. Avg. Cap (\$Bil)	77.76	81.93
Beta	1.03	1.00
Yield (%)	1.79 %	1.94 %
P/E Ratio	31.78	30.79
Cash (%)	0.5 %	0.0 %
Number of Holdings	407	500
Turnover Rate (%)	90.1	-

Sector	Intech - Enhanced Plus	S&P 500
Energy	11.7 %	11.5 %
Materials	3.3	3.6
Industrials	8.1	10.2
Cons. Discretionary	12.8	9.7
Consumer Staples	8.7	11.4
Health Care	11.6	12.6
Financials	13.4	14.4
Info Technology	22.0	19.9
Telecom Services	4.2	3.2
Utilities	4.1	3.7

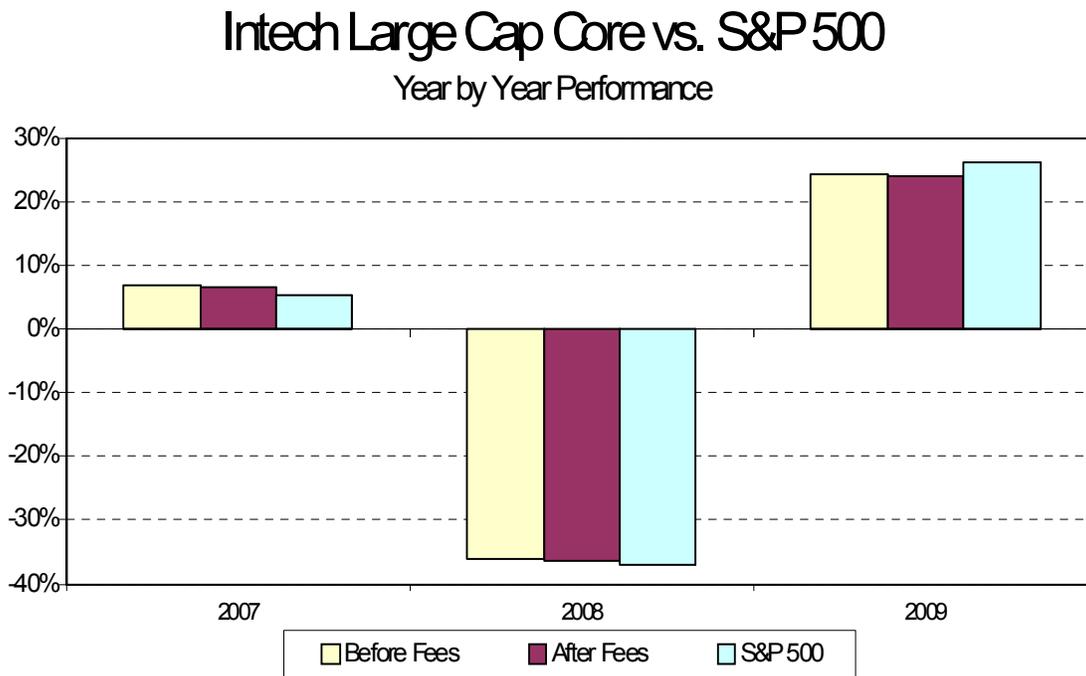
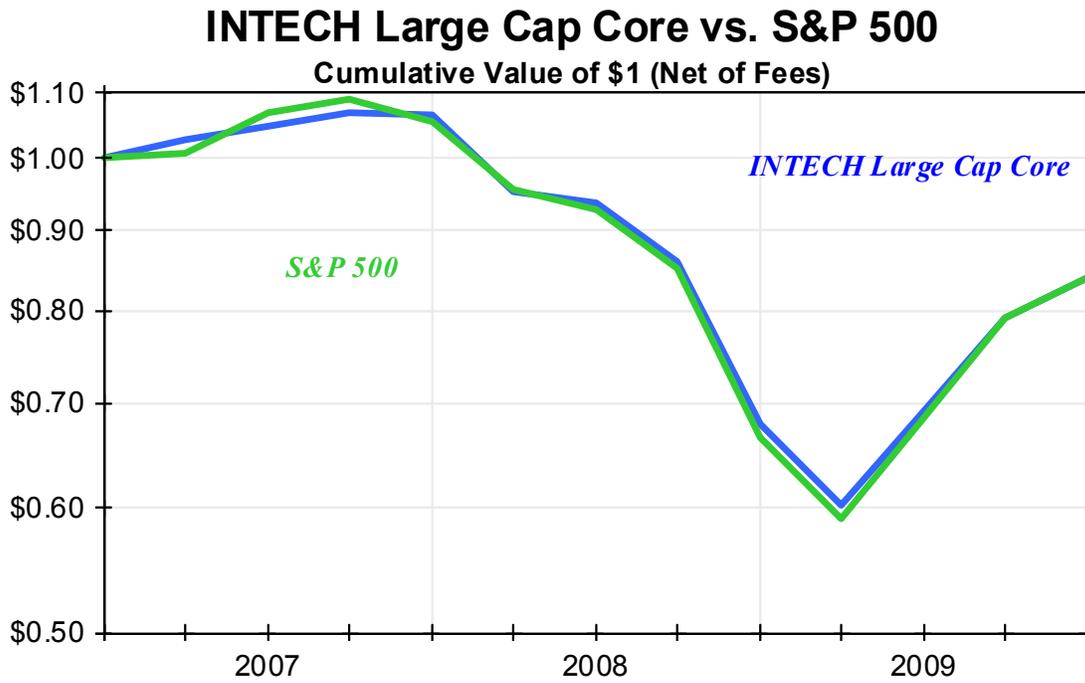
Intech's Enhanced Plus return of 6.4% for the fourth quarter exceeded the 6.0% return of the S&P 500, and ranked in the 15<sup>th</sup> percentile in the universe of large core equity managers. For the one-year period, Intech returned 25.7%, again trailing the 26.5% for the S&P 500, and ranked in the 75<sup>th</sup> percentile. Over the past five years, Intech returned 1.2%, better than the 0.4% return of the S&P 500, and ranked in the 42<sup>nd</sup> percentile of large core equity managers. Intech Enhanced Plus is in compliance with CCCERA's performance objectives.

The portfolio has an above-market beta of 1.03x, a lower yield and an above-market P/E ratio. The portfolio has 407 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the consumer discretionary, information technology and telecom sectors, while largest under-weights were in the consumer staples, industrials and health care sectors.

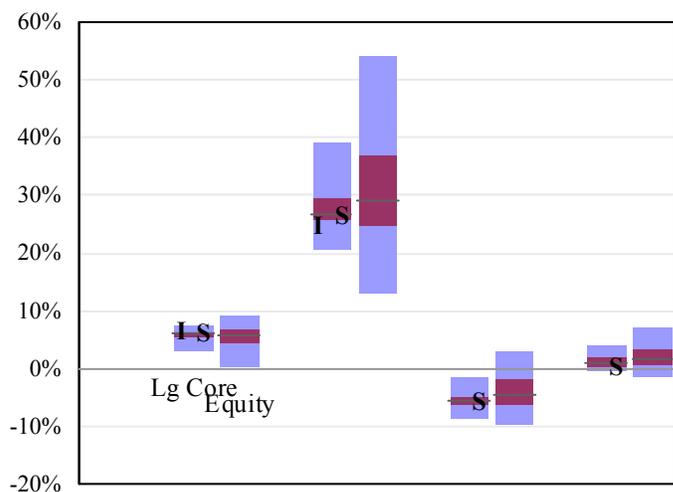
The portfolio's fourth quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Stock selection in the financials sector helped the most during the fourth quarter. The best performing portfolio stocks included AMD (+71%), New York Times (+52%) and Massey Energy (+51%), while the worst performing holdings during the quarter included Marshall & Ilsley (-32%), AIG (-32%) and Citigroup (-32%).

**MANAGER COMMENTS – DOMESTIC EQUITY**

**Intech - Large Cap Core**



## Intech - Large Cap Core



	Qtr	1 Year	3 Years	5 Years
Intech Lg Cap (I)	6.5	24.6	-5.3	-
Rank v. Lg Core	14	85	37	-
Rank v. Equity	30	75	58	-
S&P 500 (S)	6.0	26.5	-5.6	0.4
Lg Core Median	6.1	26.7	-5.5	1.0
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Intech - Large Cap	S&P 500
Eq Mkt Value (\$Mil)	219.01	N/A
Wtd. Avg. Cap (\$Bil)	73.88	81.93
Beta	1.05	1.00
Yield (%)	1.70 %	1.94 %
P/E Ratio	33.71	30.79
Cash (%)	0.6 %	0.0 %

Number of Holdings	381	500
Turnover Rate (%)	128.1	-

Sector	Intech - Large Cap	S&P 500
Energy	11.5 %	11.5 %
Materials	3.8	3.6
Industrials	6.8	10.2
Cons. Discretionary	14.3	9.7
Consumer Staples	7.7	11.4
Health Care	11.2	12.6
Financials	12.0	14.4
Info Technology	23.7	19.9
Telecom Services	4.6	3.2
Utilities	4.6	3.7

Intech's Large Cap Core (the larger, more aggressive Intech portfolio) had a return of 6.5% for the fourth quarter, which exceeded the 6.0% return of the S&P 500 and ranked in the 14<sup>th</sup> percentile in the universe of large core equity managers. Over the past three years, the portfolio has returned -5.3%, better than the S&P 500 return of -5.6% and ranked in the 37<sup>th</sup> percentile of large core equity managers. The Large Cap Core account is in compliance with CCCERA's performance objectives.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a beta of 1.05x, a below-market yield and an above-market P/E ratio. The portfolio has 381 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the consumer discretionary, information technology and telecom sectors, while largest under-weights were in the consumer staples, industrials and financials sectors.

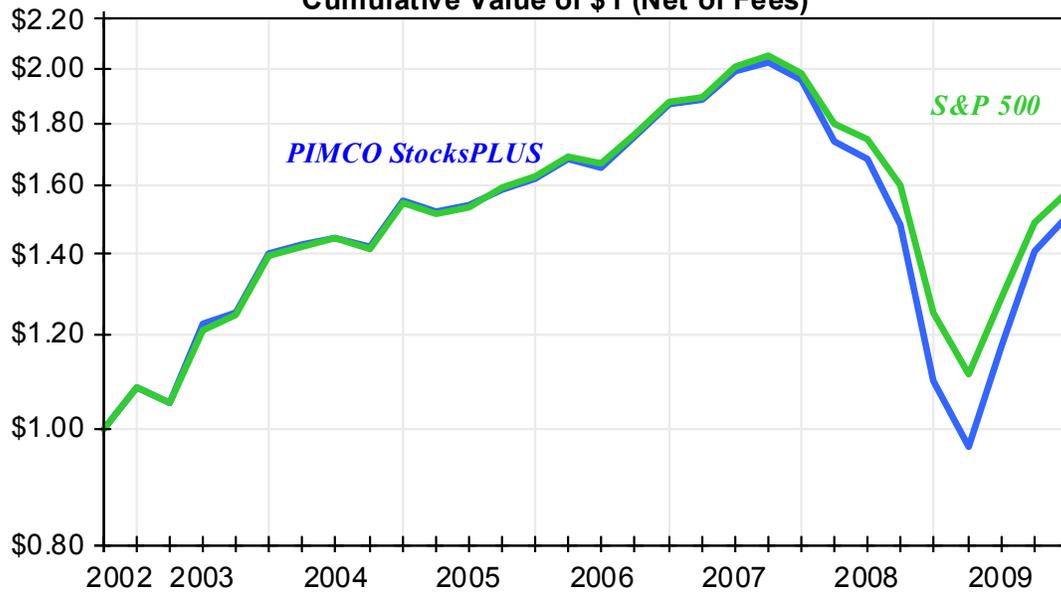
Intech's fourth quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. The best performing portfolio stocks included AMD (+71%), Massey Energy (+51%) and Amazon.com (+44%), while the worst performing holdings during the quarter included Marshall & Ilsley (-32%), AIG (-32%) and Citigroup (-32%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

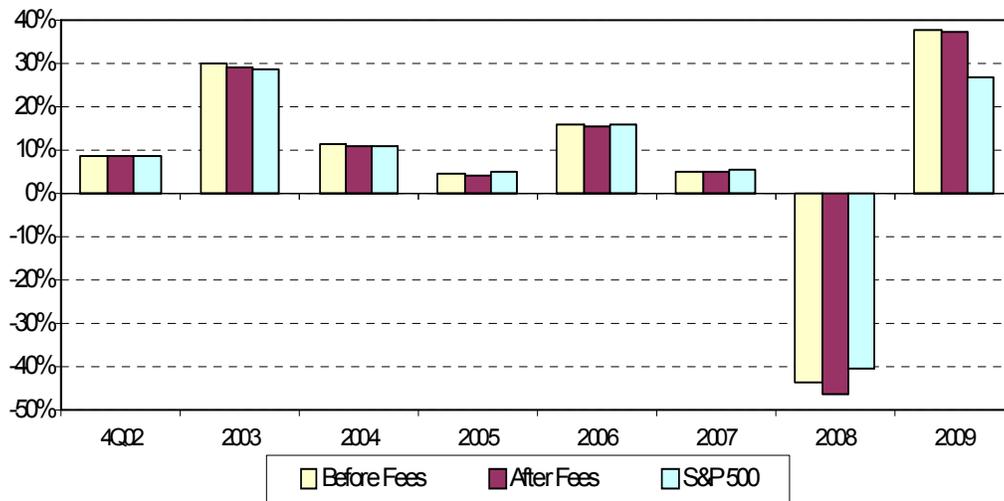
**PIMCO StocksPLUS vs. S&P 500**

Cumulative Value of \$1 (Net of Fees)

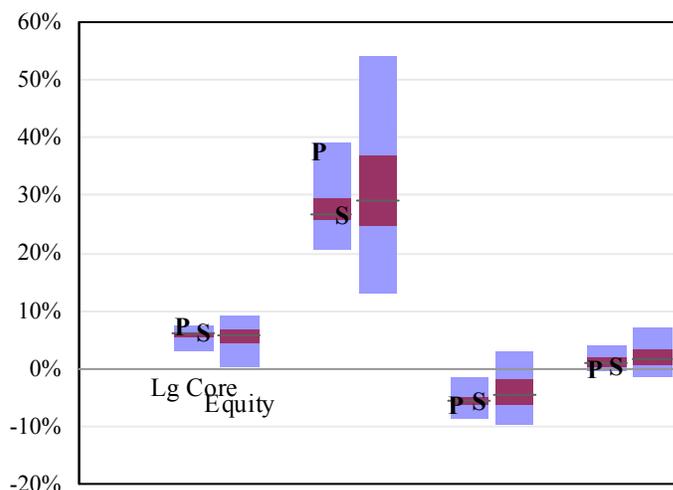


**PIMCO vs. S&P 500**

Year by Year Performance



## PIMCO



	Qtr	1 Year	3 Years	5 Years
PIMCO Stock+ (P)	7.1	37.3	-6.6	-0.3
Rank v. Lg Core	7	6	79	93
Rank v. Equity	20	23	79	90
S&P 500 (S)	6.0	26.5	-5.6	0.4
Lg Core Median	6.1	26.7	-5.5	1.0
Equity Median	5.8	29.0	-4.5	1.7

### Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	207.4	N/A
Wtd. Avg. Cap (\$Bil)	*	81.93
Beta	*	1.00
Yield (%)	* %	1.94 %
P/E Ratio	*	30.79
Cash (%)	36.8 %	0.0 %

Number of Holdings	*	500
Turnover Rate (%)	2,370.21	-

Sector	PIMCO	S&P 500
Energy	* %	11.5 %
Materials	*	3.6
Industrials	*	10.2
Cons. Discretionary	*	9.7
Consumer Staples	*	11.4
Health Care	*	12.6
Financials	*	14.4
Info Technology	*	19.9
Telecom Services	*	3.2
Utilities	*	3.7

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

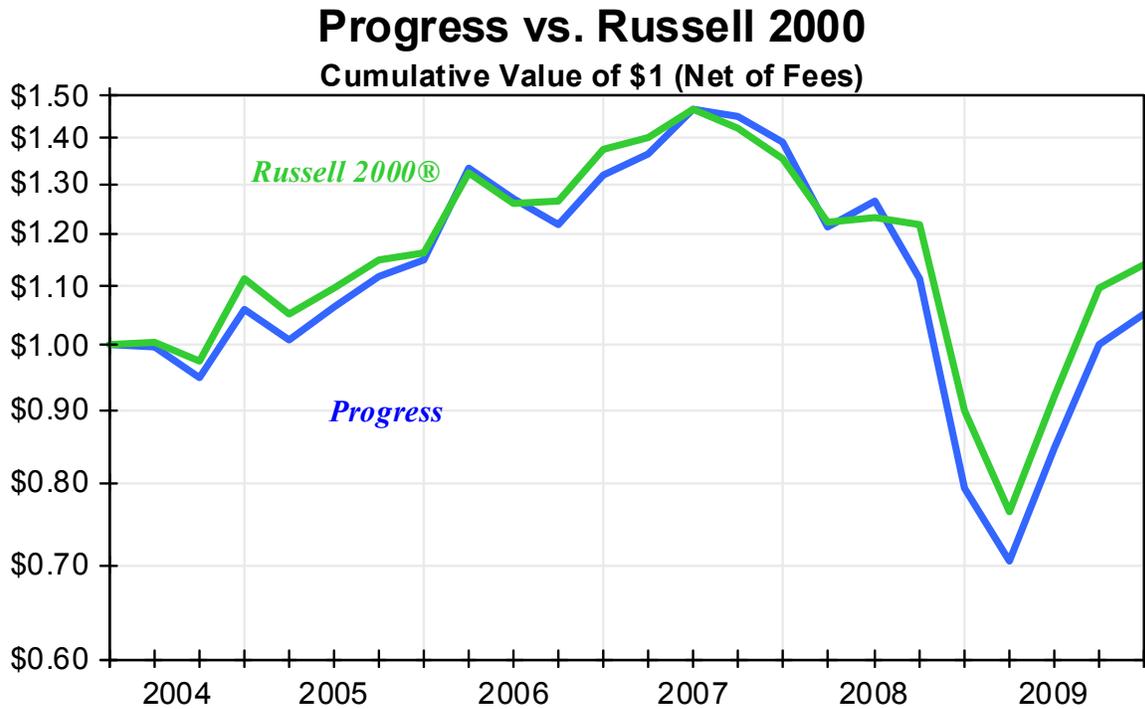
PIMCO's StocksPLUS (futures plus cash) portfolio returned 7.1% for the fourth quarter, above the 6.0% return of the S&P 500, and ranked in the 7<sup>th</sup> percentile of large core managers. For the one-year period, PIMCO returned 37.3%, better than the 26.5% return of the S&P 500, and ranked in the 6<sup>th</sup> percentile. Over the past three and five years, the portfolio has trailed the median large core manager and trailed the return of the S&P 500. The portfolio has not met the objective of exceeding the S&P 500 over the past three or five years.

Strategies that boosted PIMCO's fourth quarter returns included an emphasis on high quality, non-Treasury assets. More specifically, PIMCO took positions in money market futures on the expectation that central banks would keep short rates low for a longer period of time than the market anticipates. PIMCO also benefitted from its exposure to financial company bonds and its holdings of high quality non-Agency mortgages. The only strategy that hurt PIMCO in the fourth quarter was a longer duration position during a rising yield environment.

The firm expects a bifurcated recovery in 2010 led by emerging markets with developed countries experiencing only tepid growth. The firm has a deflationary outlook for developed markets while inflation looks to be a factor in the stronger emerging markets. Given the difficulties of forecasting the direction of the market, PIMCO is more closely tracking the benchmark characteristics until it finds greater clarity on the direction of the market.

