

QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT
for

Contra Costa County
Employees' Retirement
Association

FOR THE PERIOD ENDING
September 30, 2009

November 16, 2009

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TABLE OF CONTENTS

| | |
|---|----|
| MARKET OVERVIEW | 1 |
| KEY POINTS | 3 |
| WATCH LIST | 3 |
| SUMMARY | 4 |
| ASSET ALLOCATION | 8 |
| CUMULATIVE PERFORMANCE STATISTICS | 12 |
| CLOSED END FUNDS INTERNAL RATE OF RETURN (IRR)..... | 15 |
| AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS | 16 |
| YEAR BY YEAR PERFORMANCE STATISTICS | 18 |
| TOTAL FUND PERFORMANCE..... | 22 |
| MANAGER COMMENTS – DOMESTIC EQUITY | 26 |
| Boston Partners | 26 |
| Delaware | 28 |
| Emerald | 30 |
| State Street (Legacy ING)..... | 32 |
| Intech - Enhanced Plus..... | 34 |
| Intech - Large Cap Core..... | 36 |
| PIMCO | 38 |
| Progress..... | 40 |
| Rothschild | 42 |
| Wentworth, Hauser and Violich | 44 |
| Total Domestic Equity | 47 |
| Domestic Equity Performance and Variability | 48 |
| Domestic Equity Style Map..... | 51 |
| PORTFOLIO PROFILE REPORT | 52 |
| MANAGER COMMENTS – INTERNATIONAL EQUITY | 58 |
| Grantham, Mayo, van Otterloo & Co | 58 |
| McKinley Capital..... | 60 |
| Total International Equity | 63 |
| MANAGER COMMENTS – FIXED INCOME..... | 64 |
| AFL-CIO Housing Investment Trust..... | 64 |
| Goldman Sachs | 66 |
| ING Clarion II..... | 68 |
| ING Clarion III | 70 |
| Lord Abbett..... | 72 |
| Nicholas Applegate..... | 74 |
| PIMCO..... | 76 |
| Workout Portfolio - Managed by Goldman Sachs..... | 78 |
| Total Domestic Fixed Income..... | 81 |
| Domestic Fixed Income Performance and Variability | 82 |
| MANAGER COMMENTS – GLOBAL FIXED INCOME..... | 84 |
| Lazard Asset Management..... | 84 |
| MANAGER COMMENTS – REAL ESTATE | 86 |
| Adelante Capital Management..... | 86 |
| BlackRock Realty | 86 |
| DLJ Real Estate Capital Partners | 86 |
| DLJ Real Estate Capital Partners II | 87 |
| DLJ Real Estate Capital Partners III | 87 |
| DLJ Real Estate Capital Partners IV..... | 87 |
| Fidelity Investments US Growth Fund II..... | 88 |
| Fidelity Investments US Growth Fund III | 88 |
| Hearthstone I & II | 88 |
| Invesco Real Estate Fund I | 88 |

| | |
|---|----|
| Invesco Real Estate Fund II | 89 |
| Invesco International REIT | 89 |
| Prudential Strategic Performance Fund II..... | 89 |
| Total Real Estate Diversification | 91 |
| MANAGER COMMENTS - ALTERNATIVE INVESTMENTS..... | 92 |
| Adams Street Partners..... | 92 |
| Bay Area Equity Fund | 92 |
| Carpenter Community BancFund | 92 |
| Energy Investors - US Power Fund I..... | 92 |
| Energy Investors - US Power Fund II..... | 93 |
| Energy Investors - US Power Fund III | 93 |
| Nogales Investors Fund I | 93 |
| Paladin Fund III | 93 |
| Pathway Private Equity Fund | 94 |
| PT Timber Fund III..... | 94 |
| APPENDIX – EXAMPLE CHARTS..... | 95 |
| DEFINITIONS | 97 |

MARKET OVERVIEW

Economic Commentary

In the third quarter of 2009, despite continuing extremely high unemployment near 10%, there were signs of economic recovery. Corporate earnings were on average good, helped by cost cutting. Housing prices staged a modest recovery, helped by availability of US government financing. Retail sales advanced both before and after “cash for clunkers”.

Helped by extreme monetary ease, short term interest rates were near 0%, helping banks continue to improve their balance sheets. Inflation continued muted, at less than 1% per year. The US \$ fell modestly against most foreign currencies. We expect the economic picture to continue to be mixed, as high unemployment and the prospect of higher taxes are offset by easy money and deficit spending by the US government.

Domestic Equity Markets

Domestic equities continued the rebound of the second quarter. The S&P 500 had a return nearly matching that of the 2nd quarter, up 15.6% to follow up the 15.9% of the prior quarter. Equities had a particularly strong July, and then continued to advance in August and September. As investor appetite for risk has increased, small cap stocks advanced more than large cap once again. Lower quality and cyclically sensitive stocks also out-performed. Small capitalization stocks, as measured by the Russell 2000®, returned 22.4% in the quarter.

All ten S&P 500 sectors had positive returns this past quarter. Financials again had the most positive return (25.5%), followed by Industrials (up 22%), Materials (21.5%), Consumer Discretionary (19.3%), Information Technology (17%), Consumer Staples (11.4%), Energy (10.1%), Health Care (9.5%), Utilities (6.5%), and Telecom Services (5.6%).

In the quarter, Value stocks out-performed 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 18.2%, compared to the Russell 1000® Growth Index return of 14.0%. In small cap securities, the Russell 2000® Value Index returned 22.7% while the Growth Index returned 16.0%.

International Capital Markets

International equity markets again advanced sharply during the quarter, with the MSCI EAFE Index returning 19.5%. The MSCI EAFE return prior to translation into US\$ was 14.8%. The Europe portion of EAFE had a return of 22.9%, out-pacing the MSCI Europe Index return prior to translation into US\$ of 13.2%.

Domestic Bond Markets

The Barclays Capital Aggregate Index returned 3.7% during the quarter. In a reversal of last quarter, longer-duration bonds outperformed shorter-duration bonds. The Barclays Capital Long Government/Credit Index returned 8.5% while the shorter Barclays Capital 1-3 Year Government/Credit Index returned 0.8%. Credit issues again led Government issues in the quarter as investors reversed their flight to safety that had been the dominant theme last autumn and early this year. The Barclays Capital Credit Index returned 7.5% compared to -2.3% for the Barclays Capital Treasury Index. The agency bond market sector returned 1.8%. High yield was strong, with the Barclays High Yield Index returning 14.2%.

Real Estate

The domestic real estate market, as measured by the NCREIF property index, returned -3.3% for the third quarter of 2009, following the -5.2% of the second quarter. Leveraged funds performed much 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 33.3% (following its 28.9% return in the second quarter), after many REITs issued additional equity which allayed concerns about their ability to meet short-term debt payments. Global real estate securities, measured by the FTSE EPRA/NAREIT Global Real Estate Index, returned 25.2%. These extremely strong returns potentially reverse the dramatic decline of late 2008.

KEY POINTS

Third Quarter, 2009

- The CCCERA Total Fund returned 12.2% for the third quarter, better than the 9.7% return of the median total fund and the 11.0% return of the median public fund. CCCERA Total Fund performance has been below median over the past three years but above median over the four through ten-year periods.
- CCCERA domestic equities returned 15.8% in the quarter, below the 16.3% return of the Russell 3000® but slightly above the 15.7% return of the median equity manager.
- CCCERA international equities returned 15.9% for the quarter, trailing the 19.5% return of the MSCI EAFE Index and the median international equity manager.
- CCCERA fixed income returned 7.2% for the quarter, exceeding the Barclays U.S. Universal return of 4.5% and the median fixed income manager return of 4.4%.
- CCCERA alternative assets returned 4.7% for the quarter, trailing the 16.7% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned 13.8% for the quarter, helped by the REIT portfolios, well above the median real estate manager return of -5.9% and the CCCERA real estate benchmark return of 7.0%.
- Global equity and high yield were over-weighted vs. target at the end of the third quarter, offset by modest under-weights in global fixed income, real estate and alternative investments. Global equities are the “parking place” for assets intended for alternative investments.

WATCH LIST

| <u>Manager</u> | <u>Since</u> | <u>Reason</u> |
|-----------------------|---------------------|----------------------|
| 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 |

SUMMARY

CCCERA's third quarter return of 12.2% was better than the median total fund and the median public fund. CCCERA slightly trailed the median funds over the past one through three-year periods. CCCERA has out-performed both medians over trailing time periods four years and longer, ranking well above median in both universes over the past five through ten-year periods.

CCCERA total domestic equities returned 15.8% for the quarter, trailing the 16.3% return of the Russell 3000® but slightly exceeding the 15.7% return of the median manager. Of CCCERA's domestic equity managers, PIMCO had the best absolute performance with a third quarter return of 19.8%, well above the S&P 500 return of 15.6%. Progress returned 18.3%, slightly trailing the 19.5% return of the Russell 2000® Index. Emerald returned 17.6%, better than the 16.0% return of the Russell 2000® Growth Index. Boston Partners returned 16.6%, trailing the 18.2% return of the Russell 1000® Value Index. The Legacy ING portfolio, now managed on an interim basis by State Street, returned 15.8%, better than the 15.6% return of the S&P 500 Index. Rothschild returned 15.2%, trailing the Rothschild Small/Mid Value benchmark return of 22.8%. Intech Enhanced Plus returned 14.9%, trailing the S&P 500. Intech Large Cap Core returned 14.5%, also trailing the 15.6% return of the S&P 500 Index. Wentworth Hauser returned 13.7%, below the 15.6% return of the S&P 500. Finally, Delaware returned 12.8%, trailing the Russell 1000® Growth Index return of 14.0%.

CCCERA international equities returned 15.9%, trailing the 19.5% return of the MSCI EAFE Index and the 19.5% return of the median international manager. The GMO Intrinsic Value portfolio returned 17.4%, trailing the S&P Citi PMI EPAC Value Index return of 22.1% and the median international equity manager. McKinley Capital returned 14.5%, below the MSCI ACWI ex-US Growth Index return of 17.4% and the median international equity manager.

CCCERA total domestic fixed income returned 7.2% for the third quarter, ahead of the 4.5% return the Barclays Universal and the 4.4% return of the median fixed income manager. The ING Clarion Fund III returned 15.4% in the third quarter, above the Merrill Lynch High Yield II Index. The workout portfolio overseen by Goldman Sachs returned 15.0%, well above the Barclays Aggregate return of 3.7%. Nicholas Applegate returned 12.0%, but lagged the 14.8% return of the ML High Yield II Index and 12.9% for the median high yield manager. The ING Clarion II fund returned 8.0%, below the ML High Yield II Index and the high yield fixed income median. PIMCO returned 7.3%, above the Barclays U.S. Aggregate and the median. Lord Abbett returned 6.7%, above the Barclays U.S. Aggregate and the median fixed income manager. Goldman Sachs returned 3.8%, slightly above the Barclays U.S. Aggregate Index but below the median fixed income manager. AFL-CIO returned 2.7% which trailed the Barclays U.S. Aggregate return of 3.7% and was below the median fixed income manager.

Lazard Asset Management returned 7.4% in the third quarter, better than the Barclays Global Aggregate return of 6.2% and ranking in the 46th percentile of global fixed income portfolios.

CCCERA total alternative investments returned 4.7% in the third quarter. Paladin III returned 11.9%, Adams Street Partners returned 10.3%, Pathway returned 6.1%, Nogales returned 3.6%, Energy Investor Fund returned 2.1%, Carpenter Community Bancfund returned 1.6%, Energy Investor Fund II returned 1.5%, Hancock PT Timber Fund returned 1.1%, Energy Investor Fund III returned 0.0%, and Bay Area Equity Fund returned -3.6%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending June 30.)

The median real estate manager returned -5.9% for the quarter while CCCERA's total real estate returned 13.8%. Adelante Capital REIT returned 30.5%, Invesco International REIT returned 17.5%, Willows Office Property returned 1.2%, DLJ RECP I returned -0.4%, DLJ's RECP IV returned -0.7%, Invesco Fund I returned -1.1%, DLJ's RECP II returned -2.9%, DLJ RECP III returned -6.4% Prudential SPF II returned -7.2%, Fidelity II returned -8.1%, Invesco Fund II returned -21.2%, Black Rock Realty returned -26.9%, and Fidelity III returned -50.4%. 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 September 30, 2009 was above target in domestic equity at 41.4% compared to the target of 38.6%, international equity was above target at 10.9% vs. 10.4% and cash at 0.6% vs. 0.5%. Asset classes below their respective targets included investment grade fixed income at 27.8% vs. 29.0%, real estate at 11.3% vs. 11.5% and alternatives at 5.0% vs. 7.0%. High yield was at its target of 3%. Assets earmarked for alternative investments were temporarily invested in U.S. equities.

Third quarter securities lending income was \$384,254. This is down significantly from prior quarters.

Performance Compared to Investment Performance Objectives

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

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

Summary of Managers Compliance with Investment Performance Objectives As of September 30, 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> |
| DOMESTIC EQUITY | | | | | | |
| Boston Partners | Yes | Yes | Yes | Yes | Yes | Yes |
| Delaware | No | No | Yes | - | - | - |
| Emerald Advisors | No | No | No | Yes | No | Yes |
| Intech - Enhanced Plus | Yes | No | No | Yes | Yes | No |
| Intech - Large Core | - | - | - | - | - | - |
| PIMCO Stocks Plus | No | No | No | No | No | No |
| Progress | No | No | No | No | No | No |
| Rothschild | Yes | Yes | No | Yes | Yes | Yes |
| Wentworth, Hauser | Yes | Yes | Yes | Yes | Yes | Yes |
| Total Domestic Equities | Yes | Yes | No | Yes | Yes | No |
| INT'L EQUITY | | | | | | |
| GMO Intrinsic Value | No | No | No | - | - | - |
| McKinley Capital | No | No | No | - | - | - |
| Total Int'l Equities | No | No | No | No | No | No |
| DOMESTIC FIXED INCOME | | | | | | |
| AFL-CIO Housing | Yes | Yes | Yes | Yes | Yes | Yes |
| Goldman Sachs | - | - | - | - | - | - |
| ING Clarion II | 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 |
| GLOBAL FIXED INCOME | | | | | | |
| Lazard Asset Management | - | - | - | - | - | - |

**Summary of Managers Compliance with Investment Performance Objectives (cont)
As of September 30, 2009**

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

ASSET ALLOCATION
As of September 30, 2009

| | <u>Market Value</u> | <u>% of Portion</u> | <u>% of Total</u> | <u>Target % of Total</u> |
|------------------------------|-------------------------|---------------------|-------------------|--------------------------|
| EQUITY - DOMESTIC | | | | |
| Boston Partners | \$ 282,069,030 | 15.5 % | 6.4 % | 6.1 % |
| Delaware Investments | 275,984,790 | 15.2 | 6.3 | 6.1 |
| Emerald | 126,819,362 | 7.0 | 2.9 | 2.7 |
| State Street (Legacy ING) | 209,439,626 | 11.5 | 4.8 | 5.0 |
| Intech - Enhanced Plus | 19,197,219 | 1.1 | 0.4 | 0.4 |
| Intech - Large Core | 208,226,315 | 11.5 | 4.7 | 4.6 |
| PIMCO | 218,045,199 | 12.0 | 5.0 | 3.3 |
| Progress | 127,723,750 | 7.0 | 2.9 | 2.7 |
| Rothschild | 122,573,467 | 6.7 | 2.8 | 2.7 |
| Wentworth | 226,874,062 | 12.5 | 5.2 | 5.0 |
| TOTAL DOMESTIC | \$ 1,816,952,820 | 79.2 % | 41.4 % | 38.6 % |
| INTERNATIONAL EQUITY | | | | |
| McKinley Capital | \$ 240,322,382 | 10.5 % | 5.5 % | 5.2 % |
| GMO Intrinsic Value | 237,953,024 | 10.4 | 5.4 | 5.2 |
| TOTAL INT'L EQUITY | \$ 478,275,406 | 20.8 % | 10.9 % | 10.4 % |
| TOTAL GLOBAL EQUITY | \$ 2,295,228,226 | 100.0 % | 52.3 % | 49.0 % |
| | | | <i>Range:</i> | <i>45 to 53 %</i> |
| FIXED INCOME | | | | |
| AFL-CIO | \$ 135,522,005 | 11.1 % | 3.1 % | 3.4 % |
| Goldman Sachs | 217,740,801 | 17.8 | 5.0 | 5.8 |
| ING Clarion II | 36,095,690 | 3.0 | 0.8 | 0.9 |
| ING Clarion III | 22,704,345 | 1.9 | 0.5 | 1.8 |
| Lord Abbett | 223,082,670 | 18.3 | 0.0 | 5.8 |
| PIMCO | 346,101,997 | 28.4 | 7.9 | 7.3 |
| Workout (GSAM) | 69,645,375 | 5.7 | 1.6 | 0.0 |
| TOTAL US FIXED INCOME | \$ 1,050,892,883 | 86.1 % | 23.9 % | 25.0 % |
| GLOBAL FIXED | | | | |
| Lazard Asset Mgmt | \$ 169,723,352 | 13.9 % | 3.9 % | 4.0 % |
| TOTAL GLOBAL FIXED | \$ 169,723,352 | 13.9 % | 3.9 % | 4.0 % |
| TOTAL INV GRADE FIXED | \$ 1,220,616,235 | 100.0 % | 27.8 % | 29.0 % |
| | | | <i>Range:</i> | <i>24 to 34 %</i> |
| HIGH YIELD | | | | |
| Nicholas Applegate | \$ 132,113,506 | 100.0 % | 3.0 % | 3.0 % |
| TOTAL HIGH YIELD | \$ 132,113,506 | 100.0 % | 3.0 % | 3.0 % |
| | | | <i>Range:</i> | <i>1 to 5 %</i> |

ASSET ALLOCATION
As of September 30, 2009

| | <u>Market Value</u> | <u>% of Portion</u> | <u>% of Total</u> | <u>Target % of Total</u> |
|---------------------------------|-------------------------|-------------------------|-----------------------|------------------------------|
| REAL ESTATE* | | | | |
| Adelante Capital | \$ 297,959,702 | 59.9 % | 6.8 % | 1.4 % |
| BlackRock Realty | 10,578,731 | 2.1 | 0.2 | - |
| DLJ RECP I | 173,099 | 0.0 | 0.0 | - |
| DLJ RECP II | 5,245,573 | 1.1 | 0.1 | - |
| DLJ RECP III | 47,292,493 | 9.5 | 1.1 | - |
| DLJ RECP IV | 18,785,490 | 3.8 | 0.4 | - |
| Fidelity II | 15,441,486 | 3.1 | 0.4 | - |
| Fidelity III | 4,191,238 | 0.8 | 0.1 | - |
| Hearthstone I | -150,000 | 0.0 | 0.0 | - |
| Hearthstone II | -95,000 | 0.0 | 0.0 | - |
| Invesco Fund I | 24,448,245 | 4.9 | 0.6 | - |
| Invesco Fund II | 10,334,857 | 2.1 | 0.2 | - |
| Invesco International REIT | 47,625,412 | 9.6 | 1.1 | 1.0 |
| Prudential SPF II | 171,389 | 0.0 | 0.0 | - |
| Willows Office Property | 15,560,000 | 3.1 | 0.4 | - |
| TOTAL REAL ESTATE | \$ 497,562,715 | 100.0 % | 11.3 % | 11.5 % |
| | | | <i>Range:</i> | <i>8 to 14 %</i> |
| ALTERNATIVE INVESTMENTS* | | | | |
| Adams Street Partners | \$ 58,015,830 | 26.5 % | 1.3 % | - % |
| Bay Area Equity Fund | 9,486,115 | 4.3 | 0.2 | - |
| Carpenter Bancfund | 10,930,788 | 5.0 | 0.2 | - |
| Energy Investor Fund | 14,597,664 | 6.7 | 0.3 | - |
| Energy Investor Fund II | 46,308,412 | 21.2 | 1.1 | - |
| Energy Investor Fund III | 18,327,183 | 8.4 | 0.4 | - |
| Nogales | 2,140,635 | 1.0 | 0.0 | - |
| Paladin III | 7,838,184 | 3.6 | 0.2 | - |
| Pathway | 43,855,782 | 20.1 | 1.0 | - |
| Hancock PT Timber | 7,065,524 | 3.2 | 0.2 | - |
| TOTAL ALTERNATIVE | \$ 218,566,117 | 100.0 % | 5.0 % | 7.0 % |
| | | | <i>Range:</i> | <i>5 to 9 %</i> |
| CASH | | | | |
| Custodian Cash | \$ 22,553,757 | 84.6 % | 0.5 % | - % |
| Treasurer's Fixed | 4,095,376 | 15.4 | 0.1 | - |
| TOTAL CASH | \$ 26,649,133 | 100.0 % | 0.6 % | 0.5 % |
| | | | <i>Range:</i> | <i>0 to 1 %</i> |
| TOTAL ASSETS | \$ 4,390,735,932 | 100.0 % | 100.0 % | 100.0 % |

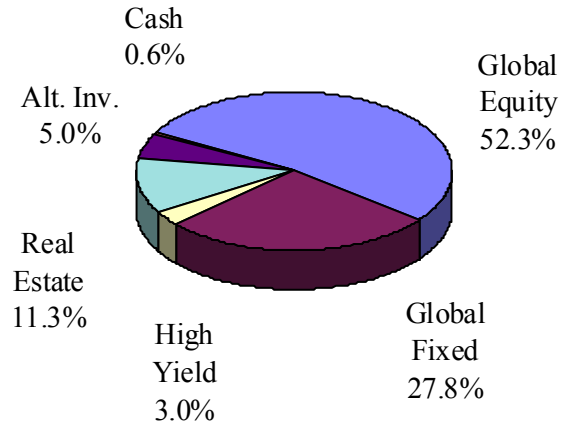
*CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$100 million to DLJ IV; \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million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

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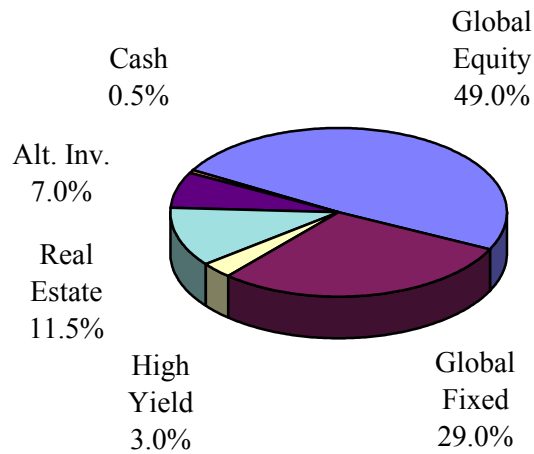
ASSET ALLOCATION

As of September 30, 2009

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Third 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> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| DOMESTIC EQUITY | | | | | | | | |
| Boston Partners | 16.6 % | -3.6 % | -11.6 % | -2.7 % | 1.1 % | 4.5 % | 9.0 % | 6.3 % |
| <i>Rank vs Equity</i> | 38 | 35 | 34 | 33 | 24 | 24 | 33 | 28 |
| <i>Rank vs Lg Value</i> | 58 | 27 | 13 | 11 | 12 | 10 | 28 | 14 |
| Delaware | 12.8 | 1.7 | -13.6 | -3.5 | -2.4 | - | - | - |
| <i>Rank vs Equity</i> | 81 | 15 | 50 | 41 | 79 | - | - | - |
| <i>Rank vs Lg Growth</i> | 68 | 18 | 63 | 57 | 81 | - | - | - |
| Emerald Advisors | 17.6 | -6.8 | -14.6 | -4.5 | -0.7 | 3.4 | - | - |
| <i>Rank vs Equity</i> | 30 | 62 | 62 | 53 | 45 | 37 | - | - |
| <i>Rank vs Sm Cap Growth</i> | 46 | 61 | 70 | 73 | 66 | 70 | - | - |
| State Street (Legacy ING) | 15.8 | -5.4 | -14.3 | -5.4 | -1.6 | 1.2 | 5.8 | - |
| <i>Rank vs Equity</i> | 47 | 46 | 58 | 66 | 67 | 73 | 83 | - |
| <i>Rank vs Lg Core</i> | 30 | 30 | 37 | 55 | 67 | 54 | 86 | - |
| Intech - Enhanced Plus | 14.9 | -7.7 | -14.0 | -5.4 | -1.6 | 1.7 | 7.0 | - |
| <i>Rank vs Equity</i> | 63 | 69 | 55 | 68 | 64 | 63 | 56 | - |
| <i>Rank vs Lg Core</i> | 82 | 76 | 32 | 63 | 56 | 40 | 28 | - |
| Intech - Large Core | 14.5 | -7.7 | -13.7 | - | - | - | - | - |
| <i>Rank vs Equity</i> | 67 | 69 | 52 | - | - | - | - | - |
| <i>Rank vs Lg Core</i> | 86 | 76 | 27 | - | - | - | - | - |
| PIMCO Stocks Plus | 19.8 | -4.6 | -16.3 | -6.7 | -2.6 | 0.1 | - | - |
| <i>Rank vs Equity</i> | 16 | 41 | 81 | 82 | 82 | 91 | - | - |
| <i>Rank vs Lg Core</i> | 5 | 26 | 85 | 83 | 89 | 96 | 94 | - |
| Progress | 18.3 | -9.6 | -16.5 | -5.7 | -2.1 | 1.8 | - | - |
| <i>Rank vs Equity</i> | 25 | 80 | 82 | 74 | 75 | 62 | - | - |
| <i>Rank vs Small Core</i> | 59 | 67 | 94 | 84 | 82 | 86 | - | - |
| Rothschild | 15.2 | -14.8 | -13.0 | -4.7 | -0.2 | 3.8 | - | - |
| <i>Rank vs Equity</i> | 61 | 93 | 45 | 55 | 39 | 32 | - | - |
| <i>Rank vs Sm Cap Value</i> | 93 | 91 | 65 | 63 | 57 | 50 | - | - |
| Wentworth, Hauser | 13.7 | 1.2 | -10.7 | -2.4 | -0.3 | 3.0 | 7.2 | 2.7 |
| <i>Rank vs Equity</i> | 74 | 16 | 27 | 31 | 40 | 42 | 52 | 56 |
| <i>Rank vs Lg Core</i> | 89 | 4 | 10 | 9 | 18 | 17 | 23 | 26 |
| Total Domestic Equities | 15.8 | -4.9 | -13.7 | -4.5 | -1.2 | 2.2 | 7.0 | 0.8 |
| <i>Rank vs Equity</i> | 48 | 43 | 51 | 52 | 53 | 54 | 56 | 70 |
| Median Equity | 15.7 | -5.8 | -13.6 | -4.2 | -1.0 | 2.5 | 7.4 | 3.3 |
| S&P 500 | 15.6 | -6.9 | -14.8 | -5.4 | -1.6 | 1.0 | 5.9 | -0.2 |
| S&P 500 ex-Tobacco | 15.7 | -7.1 | -15.0 | -5.7 | -1.8 | 0.8 | 5.6 | - |
| Russell 3000® | 16.3 | -6.4 | -14.3 | -5.1 | -1.5 | 1.6 | 6.5 | 0.7 |
| Russell 1000® Value | 18.2 | -10.6 | -17.4 | -7.9 | -2.7 | 0.9 | 6.6 | 2.6 |
| Russell 1000® Growth | 14.0 | -1.9 | -11.9 | -2.5 | -0.4 | 1.9 | 5.8 | -2.6 |
| Russell 2000® | 19.3 | -9.5 | -12.1 | -4.6 | -1.1 | 2.4 | 9.0 | 4.9 |
| Rothschild Benchmark | 22.8 | -8.3 | -12.1 | -5.7 | -1.7 | 2.0 | - | - |
| Russell 2000® Growth | 16.0 | -6.3 | -11.9 | -2.6 | -0.5 | 2.9 | 9.0 | 1.1 |
| INT'L EQUITY | | | | | | | | |
| GMO Intrinsic Value | 17.4 | -0.6 | -15.6 | -3.7 | 1.7 | - | - | - |
| <i>Rank vs Int'l Eq</i> | 75 | 76 | 71 | 75 | 75 | - | - | - |
| McKinley Capital | 14.5 | -7.5 | -23.1 | -7.6 | - | - | - | - |
| <i>Rank vs Int'l Eq</i> | 88 | 94 | 95 | 92 | - | - | - | - |
| Total Int'l Equities | 15.9 | -3.7 | -19.2 | -5.5 | 1.0 | 6.1 | 11.1 | 3.4 |
| <i>Rank vs Int'l Eq</i> | 83 | 88 | 88 | 87 | 85 | 80 | 78 | 87 |
| Median Int'l Equity | 19.5 | 4.2 | -13.4 | -2.1 | 2.9 | 7.5 | 13.2 | 6.3 |
| MSCI EAFE Index | 19.5 | 3.8 | -14.8 | -3.1 | 2.1 | 6.6 | 11.4 | 3.0 |
| MSCI ACWI ex-US | 19.8 | 6.4 | -13.7 | -0.8 | 3.9 | 8.6 | 13.3 | 4.5 |
| S&P Citi PMI EPAC Value | 22.1 | 5.5 | -14.8 | -2.8 | 2.9 | 7.6 | 12.5 | 4.7 |
| MSCI ACWI ex-US Growth | 17.4 | 2.5 | -14.8 | -1.1 | 3.2 | 7.9 | 11.5 | 2.3 |

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third 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> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| DOMESTIC FIXED INCOME | | | | | | | | |
| AFL-CIO Housing | 2.7 % | 10.5 % | 7.7 % | 6.9 % | 6.3 % | 5.6 % | 5.4 % | 6.9 % |
| <i>Rank vs Fixed Income</i> | 79 | 60 | 29 | 31 | 31 | 29 | 35 | 22 |
| Goldman Sachs | 3.8 | - | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 60 | - | - | - | - | - | - | - |
| ING Clarion II* | 8.0 | -41.4 | -40.8 | -28.8 | - | - | - | - |
| <i>Rank vs High Yield</i> | 98 | 99 | 98 | 98 | - | - | - | - |
| ING Clarion III* | 15.4 | - | - | - | - | - | - | - |
| <i>Rank vs High Yield</i> | 16 | - | - | - | - | - | - | - |
| Lord Abbett | 6.7 | - | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 26 | - | - | - | - | - | - | - |
| Nicholas Applegate | 12.0 | 18.3 | 5.2 | 6.3 | 6.6 | 6.6 | 9.1 | - |
| <i>Rank vs High Yield</i> | 59 | 14 | 3 | 3 | 4 | 4 | 23 | - |
| PIMCO | 7.3 | 16.5 | 9.2 | 8.1 | 7.1 | 6.5 | 6.6 | - |
| <i>Rank vs Fixed Income</i> | 24 | 15 | 11 | 10 | 10 | 10 | 15 | - |
| Workout (GSAM) | 15.0 | - | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 2 | - | - | - | - | - | - | - |
| Total Domestic Fixed | 7.2 | 11.6 | 4.1 | 4.9 | 5.0 | 5.0 | 5.7 | 6.4 |
| <i>Rank vs Fixed Income</i> | 24 | 46 | 76 | 73 | 71 | 60 | 26 | 47 |
| Median Fixed Income | 4.4 | 11.3 | 6.6 | 6.2 | 5.7 | 5.2 | 5.1 | 6.3 |
| Median High Yield Mgr. | 12.9 | 14.1 | 1.2 | 3.1 | 4.0 | 4.5 | 8.3 | - |
| Barclays Universal | 4.5 | 10.9 | 6.5 | 6.1 | 5.6 | 5.2 | 5.3 | 6.3 |
| Barclays Aggregate | 3.7 | 10.6 | 7.1 | 6.4 | 5.7 | 5.1 | 5.0 | 6.3 |
| Merrill Lynch HY II | 14.8 | 22.4 | 4.1 | 5.3 | 5.9 | 6.1 | 10.0 | 6.0 |
| Merrill Lynch BB/B | 11.2 | 17.7 | 3.0 | 4.4 | 5.1 | 5.4 | 8.7 | 5.6 |
| T-Bills | 0.1 | 0.4 | 1.7 | 2.8 | 3.2 | 3.1 | 2.6 | 3.1 |
| GLOBAL FIXED INCOME | | | | | | | | |
| Lazard Asset Mgmt | 7.4 | 9.8 | - | - | - | - | - | - |
| <i>Rank vs. Global Fixed</i> | 46 | 74 | - | - | - | - | - | - |
| Barclays Global Aggregate | 6.2 | 13.5 | 8.0 | 8.1 | 6.9 | 6.1 | - | - |
| ALTERNATIVE INVESTMENTS* | | | | | | | | |
| Adams Street** | 10.3 | -13.5 | -5.6 | 5.0 | 9.5 | 10.7 | 8.8 | 10.1 |
| Bay Area Equity Fund** | -3.6 | -1.6 | 14.3 | 25.3 | 17.5 | 14.1 | - | - |
| Carpenter Bancfund** | 1.6 | 8.3 | - | - | - | - | - | - |
| Energy Investor Fund** | 2.1 | 113.5 | 137.4 | 89.8 | 67.2 | 70.6 | - | - |
| Energy Investor Fund II** | 1.5 | 3.4 | 11.6 | 11.5 | - | - | - | - |
| Energy Investor Fund III** | 0.0 | 11.6 | - | - | - | - | - | - |
| Nogales** | 3.6 | -50.1 | -50.2 | -32.8 | -23.7 | -17.3 | - | - |
| Paladin III** | 11.9 | 10.6 | - | - | - | - | - | - |
| Pathway** | 6.1 | -19.2 | -8.1 | 7.5 | 12.3 | 16.4 | 13.5 | 5.0 |
| Hancock PT Timber Fund | 1.1 | 7.1 | 10.7 | 13.2 | 10.8 | 11.0 | 8.1 | 6.8 |
| Total Alternative | 4.7 | -4.6 | 1.4 | 9.7 | 12.3 | 16.0 | 12.3 | 11.1 |
| S&P 500 + 400 bps | 16.7 | -3.1 | -11.3 | -1.6 | 2.3 | 5.1 | 10.1 | 3.8 |