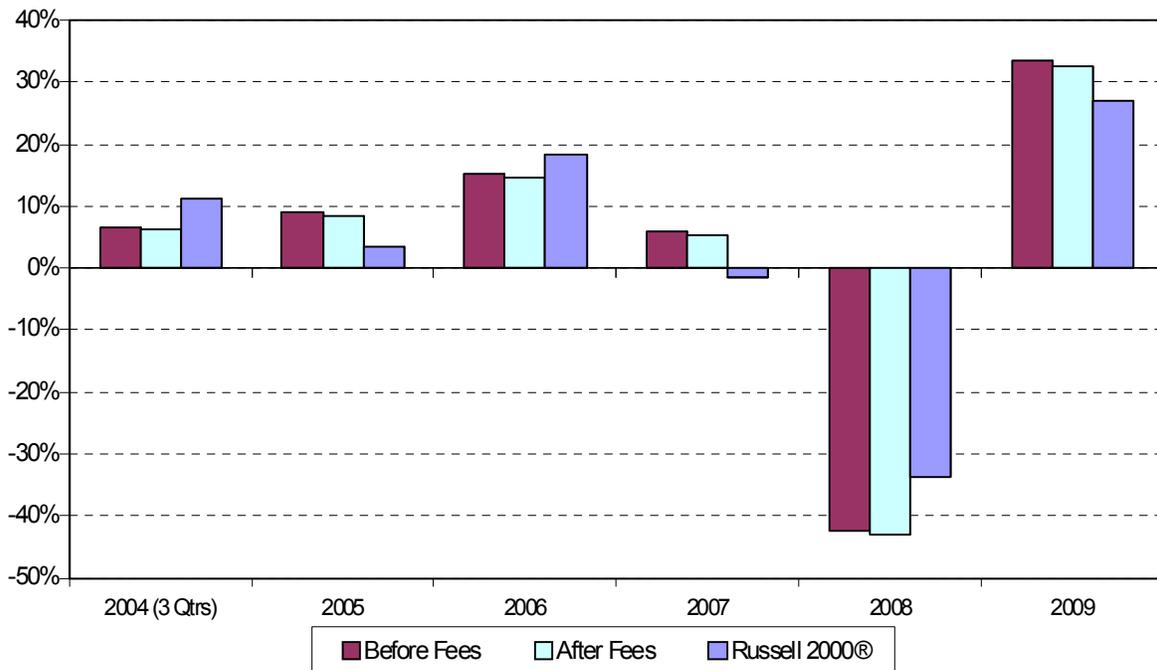
# MANAGER COMMENTS – DOMESTIC EQUITY

## Progress

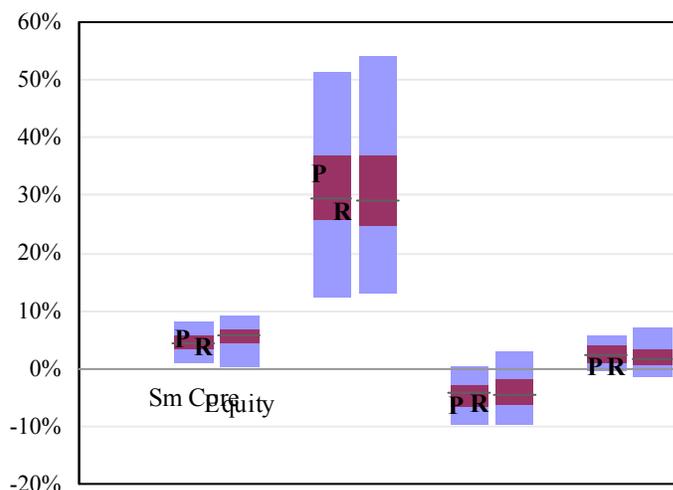


### Progress vs. Russell 2000®

Year by Year Performance



## Progress



	Qtr	1 Year	3 Years	5 Years
Progress (P)	5.4	33.5	-6.6	0.5
Rank v. Sm Core	30	40	79	83
Rank v. Equity	59	36	80	75
Russell 2000® (R)	3.9	27.2	-6.1	0.5
Sm Core Median	4.5	29.5	-4.1	2.5
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Progress	Russell 2000®
Eq Mkt Value (\$Mil)	129.28	N/A
Wtd. Avg. Cap (\$Bil)	1.85	1.02
Beta	1.17	1.26
Yield (%)	1.37 %	1.22 %
P/E Ratio	34.18	886.13
Cash (%)	0.0 %	0.0 %
Number of Holdings	479	2,007
Turnover Rate (%)	7.2	-

Sector	Progress	Russell 2000®
Energy	6.2 %	5.2 %
Materials	8.9	4.7
Industrials	13.5	15.9
Cons. Discretionary	13.6	13.7
Consumer Staples	5.2	3.5
Health Care	13.0	14.2
Financials	16.2	20.4
Info Technology	19.8	18.5
Telecom Services	0.8	0.8
Utilities	2.8	3.2

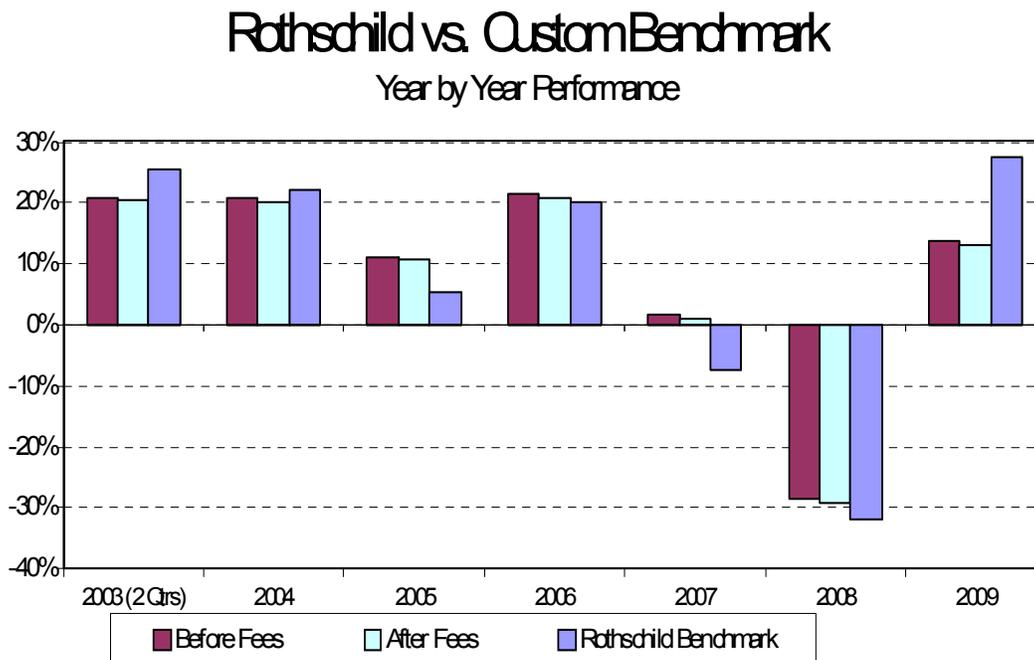
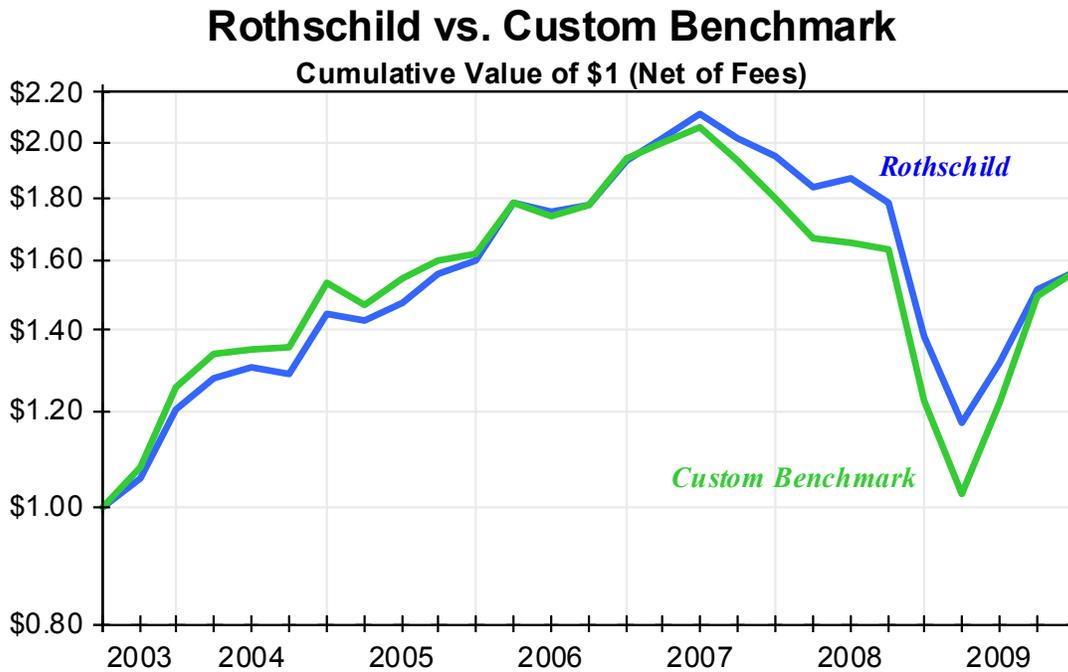
Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned 5.4% for the fourth quarter, exceeding the 3.9% return of the Russell 2000® Index and ranking in the 30<sup>th</sup> percentile of small core managers. Over the past year, Progress returned 33.5%, better than the 27.2% return of the Russell 2000® Index, and ranked in the 40<sup>th</sup> percentile of small cap equity managers. Over the past five years, Progress has matched its benchmark but ranked in the 83<sup>rd</sup> percentile of the small core universe. Progress is in compliance with some of the CCCERA performance objectives.

The portfolio had a beta of 1.17x, slightly lower than the Russell 2000® Index, and an above-market yield. It included 479 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the materials, consumer staples and information technology sectors, while the largest under-weights were in the financials, industrials and health care sectors.

The portfolio's fourth quarter performance was helped by both stock selection and sector allocation decisions relative to the Russell 2000®. During the quarter, the best performing holdings included Teton Advisors (+481%), China Automotive Systems (+101%) and Skechers USA (+72%). The worst performing holdings included Geokinetics (-55%), Ruth's Chris Steakhouse (-50%) and Conns Inc. (-48%).

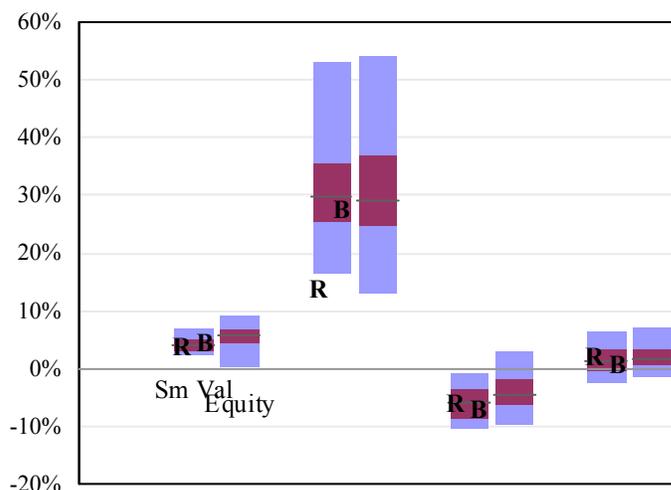
# MANAGER COMMENTS – DOMESTIC EQUITY

## Rothschild



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

## Rothschild



	Qtr	1 Year	3 Years	5 Years
Rothschild (R)	3.8	13.7	-6.1	2.2
Rank v. Sm Val	54	97	50	31
Rank v. Equity	81	94	76	42
Custom Bench (B)	4.6	27.7	-7.0	0.8
Sm Val Median	4.1	29.9	-5.8	1.2
Equity Median	5.8	29.0	-4.5	1.7

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

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	125.30	N/A
Wtd. Avg. Cap (\$Bil)	2.09	2.21
Beta	1.23	1.28
Yield (%)	1.64 %	1.95 %
P/E Ratio	115.55	436.68
Cash (%)	0.9 %	0.0 %
Number of Holdings	143	1,757
Turnover Rate (%)	93.2	-

Sector	Rothschild	Russell 2500™ Value
Energy	4.2 %	7.0 %
Materials	6.5	8.4
Industrials	17.8	12.9
Cons. Discretionary	12.2	12.2
Consumer Staples	3.2	3.0
Health Care	7.1	5.5
Financials	26.6	30.3
Info Technology	14.4	9.1
Telecom Services	1.6	1.8
Utilities	6.6	9.8

Rothschild's return of 3.8% for the fourth quarter trailed the 4.6% return of the Russell 2500™ Value Index and ranked in the 54<sup>th</sup> percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 13.7%, well below the custom benchmark return of 27.7%, and ranked in the 97<sup>th</sup> percentile. Over the past three and five-year periods, Rothschild exceeded its custom benchmark and ranked in the 50<sup>th</sup> and 31<sup>st</sup> percentiles, respectively. This portfolio is in compliance with some of the CCCERA performance objectives.

The portfolio had a beta of 1.23x, lower than the index, a below-index yield and a high P/E ratio. It included 143 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ Value Index were in the information technology, industrials and health care sectors, while the largest under-weights were in the financials, utilities and energy sectors.

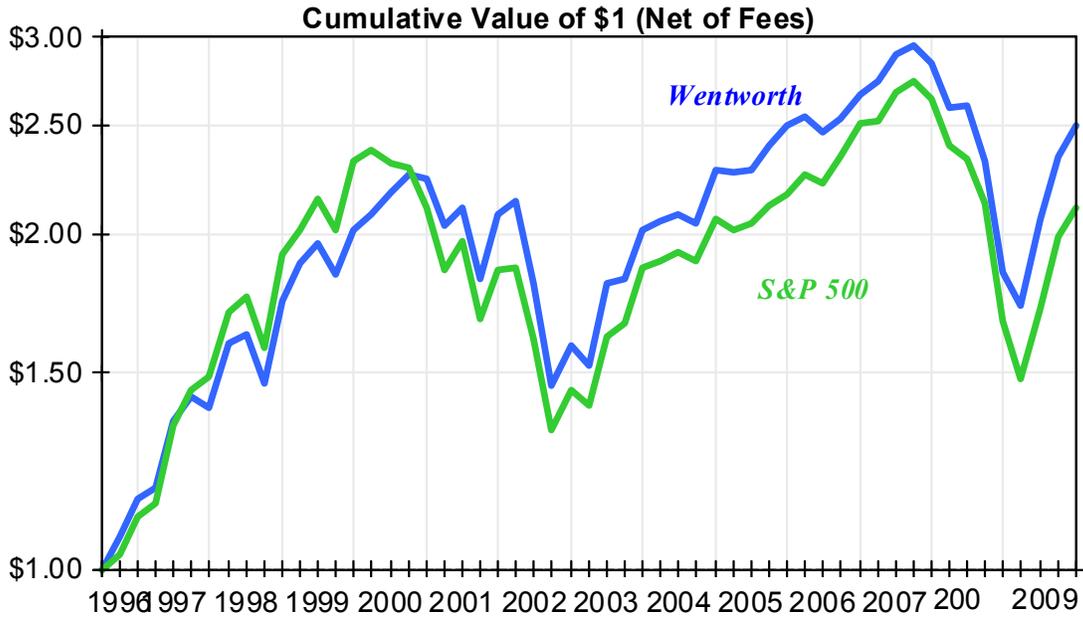
Rothschild's fourth quarter performance relative to the Russell 2500™ Value index was hurt by both stock selection and sector allocation decisions. Trading decisions had a positive impact on performance. Stock selection in the industrials, materials and consumer discretionary sectors had the largest negative impacts on the portfolio during the fourth quarter. The best performing portfolio stocks were Dana Holding Corp (+59%), Unisys (+44%) and 3Com Corp (+43%). The worst performing holdings included O Charleys Inc. (-30%), Global Industries (-25%) and General Cable (-25%).

Rothschild had used "price-to-high" as a momentum characteristic to offset other factors in its quantitative approach than emphasized low price and improving business fundamentals. Price-to-high does not work in rapid recovery markets like 2009 and the firm has changed the process to more of a traditional momentum approach.

**MANAGER COMMENTS – DOMESTIC EQUITY**

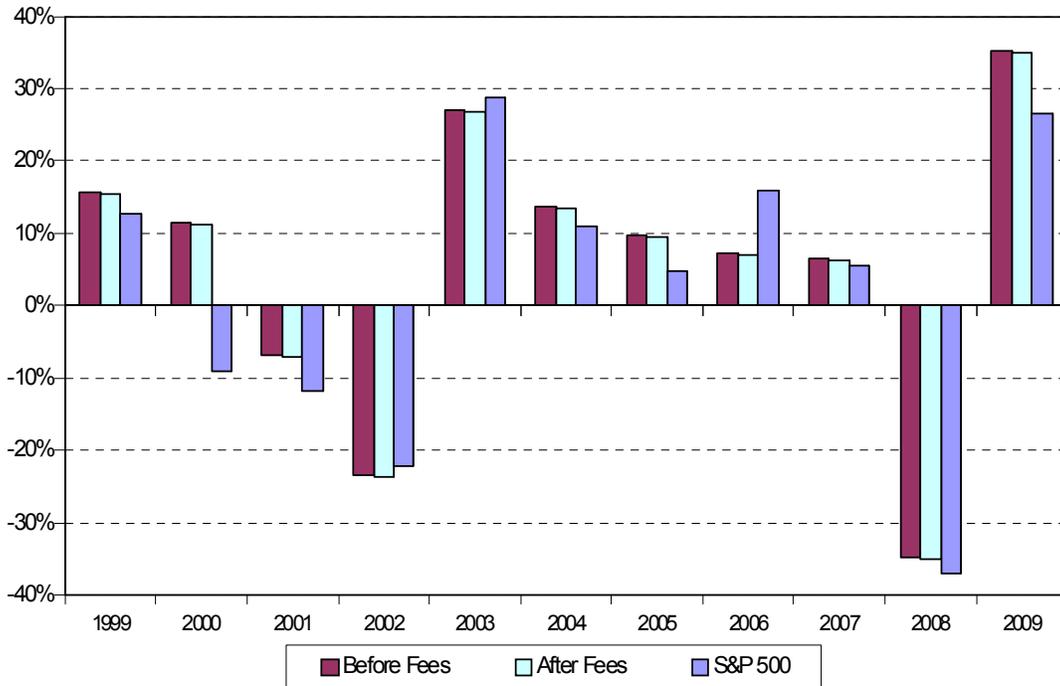
**Wentworth, Hauser and Violich**

**Wentworth, Hauser & Violich vs. S&P 500**

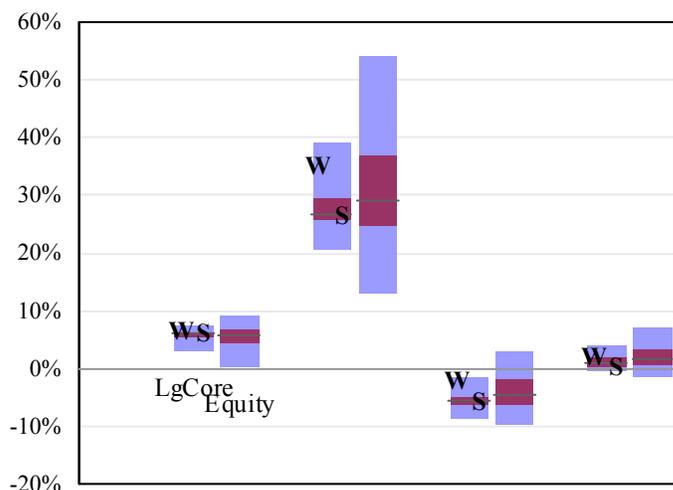


**Wentworth vs. S&P 500**

**Year by Year Performance**



## Wentworth, Hauser and Violich



	Qtr	1 Year	3 Years	5 Years
WHV (W)	6.4	35.2	-2.1	2.0
Rank v. Lg Core	14	8	8	24
Rank v. Equity	30	30	27	45
S&P 500 (S)	6.0	26.5	-5.6	0.4
Lg Core Medium	6.1	26.7	-5.5	1.0
Equity Median	5.8	29.0	-4.5	1.7

### Portfolio

Characteristics	Wentworth	S&P 500
Eq Mkt Value (\$Mil)	240.04	N/A
Wtd. Avg. Cap (\$Bil)	68.03	81.93
Beta	1.00	1.00
Yield (%)	1.22	1.94
P/E Ratio	36.13	30.79
Cash (%)	0.1	0.0
Number of Holdings	37	500
Turnover Rate (%)	87.7	-

Sector	Wentworth	S&P 500
Energy	16.6 %	11.5 %
Materials	6.5	3.6
Industrials	11.5	10.2
Cons. Discretionary	5.4	9.7
Consumer Staples	11.1	11.4
Health Care	11.1	12.6
Financials	13.8	14.4
Info Technology	20.7	19.9
Telecom Services	0.0	3.2
Utilities	3.3	3.7

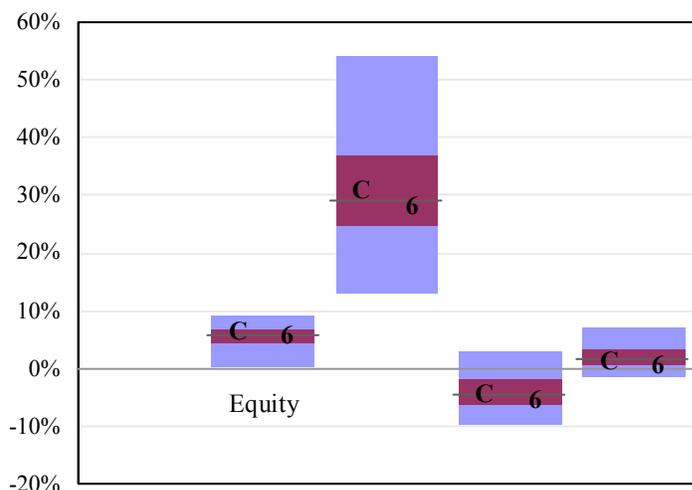
Wentworth's return of 6.4% for the fourth quarter exceeded the 6.0% return of the S&P 500 and ranked in the 14<sup>th</sup> percentile of large core managers. For the one-year period, Wentworth returned 35.2%, better than the 26.5% return of the S&P 500, and ranked in the 8<sup>th</sup> percentile. Wentworth has exceeded the S&P 500 over the past three and five years. Wentworth ranked above median in the large core universe over both the trailing three and five-year time periods. Wentworth is in compliance with CCCERA performance guidelines.

The portfolio has a market beta of 1.00x, a below-market yield and an above-market P/E ratio. The portfolio has 37 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the energy, materials and industrials sectors, while largest under-weights are in the consumer discretionary, telecom services and health care sectors.

Wentworth's fourth quarter performance relative to the S&P 500 was hurt by stock selection decisions while sector allocation decisions were neutral in aggregate. Stock selection in the energy sector was particularly weak. Active trading decisions were beneficial. The best performing portfolio stocks included Deere & Co. (+27%), Google (+25%) and Nordstrom's (+24%) while the worst performing holdings included Bank of America (-11%), Pactiv Corp (-7%) and Ace Ltd. (-5%).

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## Total Domestic Equity



	Qtr	1 Year	3 Years	5 Years
Total Equity (C)	6.6	30.8	-4.5	1.4
Rank v. Equity	27	43	50	55
Russell 3000® (6)	5.9	28.3	-5.4	0.8
Equity Median	5.8	29.0	-4.5	1.7

Portfolio Characteristics	Total Fund	Russell 3000®
Eq Mkt Value (\$Mil)	1,886.15	N/A
Wtd. Avg. Cap (\$Bil)	53.81	67.82
Beta	1.04	1.04
Yield (%)	1.34 %	1.83 %
P/E Ratio	40.48	35.61
Cash (%)	4.6 %	0.0 %
Number of Holdings	1,174	2,971
Turnover Rate (%)	289.8	-

Sector	Total Fund	Russell 3000®
Energy	9.9 %	10.9 %
Materials	5.1	4.1
Industrials	9.5	10.8
Cons. Discretionary	11.1	10.5
Consumer Staples	6.9	10.1
Health Care	13.1	12.7
Financials	15.6	14.9
Info Technology	23.9	19.4
Telecom Services	2.3	2.9
Utilities	2.7	3.9

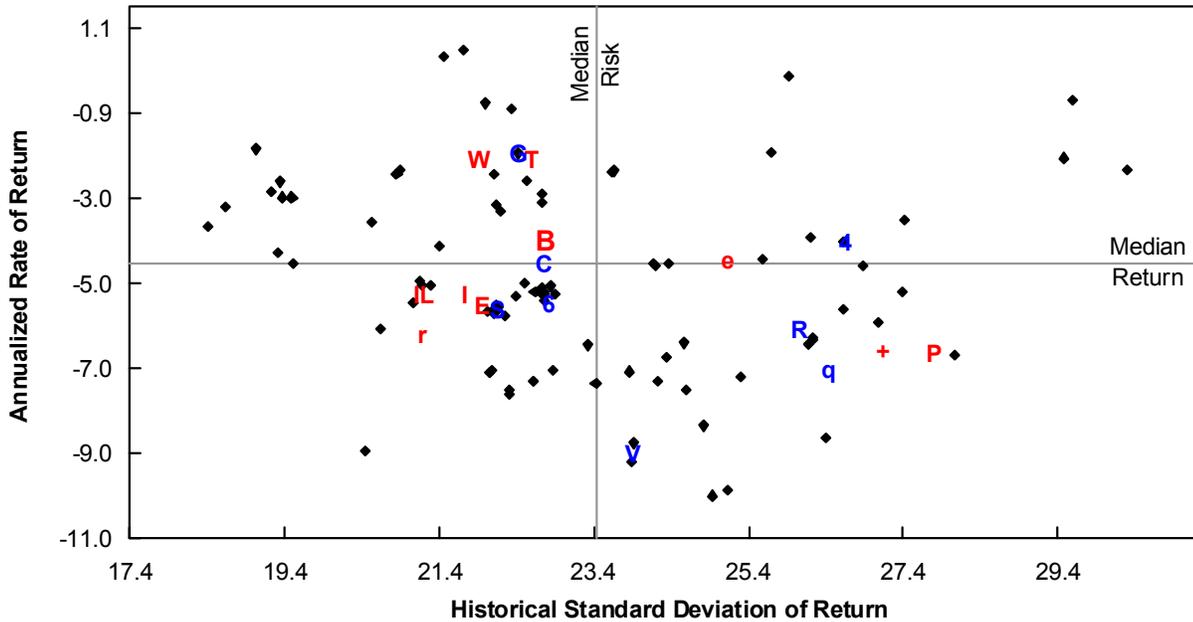
CCCERA total domestic equities returned 6.6% in the fourth quarter, which exceeded the 5.9% return of the Russell 3000® Index, and ranked in the 27<sup>th</sup> percentile of all equity managers. For the one-year period, the CCCERA equity return of 30.8% was better than the 28.3% return of the Russell 3000® and the 29.0% return of the median manager. Over the past three years, CCCERA domestic equities exceeded the Russell 3000® index and matched the median manager. Over the past five years the domestic equities again exceeded the Russell 3000®, but trailed the median.

The combined domestic equity portfolio has a beta of 1.04x, a below-index yield and an above-index P/E ratio, that is, a slight growth bias. (This is confirmed by the chart on page 51.) The portfolio is broadly diversified with positions in 1,174 stocks. The combined portfolio's largest economic sector over-weights are in the information technology, materials and financials sectors, while the largest under-weights are in the consumer staples, industrials and utilities sectors.

# MANAGER COMMENTS – DOMESTIC EQUITY

## Domestic Equity Performance and Variability

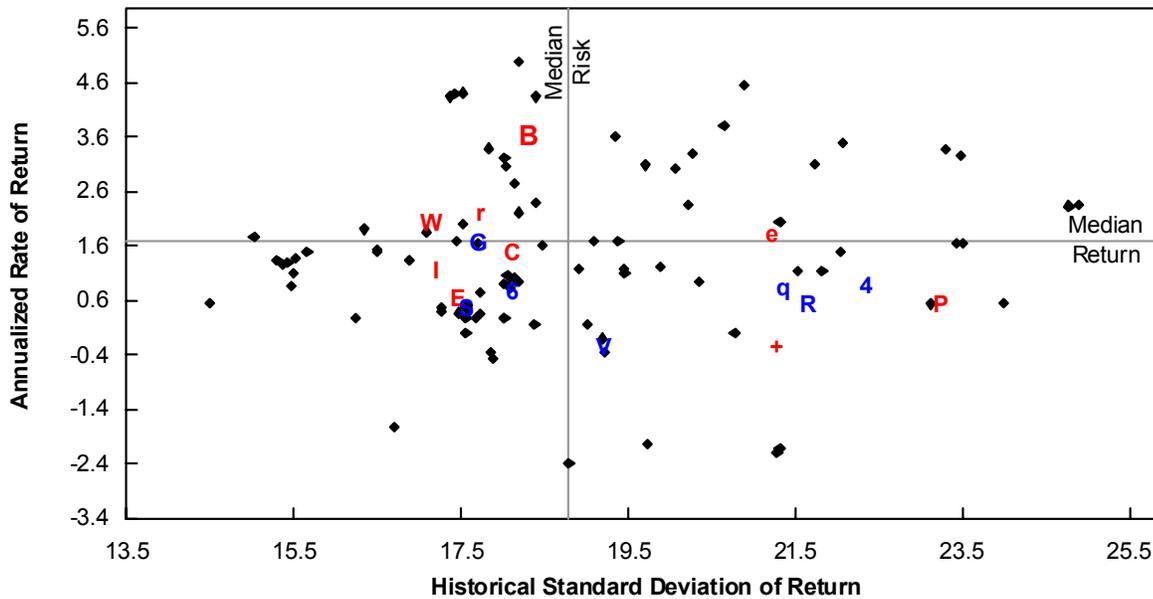
Three Years Ending December 31, 2009



Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	-3.9 %	22.8 %	-0.28
Delaware ( <b>D</b> )	-2.1	22.6	-0.20
Emerald ( <b>e</b> )	-4.4	25.1	-0.27
ING Investment ( <b>E</b> )	-5.5	22.0	-0.36
INTECH Enhanced ( <b>I</b> )	-5.3	21.7	-0.35
INTECH Large Core ( <b>IL</b> )	-5.3	21.2	-0.36
PIMCO StocksPLUS ( <b>+</b> )	-6.6	27.2	-0.33
Progress ( <b>P</b> )	-6.6	27.8	-0.32
Rothschild ( <b>r</b> )	-6.1	21.2	-0.40
Wentworth, Hauser ( <b>W</b> )	-2.1	21.9	-0.20
Domestic Equity ( <b>C</b> )	-4.5	22.8	-0.30
Russell® 3000 ( <b>6</b> )	-5.4	22.8	-0.34
S&P 500 ( <b>S</b> )	-5.6	22.2	-0.36
Russell 1000® Growth ( <b>G</b> )	-1.9	22.4	-0.19
Russell 1000® Value ( <b>V</b> )	-9.0	23.9	-0.48
Russell 2000® ( <b>R</b> )	-6.1	26.1	-0.33
Russell 2000® Growth ( <b>4</b> )	-4.0	26.7	-0.24
Russell 2500™ Value ( <b>q</b> )	-7.0	26.5	-0.35
Median Equity Port.	-4.5	23.4	-0.29

## Domestic Equity Performance and Variability

*Five Years Ending December 31, 2009*



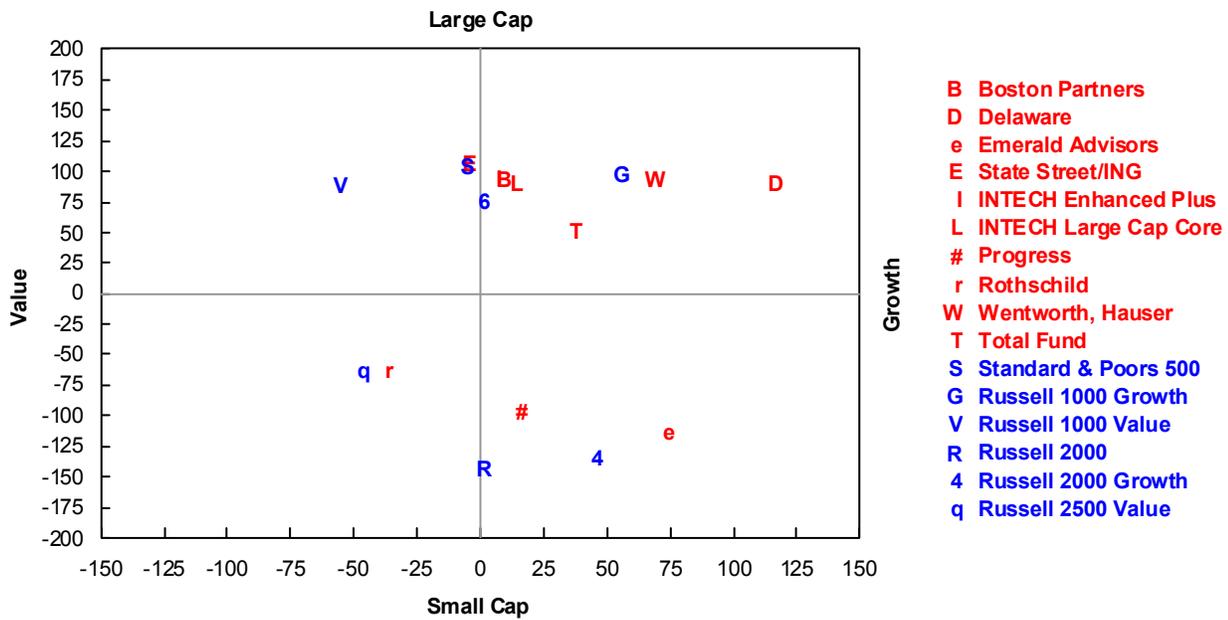
Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	3.6 %	18.3 %	0.05
Emerald ( <b>e</b> )	1.8	21.3	-0.04
ING Investment ( <b>E</b> )	0.6	17.5	-0.11
INTECH Enhanced ( <b>I</b> )	1.2	17.2	-0.08
PIMCO StocksPLUS ( <b>P</b> )	-0.3	21.3	-0.13
Progress ( <b>P</b> )	0.5	23.3	-0.09
Rothschild ( <b>r</b> )	2.2	17.8	-0.02
Wentworth, Hauser ( <b>W</b> )	2.0	17.2	-0.03
Domestic Equity ( <b>C</b> )	1.4	18.1	-0.06
Russell® 3000 ( <b>6</b> )	0.8	18.2	-0.10
S&P 500 ( <b>S</b> )	0.4	17.6	-0.12
Russell 1000® Growth ( <b>G</b> )	1.6	17.7	-0.05
Russell 1000® Value ( <b>V</b> )	-0.3	19.2	-0.15
Russell 2000® ( <b>R</b> )	0.5	21.7	-0.10
Russell 2000® Growth ( <b>4</b> )	0.9	22.4	-0.08
Russell 2500™ Value ( <b>q</b> )	0.8	21.4	-0.08
Median Equity Port.	1.7	18.8	-0.05

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# MANAGER COMMENTS - DOMESTIC EQUITY

## Domestic Equity Style Map

As of December 31, 2009



- B Boston Partners
- D Delaware
- e Emerald Advisors
- E State Street/ING
- I INTECH Enhanced Plus
- L INTECH Large Cap Core
- # Progress
- r Rothschild
- W Wentworth, Hauser
- T Total Fund
- S Standard & Poors 500
- G Russell 1000 Growth
- V Russell 1000 Value
- R Russell 2000
- 4 Russell 2000 Growth
- q Russell 2500 Value

## PORTFOLIO PROFILE REPORT

	<b>Russell 3000® 12/31/2009</b>	<b>Combined Equity 12/31/2009</b>	<b>Russell 1000® Value 12/31/2009</b>	<b>Boston 12/31/2009</b>	<b>Russell 1000® Growth 12/31/2009</b>	<b>Delaware 12/31/2009</b>
Equity Market Value (\$000)		1,886,153		288,911		301,811
Beta	1.04	1.04	1.12	0.96	0.92	0.92
Yield	1.83	1.34	2.23	1.61	1.53	0.72
P/E Ratio	35.61	40.48	45.06	26.04	26.35	46.49
Standard Error	1.44	1.97	2.27	1.98	1.75	3.74
R <sup>2</sup>	0.98	0.96	0.94	0.95	0.96	0.84
Wtd Cap Size (\$Mil)	67,820	53,808	68,825	74,303	78,034	48,911
Avg Cap Size (\$Mil)	750	6,104	3,913	16,936	4,397	25,679
Number of Holdings	2,971	1,174	679	87	622	31
<b>Economic Sectors</b>						
Energy	10.85	9.89	18.59	14.59	4.25	3.87
Materials	4.05	5.13	4.14	3.61	3.85	5.22
Industrials	10.81	9.49	10.60	8.23	10.15	5.46
Consumer Discretionary	10.49	11.12	9.98	7.98	10.47	11.93
Consumer Staples	10.08	6.85	5.50	3.93	15.65	5.67
Health Care	12.66	13.06	9.13	12.94	15.85	15.65
Financials	14.87	15.58	24.08	27.98	4.97	9.34
Information Technology	19.36	23.89	5.22	17.31	33.29	38.59
Telecom. Services	2.94	2.28	5.70	1.33	0.61	4.27
Utilities	3.90	2.71	7.07	2.10	0.92	0.00

## PORTFOLIO PROFILE REPORT

	<b>S&amp;P 500 Cap Wtd 12/31/2009</b>	<b>State Street/ ING 12/31/2009</b>	<b>Intech Enhanced 12/31/2009</b>	<b>Intech Large Cap 12/31/2009</b>	<b>PIMCO+ (S&amp;P 500) 12/31/2009</b>	<b>Wentworth 12/31/2009</b>
Equity Market Value		220,661	20,200	219,010	207,375	240,045
Beta	1.00	1.00	1.03	1.05	1.00	1.00
Yield	1.94	2.03	1.79	1.70	1.94	1.22
P/E Ratio	30.79	31.74	31.78	33.71	30.79	36.13
Standard Error	0.00	1.16	1.33	1.57	0.00	3.06
R <sup>2</sup>	1.00	0.98	0.98	0.97	1.00	0.90
Wtd Cap Size (\$Mil)	81,926	84,311	77,761	73,880	81,926	68,030
Avg Cap Size (\$Mil)	8,990	11,400	10,135	10,213	8,990	26,591
Number of Holdings	500	406	407	381	500	37
<b>Economic Sectors</b>						
Energy	11.48	11.69	11.67	11.52	11.48	16.64
Materials	3.60	3.49	3.32	3.76	3.60	6.47
Industrials	10.18	10.45	8.13	6.75	10.18	11.49
Consumer Discretionary	9.66	9.03	12.83	14.25	9.66	5.40
Consumer Staples	11.36	12.08	8.72	7.68	11.36	11.08
Health Care	12.63	12.46	11.63	11.21	12.63	11.09
Financials	14.38	13.65	13.43	11.99	14.38	13.84
Information Technology	19.85	19.70	22.01	23.65	19.85	20.67
Telecom. Services	3.16	3.48	4.17	4.61	3.16	0.00
Utilities	3.71	3.97	4.09	4.59	3.71	3.32

## PORTFOLIO PROFILE REPORT

	<b>Russell 2000® 12/31/2009</b>	<b>Progress 12/31/2009</b>	<b>Russell 2500™ Value 12/31/2009</b>	<b>Rothschild 12/31/2009</b>	<b>Russell 2000® Growth 12/31/2009</b>	<b>Emerald 12/31/2009</b>
Equity Market Value		129,277		125,304		133,559
Beta	1.26	1.17	1.28	1.23	1.19	1.34
Yield	1.22	1.37	1.95	1.64	0.53	0.20
P/E Ratio	886.13	34.18	436.68	115.55	100.56	-78.19
Standard Error	5.44	4.17	4.85	5.14	5.55	6.05
R <sup>2</sup>	0.82	0.87	0.85	0.83	0.81	0.83
Wtd Cap Size (\$Mil)	1,021	1,853	2,214	2,086	1,100	1,312
Avg Cap Size (\$Mil)	396	1,006	517	1,503	440	937
Number of Holdings	2,007	479	1,757	143	1,275	122
<b>Economic Sectors</b>						
Energy	5.20	6.19	7.01	4.24	4.34	4.19
Materials	4.70	8.93	8.39	6.52	2.42	6.15
Industrials	15.92	13.47	12.87	17.75	14.88	9.10
Consumer Discretionary	13.65	13.63	12.21	12.19	16.11	20.97
Consumer Staples	3.49	5.19	3.02	3.17	4.10	3.04
Health Care	14.15	13.01	5.53	7.05	23.85	20.96
Financials	20.35	16.18	30.27	26.56	5.83	4.35
Information Technology	18.51	19.82	9.05	14.38	27.18	31.24
Telecom. Services	0.80	0.79	1.81	1.60	1.11	0.00
Utilities	3.22	2.81	9.83	6.55	0.18	0.00

## PORTFOLIO PROFILE REPORT

	Russell 3000® 12/31/2009	Combined Equity 12/31/2009	Russell 1000® Value 12/31/2009	Boston 12/31/2009	Russell 1000® Growth 12/31/2009	Delaware 12/31/2009
<b>Beta Sectors</b>						
1 0.0 - 0.9	43.53	42.14	38.05	46.87	50.75	49.13
2 0.9 - 1.1	18.66	22.20	18.69	24.43	19.49	34.63
3 1.1 - 1.3	13.77	12.35	14.07	13.89	13.46	4.05
4 1.3 - 1.5	8.45	7.85	7.69	5.01	8.70	5.24
5 Above 1.5	15.59	15.46	21.50	9.80	7.60	6.95
<b>Yield Sectors</b>						
1 Above 5.0	25.24	34.29	13.29	17.07	30.83	42.74
3 3.0 - 5.0	23.31	26.20	28.25	36.91	20.16	40.76
3 1.5 - 3.0	29.79	25.99	27.99	29.38	34.81	13.74
4 0.0 - 1.5	16.05	10.12	21.30	14.85	12.29	2.76
5 0.0	5.61	3.40	9.17	1.79	1.92	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	19.69	21.59	27.26	20.64	9.44	12.20
2 12.0 - 20.0	42.71	33.69	42.56	42.93	45.90	13.49
3 20.0 - 30.0	17.33	21.81	10.98	17.63	23.91	42.80
4 30.0 - 150.0	17.94	21.30	17.09	18.81	18.69	31.52
5 N/A	2.32	1.62	2.11	0.00	2.06	0.00
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	58.16	50.62	61.19	58.85	64.95	63.06
2 10.0 - 20.0	12.30	12.17	13.48	15.84	13.21	17.40
3 5.0 - 10.0	10.22	12.03	11.50	12.80	10.59	15.76
4 1.0 - 5.0	14.91	17.44	13.72	12.51	11.23	3.77
5 0.5 - 1.0	2.44	4.58	0.12	0.00	0.01	0.00
6 0.1 - 0.5	1.89	3.14	0.00	0.00	0.00	0.00
7 0.0 - 0.1	0.07	0.02	0.00	0.00	0.00	0.00
<b>5 Yr Earnings Growth</b>						
1 N/A	26.62	24.09	36.99	26.18	14.67	12.20
2 0.0 - 10.0	23.52	21.31	24.23	20.60	22.32	20.29
3 10.0 - 20.0	26.40	28.24	13.25	24.87	40.40	35.19
4 Above 20.0	23.46	26.36	25.53	28.35	22.61	32.32

## PORTFOLIO PROFILE REPORT

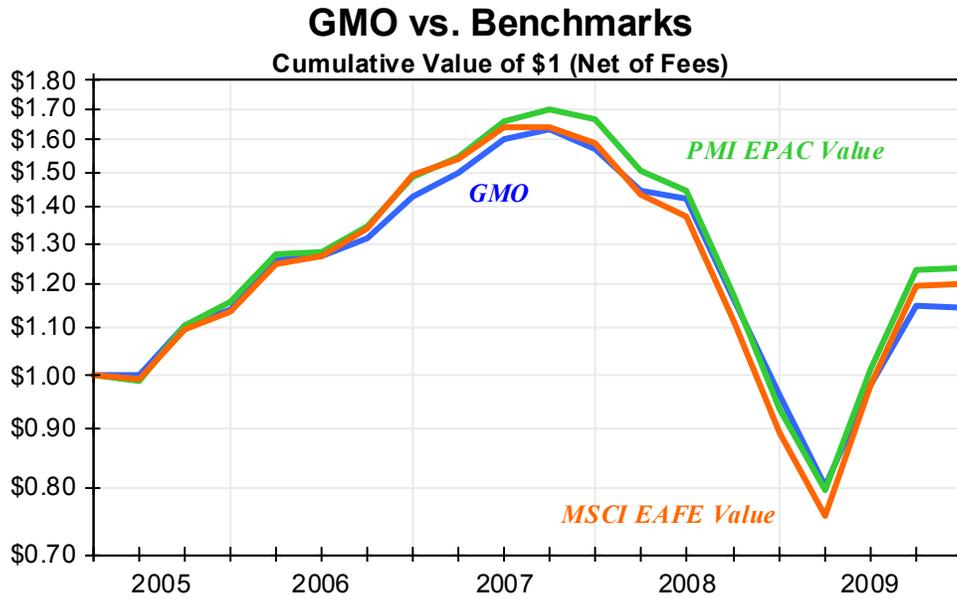
	<u>S&amp;P 500 Cap Wtd 12/31/2009</u>	<u>State Street/ ING 12/31/2009</u>	<u>Intech Enhanced 12/31/2009</u>	<u>Intech Large Cap 12/31/2009</u>	<u>PIMCO+ (S&amp;P 500) 12/31/2009</u>	<u>Wentworth 12/31/2009</u>
<b>Beta Sectors</b>						
1 0.0 - 0.9	45.67	45.96	43.77	42.20	45.67	39.55
2 0.9 - 1.1	19.81	19.55	18.36	18.05	19.81	25.46
3 1.1 - 1.3	13.80	13.34	15.11	15.61	13.80	15.68
4 1.3 - 1.5	7.44	7.84	8.27	9.58	7.44	5.98
5 Above 1.5	13.28	13.31	14.49	14.55	13.28	13.34
<b>Yield Sectors</b>						
1 Above 5.0	18.64	17.42	22.68	26.74	18.64	32.54
3 3.0 - 5.0	25.10	24.70	22.86	22.26	25.10	24.73
3 1.5 - 3.0	33.05	33.33	34.25	31.86	33.05	39.41
4 0.0 - 1.5	17.75	18.08	15.08	13.70	17.75	3.32
5 0.0	5.46	6.46	5.13	5.44	5.46	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	16.37	16.46	16.38	17.41	16.37	26.13
2 12.0 - 20.0	46.15	47.27	47.36	45.30	46.15	31.07
3 20.0 - 30.0	17.72	16.62	17.26	16.62	17.72	21.64
4 30.0 - 150.0	17.91	17.51	17.52	19.29	17.91	21.17
5 N/A	1.85	2.15	1.48	1.39	1.85	0.00
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	70.93	72.48	59.96	54.88	70.93	64.59
2 10.0 - 20.0	14.42	14.87	15.24	16.59	14.42	10.74
3 5.0 - 10.0	10.47	9.23	17.47	20.63	10.47	16.64
4 1.0 - 5.0	4.19	3.40	7.33	7.89	4.19	8.03
5 0.5 - 1.0	0.00	0.01	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
<b>5 Yr Earnings Growth</b>						
1 N/A	24.82	24.58	23.75	24.57	24.82	19.32
2 0.0 - 10.0	24.01	23.41	24.44	24.79	24.01	10.14
3 10.0 - 20.0	27.14	27.02	28.29	27.49	27.14	40.22
4 Above 20.0	24.04	24.98	23.52	23.15	24.04	30.32