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 June 30, 2009.*

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third 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> |
|--------------------------------|---------------|----------------|----------------|----------------|---------------|--------------|--------------|--------------|
| REAL ESTATE* | | | | | | | | |
| Adelante Capital REIT | 30.5 % | -30.2 % | -25.0 % | -15.7 % | -5.9 % | 0.6 % | 7.5 % | - % |
| <i>Rank vs REITs</i> | 78 | 79 | 91 | 88 | 77 | 55 | 46 | - |
| BlackRock Realty | -26.9 | -64.8 | -41.8 | -26.3 | -16.1 | - | - | - |
| <i>Rank</i> | 98 | 100 | 99 | 99 | 99 | - | - | - |
| DLJ RECP I** | -0.4 | 9.7 | 20.0 | 24.6 | 26.7 | 23.3 | 19.6 | 16.7 |
| <i>Rank</i> | 33 | 5 | 1 | 1 | 1 | 1 | 4 | 1 |
| DLJ RECP II** | -2.9 | -33.1 | -11.1 | 2.7 | 10.8 | 16.3 | 19.2 | - |
| <i>Rank</i> | 35 | 63 | 17 | 12 | 5 | 4 | 4 | - |
| DLJ RECP III** | -6.4 | -22.9 | -3.6 | 5.9 | 10.3 | - | - | - |
| <i>Rank</i> | 60 | 26 | 10 | 7 | 5 | - | - | - |
| DLJ RECP IV** | -0.7 | -64.3 | - | - | - | - | - | - |
| <i>Rank</i> | 33 | 100 | - | - | - | - | - | - |
| Fidelity II | -8.1 | -58.3 | -38.8 | -27.0 | -18.0 | -11.2 | - | - |
| <i>Rank</i> | 71 | 100 | 99 | 99 | 100 | 99 | - | - |
| Fidelity III | -50.4 | -75.7 | -52.5 | - | - | - | - | - |
| <i>Rank</i> | 100 | 100 | 100 | - | - | - | - | - |
| Invesco Fund I | -1.1 | -47.3 | -24.6 | -12.4 | -3.0 | - | - | - |
| <i>Rank</i> | 34 | 98 | 94 | 90 | 72 | - | - | - |
| Invesco Fund II | -21.2 | -89.1 | - | - | - | - | - | - |
| <i>Rank</i> | 97 | 100 | - | - | - | - | - | - |
| Invesco Int'l REIT | 17.5 | -9.5 | - | - | - | - | - | - |
| <i>Rank vs REITs</i> | 98 | 4 | - | - | - | - | - | - |
| Prudential SPF II | -7.2 | -51.3 | -14.6 | 1.9 | 14.3 | 18.1 | 16.9 | 14.1 |
| <i>Rank</i> | 62 | 100 | 30 | 12 | 3 | 3 | 5 | 2 |
| Willows Office Property | 1.4 | 4.2 | 23.2 | 16.3 | 14.1 | 12.7 | 8.7 | 15.8 |
| <i>Rank</i> | 25 | 7 | 1 | 1 | 3 | 6 | 22 | 2 |
| Total Real Estate | 13.8 | -35.3 | -23.1 | -13.0 | -3.9 | 2.0 | 7.1 | 8.1 |
| <i>Rank</i> | 18 | 75 | 92 | 91 | 79 | 50 | 32 | 26 |
| Median Real Estate | -5.9 | -30.7 | -17.1 | -7.1 | -1.5 | 2.1 | 5.7 | 5.4 |
| Real Estate Benchmark | 7.0 | -20.2 | -10.4 | -3.0 | 2.4 | 6.1 | 8.3 | 9.1 |
| DJ Wilshire REIT | 35.4 | -29.3 | -21.3 | -13.7 | -4.8 | 1.2 | 7.6 | 9.7 |
| NCREIF Property Index | -3.3 | -22.1 | -9.5 | -1.3 | 3.1 | 6.2 | 7.3 | 7.8 |
| NCREIF Index + 300 bps | -2.6 | -19.6 | -6.7 | 1.8 | 6.3 | 9.4 | 10.5 | 11.1 |
| NCREIF Index + 500 bps | -2.1 | -18.0 | -4.8 | 3.7 | 8.3 | 11.4 | 12.5 | 13.1 |
| NCREIF Apartment | -3.0 | -23.0 | -10.9 | -3.5 | 1.3 | 4.6 | 6.1 | 7.5 |
| NCREIF Apt + 300 bps | -2.3 | -20.6 | -8.2 | -0.6 | 4.3 | 7.7 | 9.2 | 10.6 |
| CCCERA Total Fund | 12.2 % | -1.6 % | -7.9 % | -0.8 % | 2.4 % | 5.0 % | 8.2 % | 5.1 % |
| <i>Rank vs. Total Fund</i> | 21 | 70 | 64 | 62 | 44 | 16 | 12 | 18 |
| <i>Rank vs. Public Fund</i> | 22 | 82 | 67 | 64 | 44 | 14 | 7 | 16 |
| Median Total Fund | 9.7 | 1.4 | -6.5 | -0.2 | 2.1 | 3.8 | 6.0 | 3.9 |
| Median Public Fund | 11.0 | 1.6 | -6.3 | -0.2 | 2.0 | 3.9 | 6.4 | 4.1 |
| CPI + 400 bps | 1.2 | 2.8 | 5.9 | 6.2 | 6.2 | 6.8 | 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 June 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 | |
| FIXED INCOME | | | | | |
| ING Clarion II | -40.8% | -38.9% | -43.2% | -41.3% | 07/01/06 |
| ING Clarion III* | 7.4% | 4.8% | 3.3% | 0.9% | 12/12/08 |
| REAL ESTATE | | | | | |
| BlackRock Realty | -16.8% | -16.3% | -18.1% | -18.9% | 11/19/04 |
| DLJ RECP II | 26.8% | 22.7% | 23.8% | 18.5% | 09/24/99 |
| DLJ RECP III | 1.6% | 0.3% | -0.4% | -1.5% | 06/23/05 |
| DLJ RECP IV | -60.1% | -49.0% | -63.5% | -53.2% | 02/11/08 |
| Fidelity Growth Fund II | -19.3% | -19.3% | -20.7% | -20.8% | 03/10/04 |
| Fidelity Growth Fund III | -67.2% | -67.0% | -70.4% | -70.4% | 03/30/07 |
| Hearthstone I | <i>n/a</i> | <i>n/a</i> | 3.6% | 3.6% | 06/15/95 |
| Benchmark ¹ | <i>n/a</i> | <i>n/a</i> | 17.0% | 17.0% | |
| Hearthstone II | <i>n/a</i> | <i>n/a</i> | 27.1% | 26.6% | 06/17/98 |
| Benchmark ² | <i>n/a</i> | <i>n/a</i> | 17.0% | 17.0% | |
| Invesco Real Estate I | -6.7% | -6.7% | -8.3% | -8.3% | 02/01/05 |
| Invesco Real Estate II | -85.0% | -84.9% | -85.7% | -85.5% | 11/26/07 |
| Prudential SPF II | 13.6% | 13.5% | 11.8% | 11.7% | 05/14/96 |
| ALTERNATIVE INVESTMENTS | | | | | |
| Adams Street Partners (<i>combined</i>) | 13.1% | 13.1% | 9.8% | 9.8% | 03/18/96 |
| Bay Area Equity Fund | 17.0% | 17.4% | 6.8% | 6.9% | 06/14/04 |
| Carpenter Bancfund | -3.8% | -3.1% | -15.1% | -12.4% | 01/31/08 |
| EIF US Power Fund I | 36.4% | 37.8% | 31.7% | 31.7% | 11/26/03 |
| EIF US Power Fund II | 12.0% | 10.5% | 9.1% | 7.7% | 08/16/05 |
| EIF US Power Fund III | 10.7% | 10.7% | 0.2% | 0.2% | 05/30/07 |
| Nogales | -20.4% | -21.4% | -33.2% | -33.8% | 02/15/04 |
| Paladin | -17.6% | -17.3% | -17.7% | -17.3% | 11/30/07 |
| Pathway | 8.2% | 8.2% | 4.9% | 4.9% | 11/09/98 |
| Benchmark ³ | 6.9% | 6.9% | 6.9% | 6.9% | |
| Benchmark ⁴ | -1.4% | -1.4% | -1.4% | -1.4% | |
| PruTimber | 5.0% | 5.1% | 4.0% | 4.1% | 12/12/95 |

Benchmarks:

Hearthstone I

Benchmark¹

Target IRR range per CCCERA agreement

Hearthstone II

Benchmark²

Target IRR range per CCCERA agreement

Pathway

Benchmark³

Venture Economics Buyout Pooled 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 Third Quarter, 2009

| DOMESTIC EQUITY | 3 Mo | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | 7 Yr | 10 Yr |
|----------------------------------|---------------|---------------|----------------|---------------|--------------|--------------|--------------|--------------|
| Boston Partners | 16.6 % | -4.0 % | -11.8 % | -3.0 % | 0.8 % | 4.1 % | 8.7 % | 5.9 % |
| Delaware | 12.7 | 1.2 | -14.0 | -3.9 | -2.8 | - | - | - |
| Emerald Advisors | 17.4 | -7.4 | -15.1 | -5.1 | -1.3 | 2.8 | - | - |
| State Street (Legacy ING) | 15.8 | -5.5 | -14.5 | -5.6 | -1.8 | 0.9 | - | - |
| Intech - Enhanced Plus | 14.8 | -8.1 | -14.3 | -5.7 | -1.9 | 1.4 | - | - |
| Intech - Large Core | 14.4 | -8.0 | -14.0 | - | - | - | - | - |
| PIMCO Stocks Plus | 19.7 | -4.9 | -16.8 | -7.1 | -3.0 | -0.2 | 5.0 | - |
| Progress | 18.1 | -10.3 | -17.1 | -6.4 | -2.8 | 1.0 | - | - |
| Rothschild | 15.0 | -15.4 | -13.6 | -5.3 | -0.9 | 3.1 | - | - |
| Wentworth, Hauser | 13.6 | 0.9 | -10.9 | -2.6 | -0.5 | 2.8 | 7.0 | 2.5 |
| Total Domestic Equities | 15.7 | -5.2 | -14.0 | -4.8 | -1.6 | 1.8 | 6.6 | 0.4 |
| Median Equity | 15.7 | -5.8 | -13.6 | -4.2 | -1.0 | 2.5 | 7.4 | 3.3 |
| S&P 500 | 15.6 | -6.9 | -14.8 | -5.4 | -1.6 | 1.0 | 5.9 | -0.2 |
| Russell 3000® | 16.3 | -6.4 | -14.3 | -5.1 | -1.5 | 1.6 | 6.5 | 0.7 |
| Russell 1000® Value | 18.2 | -10.6 | -17.4 | -7.9 | -2.7 | 0.9 | 6.6 | 2.6 |
| Russell 1000® Growth | 14.0 | -1.9 | -11.9 | -2.5 | -0.4 | 1.9 | 5.8 | -2.6 |
| Russell 2000® | 19.3 | -9.5 | -12.1 | -4.6 | -1.1 | 2.4 | 9.0 | 4.9 |
| Russell 2500™ Value | 22.8 | -8.3 | -12.1 | -5.7 | -1.7 | 2.5 | 9.2 | 8.1 |
| Russell 2000® Growth | 16.0 | -6.3 | -11.9 | -2.6 | -0.5 | 2.9 | 9.0 | 1.1 |
| INT'L EQUITY | | | | | | | | |
| GMO Intrinsic Value | 17.2 | -1.2 | -16.1 | -4.3 | 1.1 | - | - | - |
| McKinley Capital | 14.3 | -8.0 | -23.5 | -8.1 | - | - | - | - |
| Total Int'l Equities | 15.8 | -4.2 | -19.7 | -6.0 | 0.4 | 5.6 | 10.7 | 3.0 |
| Median Int'l Equity | 19.5 | 4.2 | -13.4 | -2.1 | 2.9 | 7.5 | 13.2 | 6.3 |
| MSCI EAFE Index | 19.5 | 3.8 | -14.8 | -3.1 | 2.1 | 6.6 | 11.4 | 3.0 |
| MSCI ACWI ex-US | 19.8 | 6.4 | -13.7 | -0.8 | 3.9 | 8.6 | 13.3 | 4.5 |
| S&P Citi PMI EPAC Value | 22.1 | 5.5 | -14.8 | -2.8 | 2.9 | 7.6 | 12.5 | 4.7 |
| MSCI ACWI ex-US Growth | 17.4 | 2.5 | -14.8 | -1.1 | 3.2 | 7.9 | 11.5 | 2.3 |
| DOMESTIC FIXED INCOME | | | | | | | | |
| AFL-CIO Housing | 2.7 | 10.0 | 7.3 | 6.5 | 5.9 | 5.2 | 5.0 | 6.5 |
| Goldman Sachs | 3.7 | - | - | - | - | - | - | - |
| ING Clarion II | 6.6 | -44.3 | -43.1 | -33.7 | - | - | - | - |
| ING Clarion III | 13.8 | - | - | - | - | - | - | - |
| Lord Abbett | 6.7 | - | - | - | - | - | - | - |
| Nicholas Applegate | 11.9 | 17.8 | 4.8 | 5.9 | 6.1 | 6.1 | 8.6 | - |
| PIMCO | 7.2 | 16.2 | 8.9 | 7.8 | 6.8 | 6.2 | 6.3 | - |
| Workout (GSAM) | 15.0 | - | - | - | - | - | - | - |
| Total Domestic Fixed | 7.0 | 11.0 | 3.6 | 4.5 | 4.6 | 4.5 | 5.3 | 6.1 |
| Median Fixed Income | 4.4 | 11.3 | 6.6 | 6.2 | 5.7 | 5.2 | 5.1 | 6.3 |
| Median High Yield Mgr. | 12.9 | 14.1 | 1.2 | 3.1 | 4.0 | 4.5 | 8.3 | 4.9 |
| Barclays Universal | 4.5 | 10.9 | 6.5 | 6.1 | 5.6 | 5.2 | 5.3 | 6.3 |
| Barclays Aggregate | 3.7 | 10.6 | 7.1 | 6.4 | 5.7 | 5.1 | 5.0 | 6.3 |
| Merrill Lynch HY II | 14.8 | 22.4 | 4.1 | 5.3 | 5.9 | 6.1 | 10.0 | 6.0 |
| Merrill Lynch BB/B | 11.2 | 17.7 | 3.0 | 4.4 | 5.1 | 5.4 | 8.7 | 5.6 |
| T-Bills | 0.1 | 0.4 | 1.7 | 2.8 | 3.2 | 3.1 | 2.6 | 3.1 |
| GLOBAL FIXED INCOME | | | | | | | | |
| Lazard Asset Mgmt | 7.4 | 9.5 | - | - | - | - | - | - |
| Barclays Global Aggregate | 6.2 | 13.5 | 8.0 | 8.1 | 6.9 | 6.1 | - | - |

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

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Third 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> |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| ALTERNATIVE INVESTMENTS* | | | | | | | | |
| Adams Street** | 9.5 % | -15.1 % | -7.2 % | 3.1 % | 7.4 % | 8.5 % | 6.6 % | 8.0 % |
| Bay Area Equity Fund** | -4.1 | -4.0 | 10.7 | 20.5 | 11.6 | 5.5 | - | - |
| Carpenter Bancfund** | 0.6 | -8.2 | - | - | - | - | - | - |
| Energy Investor Fund** | 1.3 | 105.4 | 120.0 | 79.1 | 59.2 | 62.9 | - | - |
| Energy Investor Fund II** | 0.9 | 0.9 | 8.5 | 8.2 | - | - | - | - |
| Energy Investor Fund III** | -1.5 | 4.5 | - | - | - | - | - | - |
| Nogales** | 1.5 | -76.5 | -67.0 | -49.3 | -38.7 | -31.9 | - | - |
| Paladin III | 10.0 | 2.1 | - | - | - | - | - | - |
| Pathway** | 5.5 | -21.0 | -10.2 | 5.3 | 10.1 | 14.1 | 10.8 | 5.1 |
| Hancock PT Timber Fund | 0.9 | 6.1 | 9.7 | 12.1 | 9.7 | 10.0 | 7.1 | 5.8 |
| Total Alternative | 3.8 | -8.0 | -1.8 | 6.7 | 9.4 | 13.0 | 9.2 | 8.4 |
| S&P 500 + 400 bps | 16.7 | -3.1 | -11.3 | -1.6 | 2.3 | 5.1 | 10.1 | 3.8 |
| REAL ESTATE* | | | | | | | | |
| Adelante Capital REIT | 30.4 | -30.6 | -25.4 | -16.2 | -6.4 | 0.1 | 6.9 | - |
| BlackRock Realty | -27.2 | -65.3 | -41.7 | -26.7 | -17.5 | - | - | - |
| DLJ RECP I** | -0.4 | 9.7 | 15.4 | 21.2 | 24.0 | 20.7 | 17.4 | 15.1 |
| DLJ RECP II** | -3.4 | -34.2 | -11.7 | 1.9 | 10.1 | 15.3 | 17.3 | - |
| DLJ RECP III** | -6.7 | -23.4 | -3.8 | 5.4 | 9.7 | - | - | - |
| DLJ RECP IV** | 1.2 | -63.9 | - | - | - | - | - | - |
| Fidelity II | -8.7 | -59.2 | -40.0 | -27.4 | -18.9 | -12.7 | - | - |
| Fidelity III | -52.5 | -77.5 | -63.8 | - | - | - | - | - |
| Invesco Fund I | -1.6 | -48.1 | -25.7 | -14.0 | -4.6 | - | - | - |
| Invesco Fund II | -22.0 | -89.5 | - | - | - | - | - | - |
| Invesco Int'l REIT | 17.4 | -9.9 | - | - | - | - | - | - |
| Prudential SPF II | -7.2 | -51.7 | -17.2 | -2.5 | 8.9 | 13.0 | 12.8 | 10.9 |
| Willows Office Property | 1.4 | 4.2 | 23.2 | 16.3 | 14.1 | 12.7 | 8.9 | 8.7 |
| Total Real Estate | 13.6 | -36.0 | -23.9 | -13.8 | -4.8 | 1.1 | 6.1 | 6.9 |
| Median Real Estate | -5.9 | -30.7 | -17.1 | -7.1 | -1.5 | 2.1 | 5.7 | 5.4 |
| Real Estate Benchmark | 7.0 | -20.2 | -10.4 | -3.0 | 2.4 | 6.1 | 8.3 | 9.1 |
| DJ Wilshire REIT | 35.4 | -29.3 | -21.3 | -13.7 | -4.8 | 1.2 | 7.6 | 9.7 |
| NCREIF Property Index | -3.3 | -22.1 | -9.5 | -1.3 | 3.1 | 6.2 | 7.3 | 7.8 |
| NCREIF Index + 300 bps | -2.6 | -19.6 | -6.7 | 1.8 | 6.3 | 9.4 | 10.5 | 11.1 |
| NCREIF Index + 500 bps | -2.1 | -18.0 | -4.8 | 3.7 | 8.3 | 11.4 | 12.5 | 13.1 |
| NCREIF Apartment | -3.0 | -23.0 | -10.9 | -3.5 | 1.3 | 4.6 | 6.1 | 7.5 |
| NCREIF Apt + 300 bps | -2.3 | -20.6 | -8.2 | -0.6 | 4.3 | 7.7 | 9.2 | 10.6 |
| CCCERA Total Fund | 12.0 % | -2.2 % | -8.4 % | -1.3 % | 1.8 % | 4.5 % | 7.6 % | 4.6 % |
| CPI + 400 bps | 1.2 | 2.8 | 5.9 | 6.2 | 6.2 | 6.8 | 6.8 | 6.9 |

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

** Performance as of June 30, 2009.

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2009

| DOMESTIC EQUITY | YTD | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|----------------------------------|---------------|----------------|--------------|---------------|---------------|---------------|---------------|
| Boston Partners | 21.9 % | -33.2 % | 4.3 % | 20.2 % | 12.0 % | 16.6 % | 27.1 % |
| <i>Rank vs Equity</i> | <i>50</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>31</i> | <i>16</i> | <i>24</i> | <i>36</i> | <i>14</i> | <i>32</i> | <i>81</i> |
| Delaware | 29.8 | -42.6 | 13.6 | 3.2 | - | - | - |
| <i>Rank vs Equity</i> | <i>23</i> | <i>81</i> | <i>15</i> | <i>91</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| <i>Rank vs Lg Growth</i> | <i>20</i> | <i>76</i> | <i>33</i> | <i>74</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Emerald Advisors | 25.6 | -36.5 | 3.2 | 13.8 | 10.1 | 4.1 | - |
| <i>Rank vs Equity</i> | <i>37</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>62</i> | <i>35</i> | <i>48</i> | <i>39</i> | <i>20</i> | <i>86</i> | <i>-</i> |
| State Street (Legacy ING) | 18.7 | -36.7 | 5.8 | 15.9 | 5.4 | 11.2 | 26.7 |
| <i>Rank vs Equity</i> | <i>70</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> |
| Intech - Enhanced Plus | 18.1 | -37.0 | 7.4 | 14.4 | 8.9 | 15.3 | 29.4 |
| <i>Rank vs Equity</i> | <i>74</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>80</i> | <i>53</i> | <i>79</i> | <i>80</i> | <i>14</i> | <i>7</i> | <i>34</i> |
| Intech - Large Cap Core | 17.0 | -36.2 | 7.0 | - | - | - | - |
| <i>Rank vs Equity</i> | <i>77</i> | <i>37</i> | <i>38</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| <i>Rank vs Lg Core</i> | <i>86</i> | <i>27</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| PIMCO Stocks Plus | 28.2 | -43.5 | 5.0 | 15.7 | 4.6 | 11.1 | 29.9 |
| <i>Rank vs Equity</i> | <i>27</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>10</i> | <i>97</i> | <i>68</i> | <i>64</i> | <i>78</i> | <i>15</i> | <i>29</i> |
| Progress | 26.7 | -42.5 | 6.1 | 15.4 | 9.1 | - | - |
| <i>Rank vs Equity</i> | <i>32</i> | <i>81</i> | <i>42</i> | <i>46</i> | <i>32</i> | <i>-</i> | <i>-</i> |
| <i>Rank vs Sm Core</i> | <i>34</i> | <i>91</i> | <i>17</i> | <i>46</i> | <i>36</i> | <i>-</i> | <i>-</i> |
| Rothschild | 9.6 | -28.6 | 1.8 | 21.3 | 11.2 | 20.7 | - |
| <i>Rank vs Equity</i> | <i>92</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>96</i> | <i>28</i> | <i>31</i> | <i>19</i> | <i>23</i> | <i>39</i> | <i>-</i> |
| Wentworth, Hauser | 27.0 | -34.8 | 6.6 | 7.2 | 9.6 | 13.6 | 27.1 |
| <i>Rank vs Equity</i> | <i>32</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>12</i> | <i>16</i> | <i>36</i> | <i>98</i> | <i>9</i> | <i>15</i> | <i>82</i> |
| Total Domestic Equities | 22.7 | -37.5 | 6.5 | 13.5 | 8.8 | 13.0 | 31.0 |
| <i>Rank vs Equity</i> | <i>47</i> | <i>55</i> | <i>40</i> | <i>60</i> | <i>35</i> | <i>49</i> | <i>50</i> |
| Median Equity | 22.1 | -37.0 | 5.5 | 15.0 | 6.5 | 12.9 | 31.0 |
| S&P 500 | 19.3 | -37.0 | 5.5 | 15.8 | 4.9 | 10.9 | 28.7 |
| S&P 500 ex-Tobacco | 19.3 | -37.3 | 5.2 | 15.7 | 4.6 | 10.7 | 28.4 |
| Russell 3000® | 21.2 | -37.3 | 5.1 | 15.7 | 6.1 | 12.0 | 31.0 |
| Russell 1000® Value | 14.8 | -36.9 | -0.2 | 22.2 | 7.0 | 16.5 | 30.0 |
| Russell 1000® Growth | 27.1 | -38.4 | 11.8 | 9.1 | 5.3 | 6.3 | 29.8 |
| Russell 2000® | 22.4 | -33.8 | -1.6 | 18.4 | 4.6 | 18.3 | 47.3 |
| Rothschild Benchmark | 22.0 | -32.0 | -7.3 | 20.2 | 5.5 | 22.3 | - |
| Russell 2000® Growth | 29.1 | -38.5 | 7.1 | 13.4 | 4.2 | 14.3 | - |
| INT'L EQUITY | | | | | | | |
| GMO | 19.9 | -38.4 | 10.6 | 26.2 | - | - | - |
| <i>Rank vs Int'l Eq</i> | <i>87</i> | <i>18</i> | <i>60</i> | <i>44</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| McKinley Capital | 19.4 | -49.9 | 20.1 | - | - | - | - |
| <i>Rank vs Int'l Eq</i> | <i>88</i> | <i>82</i> | <i>17</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Total Int'l Equities | 19.5 | -44.1 | 15.3 | 26.6 | 20.0 | 18.1 | 39.9 |
| <i>Rank vs Int'l Eq</i> | <i>88</i> | <i>55</i> | <i>36</i> | <i>41</i> | <i>32</i> | <i>68</i> | <i>27</i> |
| Median Int'l Equity | 31.4 | -43.4 | 11.9 | 25.9 | 15.9 | 19.9 | 36.4 |
| MSCI EAFE Index | 29.6 | -43.1 | 11.6 | 26.9 | 14.0 | 20.7 | 39.2 |
| MSCI ACWI ex-US | 37.0 | -45.2 | 17.1 | 27.2 | 17.1 | 21.4 | 41.4 |
| S&P Citi PMI EPAC Value | 31.9 | -43.7 | 12.2 | 28.1 | 15.7 | 23.5 | 42.1 |
| MSCI ACWI ex-US Growth | 32.2 | -45.4 | 21.4 | 24.0 | 17.1 | 17.1 | 34.9 |

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2009

| | <u>YTD</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| DOMESTIC FIXED INCOME | | | | | | | |
| AFL-CIO Housing | 6.5 % | 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 | 9.2 | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 40 | - | - | - | - | - | - |
| ING Clarion II | 6.4 | -64.9 | -6.6 | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 99 | 99 | 100 | - | - | - | - |
| ING Clarion III | 36.7 | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 62 | - | - | - | - | - | - |
| Lord Abbett | 14.6 | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 14 | - | - | - | - | - | - |
| Nicholas Applegate | 39.2 | -20.0 | 7.1 | 10.2 | 3.8 | 9.1 | 21.2 |
| <i>Rank vs. High Yield</i> | 53 | 14 | 34 | 32 | 15 | 66 | 68 |
| PIMCO | 15.0 | 0.0 | 8.4 | 4.8 | 3.4 | 5.6 | 6.9 |
| <i>Rank vs Fixed Income</i> | 13 | 73 | 13 | 37 | 18 | 20 | 21 |
| Workout (GSAM) | 26.3 | - | - | - | - | - | - |
| <i>Rank vs Fixed Income</i> | 2 | - | - | - | - | - | - |
| Total Domestic Fixed | 15.4 | -8.1 | 5.8 | 7.5 | 3.7 | 6.3 | 7.9 |
| <i>Rank vs Fixed Income</i> | 12 | 92 | 62 | 11 | 14 | 16 | 14 |
| Median Fixed Income | 7.8 | 3.9 | 6.5 | 4.5 | 2.5 | 4.4 | 4.6 |
| Median High Yield Mgr. | 39.8 | -24.9 | 6.5 | 9.0 | 2.5 | 9.8 | 24.0 |
| Barclays Universal | 8.0 | 2.4 | 6.5 | 5.0 | 2.7 | 5.0 | 5.8 |
| Barclays Aggregate | 5.7 | 5.2 | 7.0 | 4.3 | 2.4 | 4.3 | 4.1 |
| ML High Yield II | 48.5 | -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 |
| Global Fixed Income | | | | | | | |
| Lazard Asset Mgmt | 11.1 | -0.4 | - | - | - | - | - |
| <i>Rank vs. Global Fixed</i> | 51 | 31 | - | - | - | - | - |
| Barclays Global Aggregate | 7.9 | 4.8 | - | - | - | - | - |
| ALTERNATIVE INVESTMENTS | | | | | | | |
| Adams Street** | 3.8 | -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 | 8.3 | - | - | - | - | - | - |
| Energy Investor Fund** | 101.9 | 220.5 | 2.2 | 12.7 | 84.2 | - | - |
| Energy Investor Fund II** | 0.5 | 19.7 | 12.5 | - | - | - | - |
| Energy Investor Fund III** | 11.8 | 108.9 | - | - | - | - | - |
| Nogales** | -49.4 | -51.4 | 21.2 | 11.0 | 13.1 | - | - |
| Paladin III** | 10.7 | -10.9 | - | - | - | - | - |
| Pathway** | -13.8 | -6.6 | 50.4 | 21.4 | 42.5 | 12.2 | 0.2 |
| Hancock PT Timber Fund | 1.9 | 11.9 | 14.7 | 12.1 | 9.8 | 6.9 | 3.8 |
| Total Alternative | -2.1 | 1.8 | 28.0 | 19.2 | 33.3 | 11.4 | 3.5 |
| S&P 500 + 400 bps | 22.8 | -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 June 30, 2009.

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YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2009

| | <u>YTD</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| REAL ESTATE | | | | | | | |
| Adelante Capital REIT | 18.7 % | -44.8 % | -16.9 % | 38.2 % | 16.7 % | 36.9 % | 36.1 % |
| <i>Rank</i> | 47 | 65 | 55 | 13 | 4 | 11 | 53 |
| BlackRock Realty | -53.6 | -28.2 | 14.8 | 23.8 | 28.7 | - | - |
| <i>Rank</i> | 100 | 80 | 44 | 27 | 11 | - | - |
| DLJ RECP I** | -2.2 | 39.0 | 34.2 | 41.2 | 14.2 | 11.8 | 4.2 |
| <i>Rank</i> | 12 | 1 | 2 | 6 | 62 | 54 | 84 |
| DLJ RECP II** | -30.4 | 4.0 | 34.8 | 35.7 | 51.3 | 33.8 | 25.8 |
| <i>Rank</i> | 83 | 12 | 1 | 17 | 4 | 19 | 28 |
| DLJ RECP III** | -15.3 | 1.7 | 30.5 | 10.2 | - | - | - |
| <i>Rank</i> | 19 | 16 | 2 | 79 | - | - | - |
| DLJ RECP IV** | -62.2 | - | - | - | - | - | - |
| <i>Rank</i> | 100 | - | - | - | - | - | - |
| Fidelity II | -37.7 | -41.9 | 5.0 | 16.5 | 16.1 | - | - |
| <i>Rank</i> | 93 | 93 | 74 | 45 | 51 | - | - |
| Fidelity III | -73.3 | -10.7 | - | - | - | - | - |
| <i>Rank</i> | 100 | 58 | - | - | - | - | - |
| Invesco Fund I | -28.5 | -23.2 | 10.4 | 38.1 | - | - | - |
| <i>Rank</i> | 82 | 78 | 63 | 10 | - | - | - |
| Invesco Fund II | -62.4 | -81.3 | - | - | - | - | - |
| <i>Rank</i> | 100 | 100 | - | - | - | - | - |
| Invesco Intl REIT | 37 | - | - | - | - | - | - |
| <i>Rank</i> | 5 | - | - | - | - | - | - |
| Prudential SPF II | -1.7 | -39.6 | 45.3 | 83.8 | 38.3 | 19.7 | 12.4 |
| <i>Rank</i> | 12 | 90 | 1 | 1 | 7 | 30 | 33 |
| Willows Office Property | 3.8 | 3.7 | 44.5 | 7.4 | 7.5 | -8.9 | 7.9 |
| <i>Rank</i> | 8 | 13 | 1 | 87 | 80 | 96 | 67 |
| Total Real Estate | -4.7 | -34.2 | -3.0 | 33.8 | 20.4 | 30.4 | 25.6 |
| <i>Rank</i> | 14 | 83 | 82 | 20 | 29 | 23 | 28 |
| Median Real Estate | -25.9 | -10.4 | 13.9 | 15.6 | 16.7 | 12.3 | 9.5 |
| Real Estate Benchmark | 1.7 | -15.2 | 6.3 | - | - | - | - |
| DJ Wilshire REIT Index | 17.8 | -39.2 | -17.6 | 36.0 | 13.8 | 33.1 | 36.2 |
| NCREIF Property Index | -15.1 | -6.5 | 15.8 | 16.6 | 20.1 | 14.5 | 9.0 |
| | | | | | | | |
| CCCERA Total Fund | 17.0 | -26.5 | 7.3 | 15.3 | 10.8 | 13.38 | 23.5 |
| <i>Rank vs. Total Fund</i> | 37 | 68 | 45 | 13 | 5 | 15 | 20 |
| <i>Rank vs. Public Fund</i> | 34 | 74 | 42 | 11 | 2 | 8 | 19 |
| Median Total Fund | 14.5 | -23.0 | 7.1 | 12.0 | 6.1 | 10.4 | 19.1 |
| Median Public Fund | 15.7 | -22.9 | 6.9 | 11.9 | 6.0 | 10.0 | 20.4 |
| CPI + 400 bps | 5.9 | 4.2 | 8.3 | 6.6 | 7.6 | 7.4 | 6.5 |

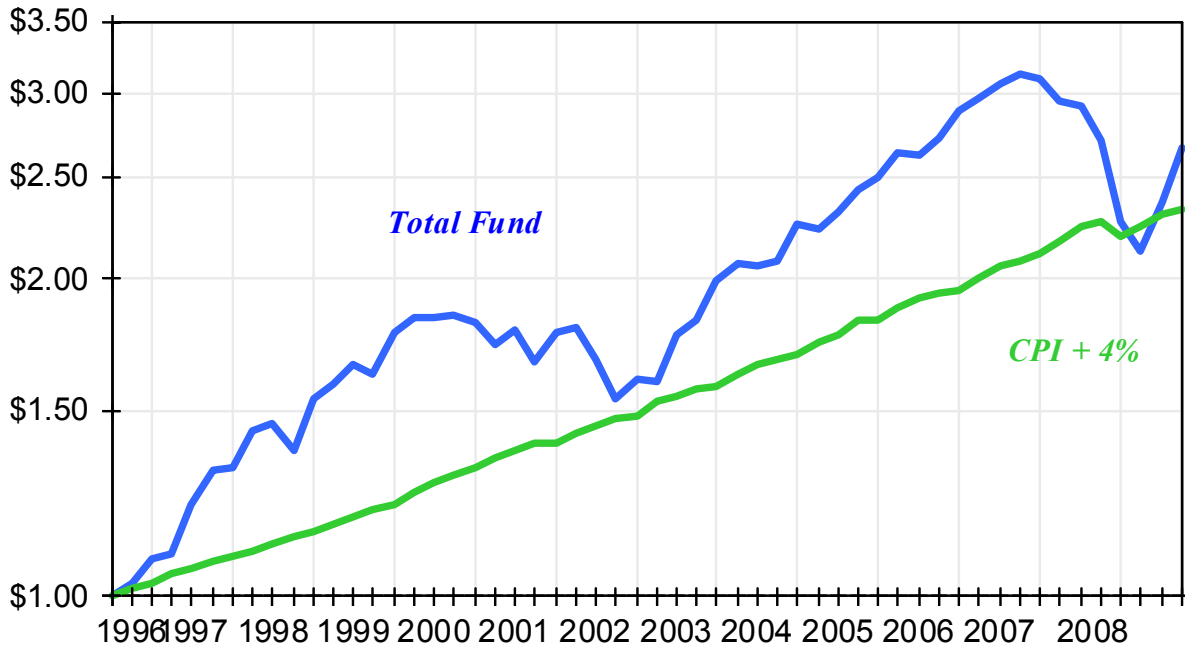
** Performance as of June 30, 2009.

TOTAL FUND PERFORMANCE

Total Fund

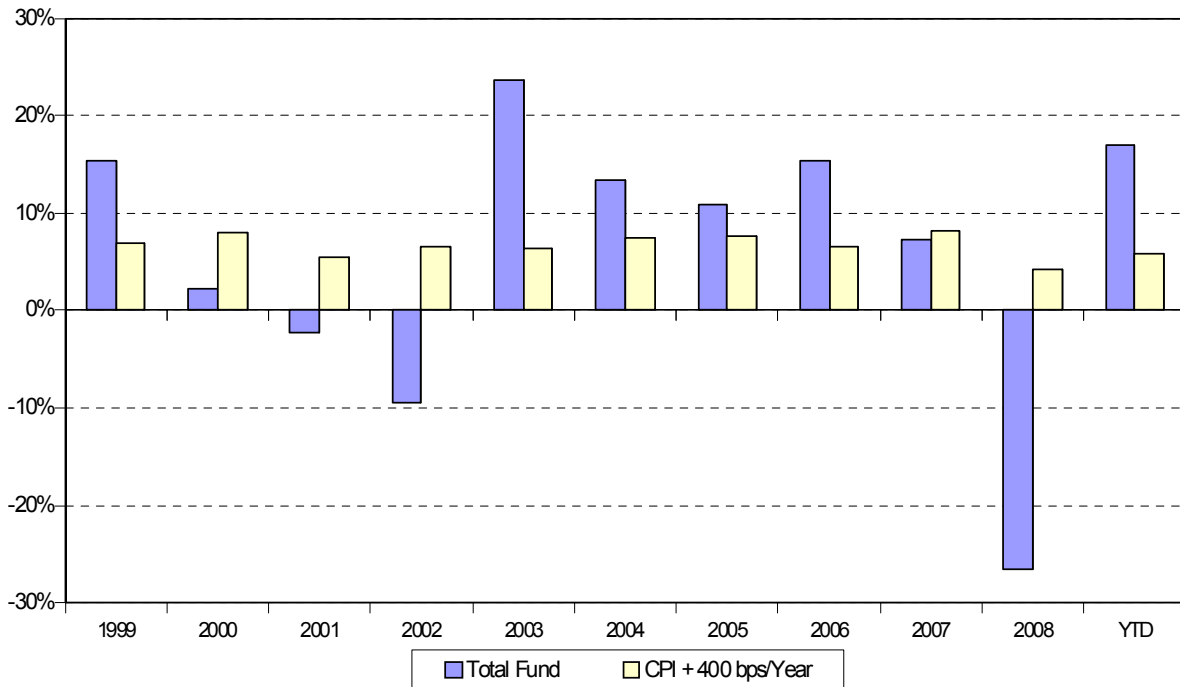
Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

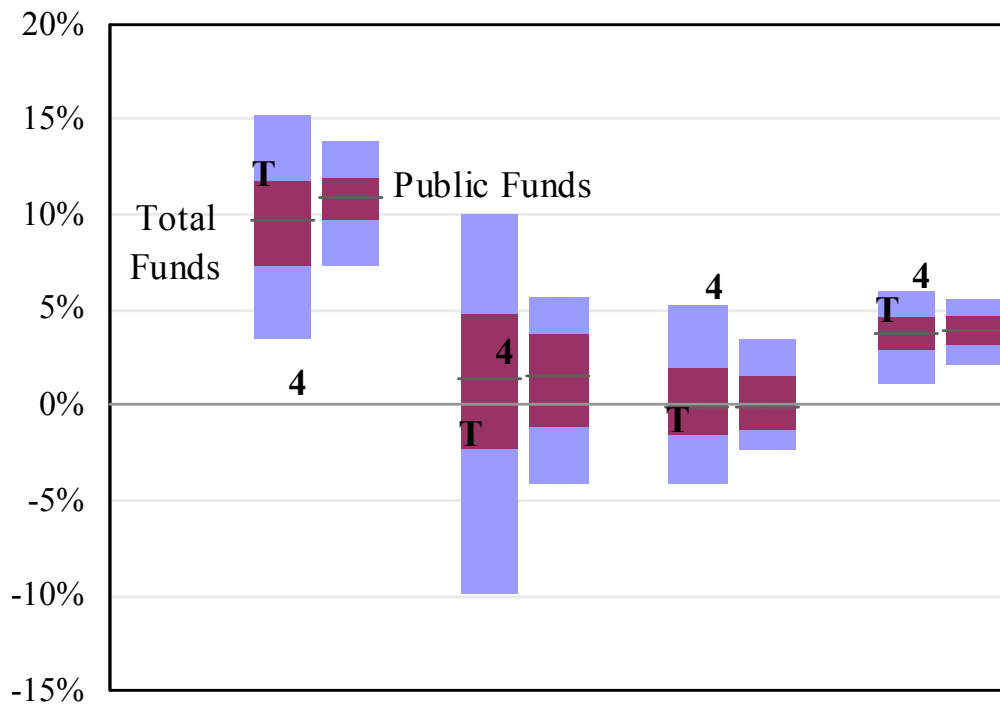


Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



Total Fund



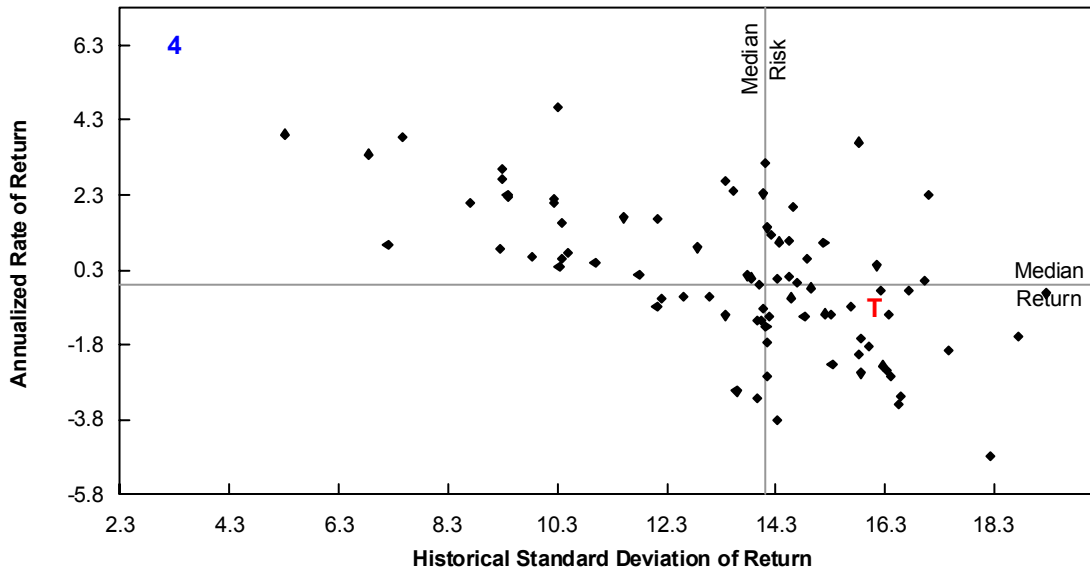
| | Qtr | 1 Year | 3 Years | 5 Years |
|--------------------------|------|--------|---------|---------|
| Total Fund (T) | 12.2 | -1.6 | -0.8 | 5.0 |
| <i>Rank v. Total Fd</i> | 21 | 70 | 62 | 16 |
| <i>Rank v. Public Fd</i> | 22 | 82 | 64 | 14 |
| CPI + 4% (4) | 1.2 | 2.8 | 6.2 | 6.8 |
| Total Fund Median | 9.7 | 1.4 | -0.2 | 2.9 |
| Total Public Median | 11.0 | 1.6 | -0.2 | 3.9 |