## PORTFOLIO PROFILE REPORT

	Russell 2000® 12/31/2009	Progress 12/31/2009	Russell 2500TM Value 12/31/2009	Rothschild 12/31/2009	Russell 2000® Growth 12/31/2009	Emerald 12/31/2009
<b>Beta Sectors</b>						
1 0.0 - 0.9	31.12	34.01	31.53	36.80	32.58	21.46
2 0.9 - 1.1	13.53	15.55	13.46	13.44	14.89	13.61
3 1.1 - 1.3	13.87	10.80	10.73	13.45	15.04	12.57
4 1.3 - 1.5	11.26	12.09	12.29	8.63	11.81	16.14
5 Above 1.5	30.22	27.54	31.99	27.68	25.68	36.23
<b>Yield Sectors</b>						
1 Above 5.0	61.39	57.64	38.85	46.30	76.08	88.04
3 3.0 - 5.0	13.38	12.89	17.19	16.40	11.14	5.94
3 1.5 - 3.0	10.35	15.16	18.58	18.22	7.85	6.02
4 0.0 - 1.5	8.01	6.92	14.39	10.42	3.06	0.00
5 0.0	6.87	7.39	11.00	8.66	1.87	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	39.00	29.16	42.93	39.22	30.62	37.10
2 12.0 - 20.0	23.41	29.47	26.83	29.36	23.61	9.28
3 20.0 - 30.0	14.01	17.78	13.57	11.55	15.89	21.34
4 30.0 - 150.0	18.35	20.68	13.95	18.56	23.30	22.34
5 N/A	5.23	2.91	2.72	1.31	6.58	9.94
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	0.00	0.00	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	1.06	0.93	1.60	0.00	0.00
3 5.0 - 10.0	0.60	6.12	1.61	1.05	1.23	1.78
4 1.0 - 5.0	43.87	50.54	72.71	75.91	45.95	49.94
5 0.5 - 1.0	30.49	22.68	13.43	12.81	29.96	30.69
6 0.1 - 0.5	24.19	19.50	10.88	8.64	22.23	17.40
7 0.0 - 0.1	0.86	0.10	0.45	0.00	0.64	0.19
<b>5 Yr Earnings Growth</b>						
1 N/A	37.95	30.19	44.66	42.54	28.98	29.11
2 0.0 - 10.0	26.74	26.42	24.71	25.88	27.26	22.16
3 10.0 - 20.0	19.31	25.24	15.54	12.92	24.65	20.56
4 Above 20.0	15.99	18.15	15.08	18.66	19.11	28.17

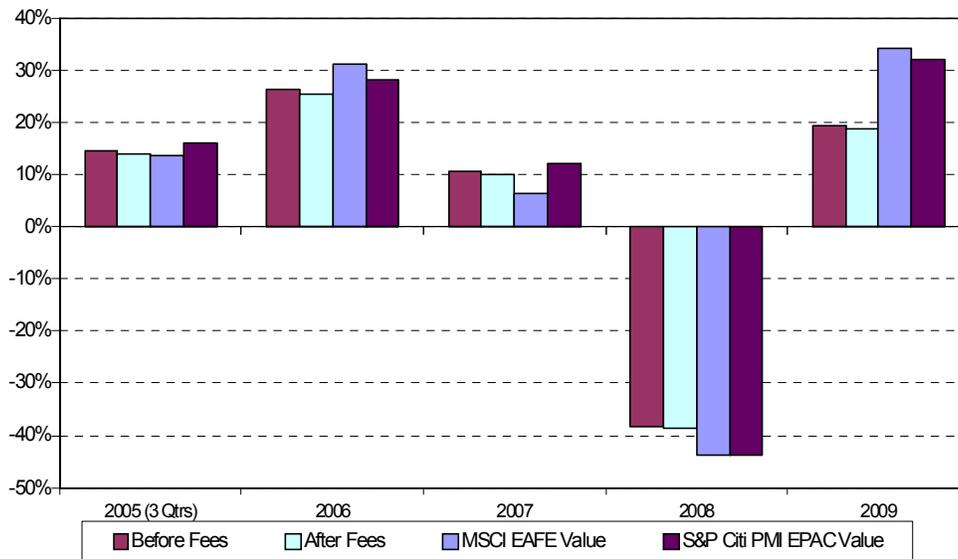
# MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

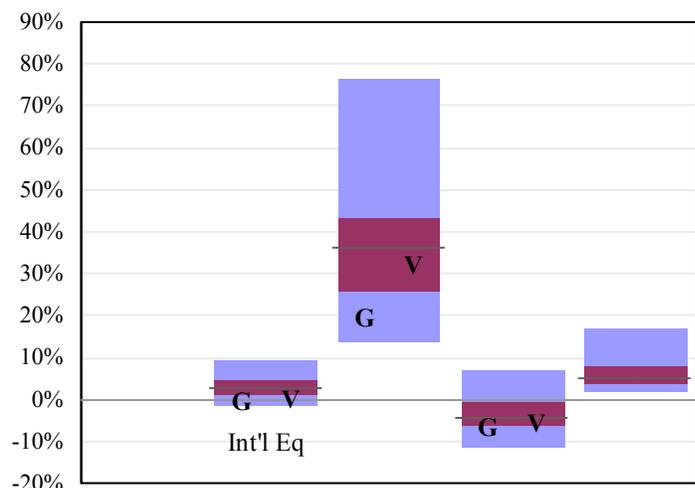


### GMO vs. Benchmarks

Year by Year Performance



## Grantham, Mayo, van Otterloo & Co



	Qtr	1 Year	3 Years	5 Years
GMO (G)	-0.5	19.3	-6.7	-
Rank v. Int'l Equity	91	73	78	-
PMI EPAC Val (V)	0.2	32.2	-5.8	-
EAFE Value (E)	0.3	34.3	-7.0	3.9
Int'l Eq Median	1.4	26.1	-6.3	3.9

Portfolio Characteristics	GMO	MSCI EAFE
IEq Mkt Value (\$Mil)	232.1	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	GMO	MSCI EAFE
Japan	25.3 %	20.7 %
Italy	6.2	3.4
United Kingdom	22.7	21.6

Under-Weighted Countries	GMO	MSCI EAFE
Australia	4.1 %	8.4 %
Germany	4.3	8.1
Switzerland	5.5	7.6

The GMO value international equity portfolio returned -0.5% in the fourth quarter, trailing the 0.2% return of the S&P Citigroup PMI EPAC Value Index, and ranked in the 91<sup>st</sup> percentile of international equity managers. Over the past year, the portfolio has returned 19.3%, dramatically trailing the S&P Citigroup PMI EPAC Value Index return of 32.2% and ranking in the 73<sup>rd</sup> percentile. Over the past three years, GMO has returned -6.7%, trailing the -5.8% return of the S&P Citi PMI EPAC Value Index and ranking in the 78<sup>th</sup> percentile (GMO has slightly outperformed the EAFE Value Index over the past three years). GMO is not in compliance with CCCERA guidelines.

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

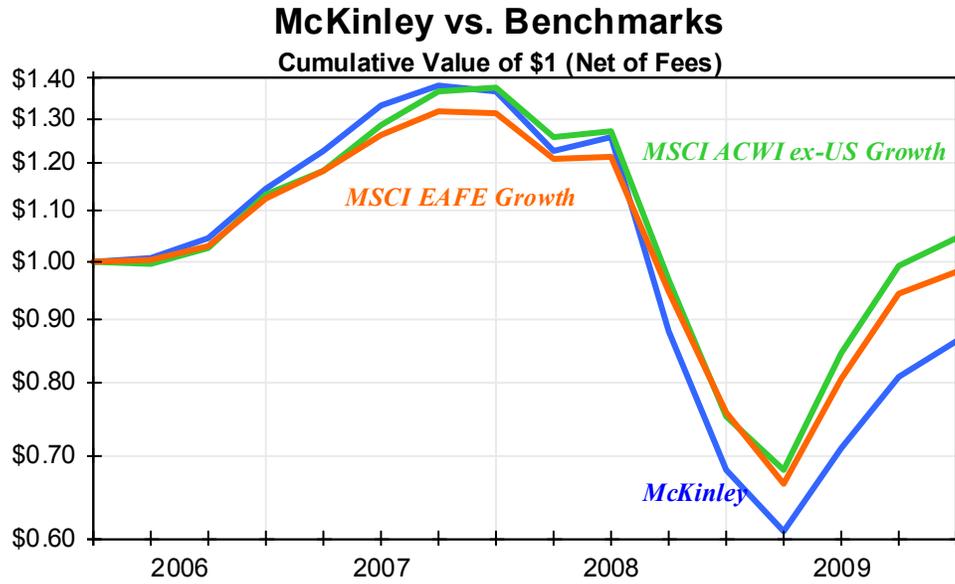
Both stock selection and country allocation decisions hurt fourth quarter returns relative to EAFE. Stock selection in the United Kingdom, Australia and Japan had the most negative impacts on performance. Trading decisions also had a negative impact on fourth quarter performance.

GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) delivered mixed results in the quarter. Stocks that exhibited strong momentum characteristics outperformed while both valuation methods underperformed in the fourth quarter.

Individual stock positions that detracted from relative performance included overweights in British bank Barclays and Dutch financial ING Groep as well as an underweight position in the Australian miner BHP Billiton. Stocks that made significant positive contributions to performance included overweight positions in Nissan, GlaxoSmithKline and Sanofi-Aventis.

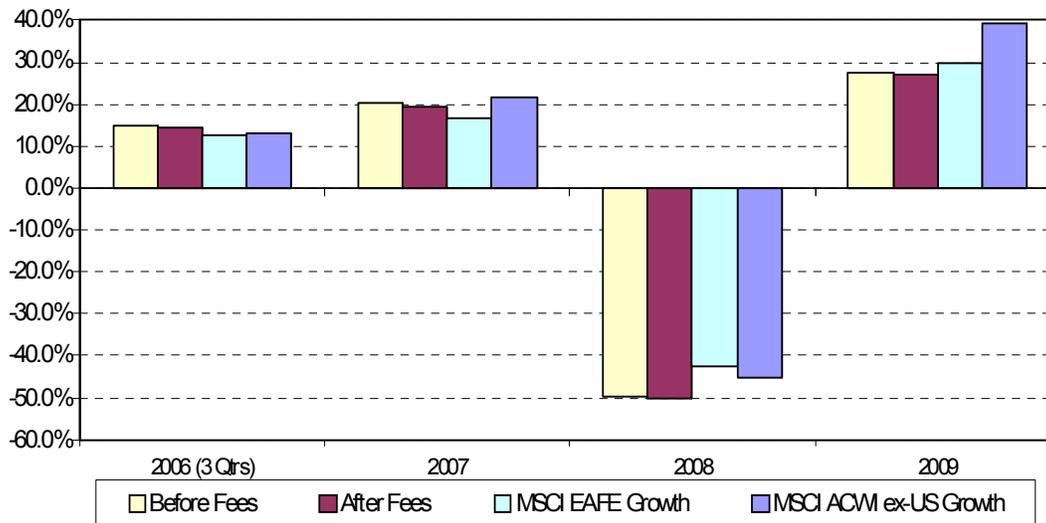
# MANAGER COMMENTS – INTERNATIONAL EQUITY

## McKinley Capital

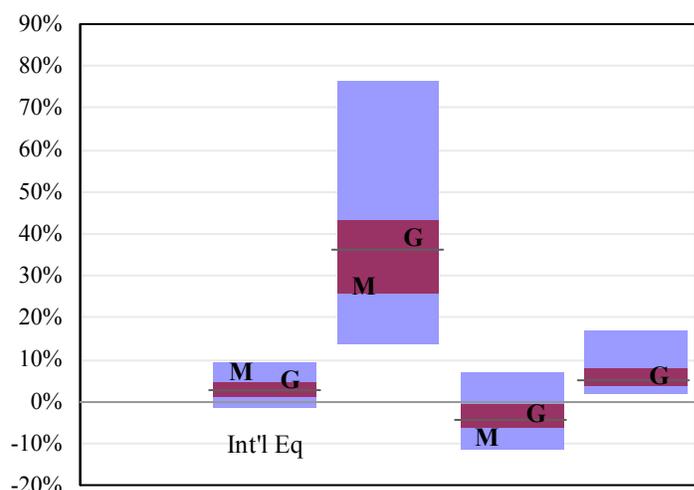


### McKinley vs. Benchmarks

Year by Year Performance



## McKinley Capital



	Qtr	1 Year	3 Years	5 Years
McKinley (M)	6.9	27.5	-8.5	-
Rank v. Intl Eq	11	72	87	-
ACWI xUS Gro (G)	5.3	39.2	-2.7	6.0
EAFE Growth (E)	4.2	29.9	-4.4	4.0
Int'l Eq Median	1.4	26.1	-6.3	3.9

Portfolio Characteristics	McKinley Capital	MSCI EAFE
IEq Mkt Value (\$Mil)	256.7	N/A
Cash	1.2 %	0.0 %

Over-Weighted Countries	McKinley Capital	MSCI EAFE
Canada	5.0 %	0.0 %
India	5.0	0.0
Brazil	4.9	0.0

Under-Weighted Countries	McKinley Capital	MSCI EAFE
France	1.3 %	10.5 %
Japan	12.0	20.7
United Kingdom	16.5	21.6

The McKinley Capital portfolio returned 6.9% in the fourth quarter, better than the 5.3% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 11<sup>th</sup> percentile of international equity managers. Over the past year, McKinley returned 27.5%, below the 39.2% return of the MSCI ACWI ex-US Growth Index, and ranked in the 72<sup>nd</sup> percentile of international equity managers. Over the past three years, the portfolio has returned -8.5%, again trailing the -2.7% return of the index and ranking in the 87<sup>th</sup> percentile. McKinley is not in compliance with CCCERA objectives.

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

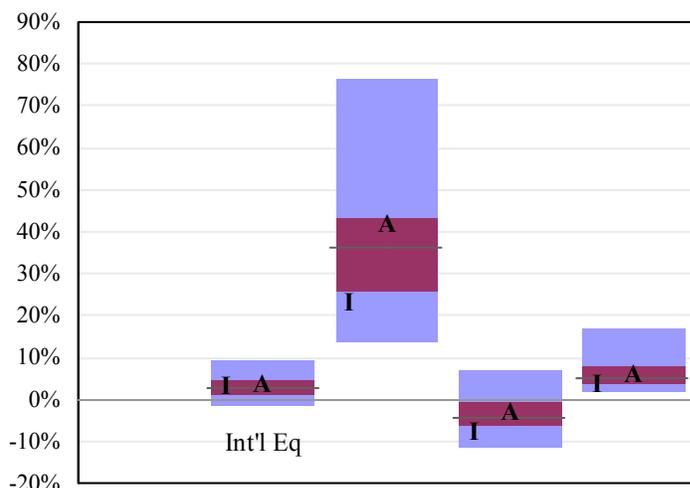
Stock selection contributed strongly to fourth quarter results while country allocation decisions hurt performance somewhat relative to the MSCI EAFE Index. Stock selection was strong across the board, but most significantly in Japan, China and Brazil. Active trading had a negative impact on fourth quarter returns.

On a sector basis, the major sources of excess returns were in the financials and industrials sectors. On a security basis, positive contribution came from holdings in Mitsubishi, Rio Tinto and Xstrata plc. Positions in EnCana Corp., Goldcorp Inc. and DnB NOR ASA negatively impacted relative performance.

Following a poor third quarter, Milliman met with Rob Gillam in October 2009 and he reiterated his June 2009 statement that, based upon historical trends, he believed McKinley's momentum strategy should begin to produce excess returns by year-end 2009. This did occur to an extent in the quarter ended December 2009, but the strategy then underperformed in January. The necessary improvement in relative performance results required to keep McKinley has not occurred.

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## Total International Equity



	Qtr	1 Year	3 Years	5 Years
Total Int'l Eq (I)	3.2	23.3	-7.4	3.9
Rank v. Intl Eq	42	83	84	75
ACWI xUS (A)	3.8	42.1	-3.0	6.3
EAFE (E)	2.2	32.5	-5.6	4.0
Int'l Eq Median	1.4	26.1	-6.3	3.9

Portfolio Characteristics	Total International	MSCI EAFE
IEq Mkt Value (\$Mil)	488.8	N/A
Cash	0.6 %	0.0 %

Over-Weighted Countries	Total International	MSCI EAFE
Canada	3.1 %	0.0 %
India	2.6	0.0
Brazil	2.6	0.0

Under-Weighted Countries	Total International	MSCI EAFE
France	5.6 %	10.5 %
Australia	3.8	8.4
Germany	4.9	8.1

Helped by the strong performance of growth equities in general and the McKinley's good performance in the quarter, the total international equity composite returned 3.2% in the fourth quarter, better than the 2.2% return of the MSCI EAFE Index. This return ranked in the 42<sup>nd</sup> percentile of international equity managers. Over the past year, the total international equity composite returned 23.3%, lagging the 32.5% return of the MSCI EAFE Index, and ranked in the 83<sup>rd</sup> percentile of international equity managers. Over the past five years the total international equity composite trailed the return of the MSCI EAFE Index and ranked below median in the international equity universe.

The composite's largest country over-weights were in Canada, India and Brazil while the largest under-weights were in France, Australia and Germany.

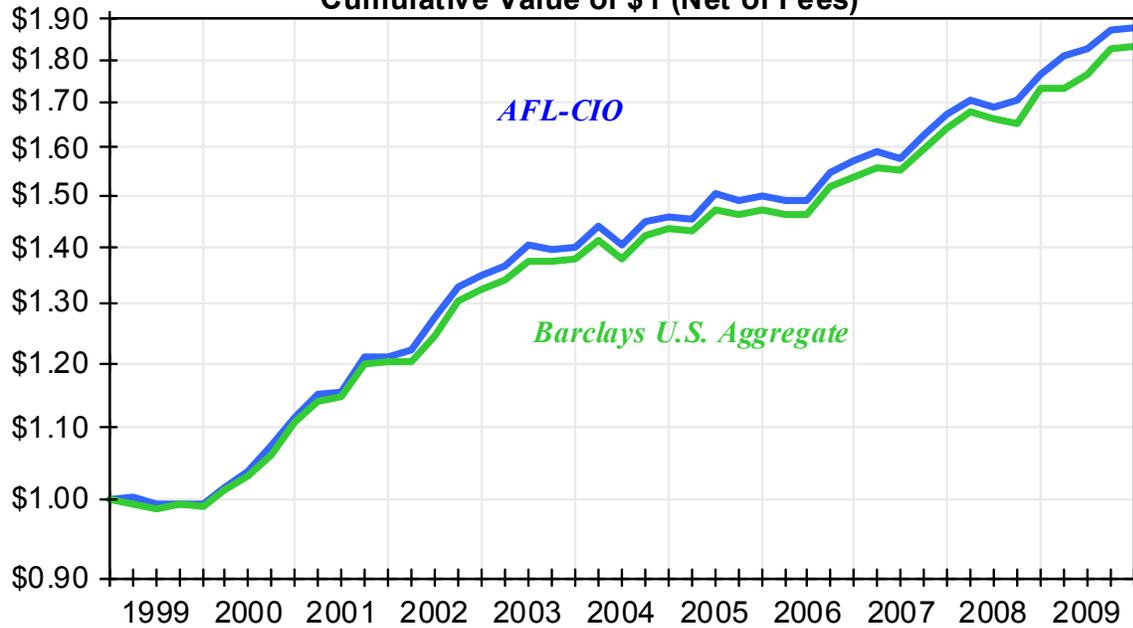
Stock selection decisions contributed to the overall international equity results in the fourth quarter while country allocation decision had negative impacts on fourth quarter performance compared to EAFE. Active trading had a negative impact on fourth quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

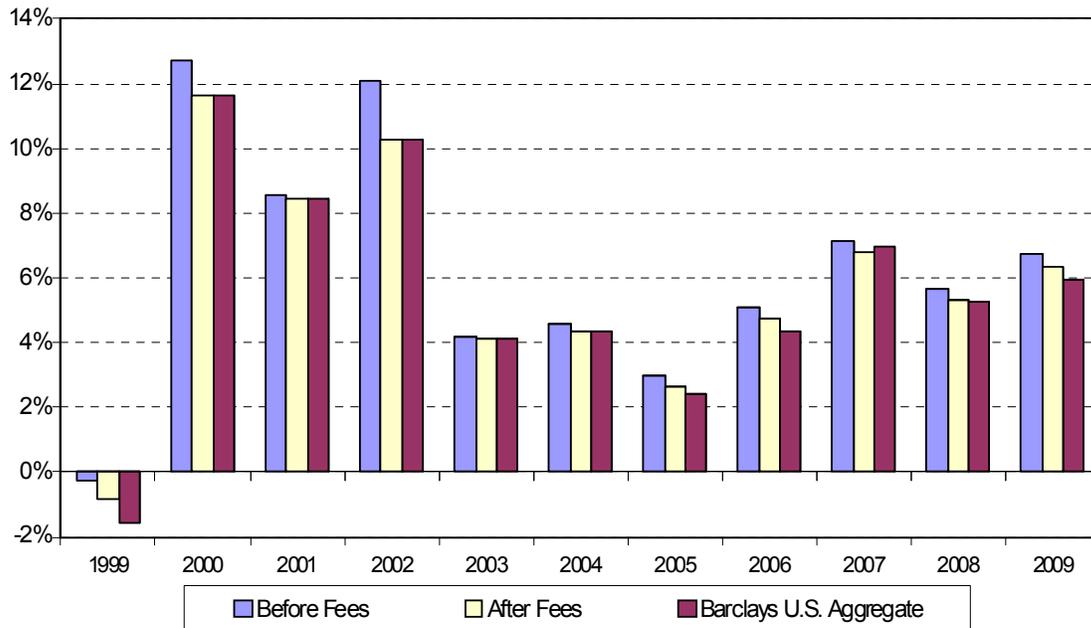
**AFL-CIO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

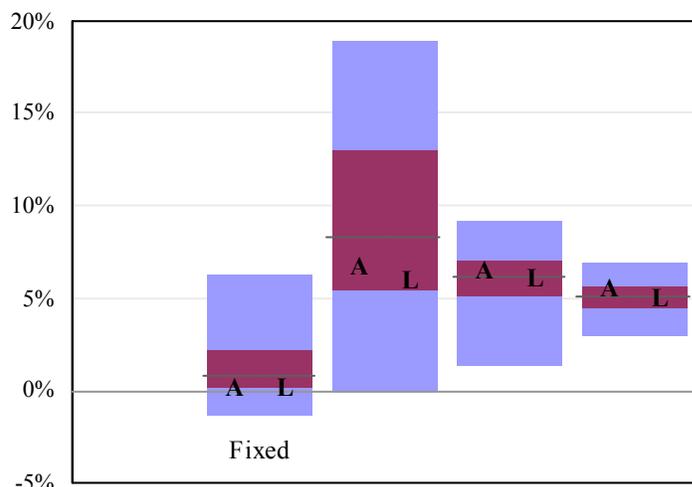


**AFL-CIO vs. Barclays U.S. Aggregate**

Year by Year Performance



## AFL-CIO Housing Investment Trust



	Qtr	1 Year	3 Years	5 Years
AFL-CIO (A)	0.2	6.7	6.5	5.5
Rank v. Fixed	75	61	39	29
BC Agg (L)	0.2	5.9	6.0	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	AFL CIO	Barclays Aggregate
Mkt Value (\$Mil)	134.1	n/a
Yield to Maturity (%)	5.1 %	3.7 %
Duration (yrs)	5.2	4.6
Avg. Quality	AGY	AA1/AA2

Sectors	AFL CIO	Barclays Aggregate
Treasury/Agency	4 %	41 %
Single-Family MBS	32	37
Multi-Family MBS	61	0
Corporates	0	19
High Yield	0	0
ABS/CMBS	1	4
Other	0	0
Cash	1	0

The AFL-CIO Housing Investment Trust (HIT) returned 0.2% in the fourth quarter, matching the 0.2% return of the Barclays U.S. Aggregate. The portfolio ranked in the 75<sup>th</sup> percentile of fixed income managers. For the past year, AFL-CIO returned 6.7%, which was better than the 5.9% return of the Barclays U.S. Aggregate but ranked in the 61<sup>st</sup> percentile. Over the past three and five years, AFL-CIO has exceeded the Barclays U.S. Aggregate and the median, meeting performance objectives.

At the end of the fourth quarter, the AFL-CIO Housing Investment Trust had 4% in US Treasury notes, 32% of the portfolio allocated to single-family mortgage backed securities, 61% allocated to multi-family mortgage backed securities, 1% to private-label commercial mortgage backed securities and 1% to short-term securities. The AFL-CIO portfolio duration at the end of the fourth quarter was 5.2 years and the current yield of the portfolio was 5.1%.

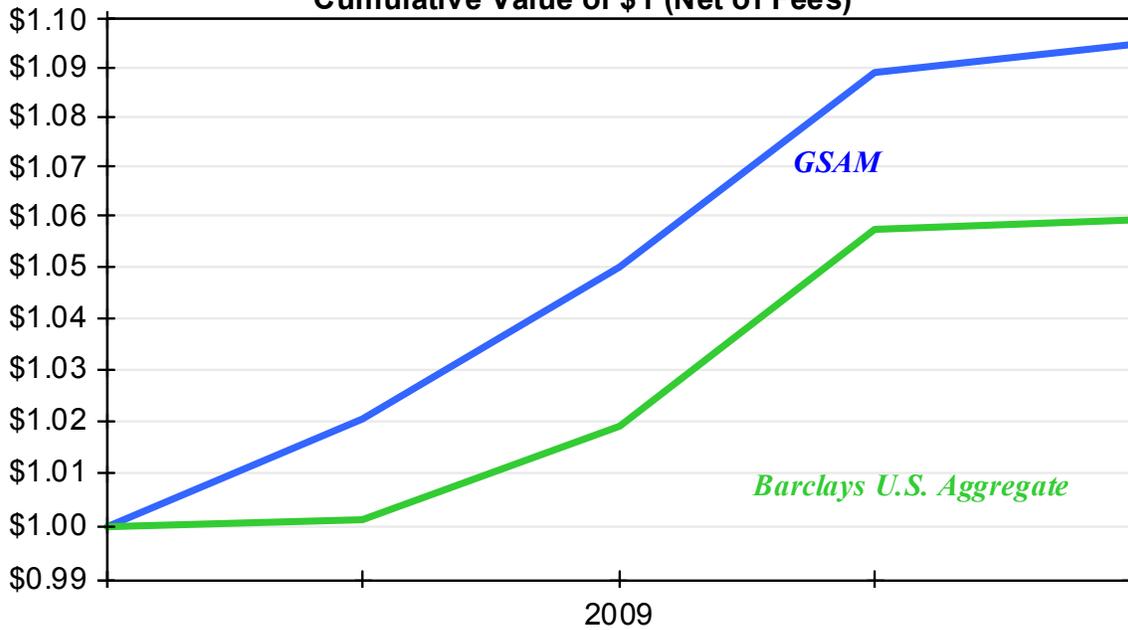
The HIT's 2009 performance was enhanced by its ongoing income advantage versus the benchmark and by significant spread tightening in agency multifamily mortgage-backed securities (MBS). The HIT's specialization in these multifamily securities enabled it to perform well as these investments had better price performance than Treasuries with comparable average lives. These multifamily securities also generated additional income relative to Treasuries while reflecting similar credit quality.

# MANAGER COMMENTS – FIXED INCOME

Goldman Sachs

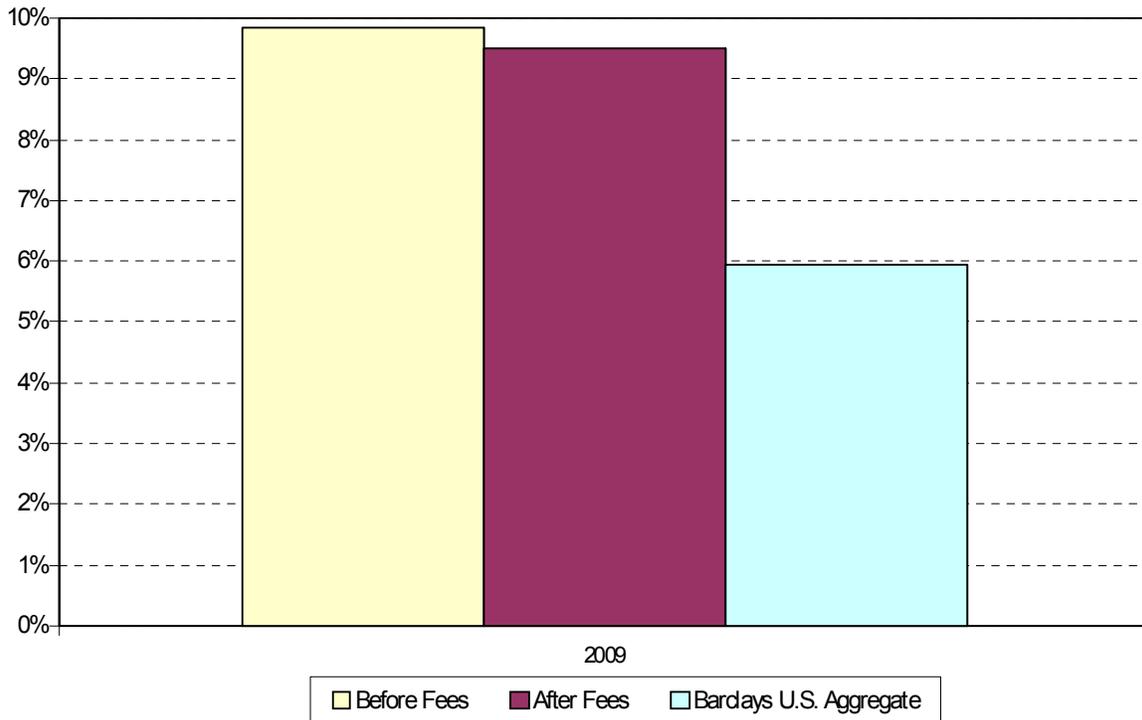
## GSAM vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

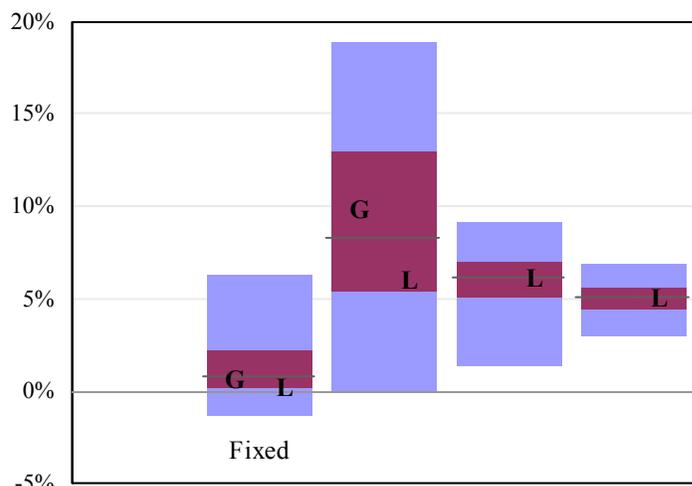


## GSAM vs. Barclays U.S. Aggregate

Year by Year Performance



## Goldman Sachs



	Qtr	1 Year	3 Years	5 Years
GSAM (G)	0.6	9.8	-	-
Rank v. Fixed	56	39	-	-
BC Agg (L)	0.2	5.9	6.0	5.0
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	Goldman Sachs	Barclays Aggregate
Mkt Value (\$Mil)	217.4	n/a
Yield to Maturity (%)	3.8 %	3.6 %
Duration (yrs)	4.4	4.4
Avg. Quality	AA	AA1/AA2

Sectors	Goldman Sachs	Barclays Aggregate
Treasury/Agency	31 %	39 %
Mortgages	36	38
Corporates	16	19
High Yield	5	0
Asset-Backed	0	4
CMBS	0	0
International	10	0
Emerging Markets	4	0
Other	0	0
Cash	-1	0

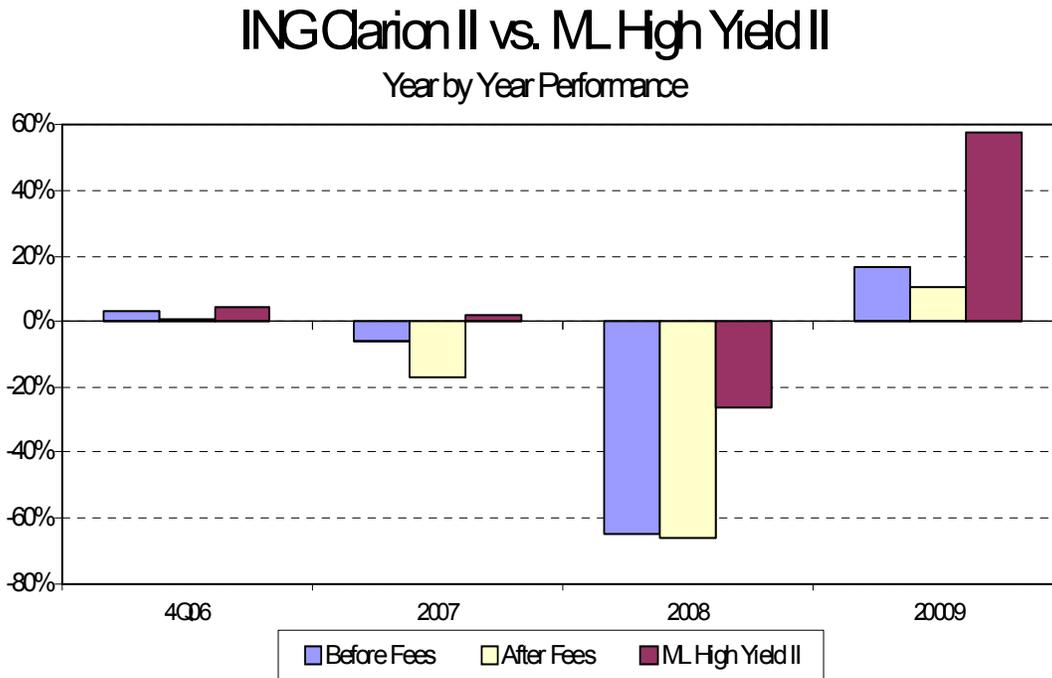
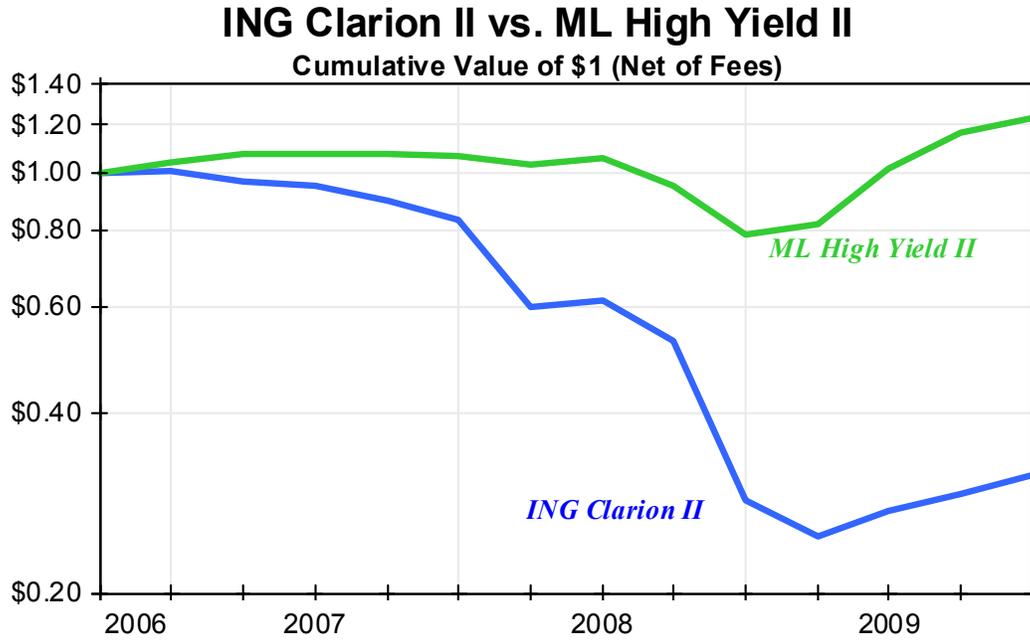
The Goldman Sachs core plus portfolio returned 0.6% in the fourth quarter, better than the 0.2% return of the Barclays U.S. Aggregate Index, but ranked the 56<sup>th</sup> percentile of fixed income managers. Over the past year, GSAM returned 9.8%, well above the 5.9% return of the Barclays U.S. Aggregate Index, and ranked in the 39<sup>th</sup> percentile.

At the end of the fourth quarter, Goldman Sachs was overweight relative to the Barclays U.S. Aggregate in the non-index sectors, including high yield, international and emerging market debt. Goldman Sachs was underweight in the US government and investment-grade corporate debt sectors. The duration of the Goldman fixed income portfolio at the end of the fourth quarter was 4.4 years, matching the benchmark. The portfolio continues to have a small yield advantage over the index.

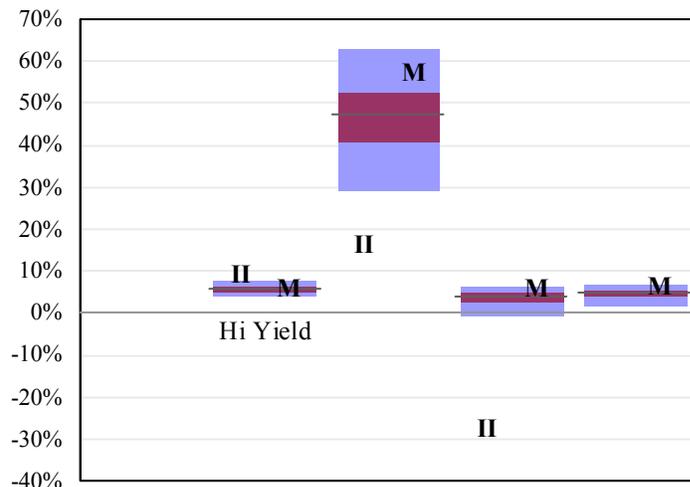
Within corporate debt, GSAM is modestly underweight and remains cautious because the default cycle is still quite young and the firm believes that liquidity stresses will rise in the near term, though spreads continued to tighten in the fourth quarter. The collateralized sector gave back some of its 2009 gains in December. The high yield market continued to be strong and contributed to overall results. Improvement in issuer balance sheets and improved market liquidity have driven down default expectations for 2010. GSAM sees continued strengthening of the U.S. economy, though the firm is worried about continue weak job growth, which could undermine the recovery.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II



## ING Clarion II



	Qtr	1 Year	3 Years	5 Years
ING Clarion II (II)	9.4	16.4	-27.5	-
Rank v. Hi Yield	1	97	98	-
ML HY II (M)	6.0	57.5	5.9	6.4
Hi Yield Median	5.6	47.3	3.7	4.8

Portfolio Characteristics	ING Clarion II	ML High Yield II
Mkt Value (\$Mil)	37.0	n/a
Yield to Maturity (%)	40.7 %	9.1 %
Duration (yrs)	3.0	4.3
Avg. Quality	A+	B1

Quality Distribution	ING Clarion II	ML High Yield II
AAA	60 %	0 %
AA	0	0
A	7	0
BBB	18	0
BB	1	43
B	11	34
CCC	0	23
Not Rated	0	0
Other	3	0

ING Clarion II returned 9.4% for the fourth quarter. This return was better than the Merrill Lynch High Yield Master II return of 6.0% and ranked in the 1<sup>st</sup> percentile in the universe of high yield portfolios. Over the past three years, the fund has returned -27.5%, well below the index return of 5.9%, and ranked in the 98<sup>th</sup> percentile. The time-weighted results thus far look extremely poor.

As of September 30, 2009, Fund II had called all capital commitments and made investments in 76 deals with an acquisition value of \$674.5 million. The continued weakness in the real estate market has impacted the portfolio, causing credit deterioration. At this point, one mezzanine investment, five CMBS deals and one CDO deal have stopped making payments. These investments collectively represent 10% of overall commitments. Another five CMBS deals representing 4% of committed capital are making only partial interest payments.

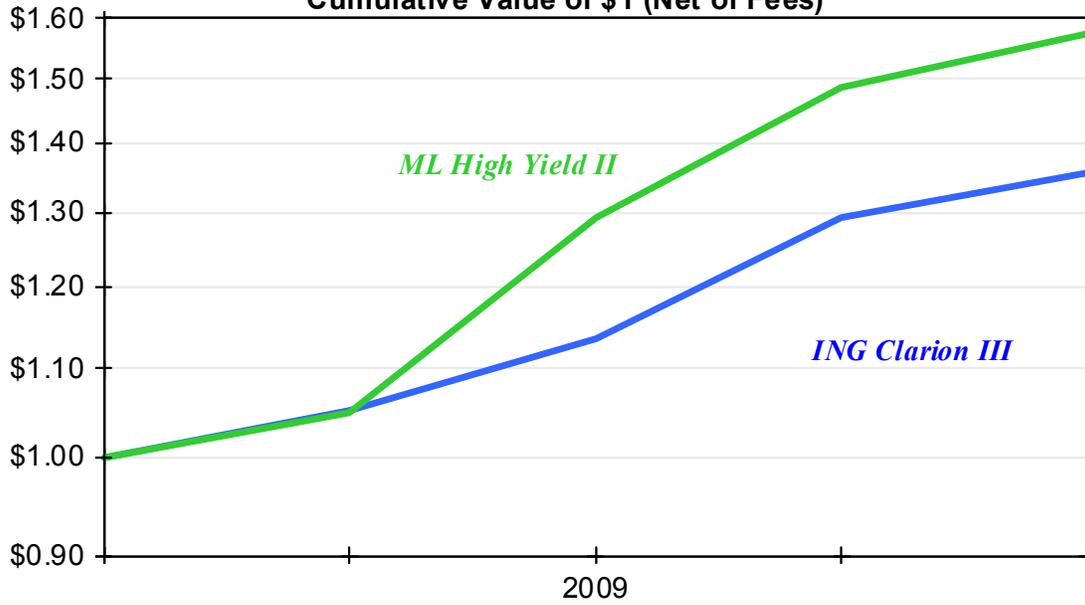
The portfolio consists of 70.6% investment grade CMBS, 14.3% non-investment grade CMBS, 13.2% mezzanine loans and B-notes and 1.9% CRE CDO bonds (based on acquisition value).

MANAGER COMMENTS – FIXED INCOME

ING Clarion III

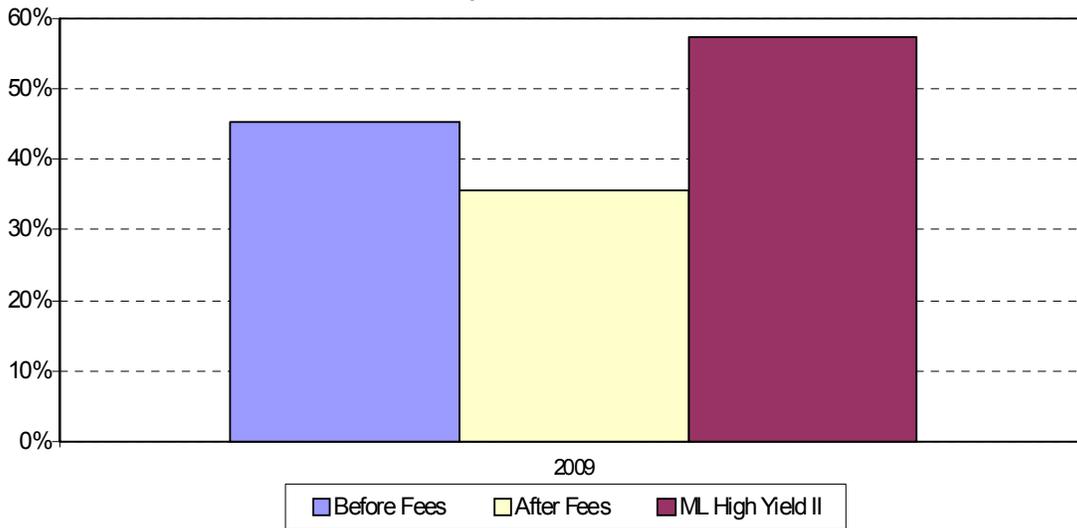
ING Clarion III vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

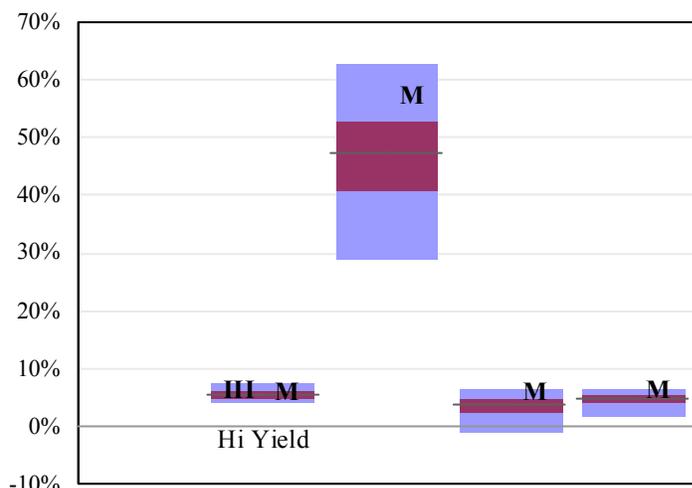


ING Clarion III vs. ML High Yield II

Year by Year Performance



## ING Clarion III



	Qtr	1 Year	3 Years	5 Years
ING Clarion III (III)	6.2	45.2	-	-
Rank v. Hi Yield	22	60	-	-
ML HY II (M)	6.0	57.5	5.9	6.4
Hi Yield Median	5.6	47.3	3.7	4.8

Portfolio Characteristics	ING Clarion III	ML High Yield II
Mkt Value (\$Mil)	23.8	n/a
Yield to Maturity (%)	9.6 %	9.1 %
Duration (yrs)	2.8	4.3
Avg. Quality	AA	B1

Quality Distribution	ING Clarion III	ML High Yield II
AAA	82 %	0 %
AA	4	0
A	3	0
BBB	10	0
BB	0	43
B	0	34
CCC	0	23
Not Rated	0	0
Cash	0	0

CCCERA funded the ING Clarion Debt Opportunity Fund III (ING Clarion III) on December 12, 2008. In the fourth quarter, Fund III returned 6.2%, better than the 6.0% return of the Merrill Lynch High Yield II Index. This return ranked in the 22<sup>nd</sup> percentile of high yield managers. Over the past year, the fund has returned 45.2%.