CCCERA Total Fund returned 12.2% in the third quarter, above the 9.7% return of the median total fund and the 11.0% return of the median total public fund. For the one-year period, the Total Fund returned -1.6%, below the 1.4% for the median total fund and 1.6% 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

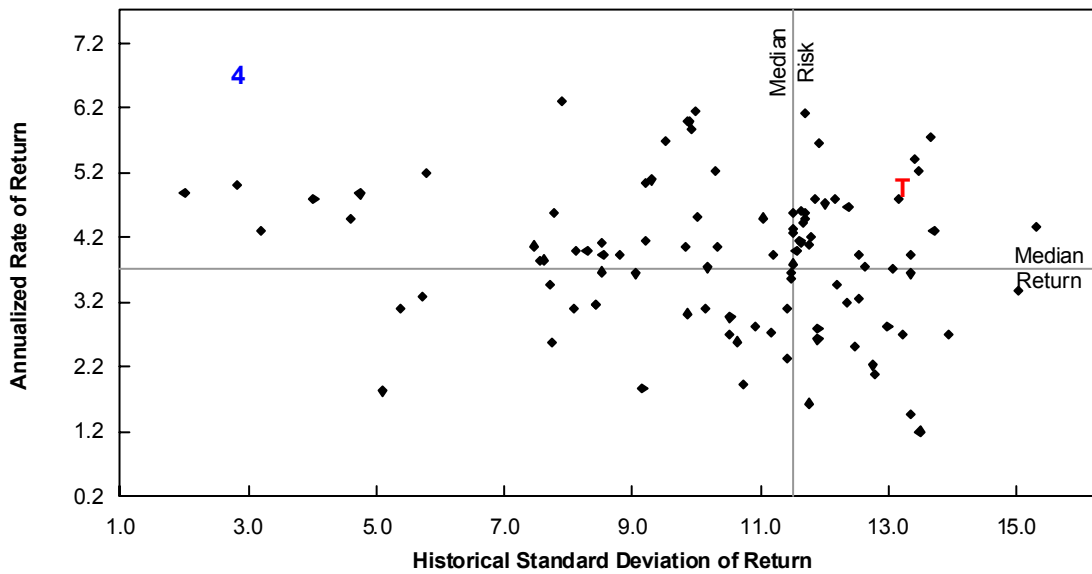
Three Years Ending September 30, 2009



| | <u>Annualized Return</u> | <u>Standard Deviation</u> | <u>Risk/Reward Ratio</u> |
|-------------------------|------------------------------|-------------------------------|------------------------------|
| Total Fund (T) | -0.8 % | 16.1 % | -0.22 |
| CPI + 4% (4) | 6.2 | 3.3 | 1.03 |
| Median Fund | -0.2 | 14.1 | -0.21 |

Performance and Variability

Five Years Ending September 30, 2009



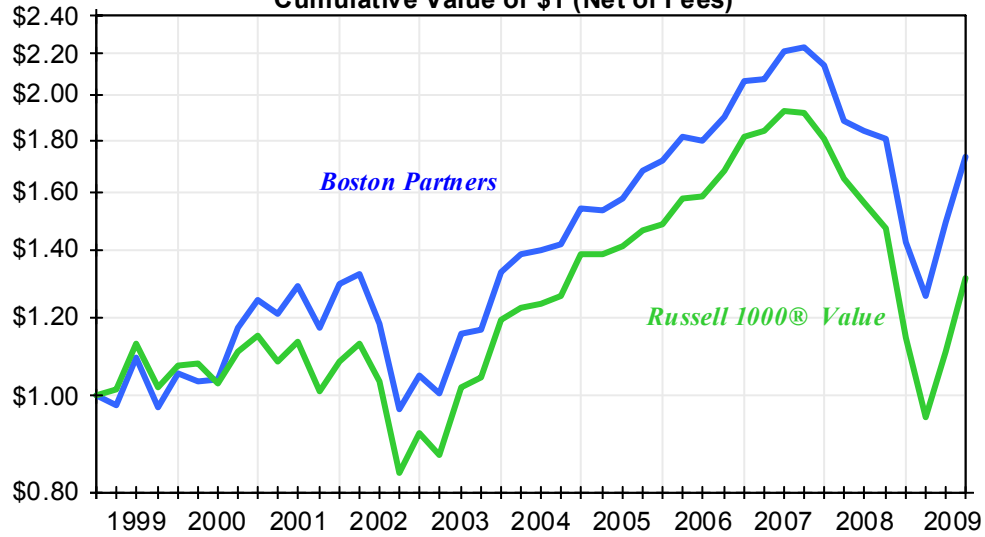
| | <u>Annualized Return</u> | <u>Standard Deviation</u> | <u>Risk/Reward Ratio</u> |
|-------------------------|------------------------------|-------------------------------|------------------------------|
| Total Fund (T) | 5.0 % | 16.1 % | 0.12 |
| CPI + 4% (4) | 6.8 | 3.3 | 1.10 |
| Median Fund | 3.8 | 14.1 | 0.05 |

MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners

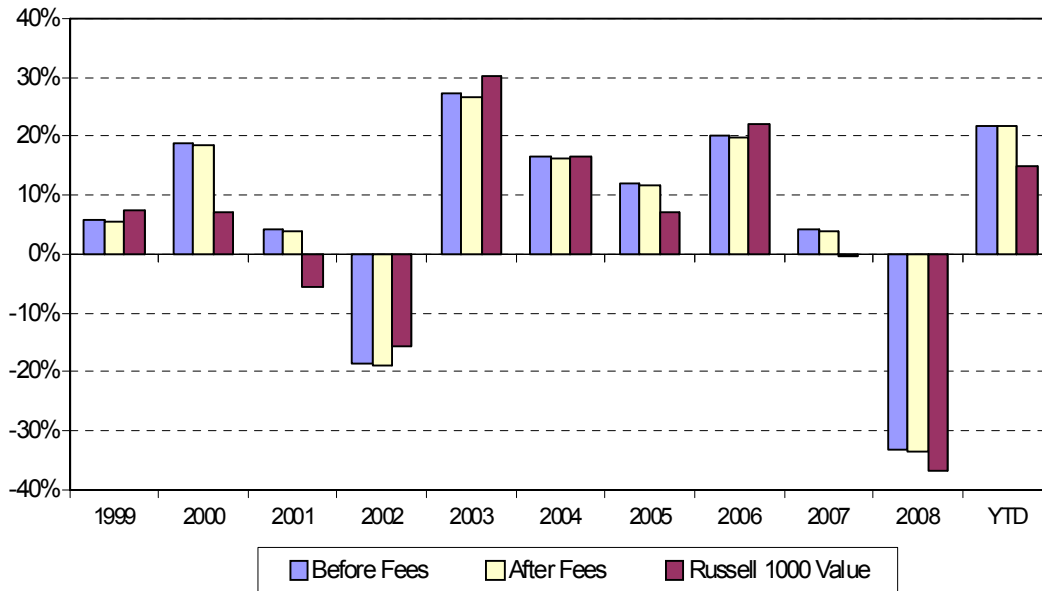
Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

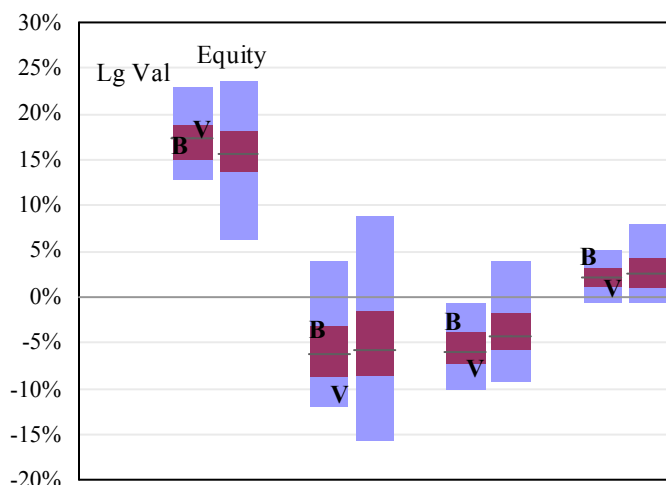


Boston vs. Russell 1000® Value

Year by Year Performance



Boston Partners



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------|------------|---------------|----------------|----------------|
| Boston (B) | 16.6 | -3.6 | -2.7 | 4.5 |
| Rank v. Lg Value | 58 | 27 | 11 | 10 |
| Rank v. Equity | 38 | 35 | 33 | 24 |
| Rus 1000 Val (V) | 18.2 | -10.6 | -7.9 | 0.9 |
| Lg Val Median | 17.3 | -6.2 | -5.9 | 1.2 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| <u>Portfolio Characteristics</u> | <u>Boston Partners</u> | <u>Russell 1000® Value</u> |
|----------------------------------|------------------------|----------------------------|
| Eq Mkt Value (\$Mil) | 278.5 | N/A |
| Wtd. Avg. Cap (\$Bil) | 70.8 | 68.4 |
| Beta | 0.96 | 1.12 |
| Yield (%) | 1.80 | 2.28 |
| P/E Ratio | 24.24 | 33.19 |
| Cash (%) | 1.1 | 0.0 |
| Number of Holdings | 85 | 676 |
| Turnover Rate (%) | 92.3 | - |

| <u>Sector</u> | <u>Boston Partners</u> | <u>Russell 1000® Value</u> |
|---------------------|------------------------|----------------------------|
| Energy | 13.9 % | 18.3 % |
| Materials | 2.8 | 3.9 |
| Industrials | 6.5 | 10.6 |
| Cons. Discretionary | 9.3 | 9.5 |
| Consumer Staples | 5.4 | 5.4 |
| Health Care | 12.5 | 9.1 |
| Financials | 30.3 | 25.7 |
| Info Technology | 14.6 | 5.1 |
| Telecom Services | 1.6 | 5.5 |
| Utilities | 3.1 | 6.9 |

Boston Partners' third quarter return of 16.6% trailed the 18.2% return of the Russell 1000® Value Index and ranked in the 58th percentile of large value managers. For the one-year period, Boston Partners returned -3.6%, better than the -10.6% 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.

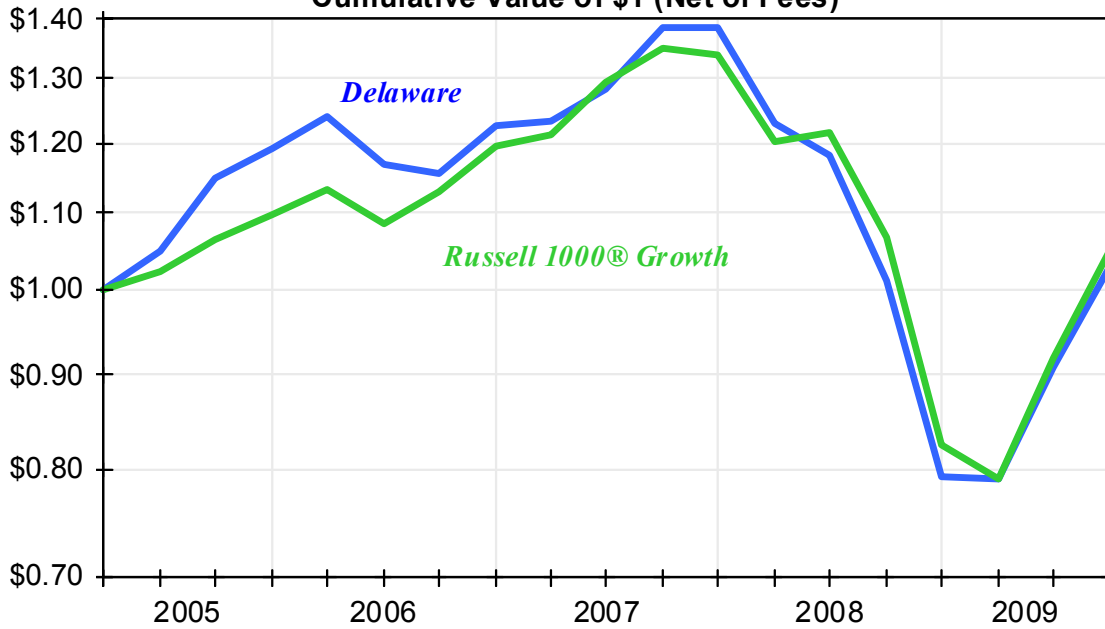
The portfolio had a lower P/E ratio than the index, indicating somewhat more of a value bias than the index. At the end of the quarter, the portfolio held 85 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest positive economic sector over-weights were in the information technology, financials and health care sectors, while the largest under-weights were in the energy, industrials and telecom services sectors.

Boston Partners' third quarter performance relative to the Russell 1000® Value Index was hurt by stock selection decisions but helped by sector allocation decisions. Stock selection was particularly weak in the information technology and industrials sectors. Top performing holdings included Discover Financial Services (+58%), Ashland Inc. (+54%) and American Express (+47%), while the worst performing holdings included SLM Corp (-15%), Omnicare (-12%) and Electronic Arts (-12%).

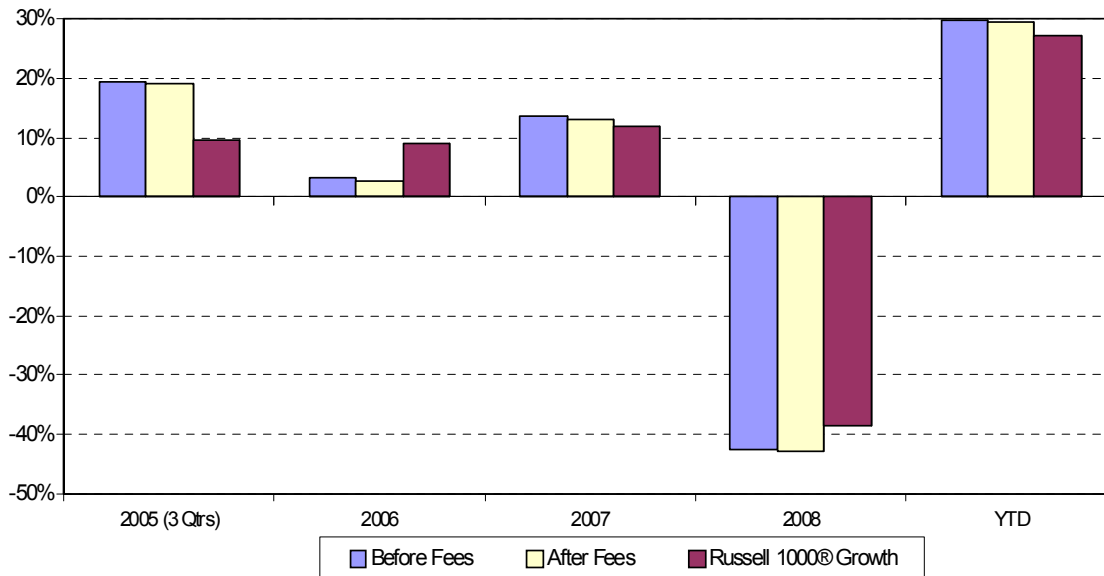
MANAGER COMMENTS – DOMESTIC EQUITY

Delaware

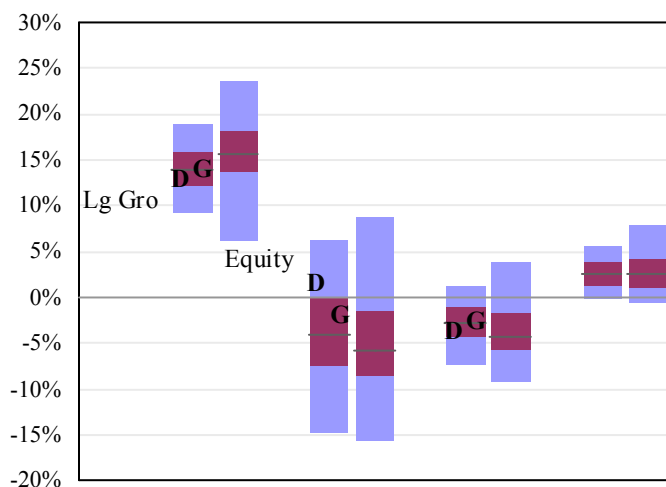
Delaware vs. Russell 1000 Growth
Cumulative Value of \$1 (Net of Fees)



Delaware vs. Russell 1000® Growth
Year by Year Performance



Delaware



| | Qtr | 1 Year | 3 Years | 5 Years |
|-----------------|------|--------|---------|---------|
| Delaware (D) | 12.8 | 1.7 | -3.5 | - |
| Rank v. Lg Gro | 68 | 18 | 57 | - |
| Rank v. Equity | 81 | 15 | 41 | - |
| Ru 1000 Gro (G) | 14.0 | -1.9 | -2.5 | - |
| Lg Gro Median | 13.9 | -4.2 | -2.8 | 2.5 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Delaware | Russell 1000® Growth |
|---------------------------|----------|----------------------|
| Eq Mkt Value (\$Mil) | 274.09 | N/A |
| Wtd. Avg. Cap (\$Bil) | 43.76 | 70.0 |
| Beta | 0.92 | 0.93 |
| Yield (%) | 0.79 | 1.62 |
| P/E Ratio | 36.14 | 24.17 |
| Cash (%) | 0.7 | 0.0 |
| Number of Holdings | 30 | 625 |
| Turnover Rate (%) | 86.3 | - |

| Sector | Delaware | Russell 1000® Growth |
|---------------------|----------|----------------------|
| Energy | 3.7 % | 4.3 % |
| Materials | 5.2 | 3.9 |
| Industrials | 6.2 | 10.2 |
| Cons. Discretionary | 10.0 | 10.4 |
| Consumer Staples | 6.6 | 16.0 |
| Health Care | 16.2 | 16.6 |
| Financials | 9.9 | 5.2 |
| Info Technology | 38.2 | 31.8 |
| Telecom Services | 4.1 | 0.6 |
| Utilities | 0.0 | 1.0 |

Delaware's return of 12.8% for the third quarter trailed the 14.0% return of the Russell 1000® Growth Index, and ranked in the 68th percentile in the universe of large growth equity managers.

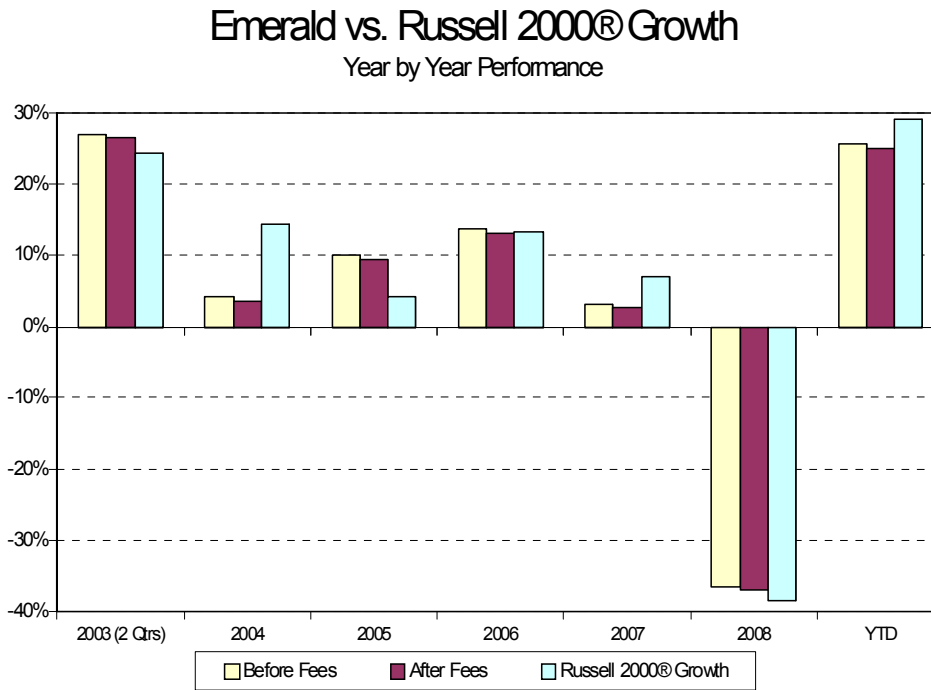
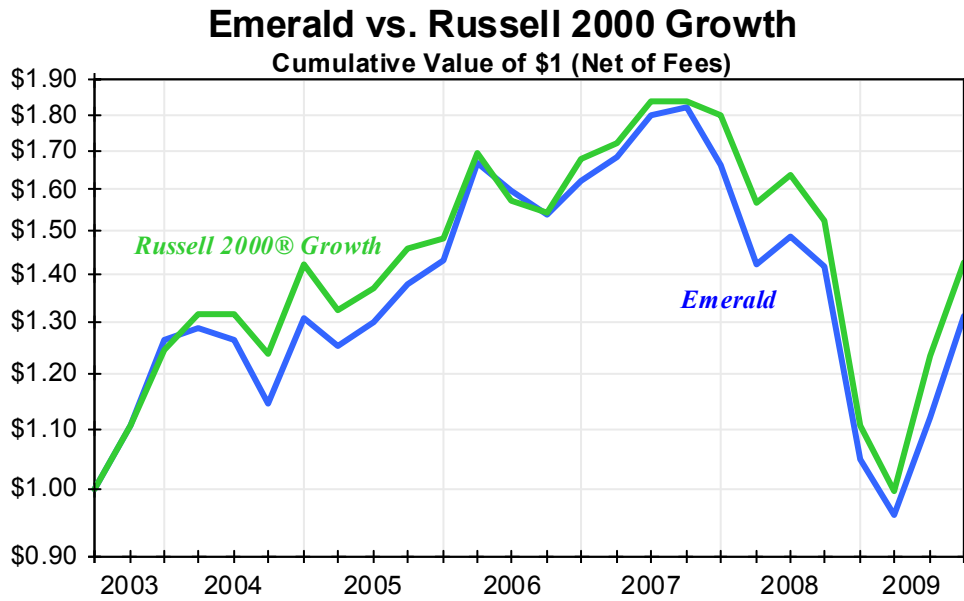
Over the past year, the portfolio returned 1.7%, better than the Russell 1000® Growth Index return of -1.9%, and ranked in the 18th percentile of large growth equity managers. Since inception performance approximately matches the Russell 1000® Growth Index, net of fees.

The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 30 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.

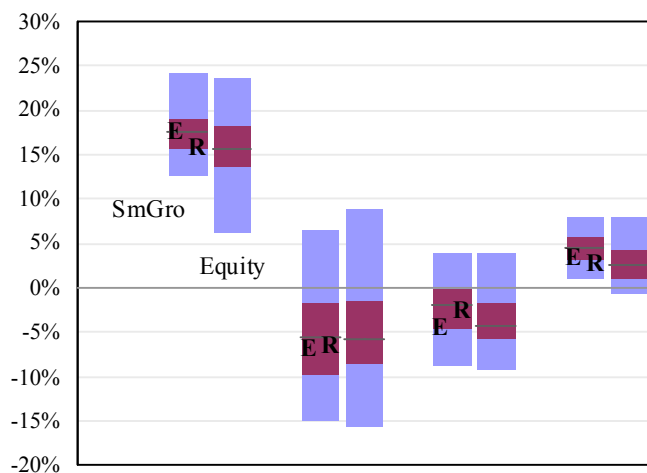
Delaware's third quarter performance relative to the Russell 1000® Growth Index was hurt by stock selection but helped by sector allocation decisions. Stock selection was weakest in the financials sector. Trading decisions had a positive impact on performance for the quarter. The top performing holdings included Priceline (+49%), Crown Castle (+31%) and Apple Computer (+30%). The worst performing holdings included Intercontinental Exchange (-15%), Syngenta (-1%) and Bank of New York Mellon (-1%).

MANAGER COMMENTS – DOMESTIC EQUITY

Emerald



Emerald



| | Qtr | 1 Year | 3 Years | 5 Years |
|-----------------|------|--------|---------|---------|
| Emerald (E) | 17.6 | -6.8 | -4.5 | 3.4 |
| Rank v. Sm Gro | 46 | 61 | 73 | 70 |
| Rank v. Equity | 30 | 62 | 53 | 37 |
| Ru 2000 Gro (R) | 16.0 | -6.3 | -2.6 | 2.9 |
| Sm Gro Median | 17.5 | -5.6 | -2.0 | 4.4 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Emerald | Russell 2000@ Growth |
|---------------------------|---------|----------------------|
| Eq Mkt Value (\$Mil) | 124.33 | N/A |
| Wtd. Avg. Cap (\$Bil) | 1.20 | 0.97 |
| Beta | 1.27 | 1.19 |
| Yield (%) | 0.18 | 0.54 |
| P/E Ratio | n/a | n/a |
| Cash (%) | 1.9 | 0.0 |
| Number of Holdings | 146 | 1,270 |
| Turnover Rate (%) | 137.6 | - |

| Sector | Emerald | Russell 2000@ Growth |
|---------------------|---------|----------------------|
| Energy | 3.8 % | 3.9 % |
| Materials | 5.6 | 2.3 |
| Industrials | 7.2 | 14.7 |
| Cons. Discretionary | 17.8 | 15.9 |
| Consumer Staples | 2.6 | 3.8 |
| Health Care | 21.8 | 23.8 |
| Financials | 7.1 | 5.9 |
| Info Technology | 34.1 | 28.0 |
| Telecom Services | 0.0 | 1.5 |
| Utilities | 0.0 | 0.2 |

Emerald's return of 17.6% for the third quarter exceeded the 16.0% return of the Russell 2000® Growth index and ranked in the 46th percentile in the universe of small growth equity managers. For the one-year period, Emerald returned -6.8%, below the -6.3% return of the Russell 2000® Growth, and ranked in the 61st percentile in the universe of small growth equity managers. Over the past five years Emerald has returned 3.4%, exceeding the index return of 2.9% but ranking below the small growth median. Emerald is not in compliance with some of CCCERA's performance objectives.

The portfolio has a beta of 1.27x compared to 1.19x for the Russell 2000® Growth Index and has a well below-index yield. It includes 146 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the information technology, materials and consumer discretionary sectors. The largest under-weights are in the industrials, health care and telecom sectors.

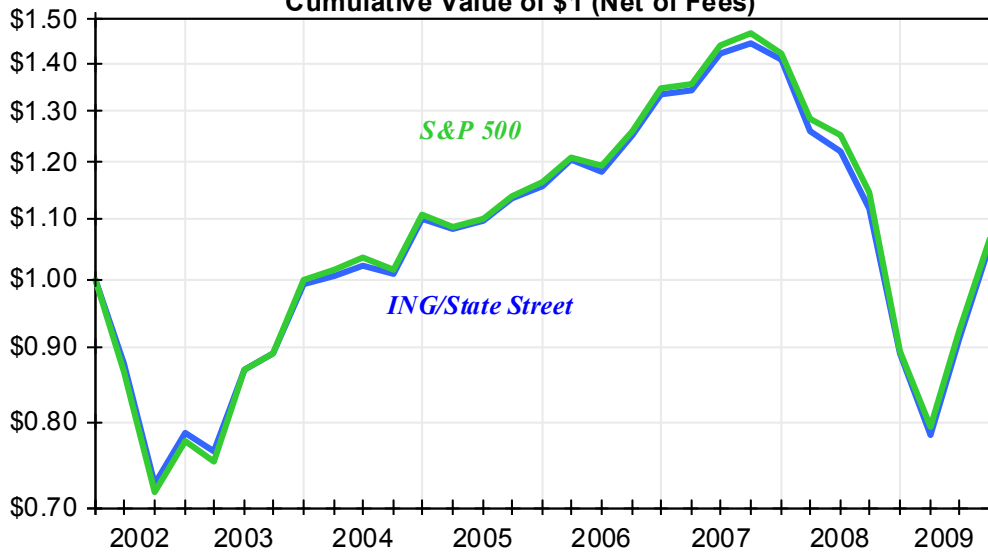
Emerald's third quarter performance relative to the Russell 2000® Growth Index was helped by sector allocation decisions while stock selections decisions were neutral in aggregate and trading decisions were positive. The top performing holdings included Human Genome Science (+558%), Brigham Exploration (+160%) and Zumiez (+105%). The worst performing holdings included Cell Therapeutics (-28%), Neutral Tandem (-23%) and Amag Pharmaceuticals (-20%).

MANAGER COMMENTS – DOMESTIC EQUITY

State Street (Legacy ING)

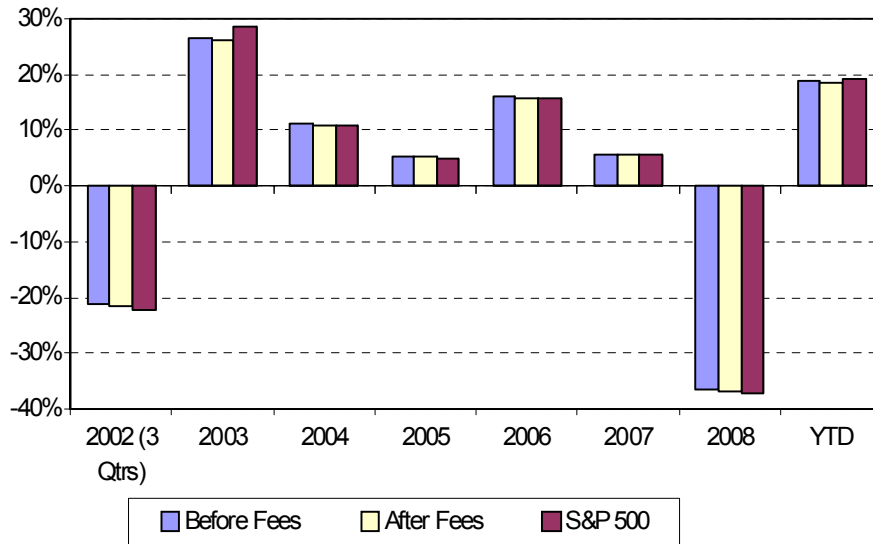
ING/State Street vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

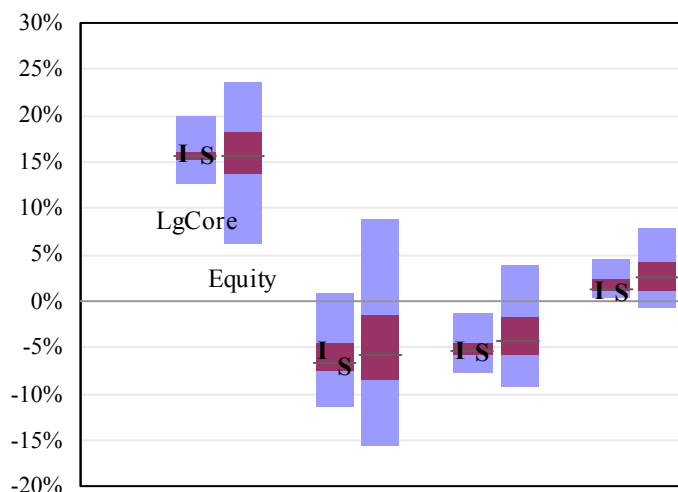


ING/State Street vs. S&P 500

Year by Year Performance



State Street (Legacy ING)



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------------|------------|---------------|----------------|----------------|
| State Street (ING) (I) | 15.8 | -5.4 | -5.4 | 1.2 |
| Rank v. Lg Core | 30 | 30 | 55 | 54 |
| Rank v. Equity | 47 | 46 | 66 | 73 |
| S&P 500 (S) | 15.6 | -6.9 | -5.4 | 1.0 |
| LgCore Median | 15.6 | -6.7 | -5.4 | 1.3 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | State Street | S&P 500 |
|----------------------------------|---------------------|--------------------|
| Eq Mkt Value (\$Mil) | 209.12 | N/A |
| Wtd. Avg. Cap (\$Bil) | 79.50 | 77.24 |
| Beta | 1.00 | 1.00 |
| Yield (%) | 2.12 % | 2.04 % |
| P/E Ratio | 25.00 | 25.54 |
| Cash (%) | 0.0 % | 0.0 % |

| | | |
|--------------------|------|-----|
| Number of Holdings | 412 | 500 |
| Turnover Rate (%) | 87.2 | - |

| Sector | State Street | S&P 500 |
|---------------------|---------------------|--------------------|
| Energy | 11.8 % | 11.7 % |
| Materials | 3.3 | 3.5 |
| Industrials | 10.5 | 10.2 |
| Cons. Discretionary | 8.8 | 9.2 |
| Consumer Staples | 12.0 | 11.5 |
| Health Care | 13.0 | 13.1 |
| Financials | 14.5 | 15.2 |
| Info Technology | 18.7 | 18.7 |
| Telecom Services | 3.5 | 3.2 |
| Utilities | 4.0 | 3.7 |

ING was terminated during the first quarter 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 will be used to fund the initial global equity investment with J.P. Morgan.

The portfolio returned 15.8% during the third quarter, which was better than the 15.6% return of the S&P 500 and ranked in the 30th percentile in the universe of large core equity managers. For the one-year period, the portfolio (under its combined managers) returned -5.4%, trailing the -6.9% return of the S&P 500.

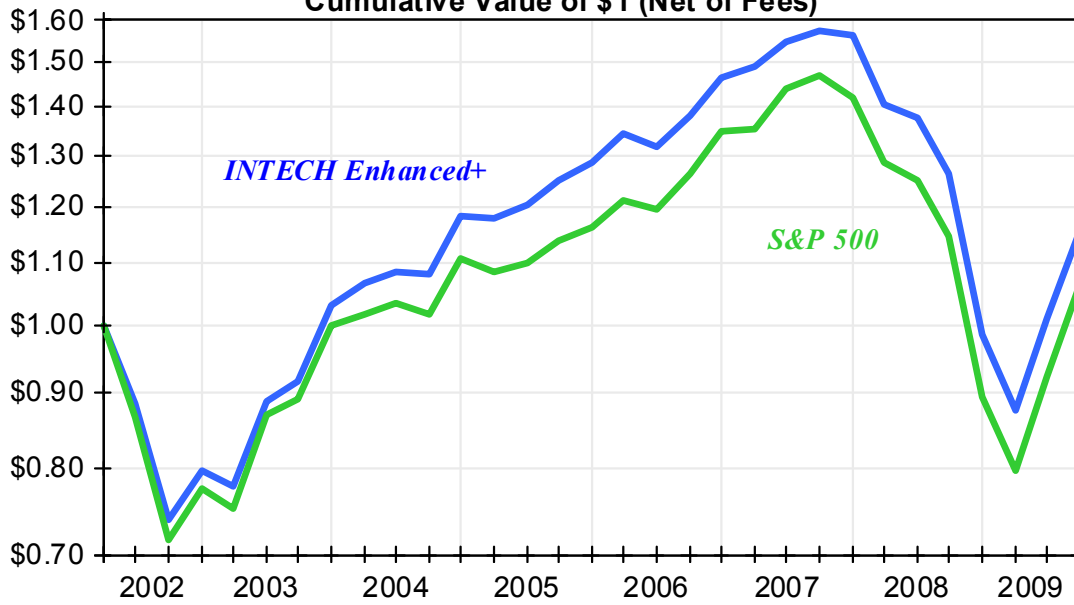
Portfolio characteristics are close to the S&P 500, as expected.