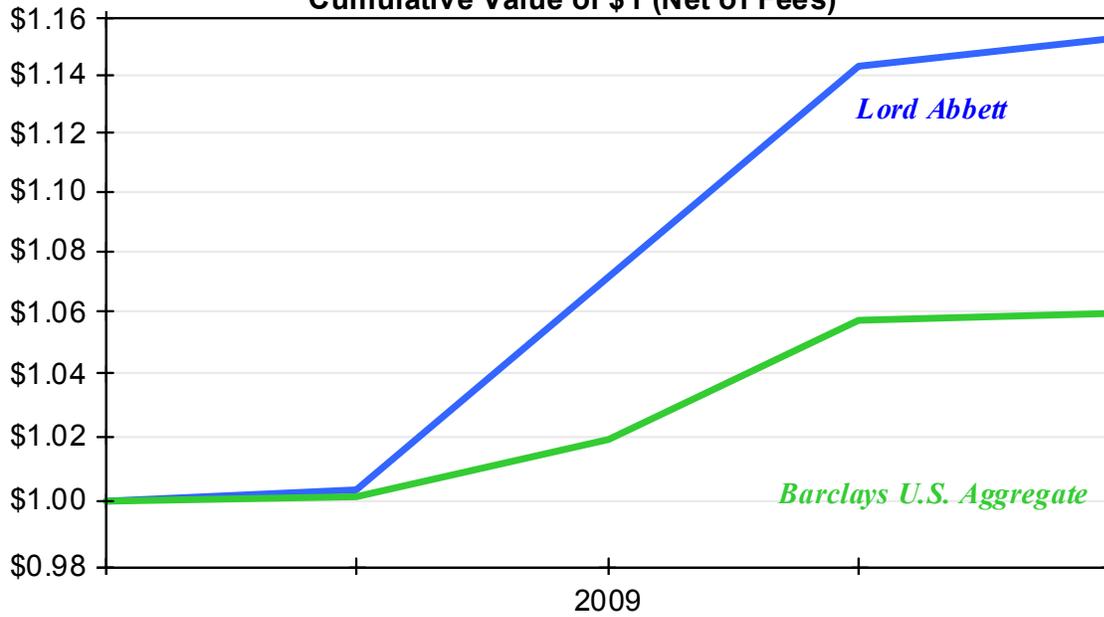
As with Funds I and II, ING Clarion Debt Opportunity Fund III invests in commercial mortgages purchased at a significant discount to face value. As of December 31, 2009, Fund III has called down 25% of committed capital and acquired a portfolio of 31 deals with an acquisition value of \$144.6 million. The quality breakdown of the current investments is 55.9% AAA-rated CMBS, 42.3% AAA interest-only CMBS and 1.8% non-AAA CMBS (based on acquisition values). The nominal yield to maturity on the portfolio was 7.7% at quarter-end.

# MANAGER COMMENTS – FIXED INCOME

## Lord Abbett

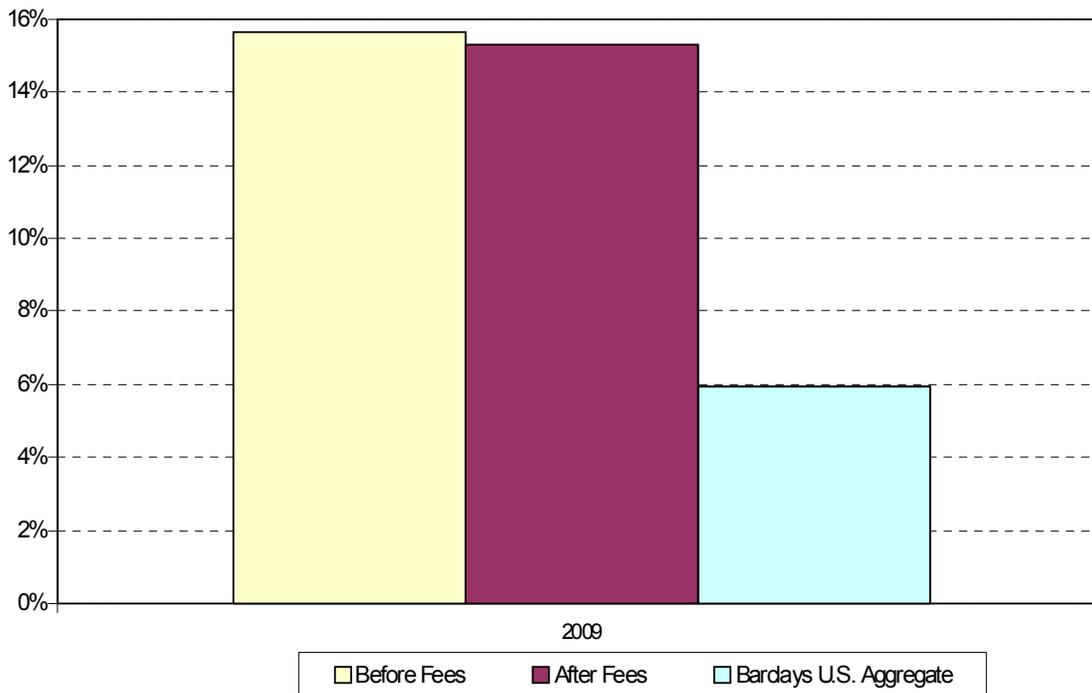
### Lord Abbett vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

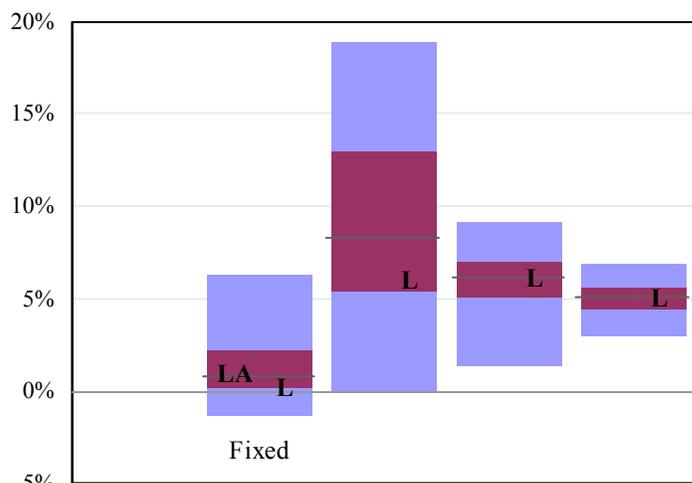


### Lord Abbett vs. Barclays U.S. Aggregate

Year by Year Performance



## Lord Abbett



	Qtr	1 Year	3 Years	5 Years
Lord Abbett (LA)	1.0	15.6	-	-
Rank v. Fixed	46	11	-	-
BC Agg (L)	0.2	5.9	6.0	5.0
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	Lord Abbett	Barclays Aggregate
Mkt Value (\$Mil)	222.4	n/a
Yield to Maturity (%)	4.3 %	3.6 %
Duration (yrs)	4.3	4.4
Avg. Quality	AA	AA1/AA2

Sectors	Lord Abbett	Barclays Aggregate
Treasury/Agency	16 %	39 %
Mortgages	18	38
Corporates	20	19
High Yield	7	0
Asset-Backed	9	4
CMBS	19	0
International	7	0
Emerging Markets	0	0
Other	2	0
Cash	2	0

During the fourth quarter, Lord Abbett returned 1.0%, above the 0.2% return of the Barclays U.S. Aggregate, and ranked in the 46<sup>th</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 15.6%, well above the Barclays U.S. Aggregate return of 5.9% and ranked in the 11<sup>th</sup> percentile.

At the end of the fourth quarter, Lord Abbett was overweight relative to the Barclays U.S. Aggregate in the high yield, ABS, CMBS and non-US sectors. Lord Abbett was underweight in the US government and mortgage sectors. The duration of the fixed income portfolio at the end of the fourth quarter was 4.3 years, slightly shorter than the benchmark. The portfolio has a yield advantage over the index, due primarily to the CMBS overweight in the portfolio.

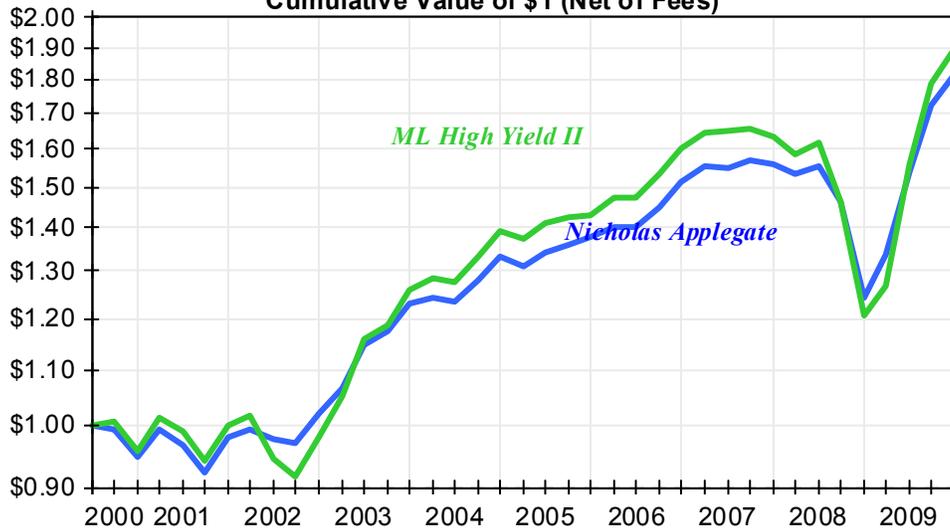
Lord Abbett's overweight to spread sectors helped performance during the fourth quarter as spreads continued to tighten across the board. The most significant factor contributing to positive overall performance was the portfolio's overweight to CMBS.

**MANAGER COMMENTS – FIXED INCOME**

**Nicholas Applegate**

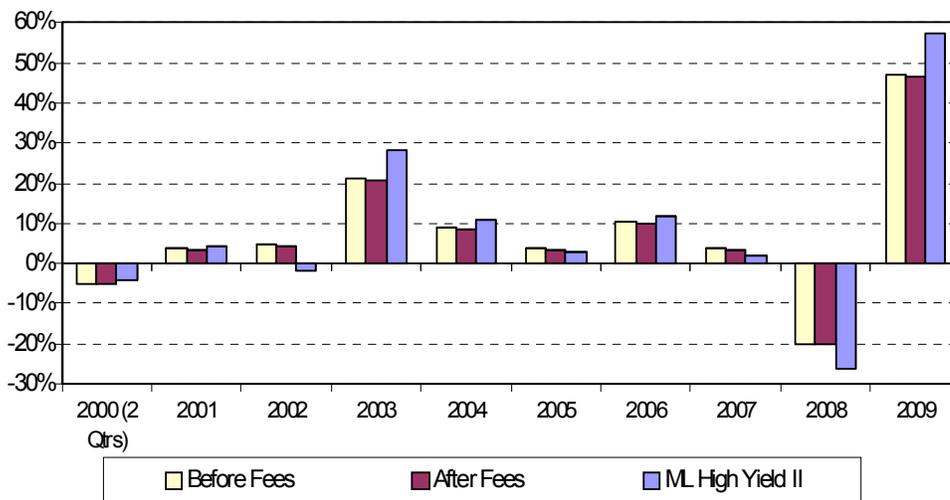
**Nicholas Applegate vs. ML High Yield II**

Cumulative Value of \$1 (Net of Fees)

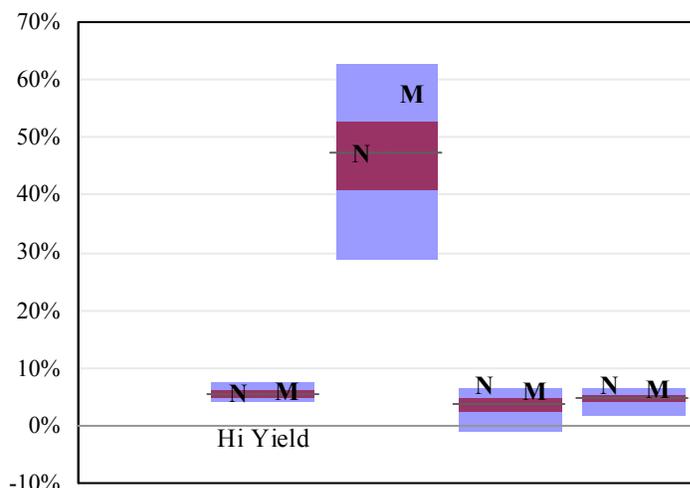


**Nicholas Applegate vs. ML High Yield II**

Year by Year Performance



## Nicholas Applegate



Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	136.2	n/a
Yield to Maturity (%)	8.7 %	9.1 %
Duration (yrs)	3.7	4.3
Avg. Quality	BB	B1

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	2	0
BB	27	43
B	63	34
CCC	8	23

	Qtr	1 Year	3 Years	5 Years
Nich. Appl. (N)	5.7	47.1	6.8	6.9
Rank v. Hi Yield	47	52	3	4
ML HY II (M)	6.0	57.5	5.9	6.4
ML BB/B (B)	4.7	46.1	4.7	5.6
Hi Yield Median	5.6	47.3	3.7	4.8

Nicholas Applegate's high yield fixed income portfolio returned 5.7% for the fourth quarter, trailing the 6.0% return of the Merrill Lynch High Yield II Index, but ranking in the 47<sup>th</sup> percentile of high yield managers. Nicholas Applegate returned 47.1% over the past year compared to 57.5% for the ML High Yield II Index and 47.3% for the median. For the five-year period, Nicholas Applegate's return of 6.9% was better than the 6.4% return of the ML High Yield II Index and ranked in the 4<sup>th</sup> percentile.

As of December 31, 2009, the Nicholas Applegate high yield portfolio was allocated 2% to BBB rated securities compared to 0% for the ML High Yield II Index, 27% to BB rated issues to 43% for the Index, 63% to B rated issues to 34% in the Index and 8% to CCC rated securities to 23% for the Index. The portfolio's December 31, 2009 duration was 3.7 years, shorter than the 4.3 year duration of the ML High Yield II Index.

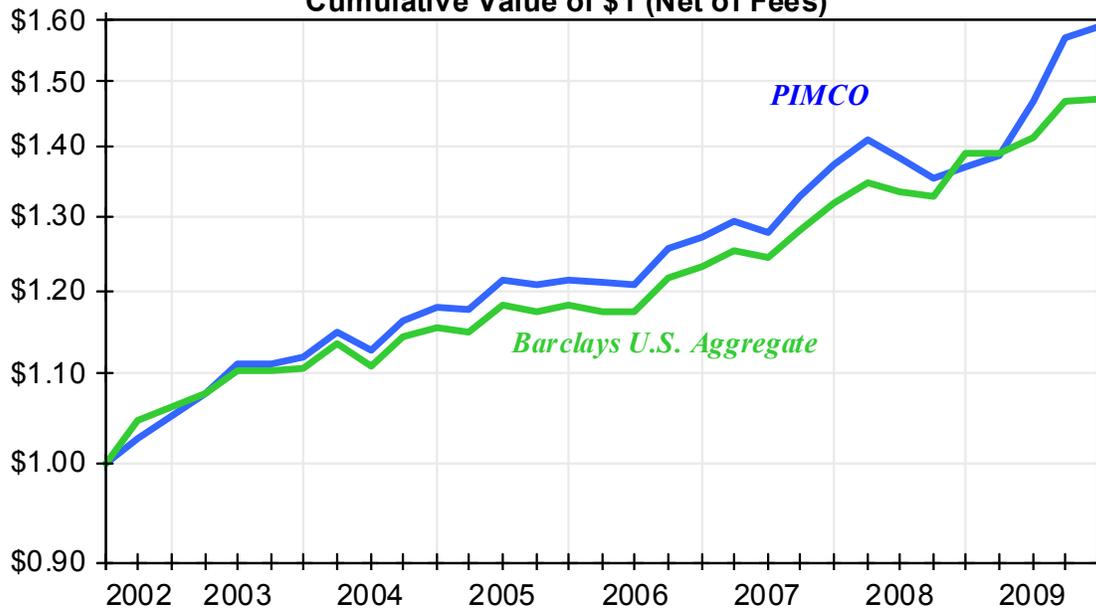
The portfolio's performance, while strong in an absolute sense, lagged the benchmark for the third consecutive quarter. Much of this was due to outsized returns from the lowest quality issuers (which Nicholas Applegate does not hold). Several industries in the portfolio generated positive performance in the quarter. Among the best were Paper, Financials and Technology. There were several laggards in the portfolio as well, most notably in the Utilities, Gaming and Homebuilding industries. The firm continues to hold these securities, though it sold off Metro PCS during the quarter. New buys were again plentiful in the quarter, primarily stemming from continued strength in the new issuance market.

**MANAGER COMMENTS – FIXED INCOME**

**PIMCO**

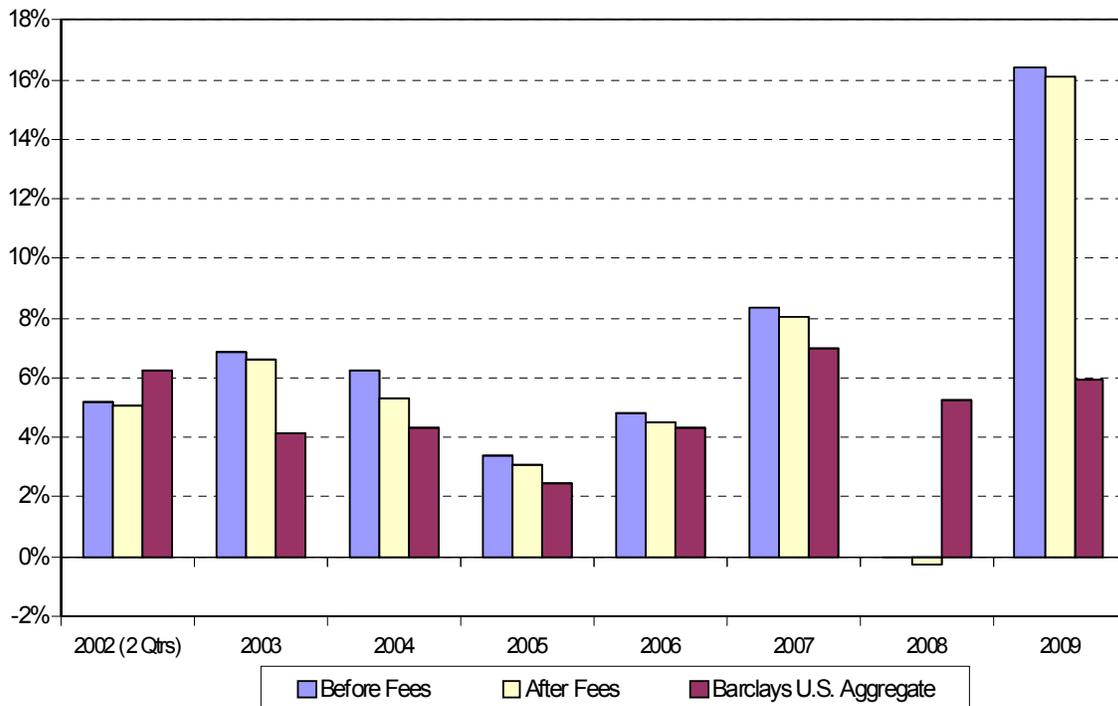
**PIMCO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

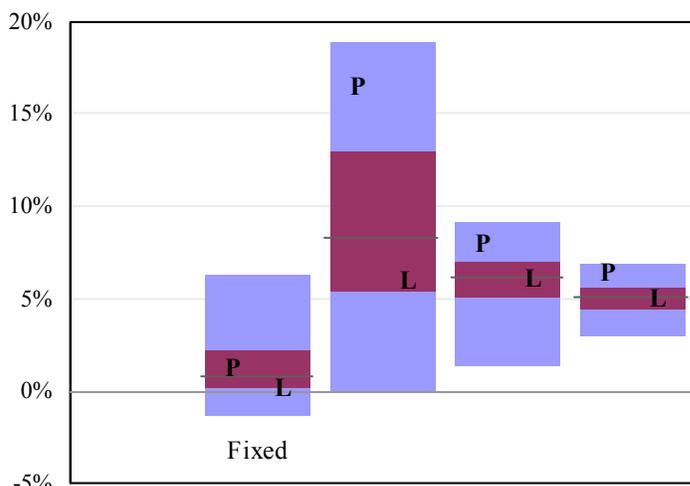


**PIMCO vs. Barclays U.S. Aggregate**

Year by Year Performance



## PIMCO



	Qtr	1 Year	3 Years	5 Years
PIMCO (P)	1.2	16.4	8.1	6.5
Rank v. Fixed	37	9	10	10
BC Agg (L)	0.2	5.9	6.0	5.0
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	PIMCO	Barclays Aggregate
Mkt Value (\$Mil)	350.3	n/a
Yield to Maturity (%)	4.9 %	3.6 %
Duration (yrs)	4.7	4.4
Avg. Quality	AA	AA1/AA2

Sectors	PIMCO	Barclays Aggregate
Treasury/Agency	14 %	39 %
Mortgages	36	38
Corporates	16	19
High Yield	2	0
Asset-Backed	0	4
CMBS	0	0
International	7	0
Emerging Markets	2	0
Other	4	0
Cash	20	0

PIMCO's return of 1.2% for the fourth quarter was better than the 0.2% return of the Barclays U.S. Aggregate and ranked in the 37<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 16.4% was better than the 5.9% return of the Barclays U.S. Aggregate and ranked in the 9<sup>th</sup> percentile. Over the past five years, the portfolio has returned 6.5%, better than the Barclays U.S. Aggregate return of 5.0%, and ranked in the 10<sup>th</sup> percentile.

At the end of the fourth quarter, PIMCO continues to hold underweight position in government and investment-grade corporate issues. PIMCO had significant exposure to non-index sectors, including non-US sovereign debt, emerging markets and high yield. The duration of the PIMCO fixed income portfolio at the end of the fourth quarter was 4.7 years, up slightly from last quarter's 4.5 year duration and close to the benchmark. The portfolio continues to have a significant yield advantage over the index, though it is reduced from that seen in prior quarters.