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Enhanced Plus

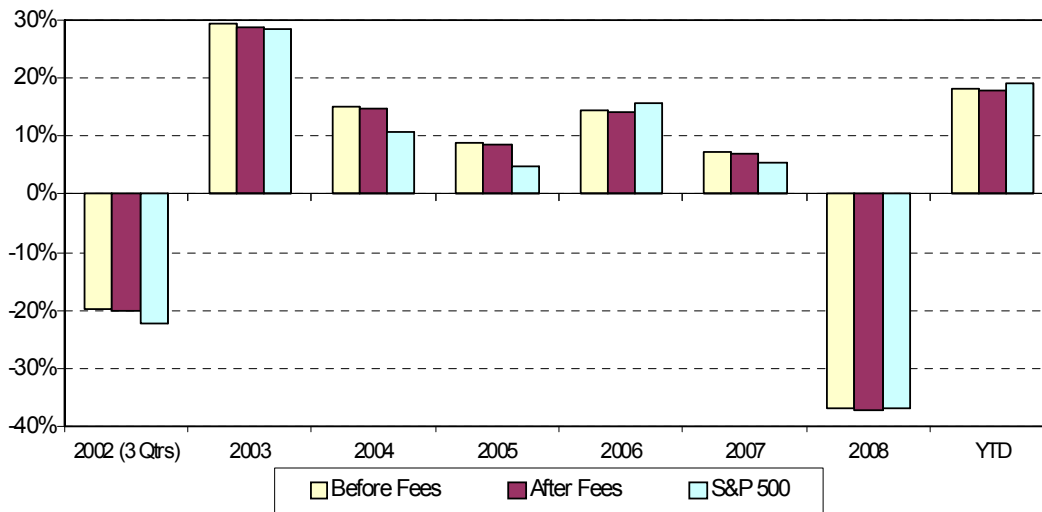
INTECH Enhanced Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

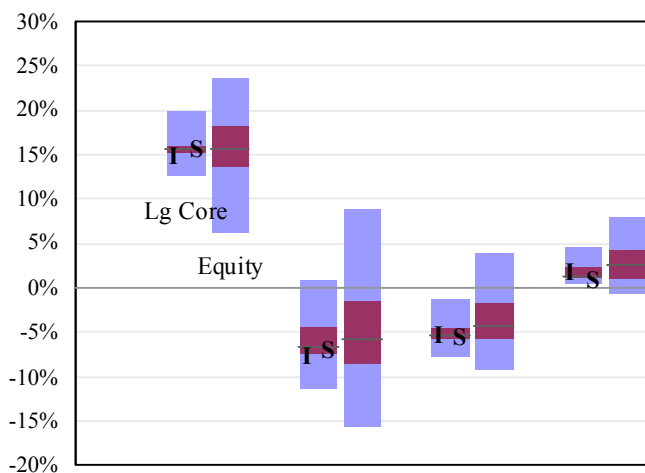


Intech Enhanced Plus vs. S&P 500

Year by Year Performance



Intech - Enhanced Plus



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-----------------|------------|---------------|----------------|----------------|
| INTECH Enh+ (I) | 14.9 | -7.7 | -5.4 | 1.7 |
| Rank v. Lg Core | 82 | 76 | 63 | 40 |
| Rank v. Equity | 63 | 69 | 68 | 63 |
| S&P 500 (S) | 15.6 | -6.9 | -5.4 | 1.0 |
| Lg Core Median | 15.6 | -6.7 | -5.4 | 1.3 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Intech - Enhanced Plus | S&P 500 |
|----------------------------------|-------------------------------|--------------------|
| Eq Mkt Value (\$Mil) | 19.08 | N/A |
| Wtd. Avg. Cap (\$Bil) | 72.71 | 77.24 |
| Beta | 0.93 | 1.00 |
| Yield (%) | 2.21 % | 2.04 % |
| P/E Ratio | 24.47 | 25.54 |
| Cash (%) | 0.5 % | 0.0 % |
| Number of Holdings | 420 | 500 |
| Turnover Rate (%) | 87.1 | - |

| Sector | Intech - Enhanced Plus | S&P 500 |
|---------------------|-------------------------------|--------------------|
| Energy | 11.9 % | 11.7 % |
| Materials | 2.6 | 3.5 |
| Industrials | 8.2 | 10.2 |
| Cons. Discretionary | 11.6 | 9.2 |
| Consumer Staples | 11.8 | 11.5 |
| Health Care | 12.5 | 13.1 |
| Financials | 14.1 | 15.2 |
| Info Technology | 16.6 | 18.7 |
| Telecom Services | 4.6 | 3.2 |
| Utilities | 6.1 | 3.7 |

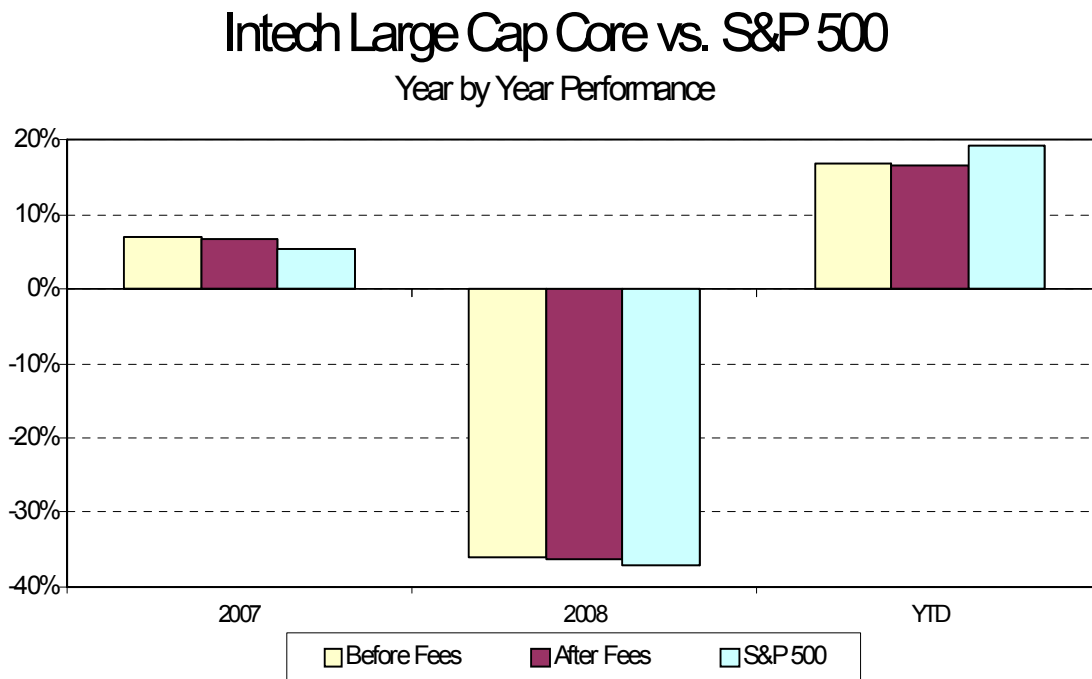
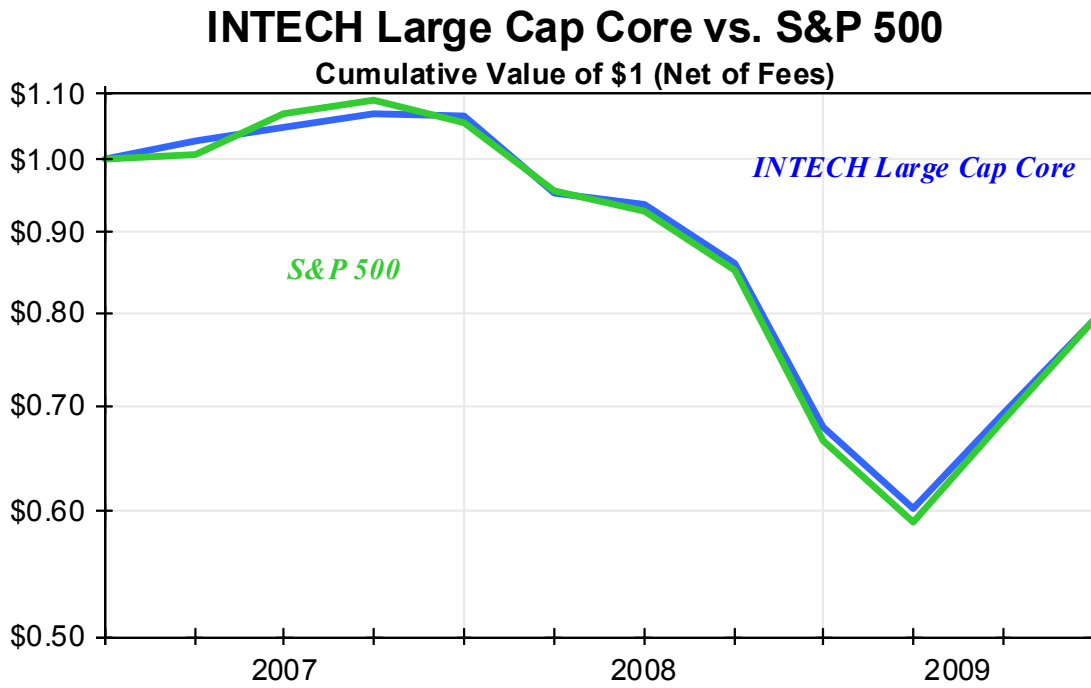
Intech's Enhanced Plus return of 14.9% for the third quarter trailed the 15.6% return of the S&P 500, and ranked in the 82nd percentile in the universe of large core equity managers. For the one-year period, Intech returned -7.7%, again trailing the -6.9% for the S&P 500, and ranked in the 76th percentile. Over the past five years, Intech returned 1.7%, better than the 1.0% return of the S&P 500, and ranked in the 40th percentile of large core equity managers. Intech Enhanced Plus is in compliance with CCCERA's performance objectives.

The portfolio has a below-market beta as the market of 0.93x, a higher yield and a below-market P/E ratio. The portfolio has 420 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the consumer discretionary, utilities and telecom sectors, while largest under-weights were in the information technology, industrials and financials sectors.

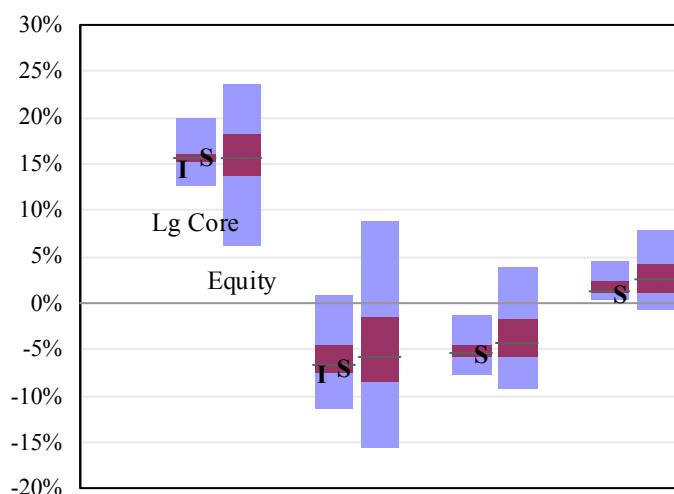
The portfolio's third quarter performance relative to the S&P 500 was hurt by both stock selection and sector allocation decisions. Stock selection in the consumer staples sector hurt the most during the third quarter. The best performing portfolio stocks included Hartford Financial Services (+124%), Wynn Resorts (+101%) and Textron (+97%), while the worst performing holdings during the quarter included MetroPCS Communications (-30%), Moodys (-22%) and Sprint Nextel (-18%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Large Cap Core



Intech - Large Cap Core



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-------------------|------------|---------------|----------------|----------------|
| Intech Lg Cap (I) | 14.5 | -7.7 | - | - |
| Rank v. Lg Core | 86 | 76 | - | - |
| Rank v. Equity | 67 | 69 | - | - |
| S&P 500 (S) | 15.6 | -6.9 | -5.4 | 1.0 |
| Lg Core Median | 15.6 | -6.7 | -5.4 | 1.3 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Intech - Large Cap | S&P 500 |
|----------------------------------|---------------------------|--------------------|
| Eq Mkt Value (\$Mil) | 207.16 | N/A |
| Wtd. Avg. Cap (\$Bil) | 69.34 | 77.24 |
| Beta | 0.90 | 1.00 |
| Yield (%) | 2.26 % | 2.04 % |
| P/E Ratio | 24.58 | 25.54 |
| Cash (%) | 0.4 % | 0.0 % |

| | | |
|--------------------|-------|-----|
| Number of Holdings | 393 | 500 |
| Turnover Rate (%) | 119.5 | - |

| Sector | Intech - Large Cap | S&P 500 |
|---------------------|---------------------------|--------------------|
| Energy | 11.2 % | 11.7 % |
| Materials | 2.6 | 3.5 |
| Industrials | 7.2 | 10.2 |
| Cons. Discretionary | 12.7 | 9.2 |
| Consumer Staples | 11.9 | 11.5 |
| Health Care | 12.3 | 13.1 |
| Financials | 13.5 | 15.2 |
| Info Technology | 16.2 | 18.7 |
| Telecom Services | 5.2 | 3.2 |
| Utilities | 7.3 | 3.7 |

Intech's Large Cap Core (the larger, more aggressive Intech portfolio) had a return of 14.5% for the third quarter, which trailed the 15.6% return of the S&P 500 and ranked in the 86th percentile in the universe of large core equity managers. Over the past year, the portfolio has returned -7.7%, trailing the S&P 500 return of -6.9% and ranked in the 76th percentile of large core equity managers.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a beta of 0.90x, an above-market yield and a below-market P/E ratio. The portfolio has 393 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the utilities, consumer discretionary, and telecom sectors, while largest under-weights were in the industrials, information technology and financials sectors.

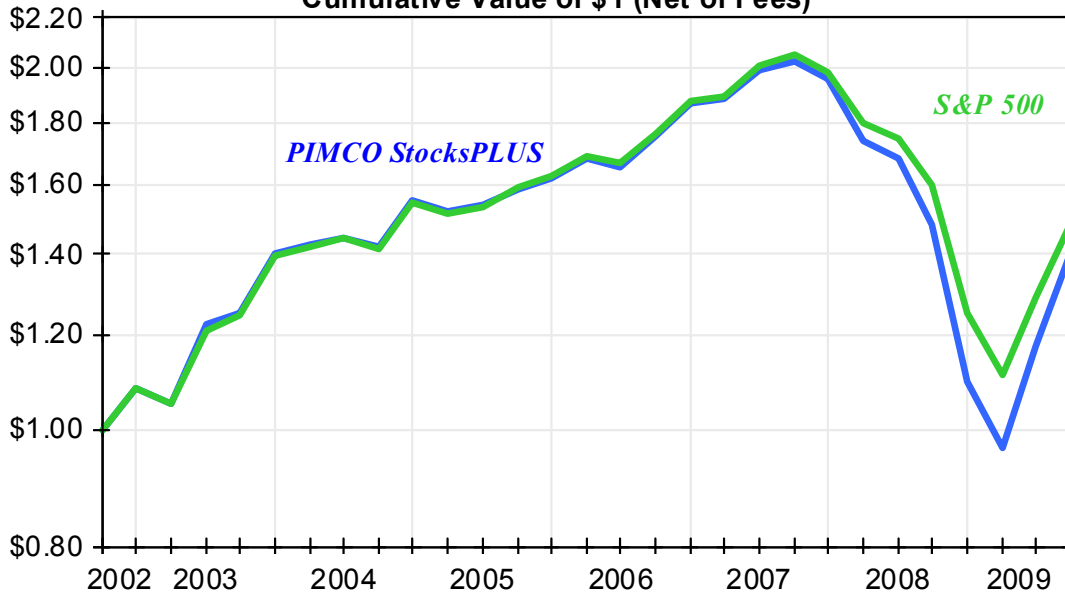
Intech's third quarter performance relative to the S&P 500 was hurt by both stock selection and sector allocation decisions. The best performing portfolio stocks included Hartford Financial Services (+124%), Wynn Resorts (+101%) and Textron (+97%), while the worst performing holdings during the quarter included MetroPCS Communications (-30%), Moodys (-22%) and Sprint Nextel (-18%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

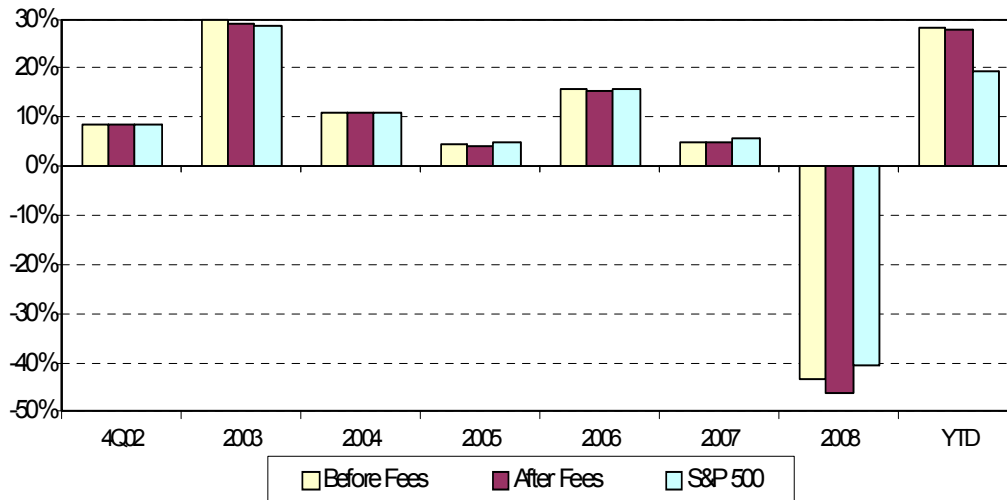
PIMCO StocksPLUS vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

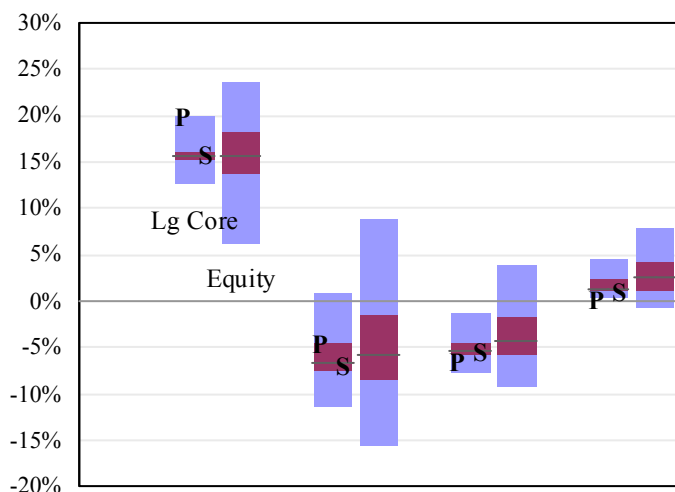


PIMCO vs. S&P 500

Year by Year Performance



PIMCO



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------|------------|---------------|----------------|----------------|
| PIMCO Stock+ (P) | 19.8 | -4.6 | -6.7 | 0.1 |
| Rank v. Lg Core | 5 | 26 | 83 | 96 |
| Rank v. Equity | 16 | 41 | 82 | 91 |
| S&P 500 (S) | 15.6 | -6.9 | -5.4 | 1.0 |
| Lg Core Median | 15.6 | -6.7 | -5.4 | 1.3 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

Portfolio

| Characteristics | PIMCO | S&P 500 |
|-----------------------|--------|---------|
| Eq Mkt Value (\$Mil) | 218.0 | N/A |
| Wtd. Avg. Cap (\$Bil) | * | 77.24 |
| Beta | * | 1.00 |
| Yield (%) | * % | 2.04 % |
| P/E Ratio | * | 25.54 |
| Cash (%) | 40.1 % | 0.0 % |

| | | |
|--------------------|----------|-----|
| Number of Holdings | * | 500 |
| Turnover Rate (%) | 2,473.38 | - |

| Sector | PIMCO | S&P 500 |
|---------------------|-------|---------|
| Energy | * % | 11.7 % |
| Materials | * | 3.5 |
| Industrials | * | 10.2 |
| Cons. Discretionary | * | 9.2 |
| Consumer Staples | * | 11.5 |
| Health Care | * | 13.1 |
| Financials | * | 15.2 |
| Info Technology | * | 18.7 |
| Telecom Services | * | 3.2 |
| Utilities | * | 3.7 |

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

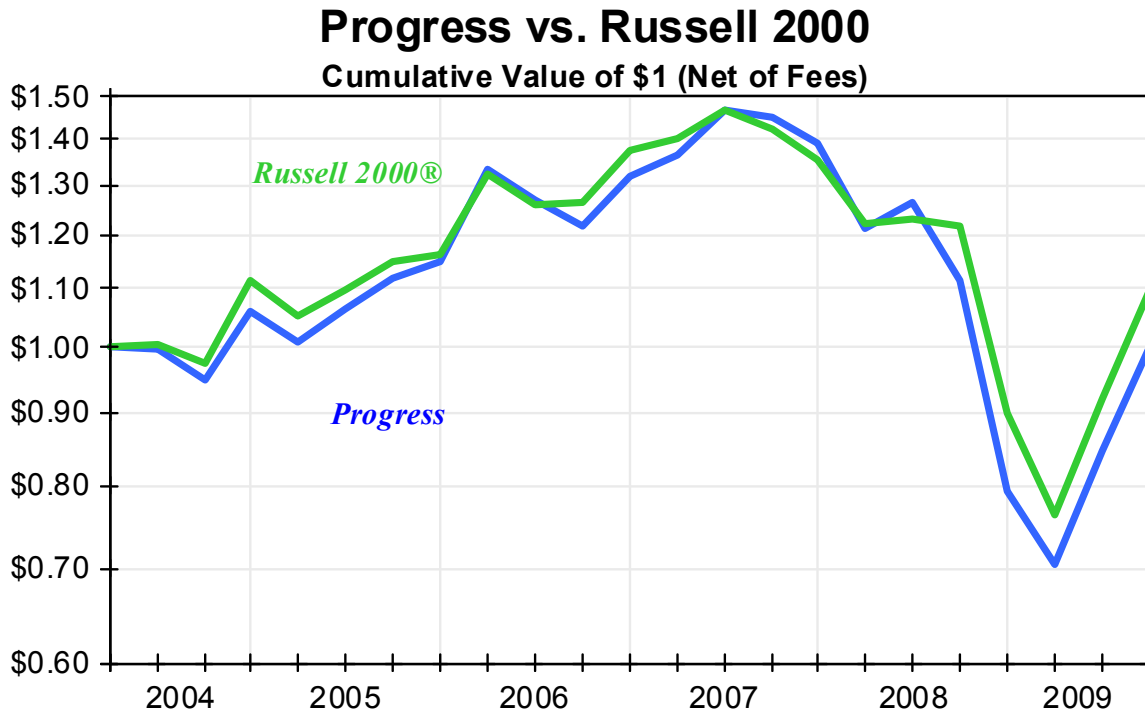
PIMCO's StocksPLUS (futures plus cash) portfolio returned 19.8% for the third quarter, well above the 15.6% return of the S&P 500, and ranked in the 5th percentile of large core managers. For the one-year period, PIMCO returned -4.6%, better than the -6.9% return of the S&P 500, and ranked in the 26th 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 third quarter returns included broad exposure to the yield curve which provided incremental yield and positive price performance as yields declined moderately, money market futures that gained as central banks indicated that rates would remain low, an emphasis on Agency mortgage pass-throughs, corporate holdings and high quality consumer asset-backed securities.

The firm expects a weak recovery in 2010 but is increasingly concerned about the prospect of a double dip recession. It believes that emerging markets should continue to grow faster than the developed world and that substantial excess capacity should keep a lid on over a cyclical time frame. PIMCO is tactically reducing risk exposures after rallies in non-Treasury assets. It will maintain an extended duration and begin to reduce exposure to Agency MBS.

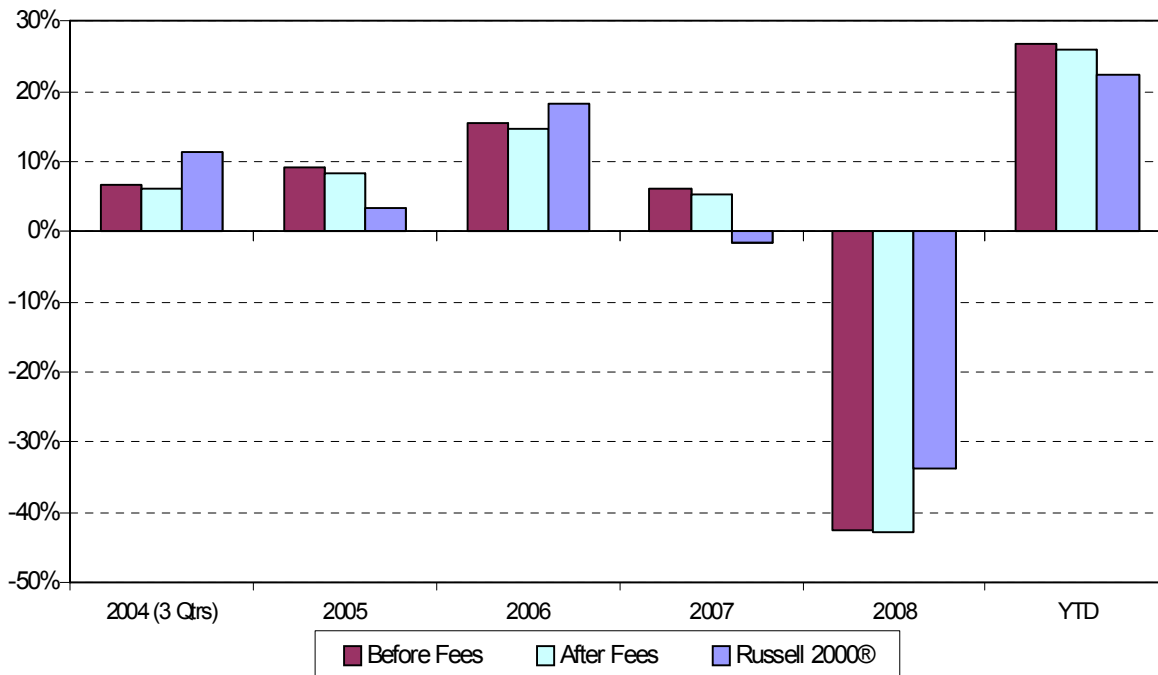
MANAGER COMMENTS – DOMESTIC EQUITY

Progress

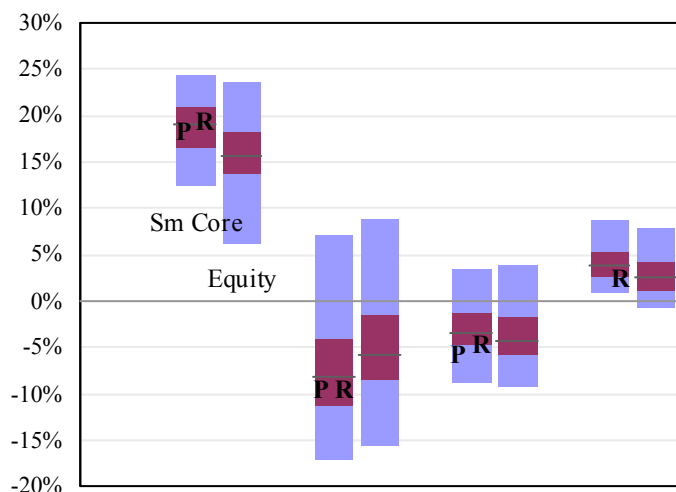


Progress vs. Russell 2000®

Year by Year Performance



Progress



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-------------------|------------|---------------|----------------|----------------|
| Progress (P) | 18.3 | -9.6 | -5.7 | 1.8 |
| Rank v. Sm Core | 59 | 67 | 84 | 86 |
| Rank v. Equity | 25 | 80 | 74 | 62 |
| Russell 2000® (R) | 19.3 | -9.5 | -4.6 | 2.4 |
| Sm Core Median | 19.0 | -8.2 | -3.4 | 3.8 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Progress | Russell 2000® |
|----------------------------------|-----------------|----------------------|
| Eq Mkt Value (\$Mil) | 126.33 | N/A |
| Wtd. Avg. Cap (\$Bil) | 1.83 | 0.92 |
| Beta | 1.25 | 1.26 |
| Yield (%) | 1.46 % | 1.23 % |
| P/E Ratio | 38.53 | 856.88 |
| Cash (%) | 0.0 % | 0.0 % |
| Number of Holdings | 620 | 2,012 |
| Turnover Rate (%) | 7.2 | - |

| Sector | Progress | Russell 2000® |
|---------------------|-----------------|----------------------|
| Energy | 7.1 % | 4.9 % |
| Materials | 6.6 | 4.4 |
| Industrials | 14.5 | 15.9 |
| Cons. Discretionary | 13.1 | 13.5 |
| Consumer Staples | 4.8 | 3.4 |
| Health Care | 12.0 | 14.0 |
| Financials | 17.3 | 20.2 |
| Info Technology | 19.6 | 19.4 |
| Telecom Services | 1.6 | 1.1 |
| Utilities | 3.3 | 3.2 |

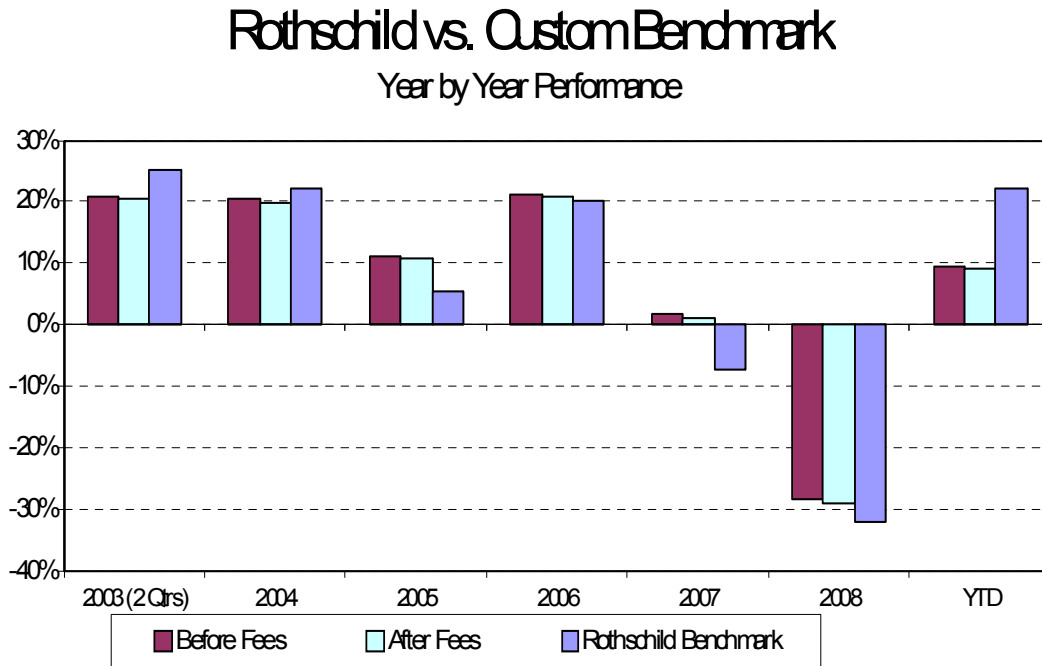
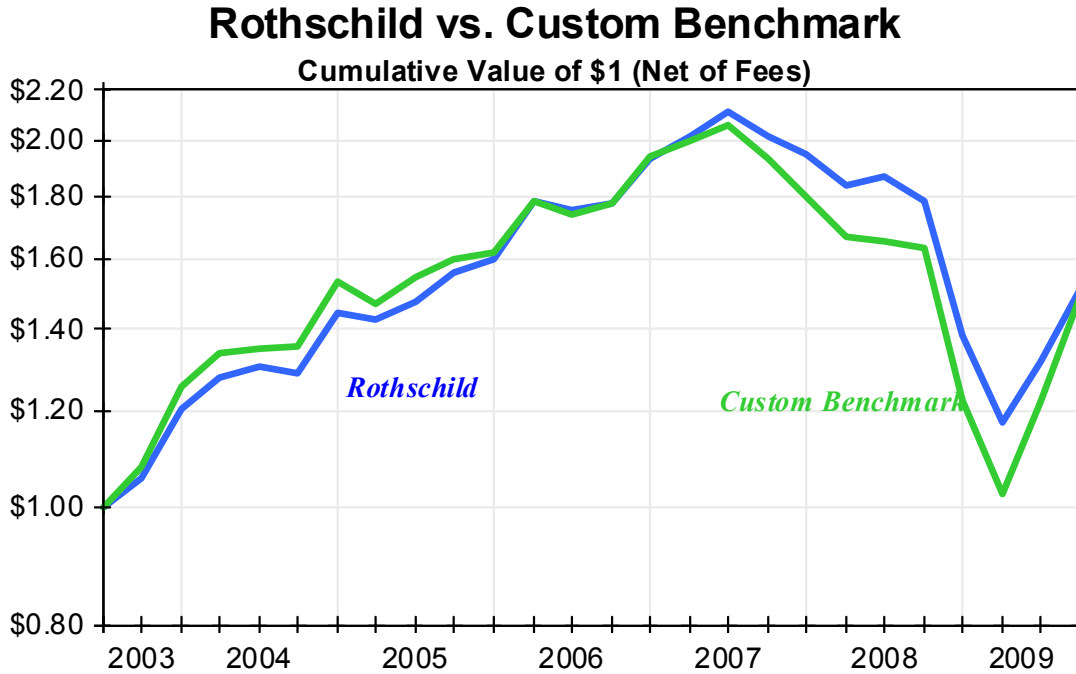
Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned 18.3% for the third quarter, trailing the 19.3% return of the Russell 2000® Index and ranking in the 59th percentile of small core managers. Over the past year, Progress returned -9.6%, nearly matching the -9.5% return of the Russell 2000® Index, and ranked in the 67th percentile of small cap equity managers. Over the past five years, Progress has trailed its benchmark and has ranked in the 86th percentile of the small core universe. Progress is not in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.25x, slightly lower than the Russell 2000® Index. The portfolio had an above-market yield and a below-market P/E ratio. It included 587 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the energy, materials and consumer staples sectors, while the largest under-weights were in the financials, health care and industrials sectors.

The portfolio's third quarter performance was hurt by stock selection but helped by sector allocation decisions relative to the Russell 2000®. During the quarter, the best performing holdings included Sanmina Corp (+226%), Valassis Communications (+193%) and Brigham Exploration (+160%). The worst performing holdings included Spartan Motors (-55%), Synaptics (-34%) and GSI Lumonics (-23%).

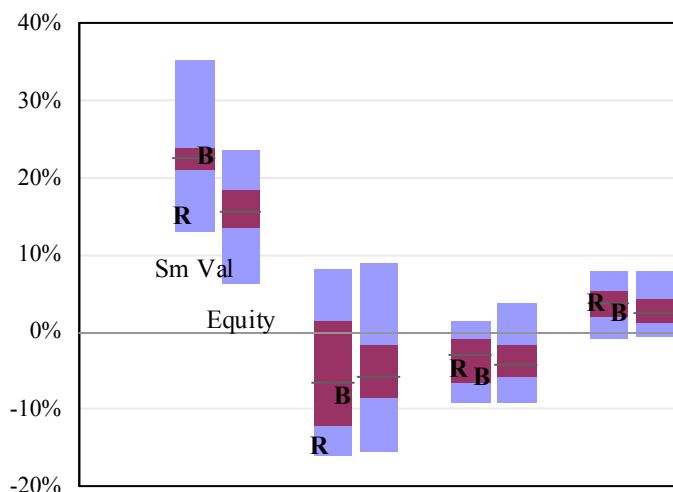
MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild



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

Rothschild



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------|------------|---------------|----------------|----------------|
| Rothschild (R) | 15.2 | -14.8 | -4.7 | 3.8 |
| Rank v. Sm Val | 93 | 91 | 63 | 50 |
| Rank v. Equity | 61 | 93 | 55 | 32 |
| Custom Bench (B) | 22.8 | -8.3 | -5.7 | 2.5 |
| Sm Val Median | 22.4 | -6.5 | -2.9 | 3.8 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

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

| Portfolio Characteristics | Rothschild | Russell 2500™ Value |
|---------------------------|------------|---------------------|
| Eq Mkt Value (\$Mil) | 121.20 | N/A |
| Wtd. Avg. Cap (\$Bil) | 1.88 | 2.04 |
| Beta | 1.09 | 1.28 |
| Yield (%) | 1.70 % | 1.99 % |
| P/E Ratio | 79.51 | n/a |
| Cash (%) | 1.1 % | 0.0 % |
| Number of Holdings | 151 | 1,758 |
| Turnover Rate (%) | 89.4 | - |

| Sector | Rothschild | Russell 2500™ Value |
|---------------------|------------|---------------------|
| Energy | 3.4 % | 6.9 % |
| Materials | 7.5 | 8.2 |
| Industrials | 16.2 | 12.9 |
| Cons. Discretionary | 12.5 | 12.0 |
| Consumer Staples | 4.2 | 3.1 |
| Health Care | 6.0 | 5.4 |
| Financials | 28.3 | 30.7 |
| Info Technology | 14.9 | 9.5 |
| Telecom Services | 1.5 | 1.8 |
| Utilities | 5.5 | 9.6 |

Rothschild's return of 15.2% for the third quarter significantly trailed the 22.8% return of the Russell 2500™ Value Index and ranked in the 93rd percentile in the universe of small value equity managers. For the one-year period, Rothschild returned -14.8%, again trailing the custom benchmark return of -8.3%, and ranked in the 91st percentile. Over the past three and five-year periods, Rothschild exceeded its custom benchmark and ranked in the 63rd and 50th percentiles, respectively. This portfolio is in compliance with some of the CCCERA performance objectives.

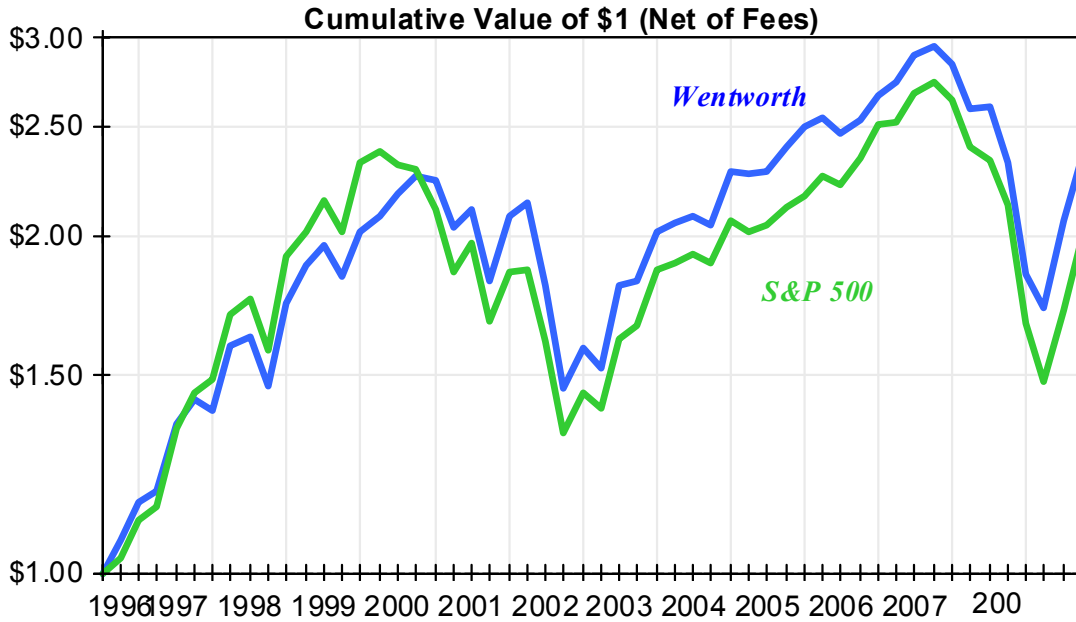
The portfolio had a beta of 1.09x, lower than the index, a below-index yield and a large P/E ratio. It included 151 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ Value Index were in the information technology, industrials and consumer staples sectors, while the largest under-weights were in the utilities, energy and financials sectors.

Rothschild's third quarter performance relative to the Russell 2500™ Value index was hurt significantly by stock selection while sector allocation decisions were neutral. Trading decisions had a positive impact on performance. Stock selection in the consumer discretionary, financials and information technology sectors had the largest negative impacts on the portfolio during the third quarter. The best performing portfolio stocks were Avis Budget Group (+136%), Armstrong World (+109%) and Dollar Thrifty Automotive (+76%). The worst performing holdings included Spartan Motors (-55%), Arqule (-26%) and United Financial Bancorp (-16%).

MANAGER COMMENTS – DOMESTIC EQUITY

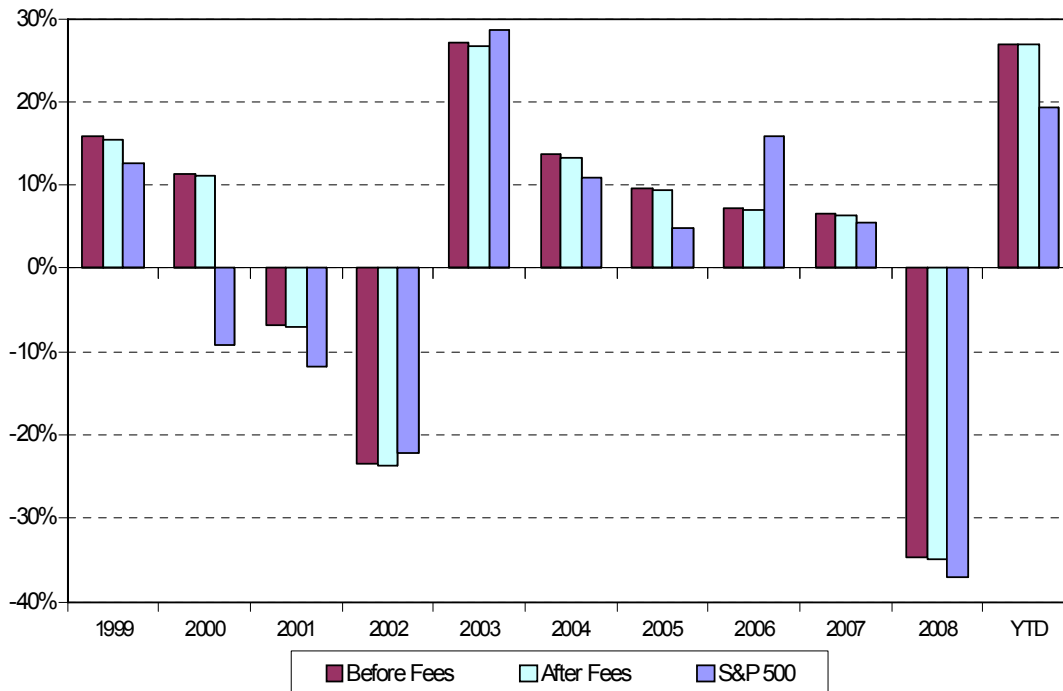
Wentworth, Hauser and Violich

Wentworth, Hauser & Violich vs. S&P 500

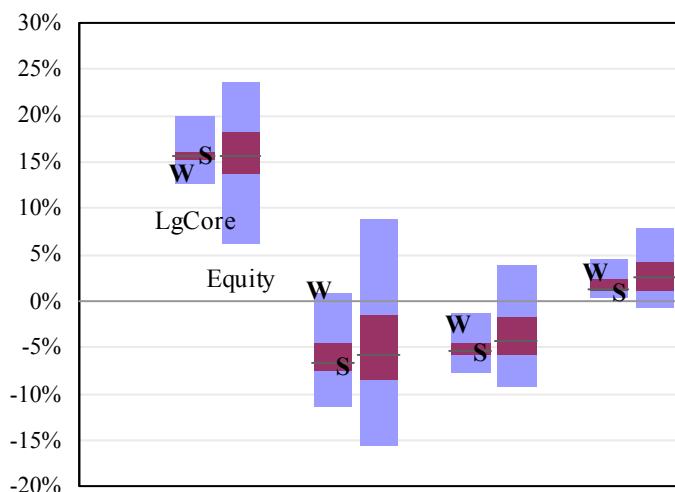


Wentworth vs. S&P 500

Year by Year Performance



Wentworth, Hauser and Violich



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-----------------|------------|---------------|----------------|----------------|
| WHV (W) | 13.7 | 1.2 | -2.4 | 3.0 |
| Rank v. Lg Core | 89 | 4 | 9 | 17 |
| Rank v. Equity | 74 | 16 | 31 | 42 |
| S&P 500 (S) | 15.6 | -6.9 | -5.4 | 1.0 |
| Lg Core Medium | 15.6 | -6.7 | -5.4 | 1.3 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

Portfolio

| <u>Characteristics</u> | <u>Wentworth</u> | <u>S&P 500</u> |
|------------------------|------------------|--------------------|
| Eq Mkt Value (\$Mil) | 225.72 | N/A |
| Wtd. Avg. Cap (\$Bil) | 58.54 | 77.24 |
| Beta | 1.04 | 1.00 |
| Yield (%) | 1.19 | 2.04 |
| P/E Ratio | 31.43 | 25.54 |
| Cash (%) | 0.5 | 0.0 |

| | | |
|--------------------|------|-----|
| Number of Holdings | 38 | 500 |
| Turnover Rate (%) | 73.3 | - |

| <u>Sector</u> | <u>Wentworth</u> | <u>S&P 500</u> |
|---------------------|------------------|--------------------|
| Energy | 15.9 % | 11.7 % |
| Materials | 4.3 | 3.5 |
| Industrials | 11.4 | 10.2 |
| Cons. Discretionary | 10.2 | 9.2 |
| Consumer Staples | 8.5 | 11.5 |
| Health Care | 11.2 | 13.1 |
| Financials | 14.8 | 15.2 |
| Info Technology | 21.3 | 18.7 |
| Telecom Services | 0.0 | 3.2 |
| Utilities | 2.5 | 3.7 |

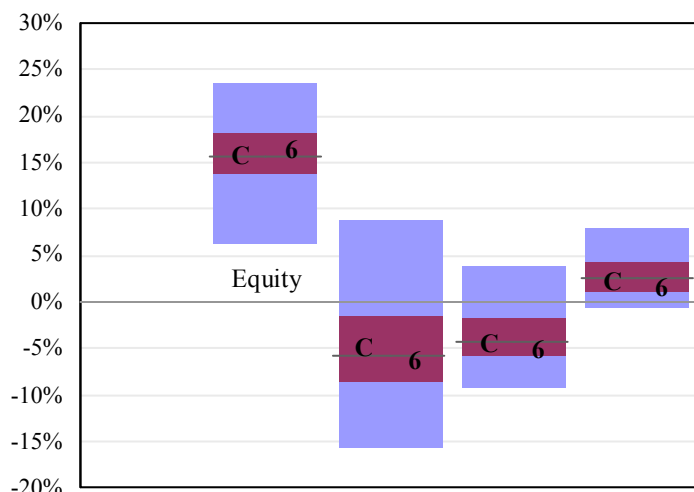
Wentworth's return of 13.7% for the third quarter trailed the 15.6% return of the S&P 500 and ranked in the 89th percentile of large core managers. For the one-year period, Wentworth returned 1.2%, better than the -6.9% return of the S&P 500, and ranked in the 4th percentile. Wentworth has exceeded the 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 near-market beta of 1.04x, a below-market yield and an above-market P/E ratio. The portfolio has 38 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the energy, information technology and industrials sectors, while largest under-weights are in the telecom services, consumer staples and health care sectors.

Wentworth's third quarter performance relative to the S&P 500 was hurt by both stock selection and sector allocation decisions. Stock selection in the information technology and industrials sectors was particularly weak. The best performing portfolio stocks included Nordstrom Inc. (+54%), Cognizant Technology (+45%) and General Electric (+41%) while the worst performing holdings included Intercontinental Exchange (-15%), Laboratory Corp of America (-3%) and Oracle Systems (-2%).

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Total Domestic Equity



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-------------------|------------|---------------|----------------|----------------|
| Total Equity (C) | 15.8 | -4.9 | -4.5 | 2.2 |
| Rank v. Equity | 48 | 43 | 52 | 54 |
| Russell 3000® (6) | 16.3 | -6.4 | -5.1 | 1.6 |
| Equity Median | 15.7 | -5.8 | -4.2 | 2.5 |

| Portfolio Characteristics | Total Fund | Russell 3000® |
|----------------------------------|-------------------|----------------------|
| Eq Mkt Value (\$Mil) | 1,803.55 | N/A |
| Wtd. Avg. Cap (\$Bil) | 49.26 | 63.82 |
| Beta | 1.02 | 1.04 |
| Yield (%) | 1.51 % | 1.89 % |
| P/E Ratio | 32.63 | 30.11 |
| Cash (%) | 5.4 % | 0.0 % |

| | | |
|--------------------|-------|-------|
| Number of Holdings | 1,302 | 2,978 |
| Turnover Rate (%) | 328.1 | - |

| Sector | Total Fund | Russell 3000® |
|---------------------|-------------------|----------------------|
| Energy | 9.8 % | 10.9 % |
| Materials | 5.0 | 4.0 |
| Industrials | 9.1 | 10.8 |
| Cons. Discretionary | 11.0 | 10.2 |
| Consumer Staples | 7.3 | 10.1 |
| Health Care | 12.9 | 12.9 |
| Financials | 17.1 | 15.9 |
| Info Technology | 22.2 | 18.5 |
| Telecom Services | 2.6 | 2.9 |
| Utilities | 3.1 | 3.9 |

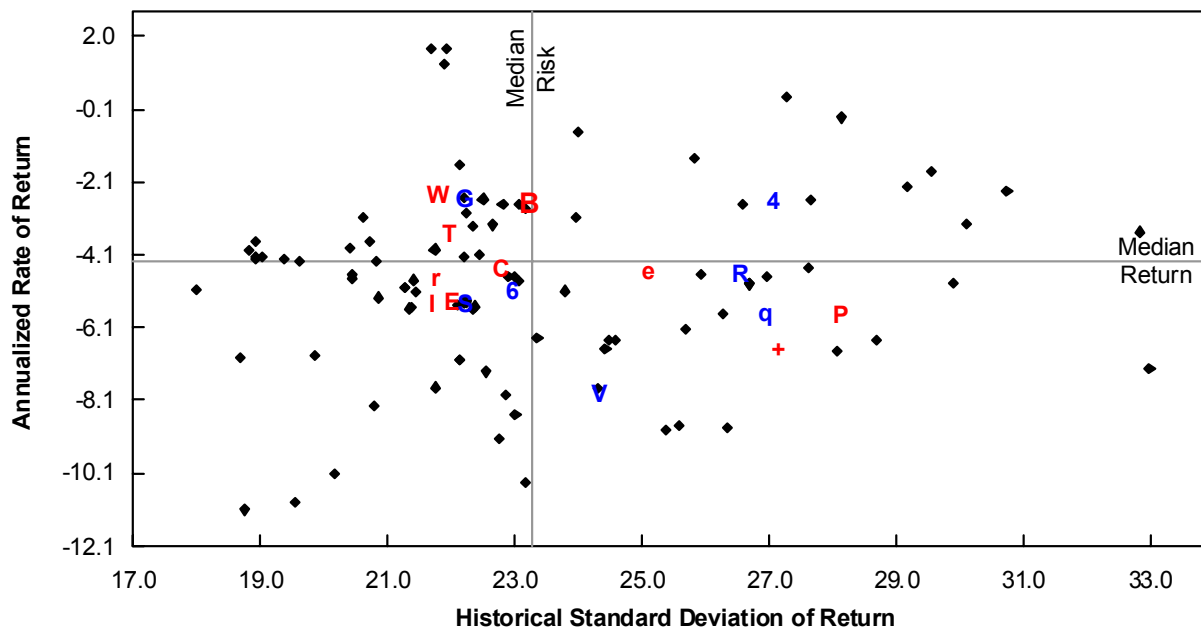
CCCERA total domestic equities returned 15.8% in the third quarter, which trailed the 16.8% return of the Russell 3000® Index, but ranked in the 48th percentile of all equity managers. For the one-year period, the CCCERA equity return of -4.9% was better than the -6.4% return of the Russell 3000® and the -5.8% return of the median manager. Over the past three years, CCCERA domestic equities exceeded the Russell 3000® index but marginally trailed the median manager. Over the past five years the domestic equities exceeded the Russell 3000®, but again trailed the median.

The combined domestic equity portfolio has a beta of 1.03x, 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 1,302 stocks. The combined portfolio's largest economic sector over-weights are in the information technology, financials and materials sectors, while the largest under-weights are in the consumer staples, industrials and energy sectors.

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

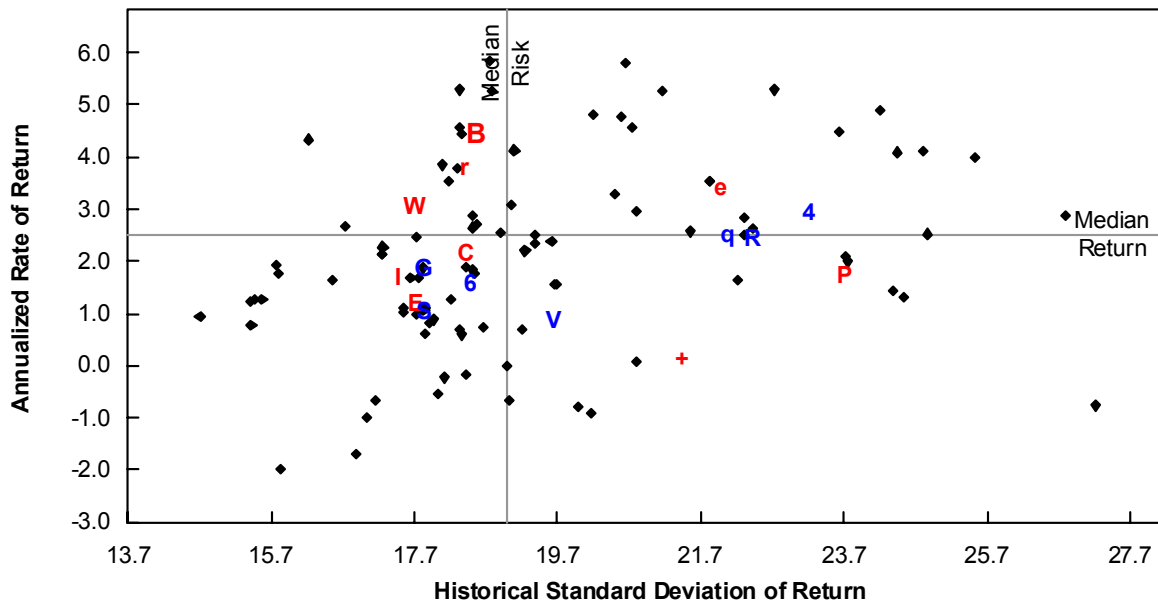
Three Years Ending September 30, 2009



| Domestic Equity Manager | Annualized Return | Standard Deviation | Risk/Reward Ratio |
|-----------------------------------|----------------------|-----------------------|----------------------|
| Boston Partners (B) | -2.7 % | 23.2 % | -0.24 |
| Delaware (D) | -3.5 | 22.0 | -0.29 |
| Emerald (e) | -4.5 | 25.1 | -0.29 |
| ING Investment (E) | -5.4 | 22.0 | -0.37 |
| INTECH Enhanced (I) | -5.4 | 21.7 | -0.38 |
| PIMCO StocksPLUS (+) | -6.7 | 27.1 | -0.35 |
| Progress (P) | -5.7 | 28.1 | -0.30 |
| Rothschild (r) | -4.7 | 21.8 | -0.35 |
| Wentworth, Hauser (W) | -2.4 | 21.8 | -0.24 |
| Domestic Equitiy (C) | -4.5 | 22.8 | -0.32 |
| Russell® 3000 (6) | -5.1 | 23.0 | -0.34 |
| S&P 500 (S) | -5.4 | 22.2 | -0.37 |
| Russell 1000® Growth (G) | -2.5 | 22.2 | -0.24 |
| Russell 1000® Value (V) | -7.9 | 24.3 | -0.44 |
| Russell 2000® (R) | -4.6 | 26.5 | -0.28 |
| Russell 2000® Growth (4) | -2.6 | 27.1 | -0.20 |
| Russell 2500™ Value (q) | -5.7 | 26.9 | -0.31 |
| Median Equity Port. | -4.2 | 23.3 | -0.30 |

Domestic Equity Performance and Variability

Five Years Ending September 30, 2009



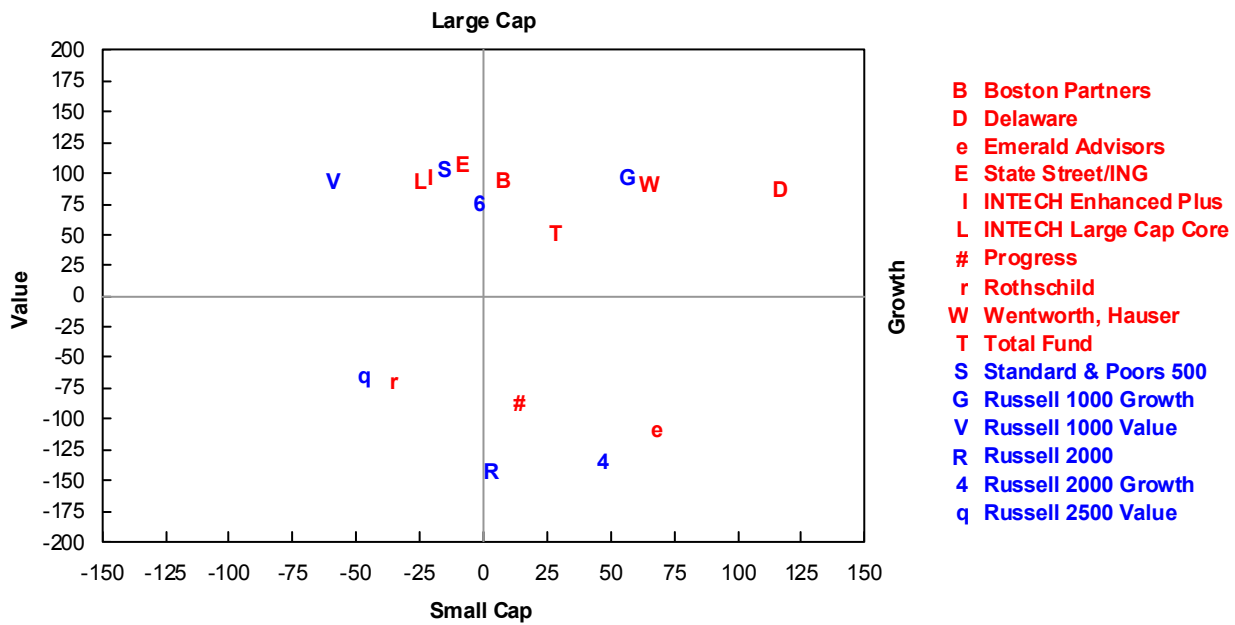
| Domestic Equity Manager | Annualized Return | Standard Deviation | Risk/Reward Ratio |
|-----------------------------------|-------------------|--------------------|-------------------|
| Boston Partners (B) | 4.5 % | 18.6 % | 0.07 |
| Emerald (e) | 3.4 | 22.0 | 0.01 |
| ING Investment (E) | 1.2 | 17.8 | -0.11 |
| INTECH Enhanced (I) | 1.7 | 17.5 | -0.08 |
| PIMCO StocksPLUS (P) | 0.1 | 21.5 | -0.14 |
| Progress (P) | 1.8 | 23.7 | -0.06 |
| Rothschild (r) | 3.8 | 18.4 | 0.04 |
| Wentworth, Hauser (W) | 3.0 | 17.7 | 0.00 |
| Domestic Equity (C) | 2.2 | 18.5 | -0.05 |
| Russell® 3000 (6) | 1.6 | 18.5 | -0.08 |
| S&P 500 (S) | 1.0 | 17.9 | -0.12 |
| Russell 1000® Growth (G) | 1.9 | 17.9 | -0.07 |
| Russell 1000® Value (V) | 0.9 | 19.7 | -0.11 |
| Russell 2000® (R) | 2.4 | 22.5 | -0.03 |
| Russell 2000® Growth (4) | 2.9 | 23.2 | -0.01 |
| Russell 2500™ Value (q) | 2.5 | 22.1 | -0.03 |
| Median Equity Port. | 2.5 | 19.0 | -0.03 |

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MANAGER COMMENTS - DOMESTIC EQUITY

Domestic Equity Style Map

As of September 30, 2009



PORTFOLIO PROFILE REPORT

| | Russell 3000® 9/30/2009 | Combined Equity 9/30/2009 | Russell 1000® Value 9/30/2009 | Boston 9/30/2009 | Russell 1000® Growth 9/30/2009 | Delaware 9/30/2009 |
|-----------------------------|--|--|--|-----------------------------|---|-------------------------------|
| Equity Market Value (\$000) | | 1,759,925 | | 278,482 | | 274,087 |
| Beta | 1.04 | 1.02 | 1.12 | 0.96 | 0.93 | 0.92 |
| Yield | 1.89 | 1.51 | 2.28 | 1.80 | 1.62 | 0.79 |
| P/E Ratio | 30.11 | 32.63 | 33.19 | 24.24 | 24.17 | 36.14 |
| Standard Error | 1.39 | 2.01 | 2.33 | 1.96 | 1.65 | 3.85 |
| R ² | 0.98 | 0.95 | 0.94 | 0.95 | 0.96 | 0.83 |
| Wtd Cap Size (\$Mil) | 63,818 | 49,263 | 68,413 | 70,783 | 69,999 | 43,762 |
| Avg Cap Size (\$Mil) | 738 | 4,484 | 3,721 | 17,054 | 4,239 | 23,398 |
| Number of Holdings | 2,978 | 1,302 | 676 | 85 | 625 | 30 |
| Economic Sectors | | | | | | |
| Energy | 10.85 | 9.75 | 18.29 | 13.85 | 4.34 | 3.66 |
| Materials | 3.95 | 5.00 | 3.91 | 2.80 | 3.91 | 5.18 |
| Industrials | 10.79 | 9.05 | 10.55 | 6.50 | 10.16 | 6.21 |
| Consumer Discretionary | 10.23 | 11.02 | 9.48 | 9.29 | 10.42 | 9.96 |
| Consumer Staples | 10.09 | 7.34 | 5.44 | 5.43 | 15.95 | 6.64 |
| Health Care | 12.94 | 12.94 | 9.10 | 12.51 | 16.63 | 16.16 |
| Financials | 15.90 | 17.05 | 25.72 | 30.28 | 5.23 | 9.87 |
| Information Technology | 18.47 | 22.18 | 5.08 | 14.64 | 31.84 | 38.20 |
| Telecom. Services | 2.91 | 2.58 | 5.54 | 1.60 | 0.56 | 4.12 |
| Utilities | 3.87 | 3.08 | 6.87 | 3.10 | 0.96 | 0.00 |

PORTFOLIO PROFILE REPORT

| | S&P 500 Cap Wtd 9/30/2009 | State Street/ ING 9/30/2009 | Intech Enhanced 9/30/2009 | Intech Large Cap 9/30/2009 | PIMCO+ (S&P 500) 9/30/2009 | Wentworth 9/30/2009 |
|-------------------------|--|--|--|---|---|--------------------------------|
| Equity Market Value | | 209,116 | 19,082 | 207,155 | 174,416 | 225,722 |
| Beta | 1.00 | 1.00 | 0.93 | 0.90 | 1.00 | 1.04 |
| Yield | 2.04 | 2.12 | 2.21 | 2.26 | 2.04 | 1.19 |
| P/E Ratio | 25.54 | 25.00 | 24.47 | 24.58 | 25.54 | 31.43 |
| Standard Error | 0.00 | 1.16 | 1.11 | 1.32 | 0.00 | 2.96 |
| R ² | 1.00 | 0.98 | 0.98 | 0.97 | 1.00 | 0.91 |
| Wtd Cap Size (\$Mil) | 77,245 | 79,503 | 72,713 | 69,343 | 77,245 | 58,537 |
| Avg Cap Size (\$Mil) | 8,170 | 10,075 | 9,064 | 9,043 | 8,170 | 23,249 |
| Number of Holdings | 500 | 412 | 420 | 393 | 500 | 38 |
| Economic Sectors | | | | | | |
| Energy | 11.70 | 11.84 | 11.91 | 11.18 | 11.70 | 15.88 |
| Materials | 3.50 | 3.33 | 2.64 | 2.60 | 3.50 | 4.34 |
| Industrials | 10.20 | 10.47 | 8.20 | 7.22 | 10.20 | 11.35 |
| Consumer Discretionary | 9.17 | 8.76 | 11.59 | 12.65 | 9.17 | 10.19 |
| Consumer Staples | 11.54 | 11.96 | 11.77 | 11.86 | 11.54 | 8.50 |
| Health Care | 13.11 | 13.01 | 12.50 | 12.34 | 13.11 | 11.18 |
| Financials | 15.23 | 14.54 | 14.06 | 13.48 | 15.23 | 14.80 |
| Information Technology | 18.65 | 18.68 | 16.63 | 16.22 | 18.65 | 21.25 |
| Telecom. Services | 3.17 | 3.46 | 4.60 | 5.16 | 3.17 | 0.00 |
| Utilities | 3.72 | 3.96 | 6.09 | 7.29 | 3.72 | 2.53 |

PORTFOLIO PROFILE REPORT

| | Russell 2000® 9/30/2009 | Progress 9/30/2009 | Russell 2500™ Value 9/30/2009 | Rothschild 9/30/2009 | Russell 2000® Growth 9/30/2009 | Emerald 9/30/2009 |
|-------------------------|--|-------------------------------|--|---------------------------------|---|------------------------------|
| Equity Market Value | | 126,329 | | 121,204 | | 124,332 |
| Beta | 1.26 | 1.25 | 1.28 | 1.09 | 1.19 | 1.27 |
| Yield | 1.23 | 1.46 | 1.99 | 1.70 | 0.54 | 0.18 |
| P/E Ratio | n/a | 38.53 | n/a | 79.51 | n/a | n/a |
| Standard Error | 4.96 | 8.17 | 4.59 | 4.79 | 5.47 | 5.36 |
| R ² | 0.85 | 0.61 | 0.86 | 0.81 | 0.82 | 0.84 |
| Wtd Cap Size (\$Mil) | 920 | 1,829 | 2,040 | 1,884 | 973 | 1,202 |
| Avg Cap Size (\$Mil) | 386 | 955 | 496 | 1,197 | 414 | 929 |
| Number of Holdings | 2,012 | 620 | 1,758 | 151 | 1,270 | 146 |
| Economic Sectors | | | | | | |
| Energy | 4.94 | 7.13 | 6.85 | 3.44 | 3.87 | 3.83 |
| Materials | 4.41 | 6.57 | 8.16 | 7.53 | 2.29 | 5.60 |
| Industrials | 15.85 | 14.48 | 12.87 | 16.15 | 14.73 | 7.15 |
| Consumer Discretionary | 13.54 | 13.14 | 12.04 | 12.53 | 15.94 | 17.83 |
| Consumer Staples | 3.37 | 4.80 | 3.11 | 4.15 | 3.83 | 2.56 |
| Health Care | 14.03 | 12.04 | 5.36 | 5.95 | 23.83 | 21.80 |
| Financials | 20.21 | 17.33 | 30.73 | 28.34 | 5.88 | 7.12 |
| Information Technology | 19.44 | 19.60 | 9.47 | 14.92 | 27.96 | 34.11 |
| Telecom. Services | 1.05 | 1.59 | 1.83 | 1.53 | 1.49 | 0.00 |
| Utilities | 3.16 | 3.33 | 9.59 | 5.45 | 0.18 | 0.00 |

PORTFOLIO PROFILE REPORT

| | Russell 3000® 9/30/2009 | Combined Equity 9/30/2009 | Russell 1000® Value 9/30/2009 | Boston 9/30/2009 | Russell 1000® Growth 9/30/2009 | Delaware 9/30/2009 |
|-------------------------------|-------------------------------|---------------------------------|--|---------------------|---|-----------------------|
| Beta Sectors | | | | | | |
| 1 0.0 - 0.9 | 44.61 | 45.78 | 39.23 | 47.27 | 52.38 | 52.44 |
| 2 0.9 - 1.1 | 16.62 | 18.08 | 17.29 | 22.41 | 16.56 | 23.88 |
| 3 1.1 - 1.3 | 14.07 | 12.77 | 14.07 | 12.40 | 14.04 | 7.95 |
| 4 1.3 - 1.5 | 8.67 | 7.92 | 10.59 | 9.40 | 6.31 | 3.55 |
| 5 Above 1.5 | 16.02 | 15.45 | 18.82 | 8.52 | 10.71 | 12.18 |
| Yield Sectors | | | | | | |
| 1 Above 5.0 | 25.06 | 34.14 | 13.31 | 16.12 | 30.58 | 41.80 |
| 3 3.0 - 5.0 | 23.28 | 24.56 | 28.80 | 37.25 | 19.53 | 37.26 |
| 3 1.5 - 3.0 | 25.78 | 22.54 | 26.44 | 26.64 | 27.76 | 15.00 |
| 4 0.0 - 1.5 | 19.09 | 13.93 | 20.46 | 16.72 | 19.67 | 5.94 |
| 5 0.0 | 6.79 | 4.83 | 10.99 | 3.27 | 2.46 | 0.00 |
| P/E Sectors | | | | | | |
| 1 0.0 - 12.0 | 24.90 | 25.26 | 36.37 | 29.20 | 11.45 | 13.68 |
| 2 12.0 -20.0 | 43.89 | 37.47 | 38.05 | 44.26 | 52.57 | 15.26 |
| 3 20.0 -30.0 | 11.65 | 15.29 | 6.42 | 7.22 | 16.31 | 36.00 |
| 4 30.0 - 150.0 | 17.42 | 19.67 | 17.02 | 18.70 | 18.00 | 35.06 |
| 5 N/A | 2.14 | 2.31 | 2.13 | 0.61 | 1.68 | 0.00 |
| Capitalization Sectors | | | | | | |
| 1 Above 20.0 (\$Bil) | 57.07 | 48.97 | 60.74 | 59.39 | 63.18 | 63.01 |
| 2 10.0 - 20.0 | 12.11 | 12.31 | 12.83 | 18.05 | 13.48 | 13.05 |
| 3 5.0 - 10.0 | 10.64 | 11.23 | 12.17 | 8.73 | 10.93 | 15.91 |
| 4 1.0 - 5.0 | 15.42 | 18.88 | 14.19 | 13.83 | 12.40 | 8.03 |
| 5 0.5 - 1.0 | 2.60 | 5.38 | 0.06 | 0.00 | 0.00 | 0.00 |
| 6 0.1 - 0.5 | 2.10 | 3.21 | 0.01 | 0.00 | 0.00 | 0.00 |
| 7 0.0 - 0.1 | 0.05 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 Yr Earnings Growth | | | | | | |
| 1 N/A | 26.33 | 24.03 | 37.28 | 26.90 | 13.49 | 12.56 |
| 2 0.0 -10.0 | 23.01 | 20.22 | 23.66 | 20.04 | 21.63 | 9.88 |
| 3 10.0 -20.0 | 27.03 | 30.77 | 13.85 | 24.06 | 41.66 | 47.46 |
| 4 Above 20.0 | 23.64 | 24.97 | 25.21 | 29.00 | 23.23 | 30.10 |

PORTFOLIO PROFILE REPORT

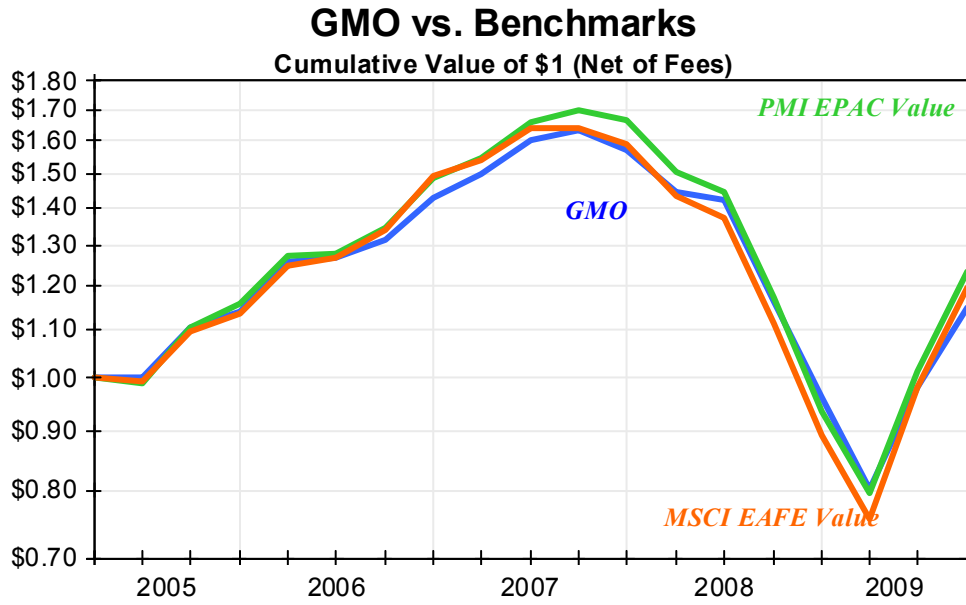
| | S&P 500 Cap Wtd 9/30/2009 | State Street/ ING 9/30/2009 | Intech Enhanced 9/30/2009 | Intech Large Cap 9/30/2009 | PIMCO+ (S&P 500) 9/30/2009 | Wentworth 9/30/2009 |
|-------------------------------|--|--|--|---|---|--------------------------------|
| Beta Sectors | | | | | | |
| 1 0.0 - 0.9 | 47.13 | 47.66 | 55.50 | 58.21 | 47.13 | 42.42 |
| 2 0.9 - 1.1 | 17.73 | 17.27 | 14.30 | 12.89 | 17.73 | 19.94 |
| 3 1.1 - 1.3 | 14.12 | 13.79 | 11.96 | 11.93 | 14.12 | 16.08 |
| 4 1.3 - 1.5 | 7.43 | 7.74 | 6.43 | 5.96 | 7.43 | 6.62 |
| 5 Above 1.5 | 13.59 | 13.54 | 11.81 | 11.01 | 13.59 | 14.95 |
| Yield Sectors | | | | | | |
| 1 Above 5.0 | 17.99 | 16.81 | 18.40 | 19.87 | 17.99 | 38.00 |
| 3 3.0 - 5.0 | 24.69 | 24.72 | 19.69 | 18.79 | 24.69 | 21.09 |
| 3 1.5 - 3.0 | 28.75 | 28.73 | 28.79 | 26.95 | 28.75 | 31.43 |
| 4 0.0 - 1.5 | 21.64 | 22.24 | 23.94 | 23.64 | 21.64 | 9.48 |
| 5 0.0 | 6.94 | 7.50 | 9.18 | 10.76 | 6.94 | 0.00 |
| P/E Sectors | | | | | | |
| 1 0.0 - 12.0 | 22.33 | 22.38 | 25.07 | 26.13 | 22.33 | 21.60 |
| 2 12.0 -20.0 | 47.61 | 48.68 | 50.49 | 49.97 | 47.61 | 44.18 |
| 3 20.0 -30.0 | 11.09 | 10.41 | 11.34 | 11.00 | 11.09 | 10.18 |
| 4 30.0 - 150.0 | 17.38 | 17.01 | 11.56 | 11.24 | 17.38 | 19.50 |
| 5 N/A | 1.60 | 1.52 | 1.54 | 1.66 | 1.60 | 4.54 |
| Capitalization Sectors | | | | | | |
| 1 Above 20.0 (\$Bil) | 69.63 | 71.61 | 58.87 | 55.36 | 69.63 | 56.11 |
| 2 10.0 - 20.0 | 14.24 | 14.13 | 13.82 | 14.72 | 14.24 | 18.54 |
| 3 5.0 - 10.0 | 11.31 | 10.25 | 17.33 | 18.71 | 11.31 | 16.95 |
| 4 1.0 - 5.0 | 4.82 | 4.01 | 9.98 | 11.21 | 4.82 | 8.40 |
| 5 0.5 - 1.0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 0.1 - 0.5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 0.0 - 0.1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 Yr Earnings Growth | | | | | | |
| 1 N/A | 24.28 | 24.37 | 21.08 | 20.92 | 24.28 | 20.21 |
| 2 0.0 -10.0 | 23.41 | 22.72 | 28.58 | 29.54 | 23.41 | 11.05 |
| 3 10.0 -20.0 | 28.21 | 27.84 | 27.41 | 27.62 | 28.21 | 43.04 |
| 4 Above 20.0 | 24.09 | 25.06 | 22.94 | 21.92 | 24.09 | 25.70 |