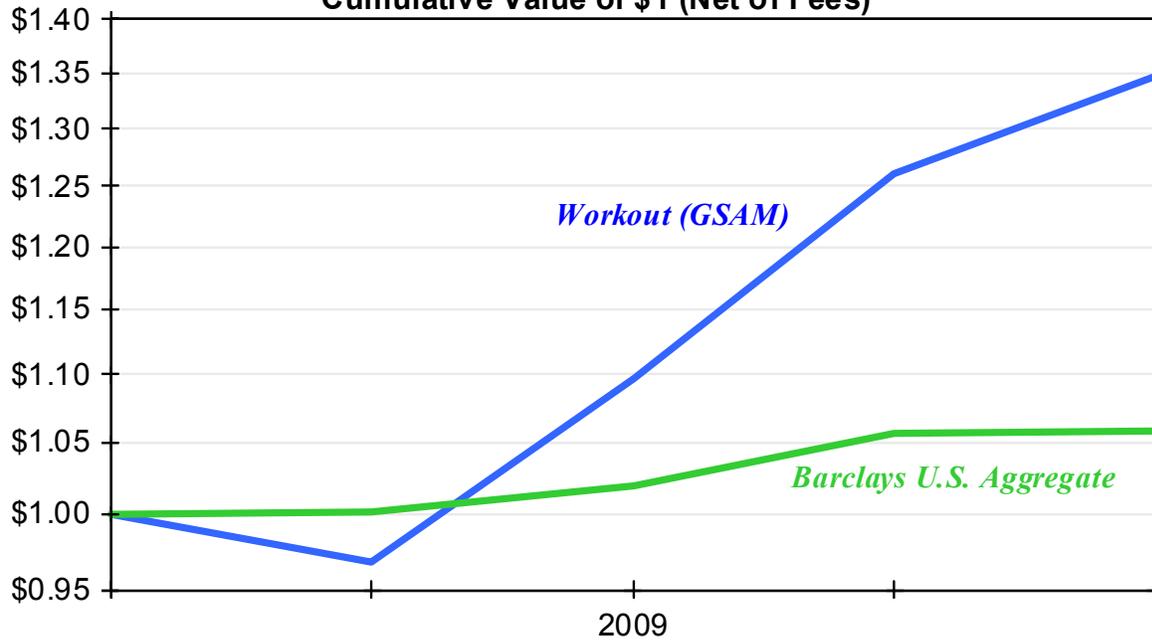
PIMCO's performance has helped by several strategies, including a shorter-than-benchmark duration during the quarter, money market futures positions, an overweight to financial issues, holdings of ABS and exposure to longer-maturity municipal bonds which held up better than similar duration Treasuries during the quarter. PIMCO has been underweight to Agency MBS for some time given their high valuations. However, these securities continued to rally late in the fourth quarter and the lack of exposure hurt the portfolio.

# MANAGER COMMENTS – FIXED INCOME

## Workout Portfolio - Managed by Goldman Sachs

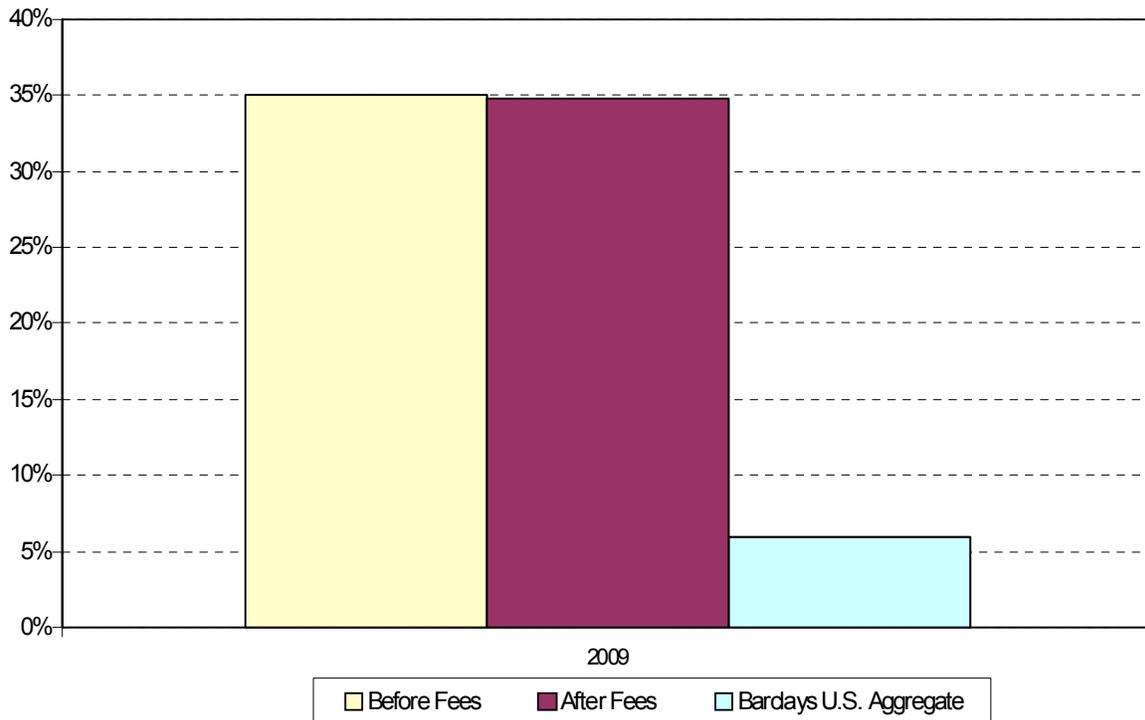
### Workout vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

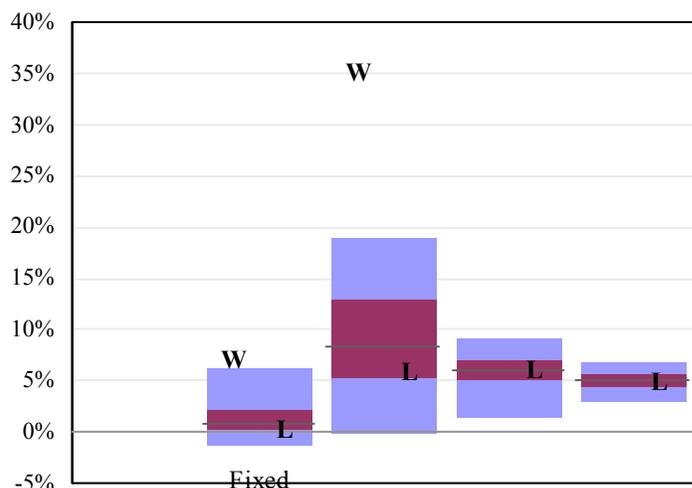


### Workout vs. Barclays U.S. Aggregate

Year by Year Performance



## Workout Portfolio



	Qtr	1 Year	3 Years	5 Years
Workout (W)	7.0	35.1	-	-
Rank v. Fixed	2	1	-	-
BC Agg (L)	0.2	5.9	6.0	5.0
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	Workout (GSAM)	Barclays Aggregate
Mkt Value (\$Mil)	64.8	n/a
Yield to Maturity (%)	3.1 %	3.6 %
Duration (yrs)	0.9	4.4
Avg. Quality	A	AA1/AA2

Sectors	Workout (GSAM)	Barclays Aggregate
Treasury/Agency	1 %	39 %
Mortgages	90	38
Corporates	4	19
High Yield	0	0
Asset-Backed	0	4
CMBS	0	0
International	0	0
Emerging Markets	0	0
Other	0	0
Cash	4	0

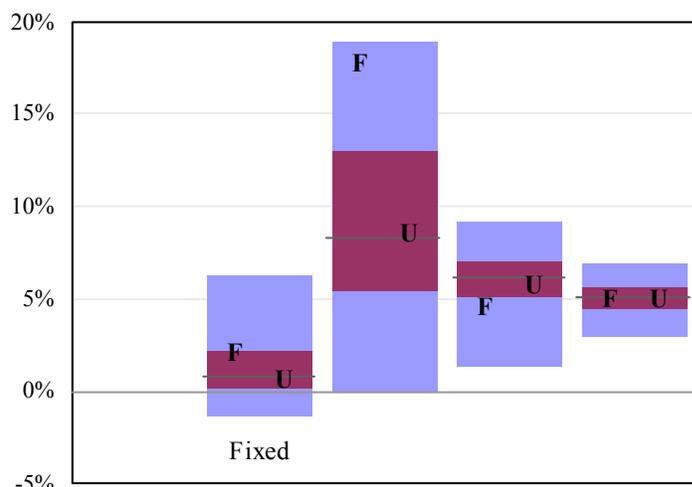
For the portion of the legacy Western Asset Management mandate that was deemed to be illiquid or trading at distressed prices that were unwarranted given the underlying instrument fundamentals, Goldman Sachs was selected to oversee and dispose of securities as appropriate. The workout portfolio is comprised primarily of mortgage-backed securities. Approximately \$30 million of this portfolio will be transferred to the new GSAM opportunistic strategy in the first quarter of 2010.

During the fourth quarter, this legacy portfolio returned 7.0%, significantly above the Barclays U.S. Aggregate return of the 0.2%, and ranked in the 2<sup>nd</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 35.1%, far above the 5.9% return of the index.

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## MANAGER COMMENTS – FIXED INCOME

### Total Domestic Fixed Income



	Qtr	1 Year	3 Years	5 Years
Total Fixed (F)	2.1	17.8	4.6	5.0
Rank v. Fixed	25	6	81	55
BC Uni (U)	0.6	8.6	5.8	5.0
BC Agg (L)	0.2	5.9	6.0	5.0
Fixed Median	0.8	8.3	6.1	5.1

Portfolio Characteristics	Total Fixed	Barclays Universal
Mkt Value (\$Mil)	1,186.1	n/a
Yield to Maturity (%)	6.1 %	4.0 %
Duration (yrs)	4.2	4.6
Avg. Quality	AA	AA

Sectors	Total Fixed	Barclays Universal
Treasury/Agency	13 %	36 %
Mortgages	36	32
Corporates	12	17
High Yield	14	5
Asset-Backed	2	3
CMBS	9	0
International	5	2
Emerging Markets	1	1
Other	2	4
Cash	6	0

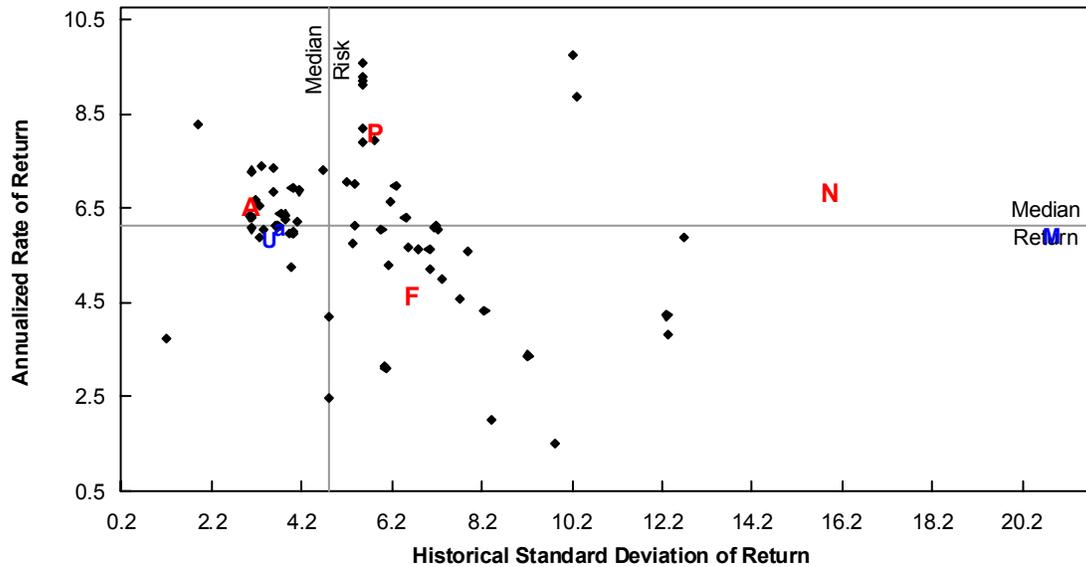
CCCERA total fixed income returned 2.1% in the fourth quarter, which was better than the 0.6% return of the Barclays Universal and the 0.2% return of the Barclays U.S. Aggregate, ranking in the 25<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 17.8%, better than the 8.6% return of the Barclays Universal and the 5.9% return of the Barclays U.S. Aggregate. The CCCERA total fixed income returns trailed the Barclays Universal Index and the median fixed income manager over the three and five-year periods.

At the end of the fourth quarter, the aggregate fixed income position was underweight relative to the Barclays Universal in the US government and corporate debt sectors. These underweight positions were primarily offset by larger positions in high yield and CMBS debt. The duration of the total fixed income portfolio at the end of the fourth quarter was 4.2 years, shorter than the 4.6 year duration of the index.

# MANAGER COMMENTS – FIXED INCOME

## Domestic Fixed Income Performance and Variability

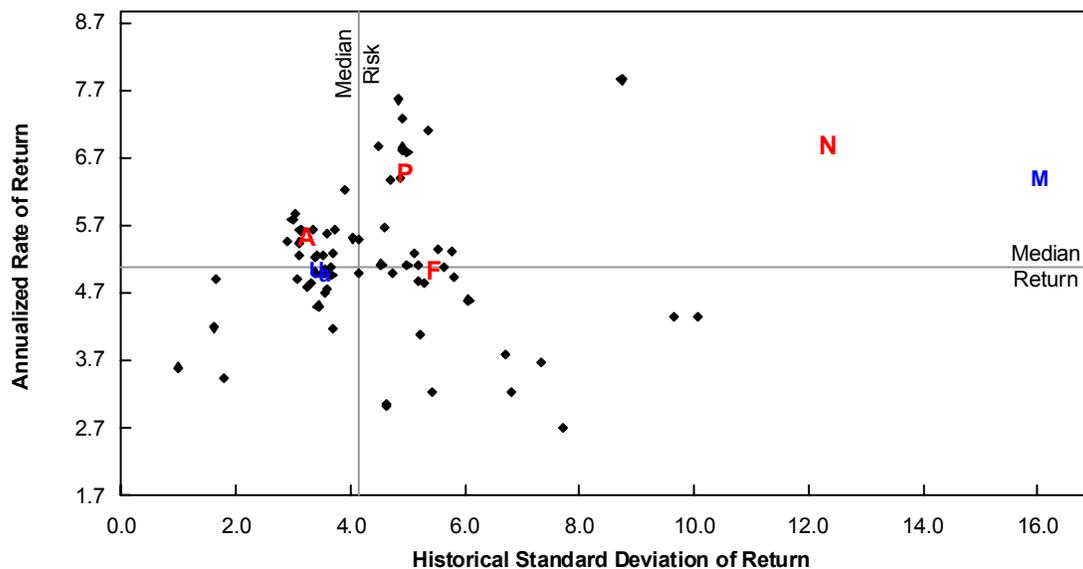
*Three Years Ending December 31, 2009*



Domestic Bond Managers	Annualized Return	Standard Deviation	Risk/Reward Ratio
AFL-CIO ( <b>A</b> )	6.5 %	3.1 %	1.33
Nicholas Applegate ( <b>N</b> )	6.8	15.9	0.28
PIMCO ( <b>P</b> )	8.1	5.8	0.97
Total Fixed ( <b>F</b> )	4.6	6.7	0.33
Barclays Aggregate ( <b>a</b> )	6.0	3.7	0.99
ML High Yield II ( <b>M</b> )	5.9	20.9	0.17
Barclays] Universal ( <b>U</b> )	5.8	3.5	0.97
Median Bond Portfolio	6.1	4.8	0.78

## Domestic Fixed Income Performance and Variability

*Five Years Ending December 31, 2009*

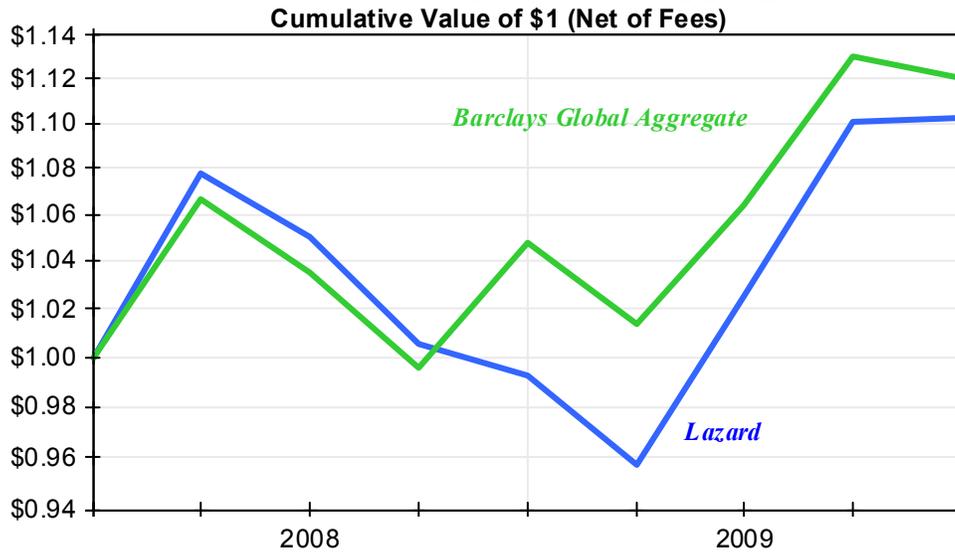


	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO ( <b>A</b> )	5.5 %	3.2 %	0.90
Nicholas Applegate ( <b>N</b> )	6.9	12.3	0.35
PIMCO ( <b>P</b> )	6.5	5.0	0.77
Total Fixed ( <b>F</b> )	5.0	5.5	0.44
Barclays Aggregate ( <b>a</b> )	5.0	3.6	0.67
ML High Yield II ( <b>M</b> )	6.4	16.1	0.24
Barclays Universal ( <b>U</b> )	5.0	3.4	0.71
Median Bond Portfolio	5.1	4.1	0.60

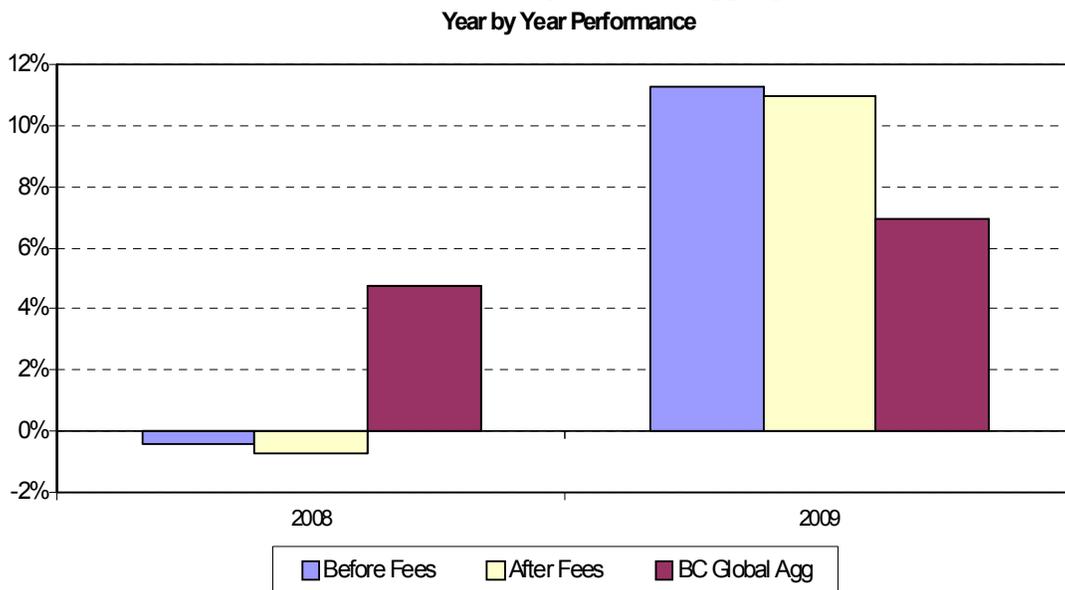
**MANAGER COMMENTS – GLOBAL FIXED INCOME**

**Lazard Asset Management**

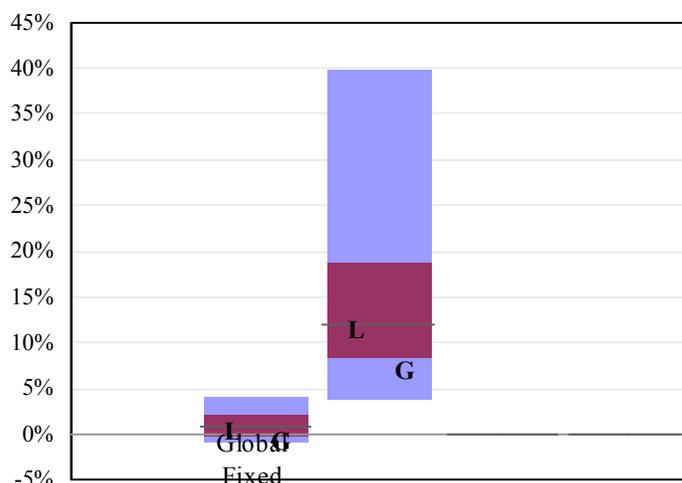
**Lazard vs. Barclays Global Aggregate**



**Lazard vs. Barclays Global Aggregate**



## Lazard Asset Management



	Qtr	1 Year	3 Years	5 Years
Lazard (L)	0.2	11.3	-	-
Rank v. Glob FI	57	54	-	-
BC Global (G)	-0.8	6.9	7.1	4.6
GI Fixed Median	0.9	11.9	-	-

Portfolio Characteristics	Lazard Asset Mgmt	Barclays Global Aggregate
Mkt Value (\$Mil)	256.7	n/a
Yield to Maturity (%)	4.2 %	3.1 %
Duration (yrs)	5.4	5.4
Avg. Quality	AA	AA1/AA2

Sectors	Lazard Asset Mgmt	Barclays Global Aggregate
Treasury/Sovereign	43 %	49 %
Agency/Supranational	24	15
Corporate	14	16
High Yield	2	0
Emerging Markets/Other	13	5
Mortgage	4	14

Lazard Asset Management returned 0.2% in the fourth quarter. This return was better than the -0.8% return of the Barclays Global Aggregate Index but ranked in the 57<sup>th</sup> percentile in the universe of global fixed income managers. Over the past year, Lazard has returned 11.3%, better than the Barclays Global Aggregate return of 6.9% and ranking in the 54<sup>th</sup> percentile.

Lazard's portfolio was underweight to treasuries/sovereign and mortgage securities and overweight to agency/supranational and emerging markets and other securities. The duration of the Lazard Asset Management portfolio at the end of the fourth quarter was 5.4 years, matching the index. The portfolio has a higher yield than the index.

Lazard's portfolio had several performance drivers during the fourth quarter, including an overweight to the Euro-zone (and a corresponding underweight position in U.S. Treasuries), tactical currency exposures, sovereign debt holdings, some emerging market debt and high yield corporate debt. An underweight position in long maturity corporate debt detracted from fourth quarter results.

The firm expects as stimulus exit strategies unfold across the globe in 2010, interest rate differentials will likely be a key driver of valuation and direction for currencies and for the shape of yield curves. Lazard believes that the easy money has already been made in credit, but is optimistic about the prospect of generating strong returns from the flexible opportunity set that a global mandate provides. Active interest rate, credit, and currency selection around the world offers potential for strong fixed-income returns compared to a pure domestic strategy. It also believes that, over the next year, spread product will outperform government bonds, especially in core markets such as the United States and core Europe.