PORTFOLIO PROFILE REPORT

| | Russell 2000® 9/30/2009 | Progress 9/30/2009 | Russell 2500TM Value 9/30/2009 | Rothschild 9/30/2009 | Russell 2000® Growth 9/30/2009 | Emerald 9/30/2009 |
|-------------------------------|-------------------------------|-----------------------|---|-------------------------|---|----------------------|
| Beta Sectors | | | | | | |
| 1 0.0 - 0.9 | 30.97 | 29.36 | 31.12 | 42.26 | 32.73 | 26.65 |
| 2 0.9 - 1.1 | 13.08 | 13.84 | 12.55 | 14.47 | 13.95 | 11.16 |
| 3 1.1 - 1.3 | 14.20 | 15.45 | 12.14 | 13.64 | 15.22 | 12.55 |
| 4 1.3 - 1.5 | 11.16 | 10.94 | 12.20 | 8.27 | 12.14 | 17.70 |
| 5 Above 1.5 | 30.60 | 30.40 | 31.99 | 21.36 | 25.96 | 31.93 |
| Yield Sectors | | | | | | |
| 1 Above 5.0 | 62.00 | 60.45 | 39.47 | 48.55 | 76.51 | 87.88 |
| 3 3.0 - 5.0 | 12.66 | 11.03 | 16.85 | 15.57 | 10.79 | 6.87 |
| 3 1.5 - 3.0 | 10.35 | 11.70 | 16.71 | 14.71 | 7.92 | 5.00 |
| 4 0.0 - 1.5 | 7.70 | 7.28 | 15.00 | 11.29 | 2.81 | 0.25 |
| 5 0.0 | 7.29 | 9.53 | 11.96 | 9.88 | 1.98 | 0.00 |
| P/E Sectors | | | | | | |
| 1 0.0 - 12.0 | 38.67 | 34.13 | 46.09 | 40.64 | 31.55 | 32.15 |
| 2 12.0 -20.0 | 25.44 | 34.60 | 26.50 | 31.82 | 25.11 | 11.50 |
| 3 20.0 -30.0 | 14.55 | 12.35 | 12.04 | 12.41 | 16.93 | 24.65 |
| 4 30.0 - 150.0 | 16.26 | 15.87 | 11.67 | 11.57 | 20.58 | 22.93 |
| 5 N/A | 5.08 | 3.05 | 3.70 | 3.56 | 5.83 | 8.77 |
| Capitalization Sectors | | | | | | |
| 1 Above 20.0 (\$Bil) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 10.0 - 20.0 | 0.00 | 1.02 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 5.0 - 10.0 | 0.00 | 4.99 | 1.78 | 1.53 | 0.00 | 0.00 |
| 4 1.0 - 5.0 | 40.22 | 53.05 | 71.48 | 68.64 | 43.40 | 48.77 |
| 5 0.5 - 1.0 | 32.59 | 24.26 | 14.38 | 17.33 | 31.58 | 34.64 |
| 6 0.1 - 0.5 | 26.51 | 16.46 | 11.99 | 12.49 | 24.56 | 16.59 |
| 7 0.0 - 0.1 | 0.68 | 0.21 | 0.37 | 0.00 | 0.46 | 0.00 |
| 5 Yr Earnings Growth | | | | | | |
| 1 N/A | 37.10 | 31.73 | 44.04 | 43.20 | 28.74 | 28.09 |
| 2 0.0 -10.0 | 27.36 | 25.33 | 24.54 | 24.50 | 28.51 | 25.22 |
| 3 10.0 -20.0 | 19.06 | 23.62 | 15.47 | 15.76 | 23.65 | 22.88 |
| 4 Above 20.0 | 16.48 | 19.32 | 15.95 | 16.54 | 19.10 | 23.81 |

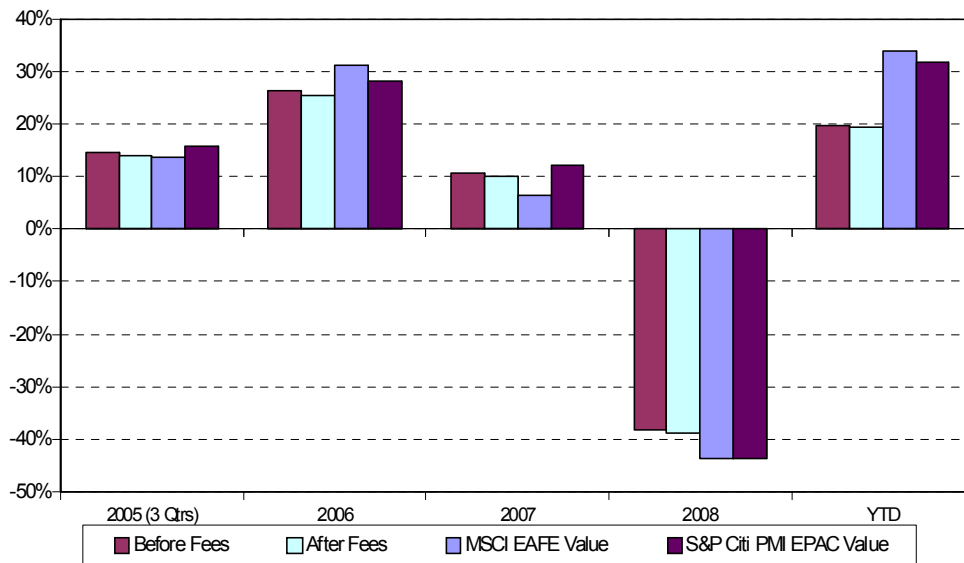
MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

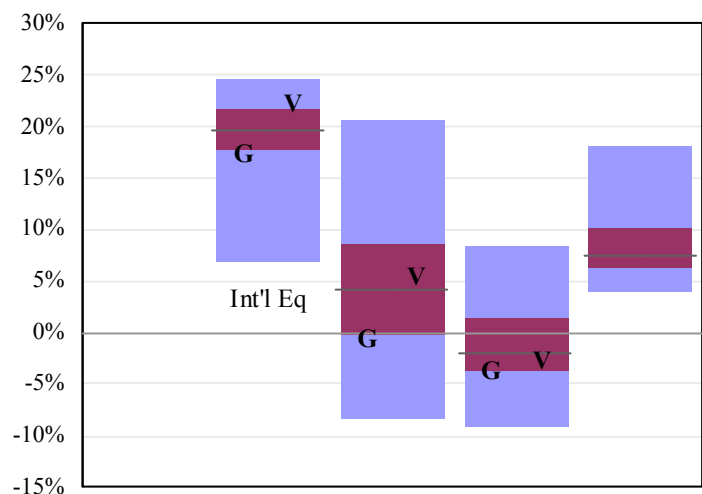


GMO vs. Benchmarks

Year by Year Performance



Grantham, Mayo, van Otterloo & Co



| | Qtr | 1 Year | 3 Years | 5 Years |
|----------------------|------|--------|---------|---------|
| GMO (G) | 17.4 | -0.6 | -3.7 | - |
| Rank v. Int'l Equity | 75 | 71 | 75 | - |
| PMI EPAC Val (V) | 22.1 | 5.5 | -2.8 | - |
| EAFE Value (E) | 22.1 | 7.5 | -3.7 | 6.8 |
| Int'l Eq Median | 17.6 | -0.2 | -3.7 | 6.3 |

| Portfolio Characteristics | GMO | MSCI EAFE |
|---------------------------|-------|-----------|
| IEq Mkt Value (\$Mil) | 238.0 | N/A |
| Cash | 0.0 % | 0.0 % |

| Over-Weighted Countries | GMO | MSCI EAFE |
|-------------------------|--------|-----------|
| Japan | 26.7 % | 21.5 % |
| Canada | 2.2 | 0.0 |
| Italy | 5.8 | 3.7 |

| Under-Weighted Countries | GMO | MSCI EAFE |
|--------------------------|-------|-----------|
| Australia | 4.1 % | 8.2 % |
| Germany | 4.5 | 8.1 |
| Switzerland | 5.7 | 7.7 |

The GMO value international equity portfolio returned 17.4% in the third quarter, trailing the 22.1% return of the S&P Citigroup PMI EPAC Value Index, and ranked in the 75th percentile of international equity managers. Over the past year, the portfolio has returned -0.6%, trailing the S&P Citigroup PMI EPAC Value Index return of 5.5% and ranking in the 71st percentile. Over the past three years, GMO has returned -3.7%, trailing the -2.8% return of the S&P Citi PMI EPAC Value Index and ranking in the 75th percentile.

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

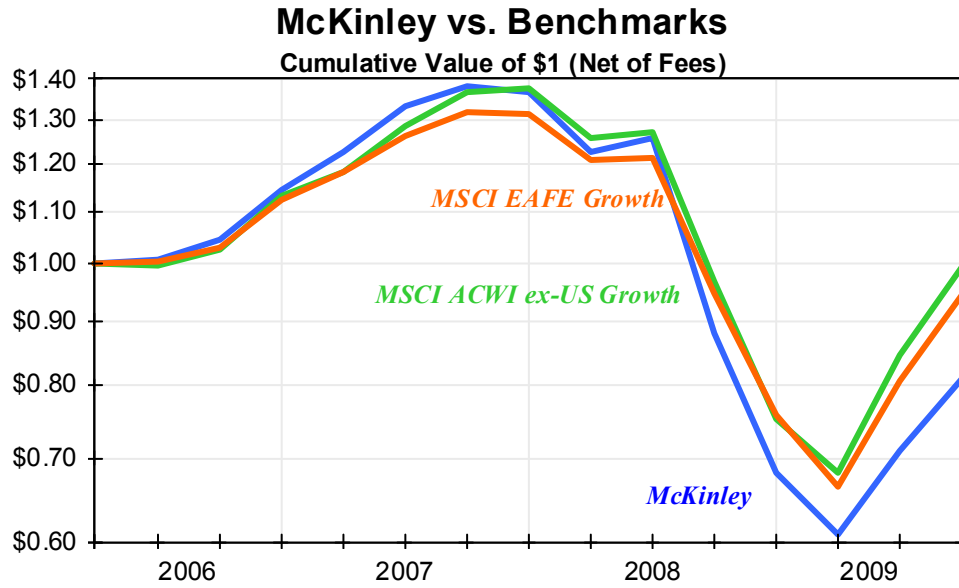
Both stock selection and country allocation decisions hurt third quarter returns relative to EAFE. Above-benchmark weights in Japan and Canada had the most negative impacts on performance. Trading decisions had a positive impact on third quarter performance.

GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) delivered mixed results in the quarter. Stocks ranked highly by quality-adjusted value outperformed, while those stocks chosen for their intrinsic value had core index-like returns. Stocks selected for their strong momentum characteristics underperformed and pulled down the overall performance of the portfolio.

Individual stock positions that detracted from relative performance included overweights in British pharmaceuticals AstraZeneca and GlaxoSmithKline and an underweight in British financial HSBC Holdings. Stocks that made significant positive contributions to performance included an overweight position in Dutch financial ING, and underweight positions in Japanese bank Sumitomo Mitsui Financial Group, and Japanese auto maker Toyota Motor.

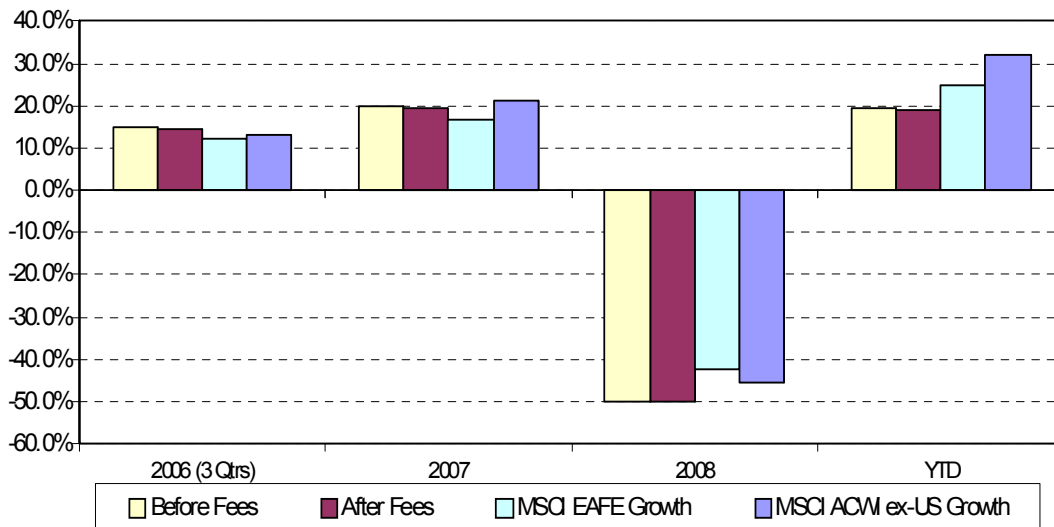
MANAGER COMMENTS – INTERNATIONAL EQUITY

McKinley Capital

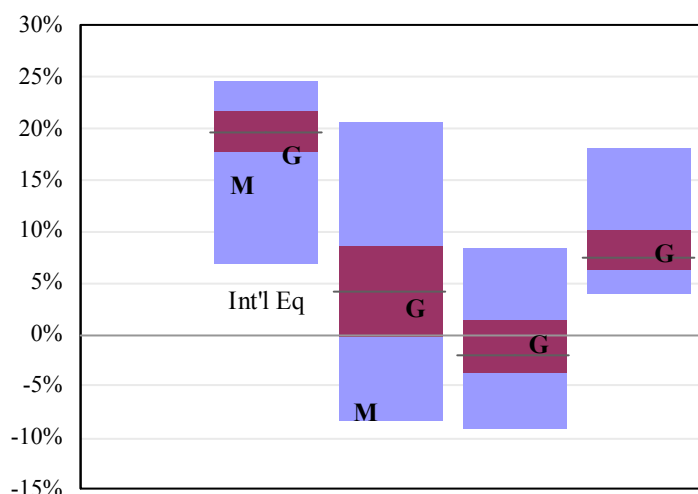


McKinley vs. Benchmarks

Year by Year Performance



McKinley Capital



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------|------------|---------------|----------------|----------------|
| McKinley (M) | 14.5 | -7.5 | -7.6 | - |
| Rank v. Intl Eq | 88 | 94 | 92 | - |
| ACWI xUS Gro (G) | 17.4 | 2.5 | -1.1 | 7.9 |
| EAFE Growth (E) | 16.8 | -0.4 | -2.8 | 6.1 |
| Int'l Eq Median | 17.6 | -0.2 | -3.7 | 6.3 |

| Portfolio Characteristics | McKinley Capital | MSCI EAFE |
|---------------------------|------------------|-----------|
| IEq Mkt Value (\$Mil) | 236.3 | N/A |
| Cash | 1.7 % | 0.0 % |

| Over-Weighted Countries | McKinley Capital | MSCI EAFE |
|-------------------------|------------------|-----------|
| China | 8.1 % | 0.0 % |
| Switzerland | 12.9 | 7.7 |
| India | 4.9 | 0.0 |

| Under-Weighted Countries | McKinley Capital | MSCI EAFE |
|--------------------------|------------------|-----------|
| France | 2.8 % | 11.0 % |
| Japan | 16.0 | 21.5 |
| Spain | 0.0 | 4.7 |

The McKinley Capital portfolio returned 14.5% in the third quarter, below the 17.4% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 88th percentile of international equity managers. Over the past year, McKinley returned -7.5%, below the 2.5% return of the MSCI ACWI ex-US Growth Index, and ranked in the 94th percentile of international equity managers. Over the past three years, the portfolio has returned -7.6%, again trailing the -1.1% return of the index and ranking in the 92nd percentile. McKinley is not in compliance with CCCERA objectives.

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

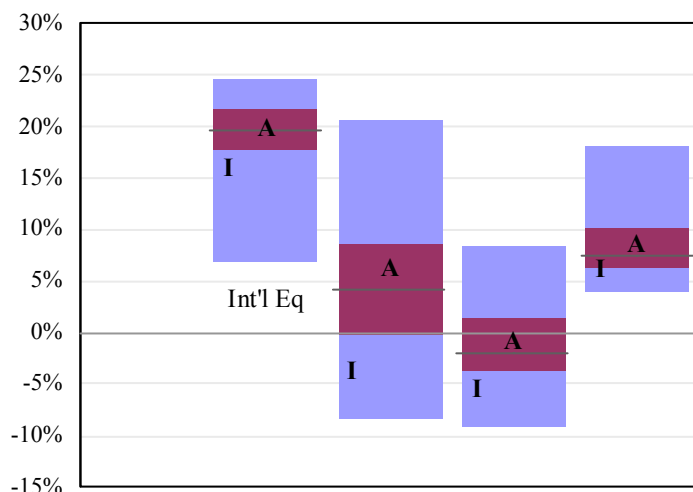
Both stock selection and country allocation decisions hurt performance relative to the MSCI EAFE Index in the third quarter. Stock selection was weak across the board, but most significantly in Switzerland and Australia. Active trading had a negative impact on third quarter returns.

On a sector basis, the major sources of underperformance were in the consumer staples and industrials sectors. On a security basis, positive contribution came from holdings in Vimpel Communications, Petrobras and Banco Bradesco S/A. Positions in Asahi Glass Co., Teva Pharmaceutical and Japan Steel Works negatively affected relative performance.

Milliman met with Rob Gillam in October and he reiterated his statement that, based upon historical trends, he believed their momentum strategy should begin to produce out-sized returns by year-end 2009. We will be monitoring developments very carefully as we move through the fourth quarter.

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Total International Equity



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|--------------------|------------|---------------|----------------|----------------|
| Total Int'l Eq (I) | 15.9 | -3.7 | -5.5 | 6.1 |
| Rank v. Intl Eq | 83 | 88 | 87 | 80 |
| ACWI xUS (A) | 19.8 | 6.4 | -0.8 | 8.6 |
| EAFE (E) | 19.5 | 3.8 | -3.1 | 6.6 |
| Int'l Eq Median | 17.6 | -0.2 | -3.7 | 6.3 |

| Portfolio Characteristics | Total International | MSCI EAFE |
|---------------------------|---------------------|-----------|
| IEq Mkt Value (\$Mil) | 474.3 | N/A |
| Cash | 0.8 % | 0.0 % |

| Over-Weighted Countries | Total International | MSCI EAFE |
|-------------------------|---------------------|-----------|
| China | 3.7 % | 0.0 % |
| United States | 2.3 | 0.0 |
| India | 2.3 | 0.0 |

| Under-Weighted Countries | Total International | MSCI EAFE |
|--------------------------|---------------------|-----------|
| France | 6.8 % | 11.0 % |
| Australia | 4.5 | 8.2 |
| Germany | 4.9 | 8.1 |

The total international equity composite returned 15.9% in the third quarter, trailing the 19.5% return of the MSCI EAFE Index. This return ranked in the 83rd percentile of international equity managers. Over the past year, the total international equity composite returned -3.7%, below the 3.8% return of the MSCI EAFE Index, and ranked in the 88th percentile of international equity managers. Over the past five years the total international equity composite has trailed the return of the MSCI EAFE Index and has ranked below median in the international equity universe.

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

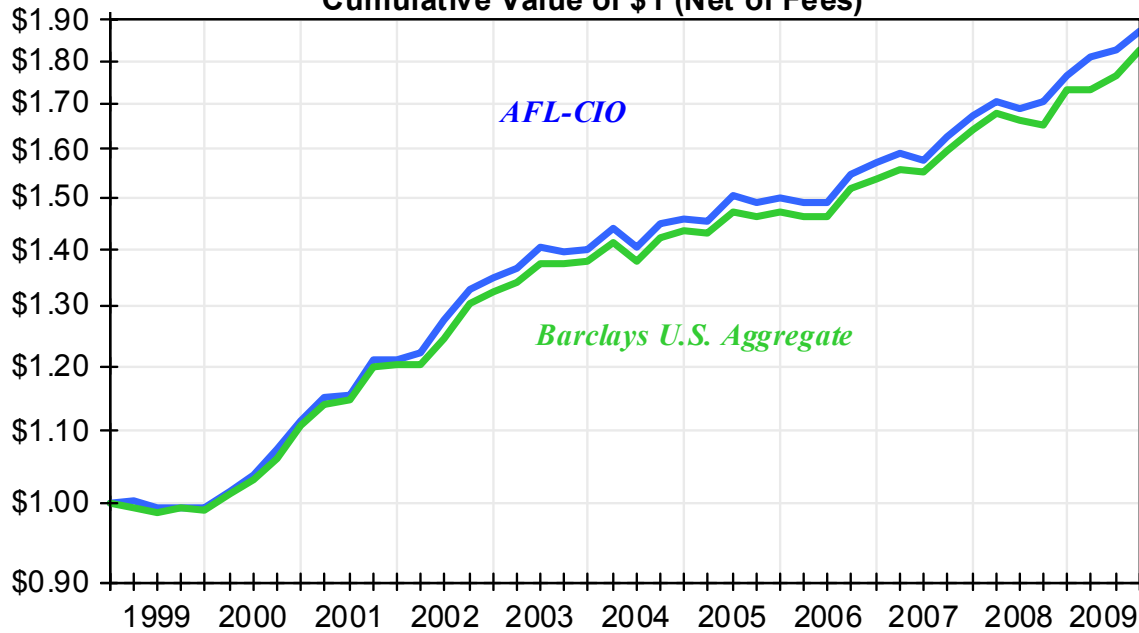
Both stock selection and country allocation decision had negative impacts on third quarter performance compared to EAFE. Active trading had a small positive impact on third quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

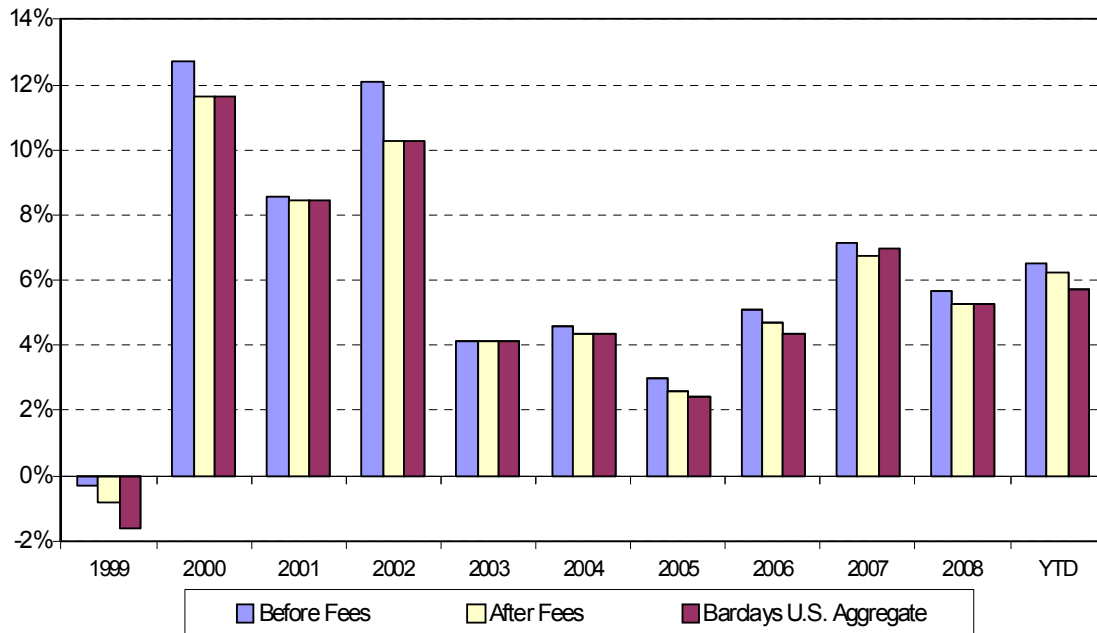
AFL-CIO vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

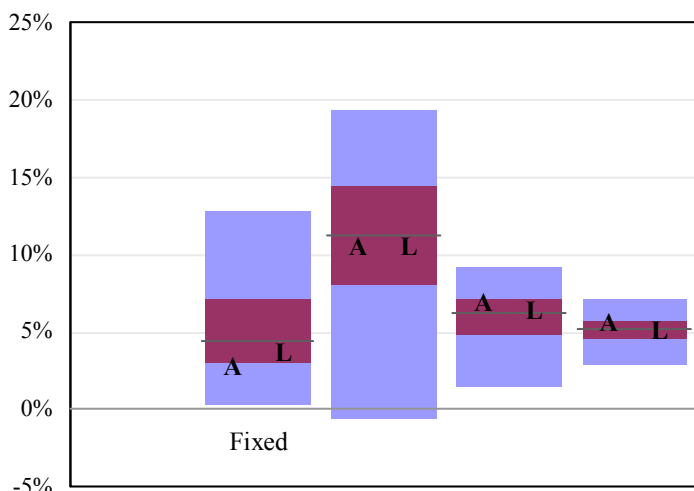


AFL-CIO vs. Barclays U.S. Aggregate

Year by Year Performance



AFL-CIO Housing Investment Trust



| | Qtr | 1 Year | 3 Years | 5 Years |
|---------------|-----|--------|---------|---------|
| AFL-CIO (A) | 2.7 | 10.5 | 6.9 | 5.6 |
| Rank v. Fixed | 79 | 60 | 31 | 29 |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | AFL CIO | Barclays Aggregate |
|---------------------------|---------|--------------------|
| Mkt Value (\$Mil) | 135.5 | n/a |
| Yield to Maturity (%) | 3.9 % | 3.6 % |
| Duration (yrs) | 4.0 | 4.4 |
| Avg. Quality | AGY | AA1/AA2 |

| Sectors | AFL CIO | Barclays Aggregate |
|-------------------|---------|--------------------|
| Treasury/Agency | 3 % | 39 % |
| Single-Family MBS | 35 | 38 |
| Multi-Family MBS | 59 | 0 |
| Corporates | 0 | 19 |
| High Yield | 0 | 0 |
| ABS/CMBS | 1 | 4 |
| Other | 0 | 0 |
| Cash | 2 | 0 |

AFL-CIO returned 2.7% in the third quarter, trailing the 3.7% return of the Barclays U.S. Aggregate. The portfolio ranked in the 79th percentile of fixed income managers. For the past year, AFL-CIO returned 10.5%, which nearly matched the 10.6% return of the Barclays U.S. Aggregate and ranked in the 60th 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 third quarter, the AFL-CIO Housing Investment Trust had 3% in US Treasury notes, 35% of the portfolio allocated to single-family mortgage backed securities, 59% allocated to multi-family mortgage backed securities, 1% to private-label commercial mortgage backed securities and 2% to short-term securities. The AFL-CIO portfolio duration at the end of the third quarter was 4.0 years and the current yield of the portfolio was 3.9%.

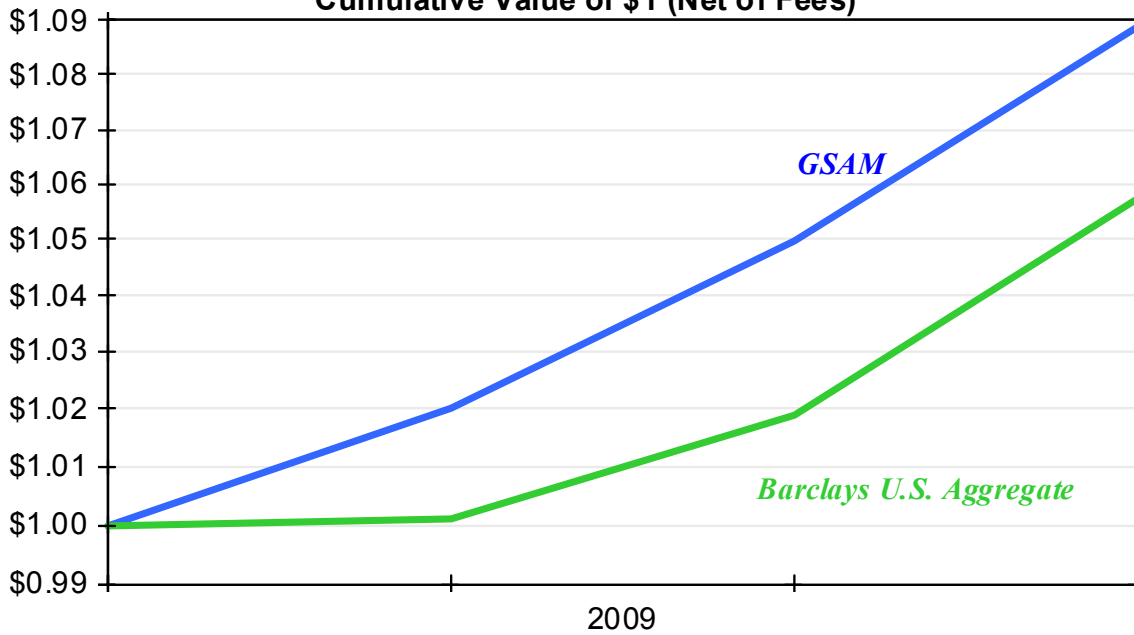
The HIT expects the Federal Housing Administration to increase its issuance of multifamily MBS to help fill the void left by the private sector's withdrawal from the multifamily mortgage market. This increased FHA role would favorably affect the HIT's opportunities to invest in these securities in the next several years. FHA-insured construction-related MBS offer significant yield spreads, positive convexity, and credit protection, which will benefit the HIT portfolio. The HIT intends to work with its housing development network in major markets to structure and source transactions using FHA programs. Therefore, the portfolio yield relative to the benchmark should increase in the next year. The HIT will continue to manage the portfolio to have higher credit quality and income relative to the benchmark while maintaining duration neutrality.

MANAGER COMMENTS – FIXED INCOME

Goldman Sachs

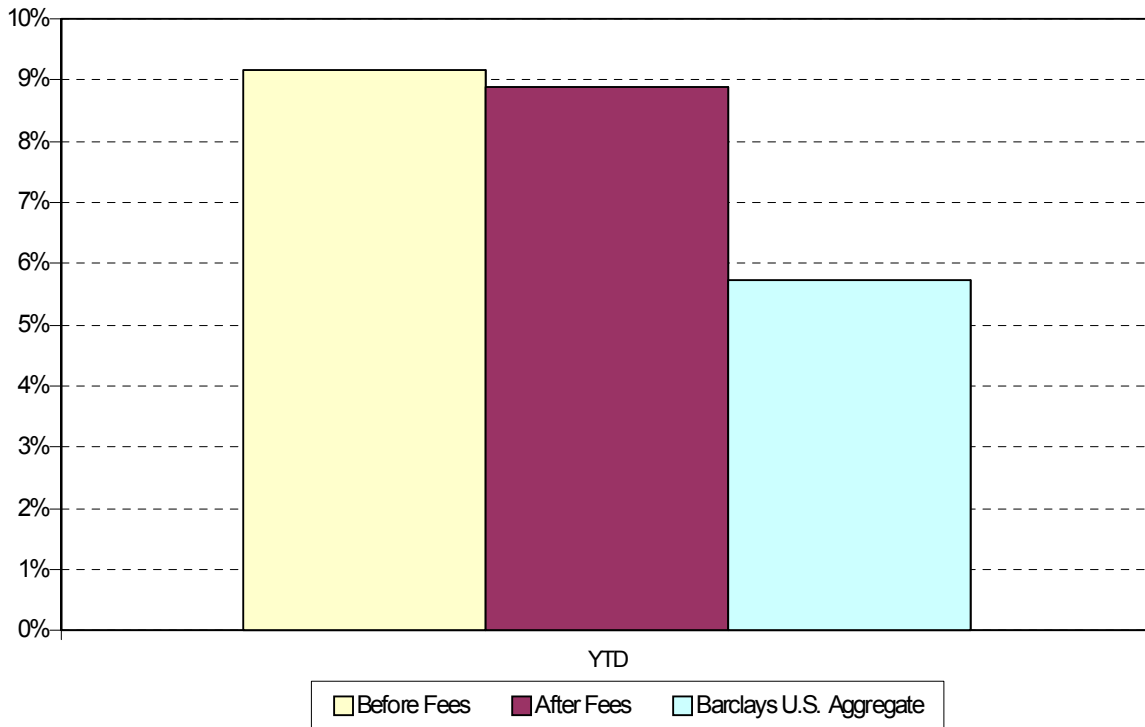
GSAM vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

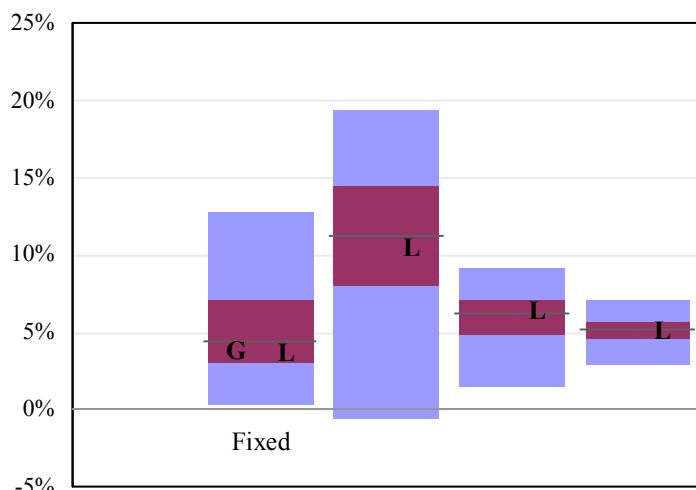


GSAM vs. Barclays U.S. Aggregate

Year by Year Performance



Goldman Sachs



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|---------------|------------|---------------|----------------|----------------|
| GSAM (G) | 3.8 | - | - | - |
| Rank v. Fixed | 60 | - | - | - |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| BC Uni (U) | 4.5 | 10.9 | 6.1 | 5.2 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | Goldman Sachs | Barclays Aggregate |
|---------------------------|---------------|--------------------|
| Mkt Value (\$Mil) | 217.7 | n/a |
| Yield to Maturity (%) | 4.2 % | 3.6 % |
| Duration (yrs) | 4.0 | 4.4 |
| Avg. Quality | AA | AA1/AA2 |

| Sectors | Goldman Sachs | Barclays Aggregate |
|------------------|---------------|--------------------|
| Treasury/Agency | 36 % | 39 % |
| Mortgages | 37 | 38 |
| Corporates | 15 | 19 |
| High Yield | 5 | 0 |
| Asset-Backed | 0 | 4 |
| CMBS | 0 | 0 |
| International | 0 | 0 |
| Emerging Markets | 4 | 0 |
| Other | 2 | 0 |
| Cash | 2 | 0 |

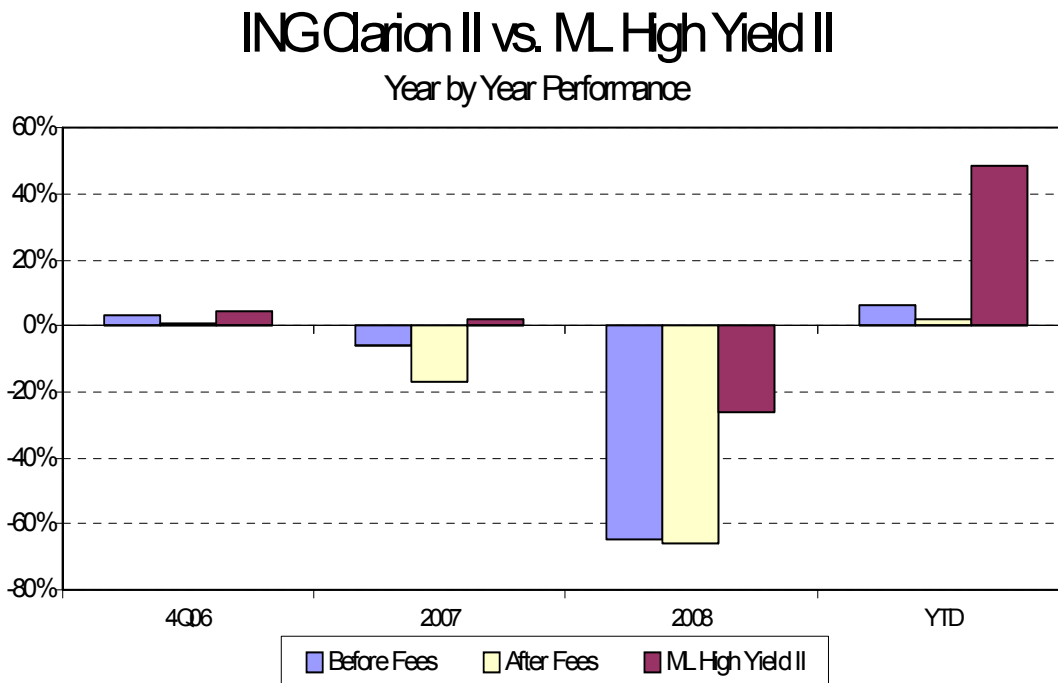
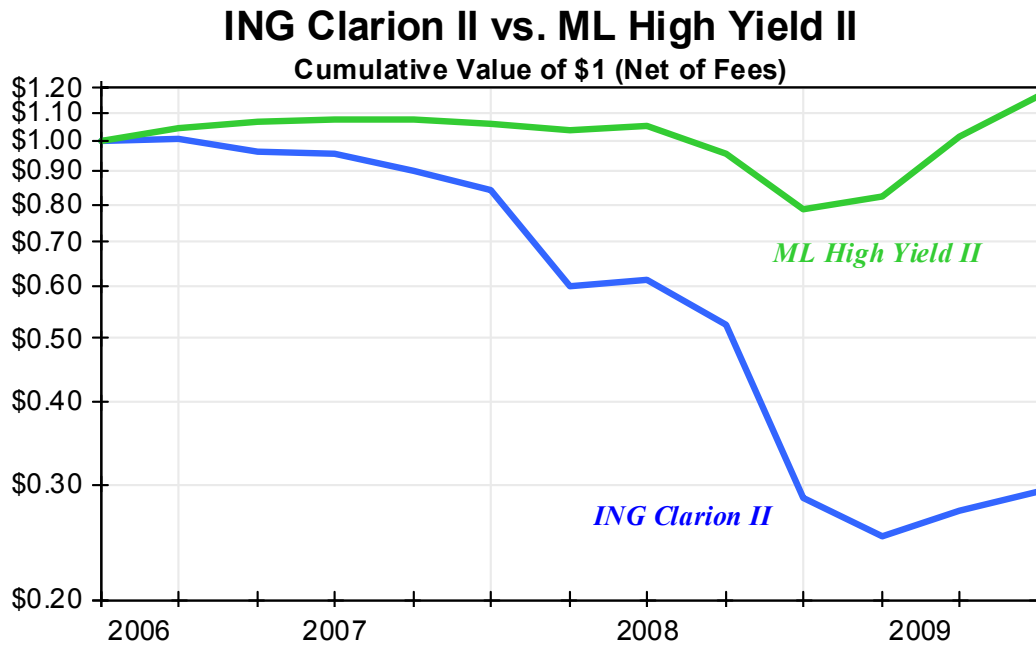
Goldman Sachs returned 3.8% in the third quarter, near the 3.7% return of the Barclays U.S. Aggregate Index. This return ranked in the 60th percentile of fixed income managers.