## **MANAGER COMMENTS – REAL ESTATE**

### **Adelante Capital Management \$321,510,945**

Adelante Capital Management returned 8.9% for the fourth quarter, below the 9.2% return of the Dow Jones Wilshire REIT Index, and ranked in the 54<sup>th</sup> percentile of the REIT mutual fund universe. For the past year, Adelante returned 29.3%, better than REIT index return of 28.6% and ranking in the in the 48<sup>th</sup> percentile. The portfolio has slightly trailed the benchmark over longer time periods.

As of December 31, 2009, the portfolio consisted of 33 public REITs. Office properties comprised 14.8% of the underlying portfolio, apartments made up 16.1%, retail represented 22.0%, industrial was 12.4%, 4.9% was diversified/specialty, storage represented 6.9%, healthcare accounted for 11.1%, hotels accounted for 7.0%, manufactured homes made up 1.9% and 3.1% was cash.

### **BlackRock Realty \$10,661,717**

BlackRock Realty Apartment Value Fund III (AVF III) returned 1.1% in the fourth quarter. Over the one-year period, BlackRock has returned -53.1%. CCCERA has an 18.6% interest in the AVF III.

### **DLJ Real Estate Capital Partners \$171,526**

DLJ Real Estate Capital Partners (RECP) returned -0.9% in the quarter ending September 30, 2009. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned -3.1%. CCCERA has a 3.4% ownership interest in RECP.

RECP I completed its investment activities in 1999 and has since emphasized asset management and asset realizations. RECP I has essentially realized its entire portfolio of 49 investments, and DLJ remains focused on realizing the final residual values from a few remaining investments. These interests include two small commercial sites totaling approximately nine acres at DLJ's Gleannoch Farms investment and a note receivable from the transaction counterparty on the D'Andrea Ranch sale. These two positions have a combined current book value of approximately \$4.9 million.

### **DLJ Real Estate Capital Partners II \$5,236,365**

DLJ Real Estate Capital Partners II (RECP II) reported a return of -0.2% in the quarter ending September 30, 2009. Over the one-year period, RECP II has returned -30.5%. CCCERA has a 3.4% ownership interest in RECP II.

As of September 30, 2009, the portfolio consisted of 39% retail, hotels accounted for 25%, land development made up 18%, residential accounted for 10%, 1% made up office properties and 8% in "other". The properties were diversified geographically with 80% domestic and 20% international.

The RECP II Fund acquired 51 investments with total capital committed of \$996 million. RECP II's investment activities were completed in 2004 and the focus since has been on the management, positioning and realization of the portfolio. A total 45 of the properties have been

sold, while six remain to be partially or fully realized, generating profits of \$1.0 billion, a 34% gross IRR and 2.3x investment multiple. The Fund has received substantial proceeds from partial realizations on its remaining portfolio. These partial proceeds, together with the fully realized transactions, have allowed the Fund to distribute \$1.9 billion, representing 190% of the capital invested by the Fund. Based on actual cash flows and the remaining book value, the overall gross IRR for RECP is 29%.

**DLJ Real Estate Capital Partners III**  
**\$47,093,122**

DLJ Real Estate Capital Partners III (RECP III) reported a return of -0.1% in the third quarter. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned -15.4%. CCCERA has a 6.9% ownership interest in RECP III.

As of September 30, 2009 the portfolio consisted of 42% hotel properties, 19% industrial/logistics, 16% mixed-use development, 11% vacation home development, 8% residential, 0.4% land development, 3% retail and 2% other. The properties were diversified globally with 47% non-US and 53% US.

The Fund is fully invested in 49 investments; having committed \$1.2 billion of equity. There have been 15 realizations to date, generating profits of \$257 million, a 74% gross IRR and a 2.2x multiple.

**DLJ Real Estate Capital Partners IV**  
**\$28,506,967**

DLJ Real Estate Capital Partners IV (RECP IV) returned 22.9% in the quarter ending September 30, 2009. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund has returned -53.5%.

As of June 30, 2009 the portfolio consisted of 18% mixed-use development, 31% CMBS and loans, 13% development and construction company, 8% hotel properties, 4% office development, 4% retail development, 3% industrial, 3% commercial land development, 1% “other” investments, 13% public securities and 2% private securities in a public company. The properties were diversified globally with 43% non-US and 57% US.

To date, the Fund has completed 21 investments, investing approximately \$570 million of equity. Since the second quarter, RECP IV has entered into a new investment. RECP IV and J.D Carlisle, acquired an 18,960 square foot townhouse located on West 54<sup>th</sup> Street in New York City. The property is in the heart of midtown Manhattan and was used as the office for a major US bank’s private client customers and is now vacant. The asset has additional value as a component of a larger development with adjacent properties.

**Fidelity Investments US Growth Fund II**  
**\$14,761,384**

Fidelity Investments returned -3.7% for the fourth quarter of 2009. The fourth quarter return was driven primarily by a net write-down of \$7.1 million, or -4.1% of the current fair market value of its investment positions. Five investments were marked down while three were written up in value. For the one-year period, Fidelity had a total return of -40.0%.

Since inception through December 31, 2009, the fund has made 51 investments. 20 have been fully realized, with a realized gross CCCERA IRR of -22.6%. The remaining 31 projects are projected to realize a -7.1% IRR, bringing the overall fund to a projected IRR of -8.6%.

The portfolio consists of 10% apartment properties, 18% for sale housing, 11% senior housing, 7% retail, 4% office and 49% student housing. The properties were diversified regionally with 31% in the Pacific, 2% in the Northeast, 4% in the Mideast, 12% in the Southeast, 42% in the Eastern North Central, 5% in the Mountain region and 4% in the Southwest.

**Fidelity Investments US Growth Fund III**  
**\$4,325,609**

Fidelity US Growth Fund III reported a return of 7.7% for the fourth quarter of 2009. Over the past year, the Fund has returned -71.2%.

Since inception through December 31, 2009, the fund has made 12 investments. 69% of the fund remains uncommitted. The remainder consists of 9% student housing, 1% retail, 5% office, 8% apartments, 1% industrial and 7% hotels. The properties were diversified regionally with 9% in the Pacific, 5% Mountain, 3% in the Southwest, 1% West North Central, 6% in the Southeast, 2% in the Mideast and 4% in the Northeast.

**Hearthstone I & II**  
**\$-77,000 & \$39,472**

The two Hearthstone homebuilding funds are approaching completion. Both funds now show negative asset values (owing to fund indebtedness). As always for closed-end funds, the best measure of performance is the internal rate of return (IRR), which is shown on page 16. By this measure, the first fund has been a modest performer (with its 3.7% annual IRR) and the second fund a strong one (with an annual IRR of 26.8%).

**Invesco Real Estate Fund I**  
**\$17,296,184**

Invesco Real Estate Fund I (“IREF”) reported a fourth quarter total return of -28.9%. Over the past year, Invesco Real Estate Fund I returned -49.2%. CCCERA has a 15.6% interest in the Real Estate Fund I.

As of the fourth quarter, the portfolio consisted of 9 investments. Property type distribution was 10% retail, 20% industrial properties, 8% office and 62% multi-family. The properties were diversified regionally with 25% in the West, 53% in the South, 10% in the Midwest and 12% in the East.

The Fund has committed 103% of its equity capital. Since inception, IREF I has made fifteen investments, nine currently held in the portfolio and six which were sold at disposition pricing in excess of the Fund’s overall return target. The Fund is now in its operating and redemption phase. The operating performance for the nine remaining investments continues to be significantly challenged given the severity of the macro economic contraction. Invesco believes the Fund’s performance has likely reached its low point commensurate with the anticipated bottoming of asset values; however, the recovery in performance will be slow through 2011 before a significant recovery takes hold.

**Invesco Real Estate Fund II****\$7,410,267**

Invesco Real Estate Fund II returned -27.7% during the fourth quarter. Over the past year, the fund has returned -72.8%. CCCERA has an 18.8% ownership stake in the fund.

The Fund has closed on nine transactions nationwide, representing \$165 million of equity or 36% of fund capital commitments. The investments are distributed nationwide with 44% in the West, 9% South and 47% East.

2009 was a challenging year due to the recession and the re-pricing of commercial real estate and this adversely impacted performance over the past year. However, Fund-level operating income grew 18% over the past year due to a fall in occupancy.

**Invesco International REIT****\$48,434,620**

The Invesco International REIT portfolio returned 1.9% in the fourth quarter. This return matched the FTSE EPRA/NAREIT Global ex-US benchmark return. Over the past year, the REIT returned 39.6%.

**Prudential Strategic Performance Fund II****\$0**

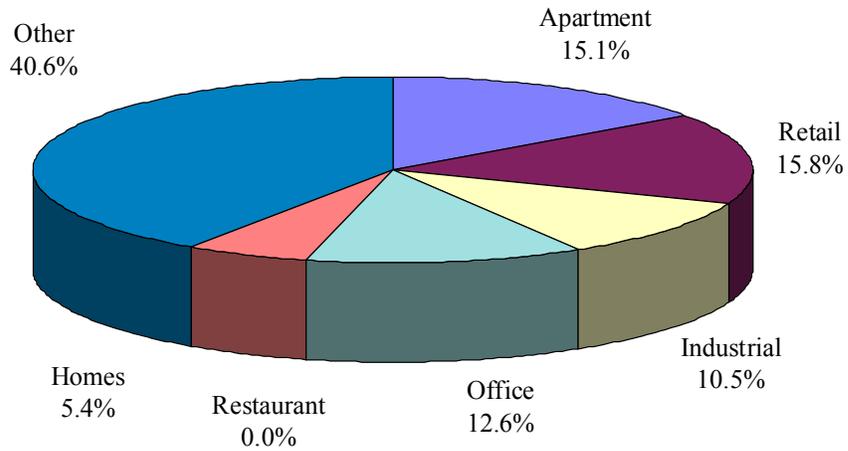
The final cash distribution from this fund was made on December 30, 2009. For the fourth quarter, the Prudential Strategic Performance Fund-II (SPF-II) returned -16.2%. The IRR over the life of the fund was 13.4%.

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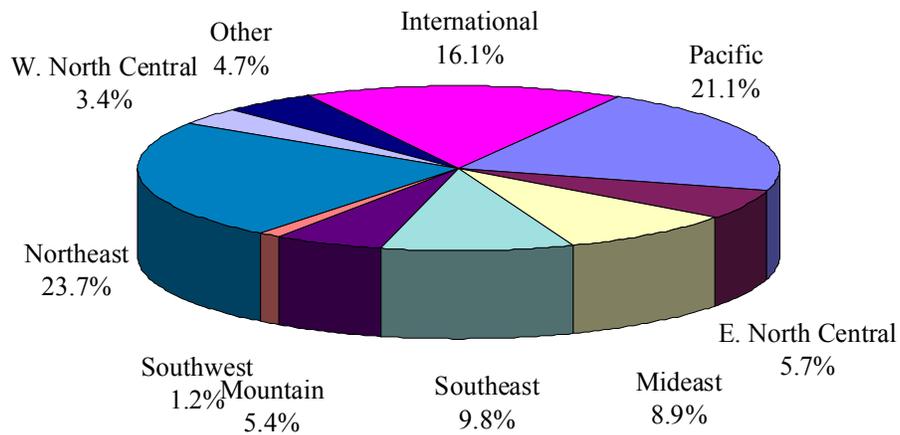
# MANAGER COMMENTS – REAL ESTATE<sup>1</sup>

## Total Real Estate Diversification

### Diversification by Property Type



### Diversification by Geographic Region



<sup>1</sup> The diversification data for BlackRock and Adelante are as of the 3<sup>rd</sup> quarter

## **MANAGER COMMENTS - ALTERNATIVE INVESTMENTS**

### **Adams Street Partners**

**\$59,100,638**

Adams Street had a second quarter gross return of 0.9% for the CCCERA's investments. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) For the one-year period, Adams Street returned -6.9%. The portfolio continues in acquisition mode.

The Adams Street domestic portfolio is comprised of 45.0% venture capital funds, 12.0% special situations, 3.0% in mezzanine funds, 2.0% in restructuring/ distressed debt and 38.0% in buyout funds. The Non-US program was allocated 27.0% to venture capital, 11.0% special situations, 2.0% mezzanine debt, 2.0% restructuring/distressed debt and 59.0% buyouts. These allocations are largely unchanged from the prior quarter.

### **Bay Area Equity Fund**

**\$9,517,221**

Bay Area Equity Fund had a second quarter gross return of 0.4% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 0.2%. CCCERA has a 12.7% ownership interest in the Fund.

As of September 30, 2009, the Bay Area Equity Fund has 18 investments in private companies in the 10-county Bay Area, all of which are located in or near low- to middle-income neighborhoods. Currently, the Fund has invested \$74.4 million.

### **Carpenter Community BancFund**

**\$10,715,065**

Carpenter had a third quarter gross return of -1.1% (Performance lags by one quarter due to financial reporting constraints). Over the past year, Carpenter has returned 7.1%.

As of September 30, 2009 the fund had completed investments in six banks totaling approximately \$94 million in less than a year, completing deals and applications prepared and filed in late 2008. The Fund closed on October 31, 2009 with total committed capital of \$280 million.

### **Energy Investors - US Power Fund I**

**\$13,644,935**

The Energy Investors Fund Group (EIF) had a third quarter gross return for this fund, which is in liquidation mode, of -5.8%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF had a total return of 90.3%. CCCERA has a 12.0% ownership interest in Fund I.

EIF is pursuing an auction sale for the Fund's equity interests in six of its project investments. By combining these equity interests with the stakes owned by several other private equity funds managed by EIF, EIF is seeking to maximize the value realization for each of the Funds' investors by offering a diversified portfolio comprised of controlling and/or 100% ownership profiles.

**Energy Investors - US Power Fund II**  
**\$46,001,734**

Energy Investors had a second quarter gross return of -0.1% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 0.4%. CCCERA has a 19.7% ownership interest in USPF-II.

Fund II is fully committed at this time. Ten of the Fund's investments contributed to the total of \$3.8 million of cash distributions received in the third quarter. This quarter, the Fund's portfolio of investments increased in value from \$232.8 to \$236.4 million.

As previously mentioned, EIF is pursuing an auction sale strategy for the sale of certain equity interests held in six operating projects. Those equity interests are held by four EIF funds.

An under-construction power plan owned in part by EIF Funds II and III – the Kleen Energy Project – suffered an explosion on February 7, 2010. The implications of this explosion to CCCERA returns in Funds II and III are not known at this time.

**Energy Investors - US Power Fund III**  
**\$19,876,948**

During the third quarter, the fund had a gross return of -0.7%. Over the past year, the fund has returned 11.0%. CCCERA has a 6.9% ownership interest in USPF-III.

The third quarter was very active, with distributions of \$62.7 million, or \$98.8 million year-to-date. The Fund's investment portfolio increased from \$664 million to \$681 million during the quarter. This increase was primarily due to \$58 million in equity draws for the Kleen Energy project, offset by the \$41 million repayment of the Astoria II development loans.

**Nogales Investors Fund I**  
**\$2,234,766**

The Nogales Investors Fund I returned 3.4% in the quarter ended September 30, 2009. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned -47.7%. CCCERA makes up 15.2% of the Fund.

As of September 30, 2009, the Fund had one active investment with invested capital of \$10.3 million.

**Paladin Fund III**  
**\$7,981,721**

Paladin Fund III returned -0.6% for the quarter ended September 30, 2009. Over the past year, the fund has returned 10.0%.

As of September 30, 2009, Paladin Fund III had made thirteen investments. In addition to the prior fund investments of the Fund added investments in Modius and Cloudshield Technologies. The market value of all 13 investments total \$28.7 million.

On January 21, 2010, Paladin announced that it has agreed to sell CloudShield, one of its investments, to Science Applications for three times its cost. Subsequent to that transaction, IBM announced that it has purchased Initiate Systems, another Paladin investment.

**Pathway Private Equity Fund**  
**\$49,187,244**

The Pathway Private Equity Fund (PPEF) had a third quarter return of 5.6%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF returned -9.0%.

PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments. As of September 30, 2009 PPEF has made commitments of \$121.6 million across 40 private equity partnerships. Through September 30, 2009, the partnership has made distributions of \$40.1 million, which represents 64% of the Fund's total contribution.

**PT Timber Fund III**  
**\$6,471,517**

The PT Timber Fund III had a fourth quarter return of -7.5%. For the one-year period, John Hancock reports a total return of -5.8%. CCCERA makes up 12.3% of Fund III.

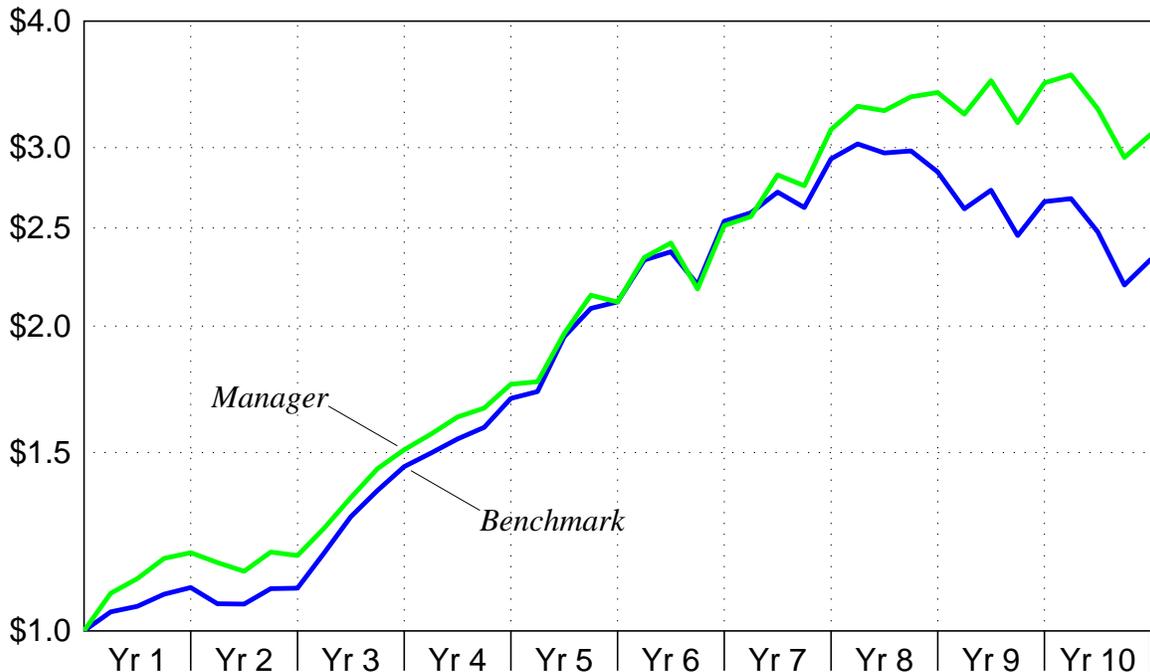
As of the end of the third quarter, PT-III's timberland portfolio is comprised of three properties: Covington in Alabama and Florida; Bonifay in Florida; and Choctaw in Mississippi. The three investments have a market value of \$50.7 million.

## APPENDIX – EXAMPLE CHARTS

### How to Read the Cumulative Return Chart:

# Manager vs. Benchmark

## Cumulative Value of \$1

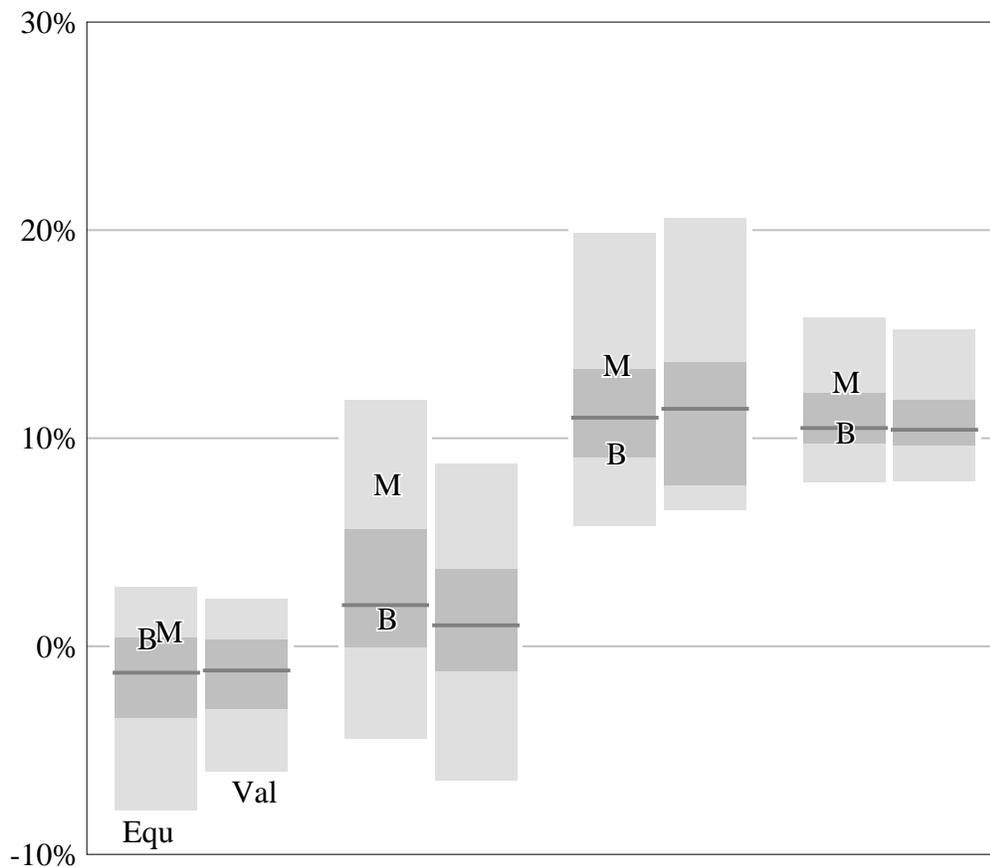


This chart shows the growth of \$1 invested in the 1<sup>st</sup> quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the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

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

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

## How to Read The Floating Bar Chart:



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Manager ( <b>M</b> )	0.8	7.8	13.5	12.7
<i>Rank v. Equity</i>	<i>18</i>	<i>13</i>	<i>23</i>	<i>19</i>
<i>Rank v. Value</i>	<i>15</i>	<i>10</i>	<i>25</i>	<i>12</i>
Benchmark ( <b>B</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 5<sup>th</sup> percentile of the universe (better than 95% of managers), while the box bottom is the return at the 95<sup>th</sup> percentile. The shading changes at the 25<sup>th</sup> and 75<sup>th</sup> percentiles. The 50<sup>th</sup> 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.

**R<sup>2</sup> (R Squared)** – R<sup>2</sup> is a measure of how well a manager moves with the market. If a manager's performance closely tracks that of the market, the R<sup>2</sup> will be close to 1. Broadly diversified managers have an R<sup>2</sup> of 0.90 or greater, while the R<sup>2</sup> 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.