At the end of the third 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 third quarter was 4.0 years, shorter than the benchmark. The portfolio continues to have a yield advantage over the index.

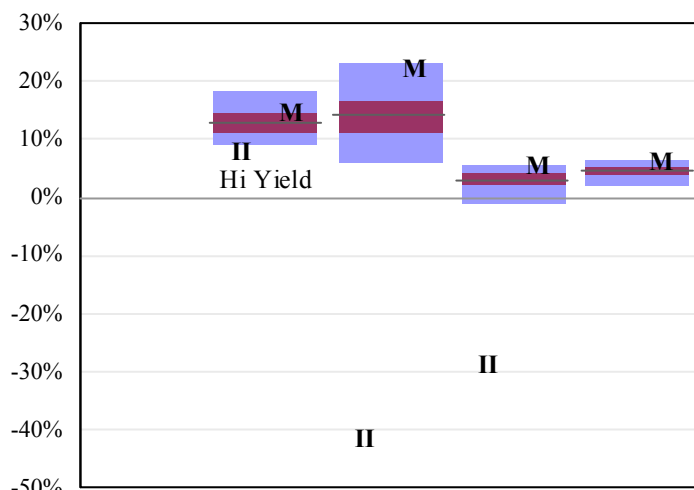
Within corporate debt, GSAM is modestly underweight but remains cautious because the default cycle is still quite young and they believe that liquidity stresses will rise in the near term. However, over \$125 billion of new issuance occurred during the quarter as spreads continued to narrow. The firm is also taking modest exposure to high yield and emerging market debt.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II



ING Clarion II



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|---------------------|------------|---------------|----------------|----------------|
| ING Clarion II (II) | 8.0 | -41.4 | -28.8 | - |
| Rank v. Hi Yield | 98 | 99 | 98 | - |
| ML HY II (M) | 14.8 | 22.4 | 5.3 | 6.1 |
| Hi Yield Median | 12.9 | 14.1 | 3.1 | 4.5 |

| Portfolio Characteristics | ING Clarion II | ML High Yield II |
|---------------------------|----------------|------------------|
| Mkt Value (\$Mil) | 36.1 | n/a |
| Yield to Maturity (%) | 41.4 % | 10.2 % |
| Duration (yrs) | 3.0 | 4.3 |
| Avg. Quality | AA- | B2 |

| Quality Distribution | ING Clarion II | ML High Yield II |
|----------------------|----------------|------------------|
| AAA | 73 % | 0 % |
| AA | 0 | 0 |
| A | 2 | 0 |
| BBB | 12 | 0 |
| BB | 2 | 42 |
| B | 8 | 34 |
| CCC | 0 | 24 |
| Not Rated | 0 | 0 |
| Other | 2 | 0 |

ING Clarion II returned 8.0% for the third quarter, which was below the Merrill Lynch High Yield Master II return of 14.8%, and ranked in the 98th percentile in the universe of high yield portfolios. Over the past three years, the fund has returned -28.8%, well below the index return of 5.3%, and ranked in the 98th percentile. The time-weighted results thus far look extremely poor.

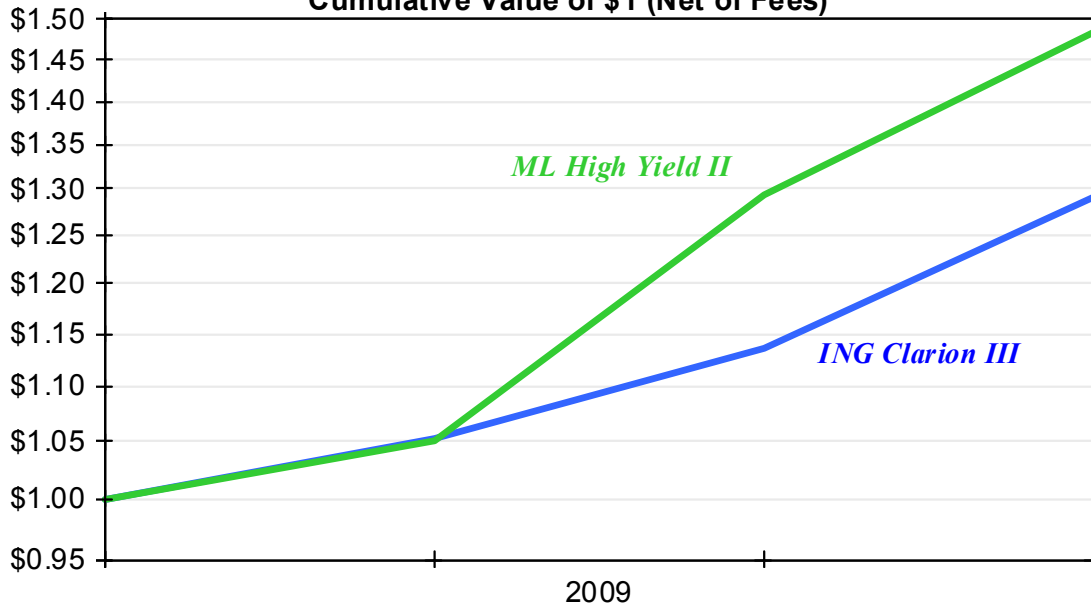
As of September 30, 2009, Fund II has called all capital commitments and has made investments in 77 investments with an acquisition value of \$679.8 million. The portfolio consists of 70.7% investment grade CMBS, 14.3% non-investment grade CMBS, 13.1% mezzanine loans and B-notes and 1.9% CRE CDO bonds (based on acquisition value). During the third quarter, CCCERA received distributions of \$2.0 million from the fund.

MANAGER COMMENTS – FIXED INCOME

ING Clarion III

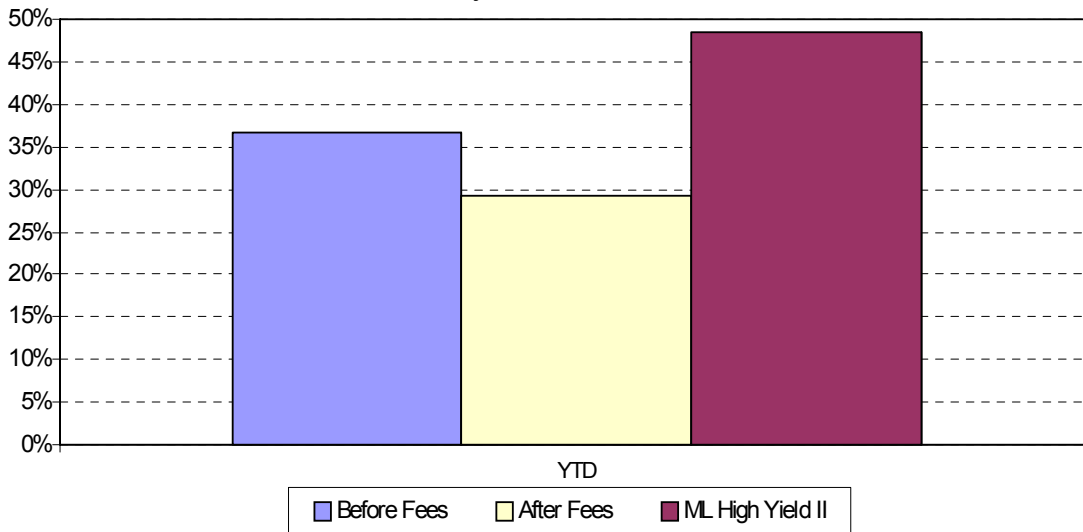
ING Clarion III vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

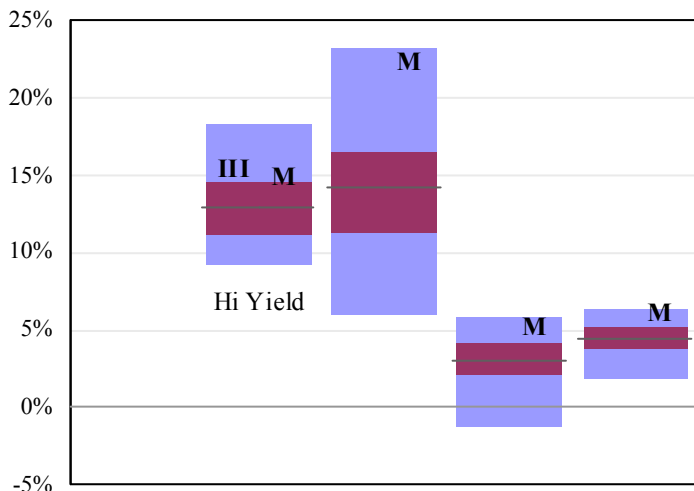


ING Clarion III vs. ML High Yield II

Year by Year Performance



ING Clarion III



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-------------------------|------------|---------------|----------------|----------------|
| ING Clarion III (III) | 15.4 | - | - | - |
| <i>Rank v. Hi Yield</i> | 16 | - | - | - |
| ML HY II (M) | 14.8 | 22.4 | 5.3 | 6.1 |
| Hi Yield Median | 12.9 | 14.1 | 3.1 | 4.5 |

| Portfolio Characteristics | ING Clarion III | ML High Yield II |
|----------------------------------|------------------------|-------------------------|
| Mkt Value (\$Mil) | 22.7 | n/a |
| Yield to Maturity (%) | 11.4 % | 10.2 % |
| Duration (yrs) | 2.9 | 4.3 |
| Avg. Quality | AA+ | B2 |

| Quality Distribution | ING Clarion III | ML High Yield II |
|-----------------------------|------------------------|-------------------------|
| AAA | 100.0 % | 0 % |
| AA | 0.0 | 0 |
| A | 0.0 | 0 |
| BBB | 0.0 | 0 |
| BB | 0.0 | 42 |
| B | 0.0 | 34 |
| CCC | 0.0 | 24 |
| Not Rated | 0.0 | 0 |
| Cash | 0.0 | 0 |

CCCERA funded the ING Clarion Debt Opportunity Fund III (ING Clarion III) on December 12, 2008. In the third quarter, Fund III returned 15.4%, better than the 14.8% return of the Merrill Lynch High Yield II Index. This return ranked in the 16th percentile of high yield managers.

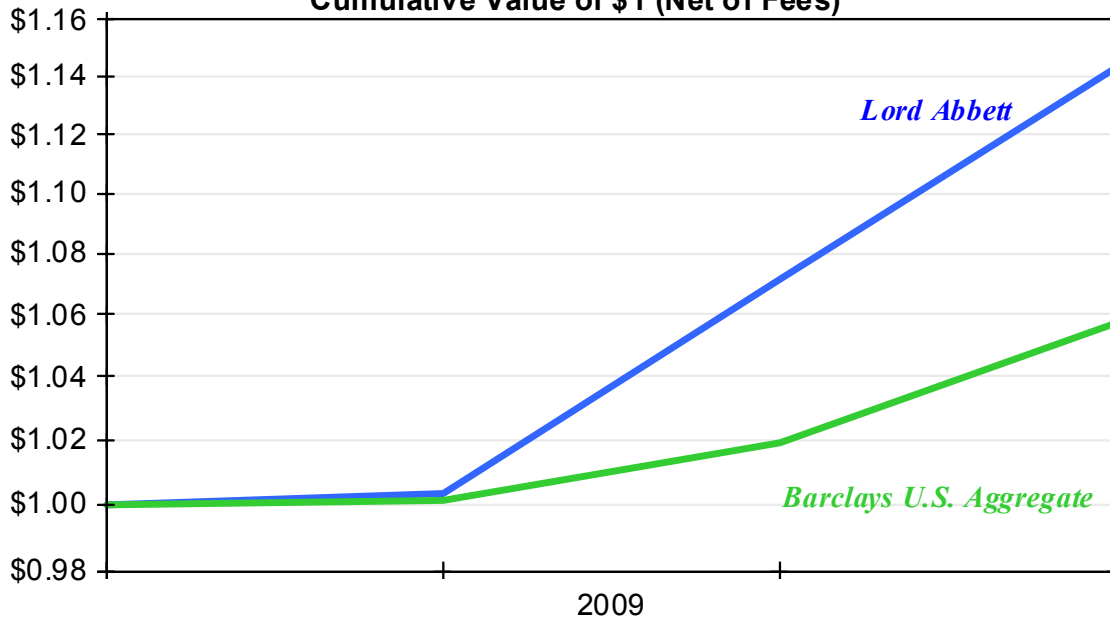
As with Funds I and II, ING Clarion Debt Opportunity Fund III invests in commercial mortgages purchased at a significant discount to face value. As of September 30, 2009, Fund III has made a total of 33 investments with an acquisition value of \$142.2 million. The quality breakdown of the current investments is 55.1% AAA rated CMBS and 43.7% AAA Interest-Only CMBS and 1.2% non-AAA CMBS (based on acquisition values). The nominal yield to maturity on the portfolio was 11.4% at quarter-end.

MANAGER COMMENTS – FIXED INCOME

Lord Abbett

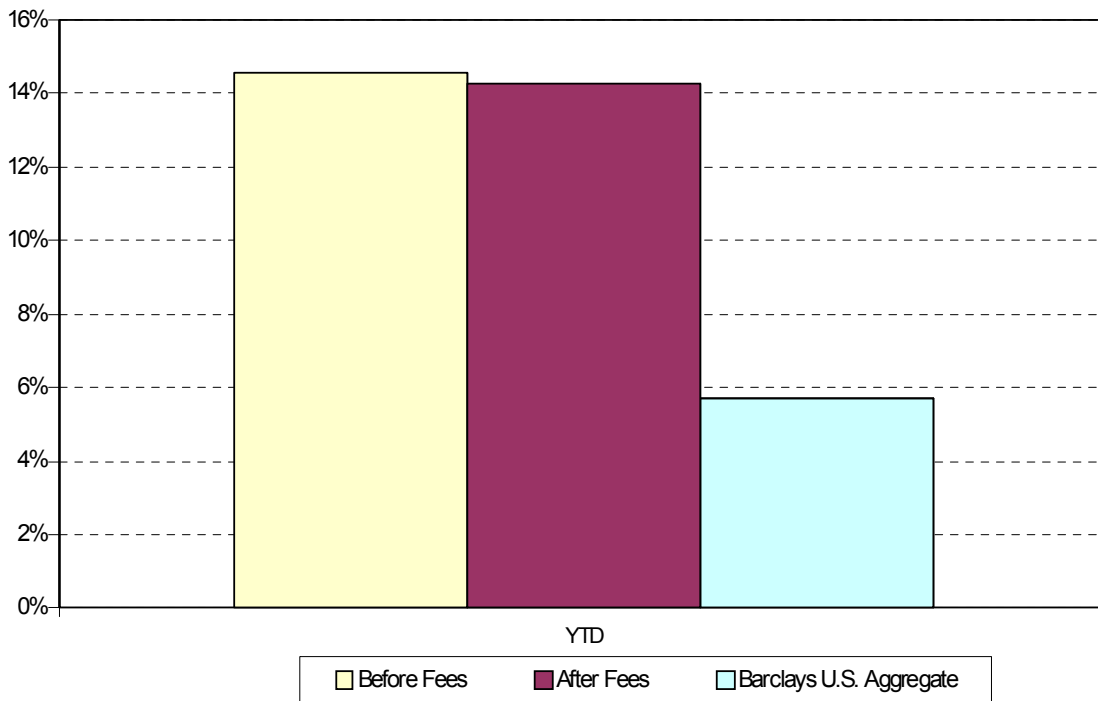
Lord Abbett vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

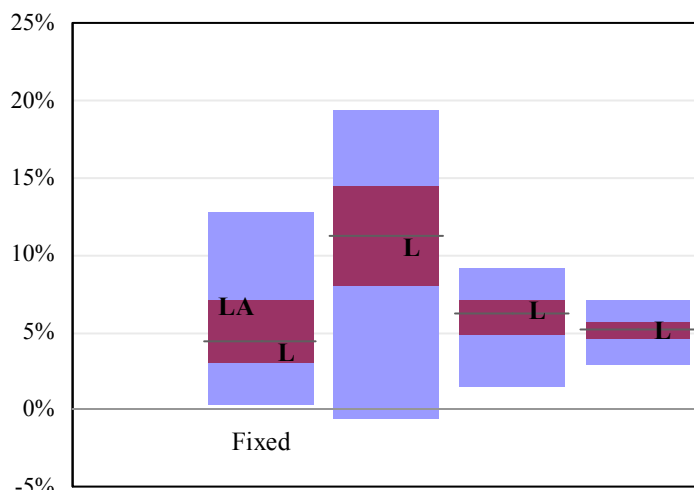


Lord Abbett vs. Barclays U.S. Aggregate

Year by Year Performance



Lord Abbett



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|------------------|------------|---------------|----------------|----------------|
| Lord Abbett (LA) | 6.7 | - | - | - |
| Rank v. Fixed | 26 | - | - | - |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| BC Uni (U) | 4.5 | 10.9 | 6.1 | 5.2 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | Lord Abbett | Barclays Aggregate |
|---------------------------|-------------|--------------------|
| Mkt Value (\$Mil) | 223.1 | n/a |
| Yield to Maturity (%) | 4.4 % | 3.6 % |
| Duration (yrs) | 4.2 | 4.4 |
| Avg. Quality | AA | AA1/AA2 |

| Sectors | Lord Abbett | Barclays Aggregate |
|------------------|-------------|--------------------|
| Treasury/Agency | 17 % | 39 % |
| Mortgages | 20 | 38 |
| Corporates | 22 | 19 |
| High Yield | 7 | 0 |
| Asset-Backed | 8 | 4 |
| CMBS | 18 | 0 |
| International | 5 | 0 |
| Emerging Markets | 0 | 0 |
| Other | 2 | 0 |
| Cash | 1 | 0 |

During the third quarter, Lord Abbett returned 6.7%, above the 3.7% return of the Barclays U.S. Aggregate. This return ranked in the 26th percentile of fixed income managers.

At the end of the third 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 third quarter was 4.2 years, slightly shorter than the benchmark. The portfolio has a yield advantage over the index, due primarily to the CMBS overweight in the portfolio.

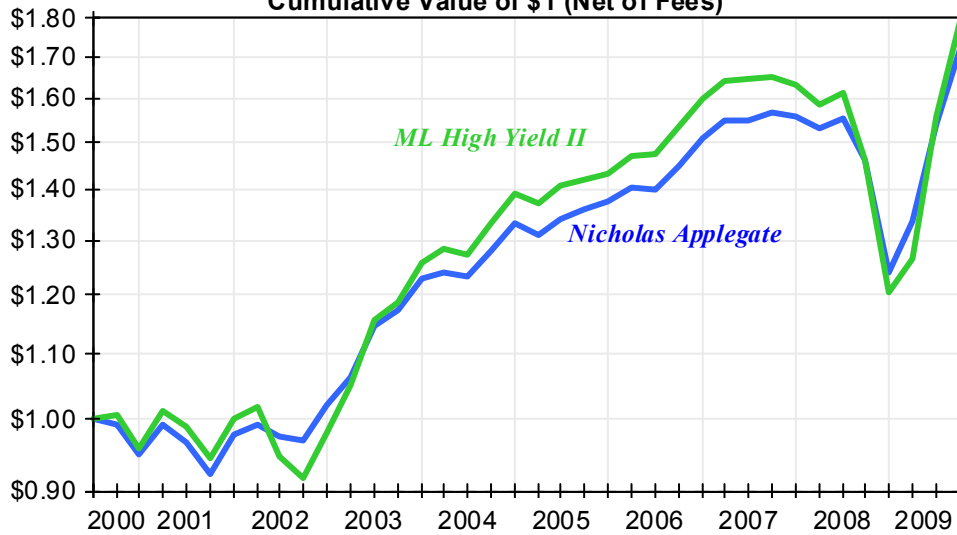
Lord Abbett's overweight to spread sectors helped performance during the third quarter as spreads continued to tighten across the board. The most significant factor contributing to overall performance was the portfolio's overweight to CMBS.

MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate

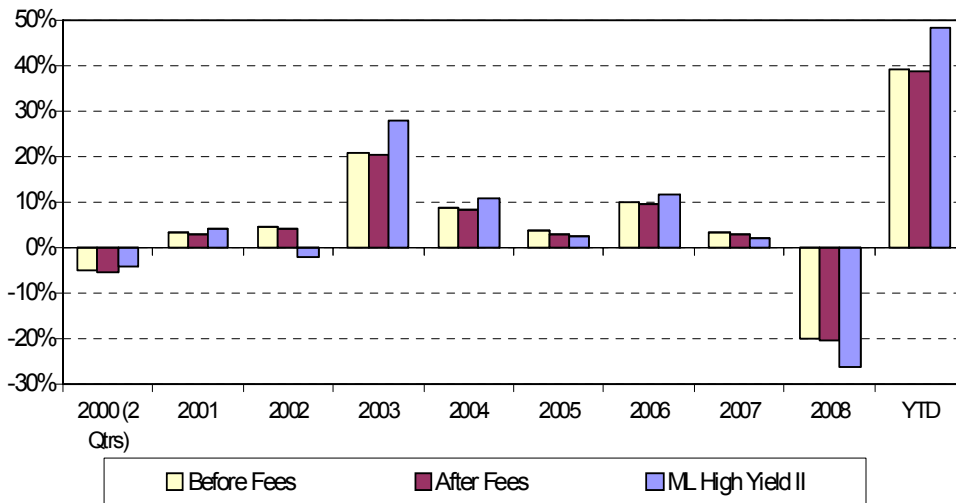
Nicholas Applegate vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

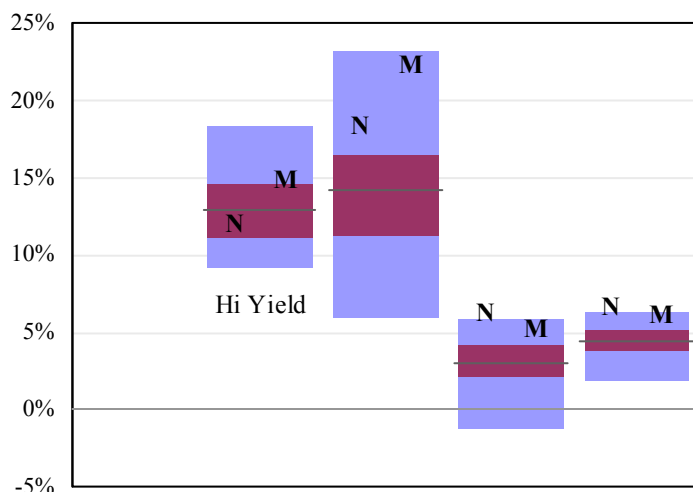


Nicholas Applegate vs. ML High Yield II

Year by Year Performance



Nicholas Applegate



| Portfolio Characteristics | Nicholas Applegate | ML High Yield II |
|---------------------------|--------------------|------------------|
| Mkt Value (\$Mil) | 132.1 | n/a |
| Yield to Maturity (%) | 9.4 % | 10.2 % |
| Duration (yrs) | 3.8 | 4.3 |
| Avg. Quality | BB | B2 |

| Quality Distribution | Nicholas Applegate | ML High Yield II |
|----------------------|--------------------|------------------|
| A | 0 % | 0 % |
| BBB | 2 | 0 |
| BB | 26 | 42 |
| B | 61 | 34 |
| CCC | 11 | 24 |

| | Qtr | 1 Year | 3 Years | 5 Years |
|------------------|------|--------|---------|---------|
| Nich. Appl. (N) | 12.0 | 18.3 | 6.3 | 6.6 |
| Rank v. Hi Yield | 59 | 14 | 3 | 4 |
| ML HY II (M) | 14.8 | 22.4 | 5.3 | 6.1 |
| ML BB/B (B) | 11.2 | 17.7 | 4.4 | 5.4 |
| Hi Yield Median | 12.9 | 14.1 | 3.1 | 4.5 |

Nicholas Applegate's high yield fixed income portfolio returned 12.0% for the third quarter, trailing the 14.8% return of the Merrill Lynch High Yield II Index, and ranking in the 59th percentile of high yield managers. Nicholas Applegate returned 18.3% over the past year compared to 22.4% for the ML High Yield II Index and 14.1% for the median. For the five-year period, Nicholas Applegate's return of 6.6% was better than the 6.1% return of the ML High Yield II Index and ranked in the 4th percentile.

As of September 30, 2009, the Nicholas Applegate high yield portfolio was allocated 2% to BBB rated securities compared to 0% for the ML High Yield II Index, 26% to BB rated issues to 42% for the Index, 61% to B rated issues to 34% in the Index and 11% to CCC rated securities to 24% for the Index. The portfolio's September 30, 2009 duration was 3.8 years, slightly shorter than the 4.3 year duration of the ML High Yield II Index.

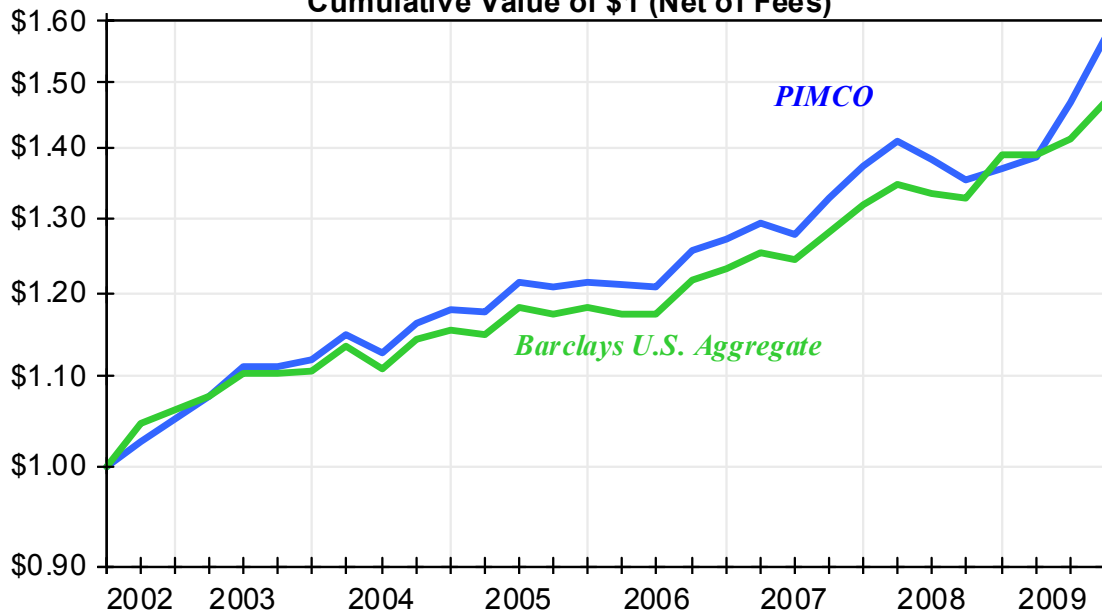
The portfolio's performance, while strong in an absolute sense, lagged the benchmark for the second consecutive quarter. Much of this was due to outsized returns from the lowest quality issuers (which Nicholas Applegate does not hold). Several industries in the portfolio generated positive performance in the quarter. Three of the best were Technology, Paper and Energy. There were only two negative performers of note. The Accuride position had already been reduced, and the sale was completed in the quarter. This truck part manufacturer did not benefit from the broad rally in the industry as order trends lagged the auto rebound. The firm felt that CIT Group would benefit in the current political environment. Despite the business demand and an attractive yield curve, the company was not successful in addressing near-term amortization of its debt. The position was sold. New buys were again plentiful in the quarter. Most buys were new issues.

MANAGER COMMENTS – FIXED INCOME

PIMCO

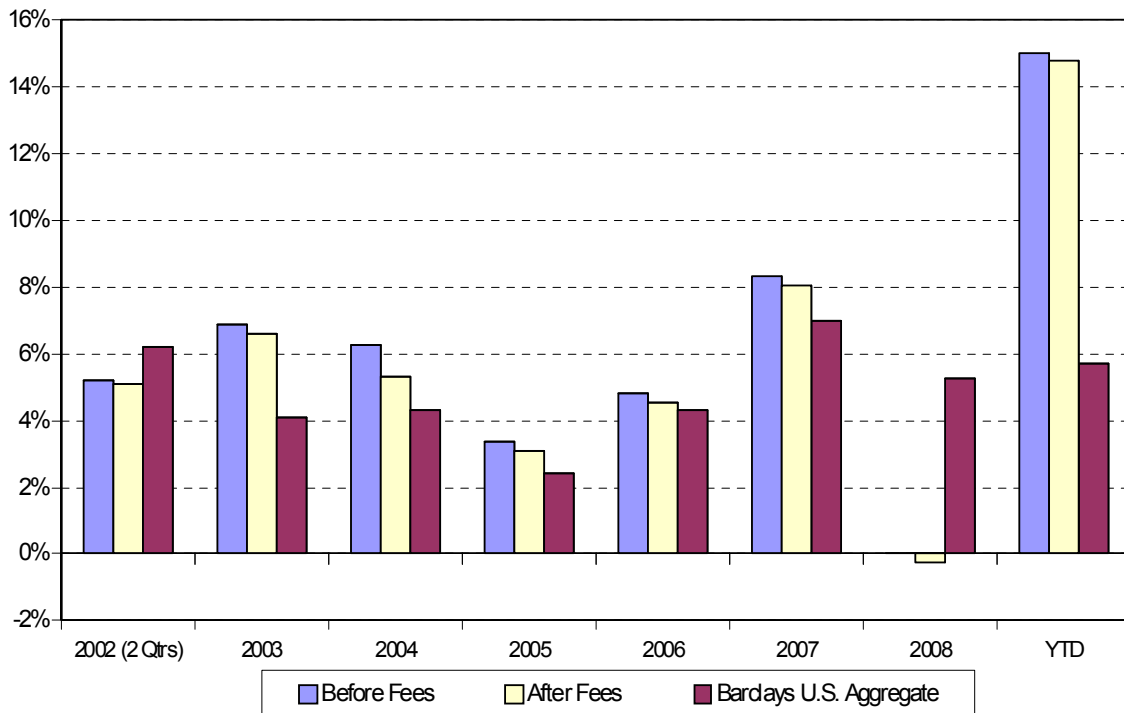
PIMCO vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

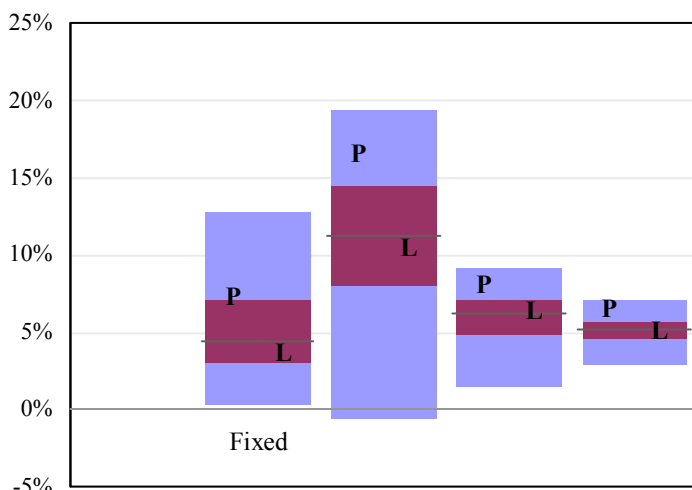


PIMCO vs. Barclays U.S. Aggregate

Year by Year Performance



PIMCO



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|---------------|------------|---------------|----------------|----------------|
| PIMCO (P) | 7.3 | 16.5 | 8.1 | 6.5 |
| Rank v. Fixed | 24 | 15 | 10 | 10 |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| BC Uni (U) | 4.5 | 10.9 | 6.1 | 5.2 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | PIMCO | Barclays Aggregate |
|---------------------------|-------|--------------------|
| Mkt Value (\$Mil) | 346.1 | n/a |
| Yield to Maturity (%) | 5.3 % | 3.6 % |
| Duration (yrs) | 4.5 | 4.4 |
| Avg. Quality | AA | AA1/AA2 |

| Sectors | PIMCO | Barclays Aggregate |
|------------------|-------|--------------------|
| Treasury/Agency | 14 % | 39 % |
| Mortgages | 45 | 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 | 10 | 0 |

PIMCO's return of 7.3% for the third quarter was better than the 3.7% return of the Barclays U.S. Aggregate and ranked in the 24th percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 16.5% was better than the 10.6% return of the Barclays U.S. Aggregate and ranked in the 15th percentile. Over the past five years, the portfolio has returned 6.5%, better than the Barclays U.S. Aggregate return of 5.1%, and ranked in the 10th percentile.

At the end of the third quarter, PIMCO continues to hold an overweight position relative to the Barclays U.S. Aggregate in the mortgage sector while maintaining an underweight to 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 third quarter was 4.5 years, down sharply from last quarter's 5.0 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.

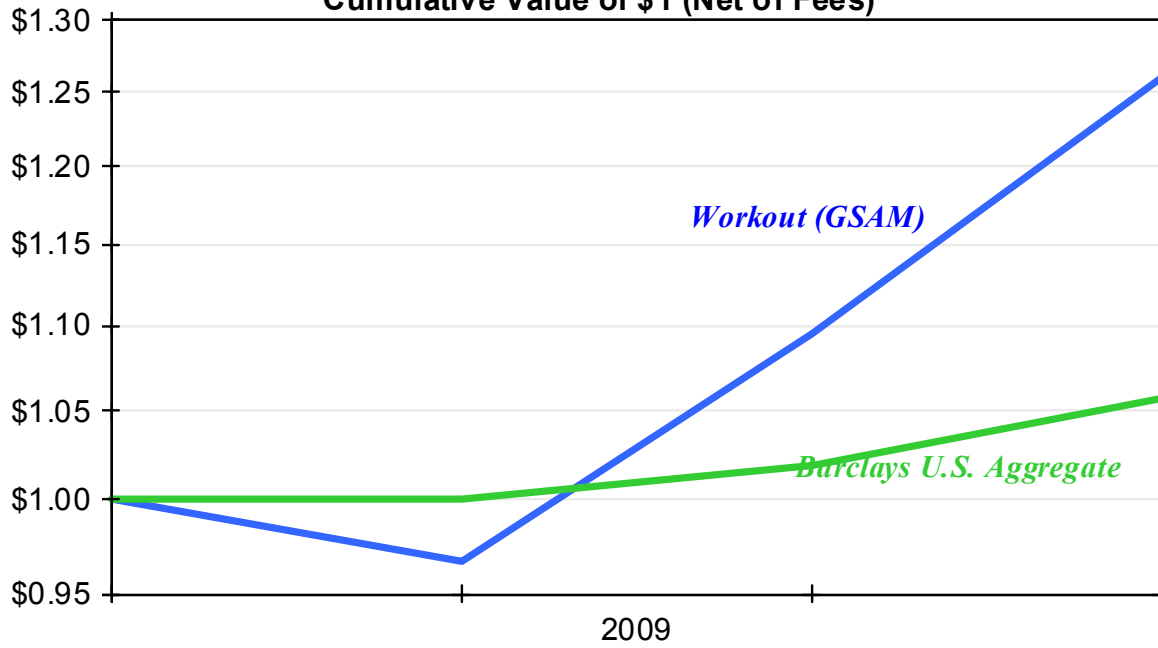
Third quarter performance was helped by above-index duration as yields fell, money market futures in the U.S., Europe and U.K. helped as central banks indicated short maturity rates would remain low longer than markets expected, an overweight to Agency MBS also helped, as did an overweight to the bonds of financial companies and consumer ABS. Only a modest exposure to Brazil detracted from overall results. Looking forward, PIMCO plans to tactically reduce risk exposures as the recent rallies leave less upside in non-Treasury securities. The firm will also target above-index duration and move toward an underweight in Agency MBS.

MANAGER COMMENTS – FIXED INCOME

Workout Portfolio - Managed by Goldman Sachs

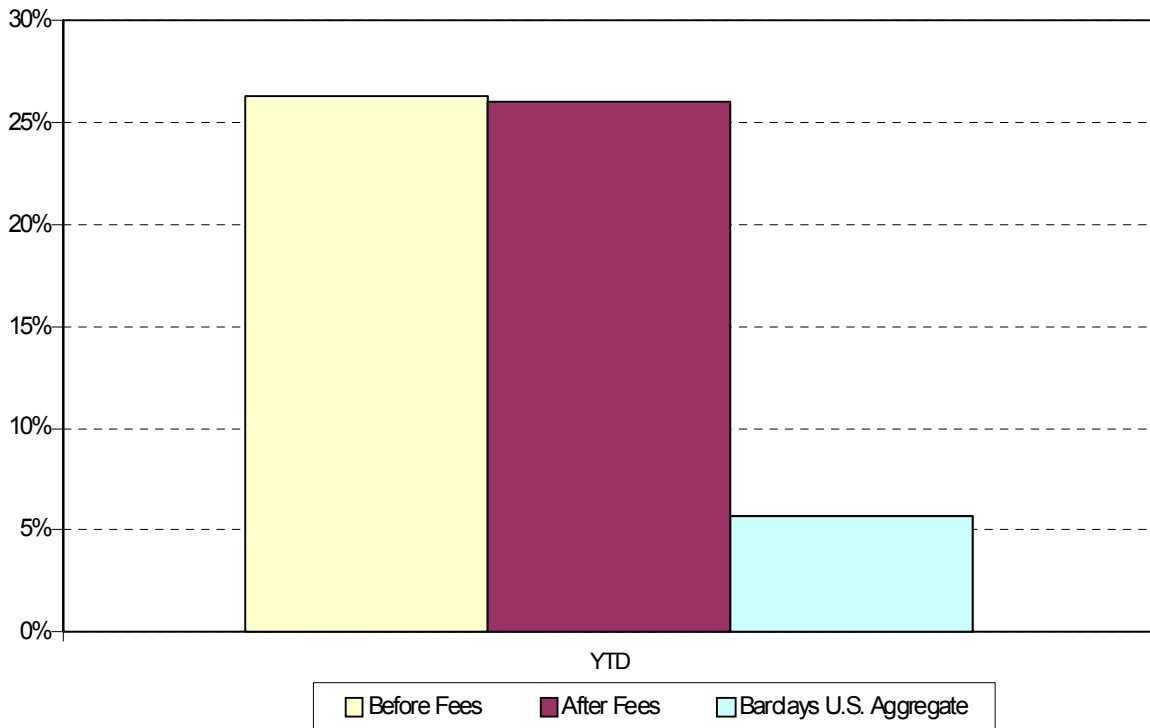
Workout vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

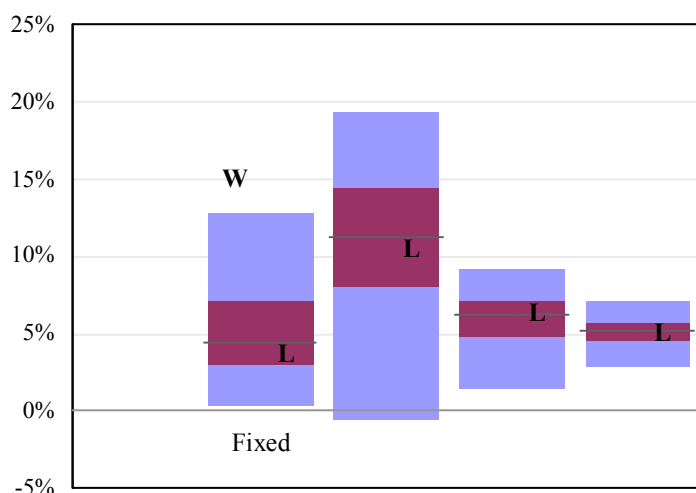


Workout vs. Barclays U.S. Aggregate

Year by Year Performance



Workout Portfolio



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|---------------|------------|---------------|----------------|----------------|
| Workout (W) | 15.0 | - | - | - |
| Rank v. Fixed | 2 | - | - | - |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| BC Uni (U) | 4.5 | 10.9 | 6.1 | 5.2 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | Workout (GSAM) | Barclays Aggregate |
|----------------------------------|-----------------------|---------------------------|
| Mkt Value (\$Mil) | 69.6 | n/a |
| Yield to Maturity (%) | 16.1 % | 3.6 % |
| Duration (yrs) | 1.0 | 4.4 |
| Avg. Quality | AA | AA1/AA2 |

| Sectors | Workout (GSAM) | Barclays Aggregate |
|------------------|-----------------------|---------------------------|
| Treasury/Agency | 1 % | 39 % |
| Mortgages | 55 | 38 |
| Corporates | 4 | 19 |
| High Yield | 0 | 0 |
| Asset-Backed | 32 | 4 |
| CMBS | 0 | 0 |
| International | 0 | 0 |
| Emerging Markets | 0 | 0 |
| Other | 0 | 0 |
| Cash | 9 | 0 |

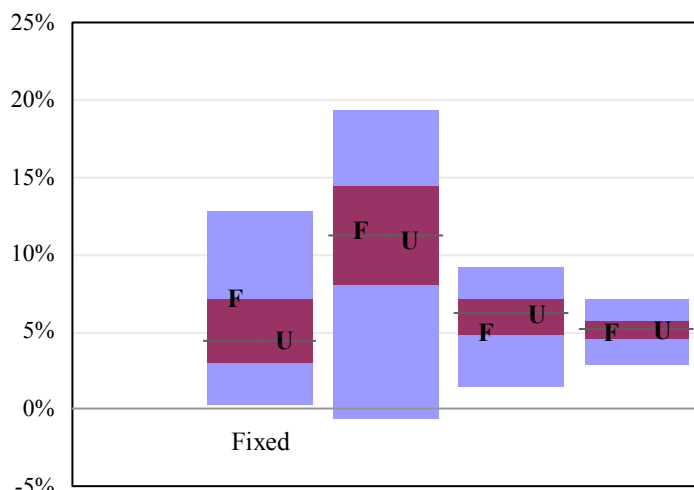
For the portion of the legacy Western Asset Management mandate that was deemed to be illiquid or trading at distressed prices that were unwarranted given the underlying instrument fundamentals, Goldman Sachs was selected to oversee and dispose of securities as appropriate. The workout portfolio is comprised primarily of collateralized debt (both mortgage-backed and asset-backed securities).

During the third quarter, this legacy portfolio returned 15.0%, significantly above the Barclays U.S. Aggregate return of the 3.7%, and ranked in the 2nd percentile of fixed income managers.

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MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



| | <u>Qtr</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> |
|-----------------|------------|---------------|----------------|----------------|
| Total Fixed (F) | 7.2 | 11.6 | 4.9 | 5.0 |
| Rank v. Fixed | 24 | 46 | 73 | 60 |
| BC Uni (U) | 4.5 | 10.9 | 6.1 | 5.2 |
| BC Agg (L) | 3.7 | 10.6 | 6.4 | 5.1 |
| Fixed Median | 4.4 | 11.3 | 6.2 | 5.2 |

| Portfolio Characteristics | Total Fixed | Barclays Universal |
|---------------------------|-------------|--------------------|
| Mkt Value (\$Mil) | 1,183.0 | n/a |
| Yield to Maturity (%) | 7.1 % | 4.0 % |
| Duration (yrs) | 3.9 | 4.5 |
| Avg. Quality | AA | AA |

| Sectors | Total Fixed | Barclays Universal |
|------------------|-------------|--------------------|
| Treasury/Agency | 14 % | 35 % |
| Mortgages | 38 | 33 |
| Corporates | 12 | 17 |
| High Yield | 14 | 5 |
| Asset-Backed | 3 | 3 |
| CMBS | 8 | 0 |
| International | 3 | 2 |
| Emerging Markets | 1 | 1 |
| Other | 2 | 4 |
| Cash | 4 | 0 |

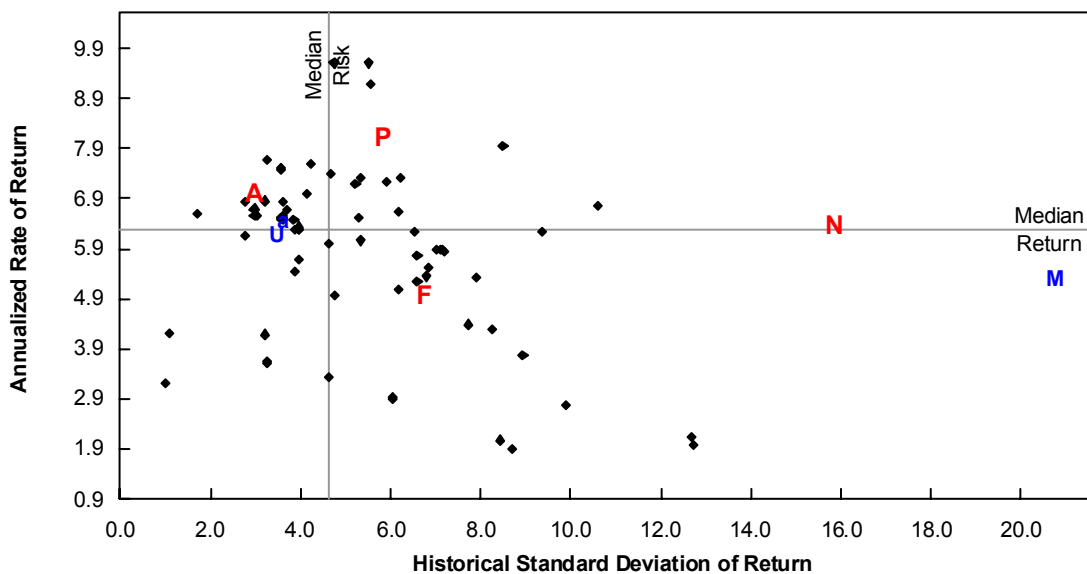
CCCERA total fixed income returned 7.2% in the third quarter, which was better than the 4.5% return of the Barclays Universal and the 3.7% return of the Barclays U.S. Aggregate, ranking in the 24th percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 11.6%, better than the 10.9% return of the Barclays Universal and the 10.6% return of the Barclays U.S. Aggregate. The CCCERA total fixed income returns trailed the Barclays Universal and the median fixed income manager over the three and five-year periods.

At the end of the third quarter, the aggregate fixed income position was underweight relative to the Barclays Universal in the US government and corporate debt sectors. These underweights 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 third quarter was 3.9 years, shorter than the 4.5 year duration of the index.

MANAGER COMMENTS – FIXED INCOME

Domestic Fixed Income Performance and Variability

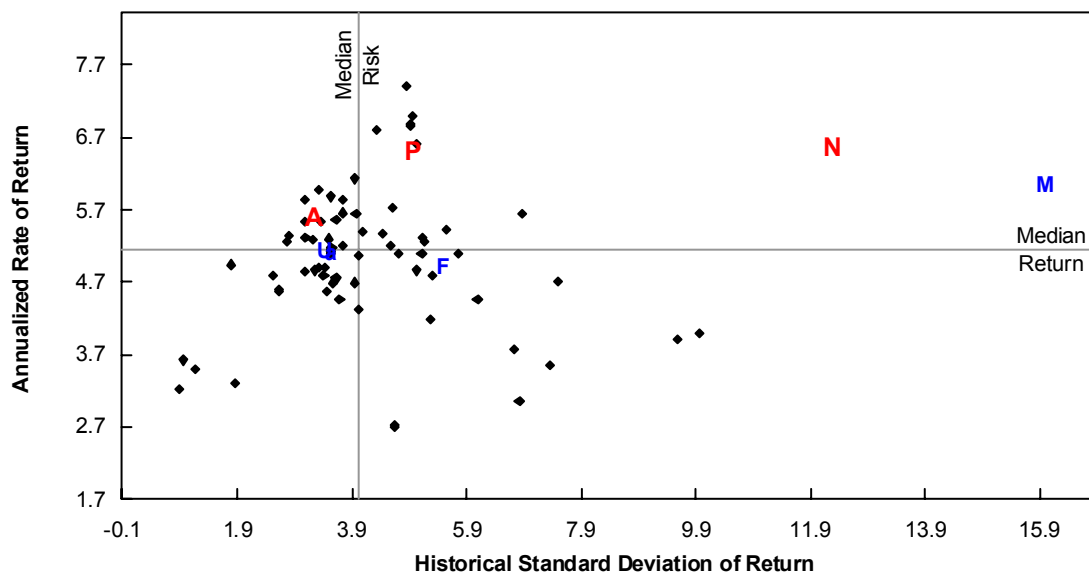
Three Years Ending September 30, 2009



| Domestic Bond Managers | Annualized Return | Standard Deviation | Risk/Reward Ratio |
|---------------------------------|----------------------|-----------------------|----------------------|
| AFL-CIO (A) | 6.9 % | 3.0 % | 1.39 |
| Nicholas Applegate (N) | 6.3 | 15.8 | 0.22 |
| PIMCO (P) | 8.1 | 5.8 | 0.90 |
| Total Fixed (F) | 4.9 | 6.7 | 0.31 |
| Lehman Aggregate (a) | 6.4 | 3.6 | 1.00 |
| ML High Yield II (M) | 5.3 | 20.7 | 0.12 |
| Lehman Universal (U) | 6.1 | 3.4 | 0.96 |
| Median Bond Portfolio | 6.2 | 4.6 | 0.74 |

Domestic Fixed Income Performance and Variability

Five Years Ending September 30, 2009

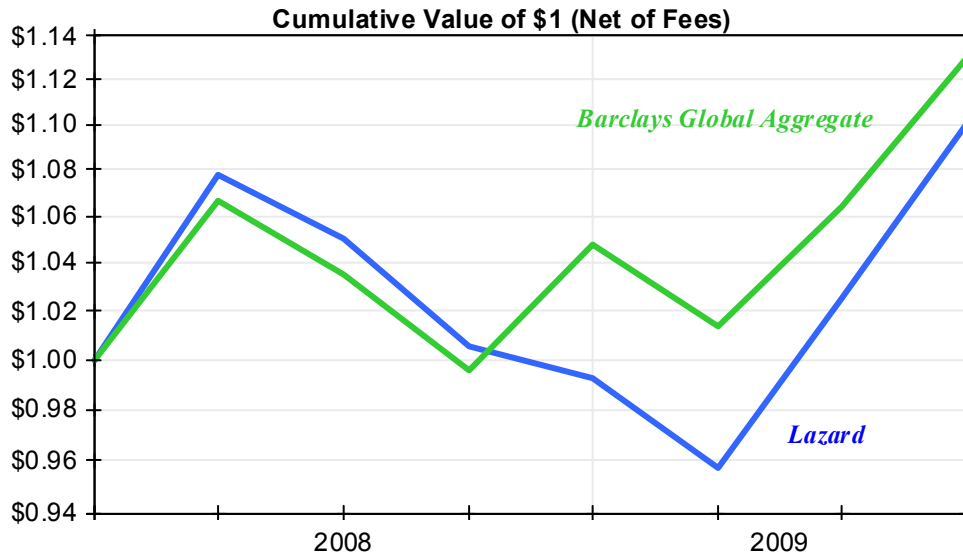


| | <u>Annualized Return</u> | <u>Standard Deviation</u> | <u>Risk/Reward Ratio</u> |
|---------------------------------|------------------------------|-------------------------------|------------------------------|
| Domestic Bond Managers | | | |
| AFL-CIO (A) | 5.6 % | 3.2 % | 0.79 |
| Nicholas Applegate (N) | 6.6 | 12.3 | 0.28 |
| PIMCO (P) | 6.5 | 5.0 | 0.69 |
| Total Fixed (F) | 5.0 | 5.5 | 0.34 |
| Lehman Aggregate (a) | 5.1 | 3.5 | 0.57 |
| ML High Yield II (M) | 6.1 | 16.0 | 0.19 |
| Lehman Universal (U) | 5.2 | 3.4 | 0.60 |
| Median Bond Portfolio | 5.2 | 4.0 | 0.52 |

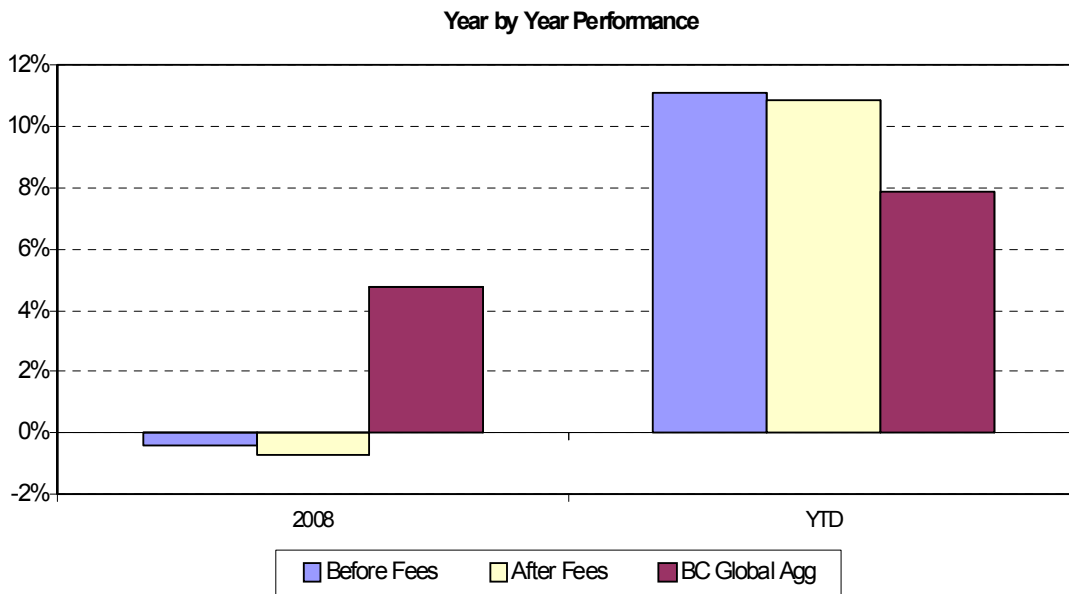
MANAGER COMMENTS – GLOBAL FIXED INCOME

Lazard Asset Management

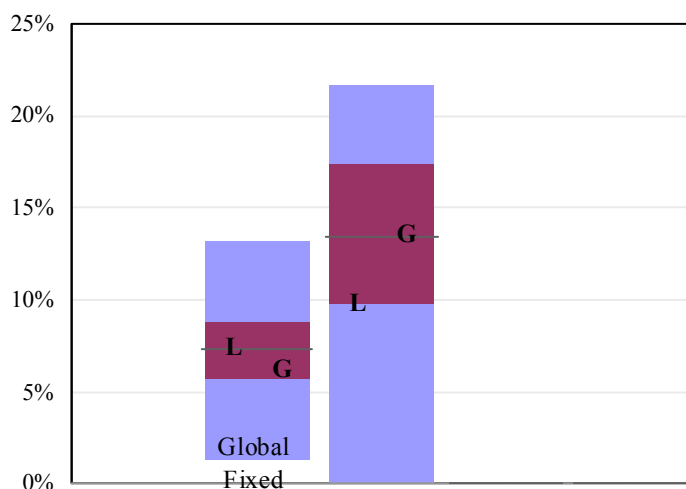
Lazard vs. Barclays Global Aggregate



Lazard vs. Barclays Global Aggregate



Lazard Asset Management



| | Qtr | 1 Year | 3 Years | 5 Years |
|-----------------|-----|--------|---------|---------|
| Lazard (L) | 7.4 | 9.8 | - | - |
| Rank v. Glob FI | 46 | 74 | - | - |
| BC Global (G) | 6.2 | 13.5 | 8.1 | 6.1 |
| GI Fixed Median | 7.3 | 13.4 | - | - |

| Portfolio Characteristics | Lazard Asset Mgmt | Barclays Global Aggregate |
|---------------------------|-------------------|---------------------------|
| Mkt Value (\$Mil) | 210.5 | n/a |
| Yield to Maturity (%) | 4.7 % | 3.0 % |
| Duration (yrs) | 5.1 | 5.4 |
| Avg. Quality | AA | AA |

| Sectors | Lazard Asset Mgmt | Barclays Global Aggregate |
|------------------------|-------------------|---------------------------|
| Treasury/Sovereign | 43 % | 59 % |
| Agency/Supranational | 21 | 3 |
| Corporate | 13 | 16 |
| High Yield | 4 | 0 |
| Emerging Markets/Other | 15 | 8 |
| Mortgage | 4 | 14 |

Lazard Asset Management returned 7.4% in the third quarter. This return was above the 6.2% return of the Barclays Global Aggregate and ranked in the 46th percentile in the universe of global fixed income managers. Over the past year, Lazard has returned 9.8%, trailing the Barclays Global Aggregate return of 13.5% and ranking in the 74th percentile. The portfolio continues to be negatively impacted by the significant underperformance experienced in the fourth quarter of 2008, though Lazard has closed the gap considerably thus far in 2009.

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 third quarter was 5.1 years, shorter than the 5.4 year duration of the index. The portfolio has a higher yield than the index.

Lazard's performance was helped by interest rate moves, credit spread tightening, and currency exposure. Country allocations also contributed to performance, as an overweight position in bonds in the Eurozone (including Scandinavia) and an underweight position in bonds in the United States, United Kingdom, and Japan added to returns. Lazard continued to eliminate U.S. Treasuries from the strategy and reinvest these proceeds in other markets overseas, or in spread products denominated in U.S. dollars. Security selection and spread product helped returns, as the firm's diversified exposure to investment-grade corporates, high-yield securities, select emerging markets, and sovereign external debt performed well. The slight underweight position in the financials sector and long-maturity corporates detracted from performance, as these sectors continued to perform well.

The firm expects that the U.S. dollar will remain weak for the medium and long term. To that end, Lazard intends to maintain diversified overweight exposure to currencies such as the euro, New Zealand dollar, Australian dollar, Polish zloty, and Norwegian krone. It also intends to maintain and add to credit exposure on a selective basis around the globe, with a focus on issuers that have balance sheet strength, strong cash flow, and favorable debt structures

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management \$297,959,702

Adelante Capital Management returned 30.5% for the third quarter, below the 35.4% return of the Dow Jones Wilshire REIT Index, and ranked in the 78th percentile of the REIT mutual fund universe. For the past year, Adelante returned -30.2%, trailing the REIT index return of -29.3% and ranking in the 79th percentile. The portfolio has performed similarly to the benchmark over longer time periods.

As of September 30, 2009, the portfolio consisted of 28 public REITs. Office properties comprised 13.3% of the underlying portfolio, apartments made up 16.8%, retail represented 22.6%, industrial was 11.1%, 4.9% was diversified/specialty, hotels accounted for 5.2%, manufactured homes made up 1.7% and 5.2% was cash. The properties were diversified regionally with 30.7% in the Northeast, 21.7% in the Pacific region, 13.2% in the Mideast, 13.4% in the Southeast, 6.7% in the East North Central region, 6.2% in the Mountain, 4.9% in the West North Central region and 3.3% other.

BlackRock Realty \$10,578,731

BlackRock Realty Apartment Value Fund III (AVF III) returned -26.8% in the third quarter. Over the one-year period, BlackRock has returned -64.8%. CCCERA has an 18.6% interest in the AVF III.

As of September 30, 2009, the fund held 13 investments, all apartment properties. The properties are distributed regionally as follows: 33% in the Pacific, 16% in the Northeast, 22% in the East North Central, 10% in the Southwest and 19% in the Southeast. Average portfolio occupancy rate of developed existing properties was over 93%.

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

DLJ Real Estate Capital Partners \$173,099

DLJ Real Estate Capital Partners (RECP) returned -0.4% in the quarter ending June 30, 2009. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 9.7%. 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.

DLJ Real Estate Capital Partners II
\$5,245,573

DLJ Real Estate Capital Partners II (RECP II) reported a return of -2.8% in the quarter ending June 30, 2009. Over the one-year period, RECP II has returned -33.1%. CCCERA has a 3.4% ownership interest in RECP II.

As of June 30, 2009, the portfolio consisted of 38% retail, hotels accounted for 25%, land development made up 18%, residential accounted for 11%, 1% made up office properties and 7% in "other". The properties were diversified geographically with 18% in the Pacific, 25% in the Mountain region, 11% in the Northeast, 21% international, and 25% listed as "Various U.S."

The RECP II Fund acquired 51 investments with total capital committed of \$995 million. RECP II's investment activities were completed in 2004 and the focus since has been on the management, positioning and realization of the portfolio. A total 44 of the properties have been sold while seven remain to be partially or fully realized. The Fund has received substantial proceeds from partial realizations on its remaining portfolio. These partial proceeds, together with the fully realized transactions, have allowed the Fund to distribute \$1.9 billion, representing 190% of the capital invested by the Fund. The firm believes that it will be some time before equilibrium returns to the real estate market, but is beginning to examine select opportunities for selling the remaining properties.

DLJ Real Estate Capital Partners III
\$47,292,493

DLJ Real Estate Capital Partners III (RECP III) reported a return of -6.4% in the second quarter. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned -22.9%. CCCERA has a 6.7% ownership interest in RECP III.

As of June 30, 2009 the portfolio consisted of 43% hotel properties, 18% industrial/ logistics, 15% mixed-use development, 11% vacation home development, 8% residential, 1% land development, 3% retail and 2% other. The properties were diversified globally with 46% non-US and 54% US.

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

DLJ Real Estate Capital Partners IV
\$18,785,490

DLJ Real Estate Capital Partners IV (RECP IV) returned -0.7% in the quarter ending June 30, 2009. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund has returned -64.3%.

As of June 30, 2009 the portfolio consisted of 20% mixed-use development, 34% CMBS and loans, 15% development and construction company, 9% hotel properties, 5% office development, 4% retail development, 4% industrial, 3% commercial land development, 1% "other" investments, 4% public securities and 2% private securities in a public company. The properties were diversified globally with 39% non-US and 61% US.

To date, the Fund has completed 20 investments, investing approximately \$600 million of

equity.

Fidelity Investments US Growth Fund II
\$15,441,486

Fidelity Investments returned -8.1% for the third quarter of 2009. For the one-year period, Fidelity had a total return of -58.3%.

Since inception through September 30, 2009, the fund has made 52 investments. 19 have been fully realized, with a realized gross CCCERA IRR of -19.3%. The remaining 32 projects are projected to realize a -7.3% IRR, bringing the overall fund to a projected IRR of -8.2%.

The portfolio consists of 14% apartment properties, 18% for sale housing, 10% senior housing, 7% retail, 4% office and 45% student housing. The properties were diversified regionally with 31% in the Pacific, 3% in the Northeast, 3% in the Mideast, 15% in the Southeast, 40% in the Eastern North Central, 4% in the Mountain region and 4% in the Southwest.

Fidelity Investments US Growth Fund III
\$4,191,238

Fidelity US Growth Fund III reported a return of -50.4% for the third quarter of 2009. Over the past year, the Fund has returned -75.7%.

Since inception through September 30, 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. Again, 69% remains uncommitted.

Hearthstone I & II
\$-150,000 & \$-95,000

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 3.6% annual IRR) and the second fund a strong one (with an annual IRR of 26.6%).

Invesco Real Estate Fund I
\$24,448,245

Invesco Real Estate Fund I ("IREF") reported a third quarter total return of -1.1%. Over the past year, Invesco Real Estate Fund I returned -47.3%. CCCERA has a 15.6% interest in the Real Estate Fund I.

As of the third quarter, the portfolio consisted of 11 investments. Property type distribution was 10% retail, 22% industrial properties, 9% office and 59% multi-family. The properties were diversified regionally with 28% in the West, 50% 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 eleven remaining investments continues to be significantly challenged given the severity of the macro economic contraction. The re-pricing of the real estate asset class has had an impact on Fund valuations over the past four quarters, with a trough in valuations expected in the fourth quarter. Despite declining market fundamentals, income at the property level is anticipated to continue its growth over the next four quarters. During 2009, the Fund called 10% of investor capital to pay down debt. This has improved Fund performance by maintaining balance sheet stability. A total of \$24.5 million has been paid down so far with an additional \$5.0 - \$6.0 million anticipated to be paid down during late 2009.

Invesco Real Estate Fund II
\$10,334,857

Invesco Real Estate Fund II returned -21.2% during the third quarter. Over the past year, the fund has returned -89.1%. 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 Pacific, 12% Southeast and 43% Northeast.

The Fund is still only about one third invested. Poor performance to date is the result of buying assets just before the recent decline in commercial real estate value. The poor timing was exacerbated through the use of leverage

Invesco International REIT
\$47,625,412

The Invesco International REIT portfolio returned 17.5% in the third quarter. This return outperformed the FTSE EPRA/NAREIT Global ex-US benchmark return of 12.0%.

Prudential Strategic Performance Fund II
\$171,389

For the third quarter, the Prudential Strategic Performance Fund-II (SPF-II) returned -7.2%. Over the one year period, the fund returned -51.3%. CCCERA accounts for 16.2% of SPF-II. The IRR over the life of the fund has been 13.4%.

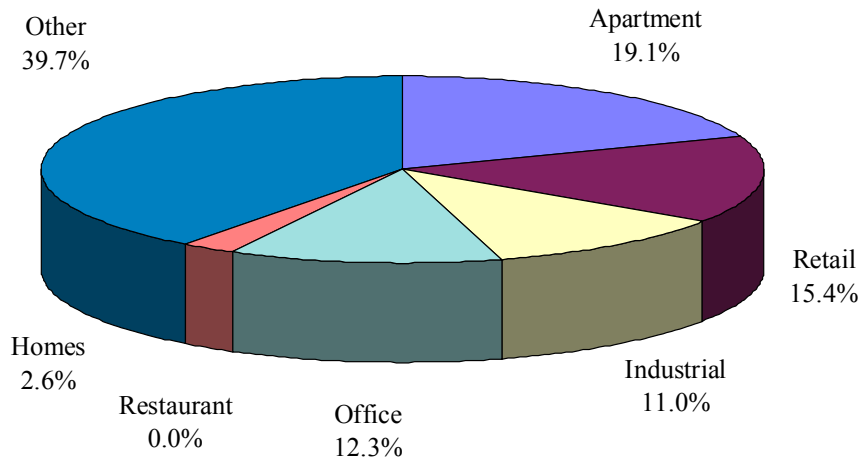
On March 31, 2009, SPF-II completed the UCC foreclosure of Monroe Center in New Jersey, resulting in the transfer of the borrower's membership interest to an affiliate of SPF-II. This is the sole remaining interest within SPF-II.

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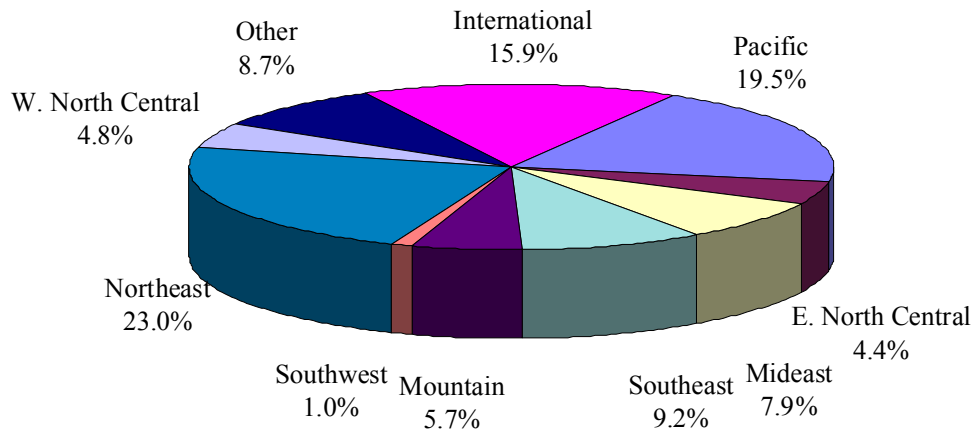
MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification

Diversification by Property Type



Diversification by Geographic Region



MANAGER COMMENTS - ALTERNATIVE INVESTMENTS

Adams Street Partners

\$58,015,831

Adams Street had a second quarter gross return of 10.3% for the CCCERA's investments. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) For the one-year period, Adams Street has returned -13.5%. The portfolio continues in acquisition mode.

The Adams Street domestic portfolio (78% of the portfolio) is comprised of 40.1% venture capital funds, 10.6% special situations, 5.5% in mezzanine funds, 3.3% in restructuring/distressed debt and 40.4% in buyout funds. The Non-US program (22% of the portfolio) was allocated 27.4% to venture capital, 10.3% special situations, 1.9% mezzanine debt, 1.6% restructuring/distressed debt and 58.7% buyouts. These allocations are largely unchanged from the prior quarter.

Bay Area Equity Fund

\$9,486,115

Bay Area Equity Fund had a second quarter gross return of -3.6% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned -1.6%. CCCERA has a 10.8% ownership interest in the Fund.

As of June 30, 2009, the Bay Area Equity Fund has 17 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

\$10,930,788

Carpenter had a second quarter gross return of 1.6% (Performance lags by one quarter due to financial reporting constraints). Over the past year, Carpenter has returned 8.3%.

As of June 30, 2009 the fund had completed investments in six banks totaling approximately \$90 million in an eight month span of time, completing deals and applications prepared and filed in late 2008.

Energy Investors - US Power Fund I

\$14,597,664

The Energy Investors Fund Group (EIF) had a second quarter gross return for this fund, which is in liquidation mode, of 2.1%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF had a total return of 113.5%. CCCERA has a 12.0% ownership interest in Fund I.

The fund has substantially realized all investments, but maintains interests in six projects at this time.

Energy Investors - US Power Fund II
\$46,308,412

Energy Investors had a second quarter gross return of 1.5% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 3.4%. CCCERA has a 19.7% ownership interest in USPF-II.

Fund II is fully committed at this time. Several investments in Fund II are follow-on investments to investments made in Fund I. Fund II has substantially realized two investments and has 14 unrealized investments. The Fund successfully closed on a one-year extension of its credit facilities in early July. The maturity date was extended to July 2010, and the credit facility was reduced from \$75 million to \$45 million, which will be used to support the Fund's commitments to Kleen and Plum Point.

Energy Investors - US Power Fund III
\$18,327,183

During the second quarter, the fund had a gross return of 0.0%. Over the past year, the fund has returned 11.6%. CCCERA has a 6.9% ownership interest in USPF-III.

Fund III has investments in seven investments as of June 30, 2009, all unrealized. The most recent investment is a \$174 million equity investment in Astoria Energy (Phase II) that was completed in June 2009.

Nogales Investors Fund I
\$2,140,635

The Nogales Investors Fund I returned 3.6% in the quarter ended June 30. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned -50.1%. CCCERA makes up 16.3% of the Fund.

The firm terminated Mark Mickelson, a Partner, effective October 2, 2009. Mark and Keller Morris, Principal, had monitoring responsibilities for the Fund's remaining investment in Video King.

Paladin Fund III
\$7,838,184

Paladin Fund III returned 11.9% for the quarter ended June 30, 2009. Over the past year, the fund has returned 10.6%.

As of March 31, 2009, Paladin Fund III had made eleven investments. In addition to the prior fund investments of Adapx, Digital Bridge Communications, Initiate Systems, Luminus,

Quantalife, Renewable Energy Products, Royalty Pharma, Unitrends and Vital Renewable Energy Products (VREC) the Fund added investments in Paladin Ethanol Acquisition (PEA) and WiSpry. PEA was created by Paladin III to acquire deeply discounted ethanol facilities and infrastructure in the United States. WiSpry manufactures tunable antennas for use in wireless communications. The market value of all 11 investments total \$28.3 million.

Pathway Private Equity Fund
\$43,855,782

The Pathway Private Equity Fund (PPEF) had a second quarter return of 6.1%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF returned -19.2%.

PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments. As of June 30, 2009 PPEF has made commitments of \$121.5 million across 40 private equity partnerships. Through June 30, 2009, the partnership has made distributions of \$39.3 million, which represents 53% of the Fund's total contribution.

PT Timber Fund III
\$7,085,524

The PT Timber Fund III had a third quarter return of 1.1%. For the one-year period, John Hancock reports a total return of 7.1%. CCCERA makes up 12.3% of Fund III.

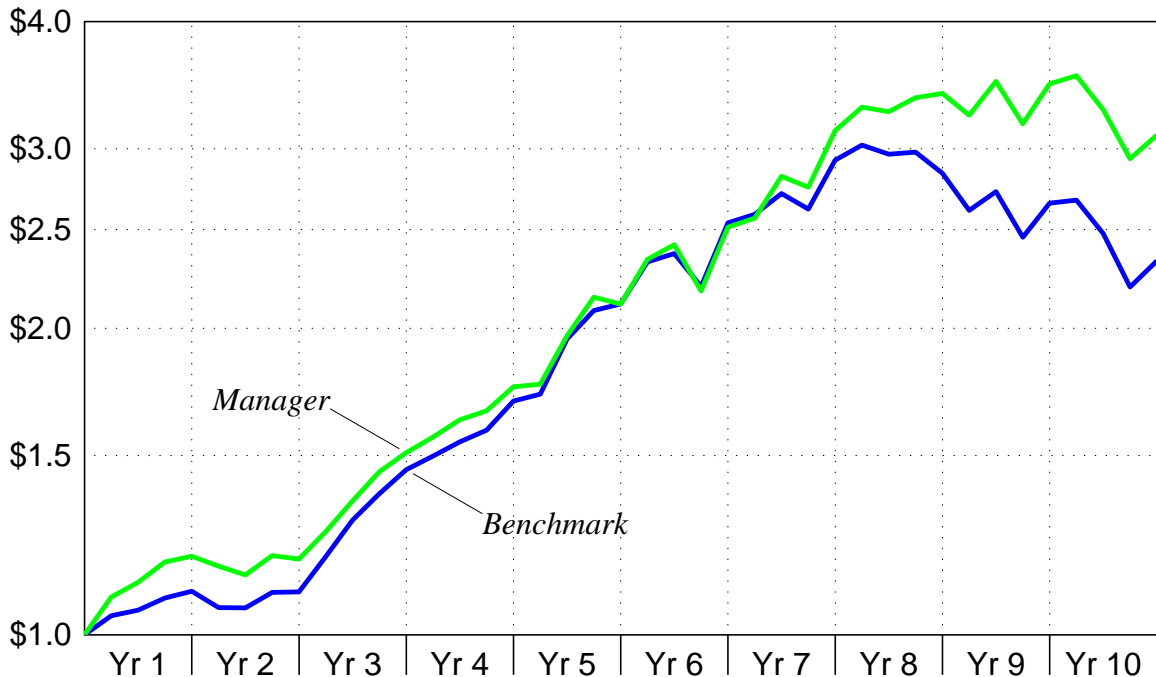
As of the end of the second quarter, PT-III's timberland portfolio is comprised of three properties: Covington in Alabama and Florida; Bonifay in Florida; and Choctaw in Mississippi. Choctaw is the focus of current activity, as the firm manages this timber-only investment to liquidate naturally as the timber matures and is sold. The firm is hesitant to attempt to sell the remaining investment in the current market and may contact investors about extending the fund's term.

APPENDIX – EXAMPLE CHARTS

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

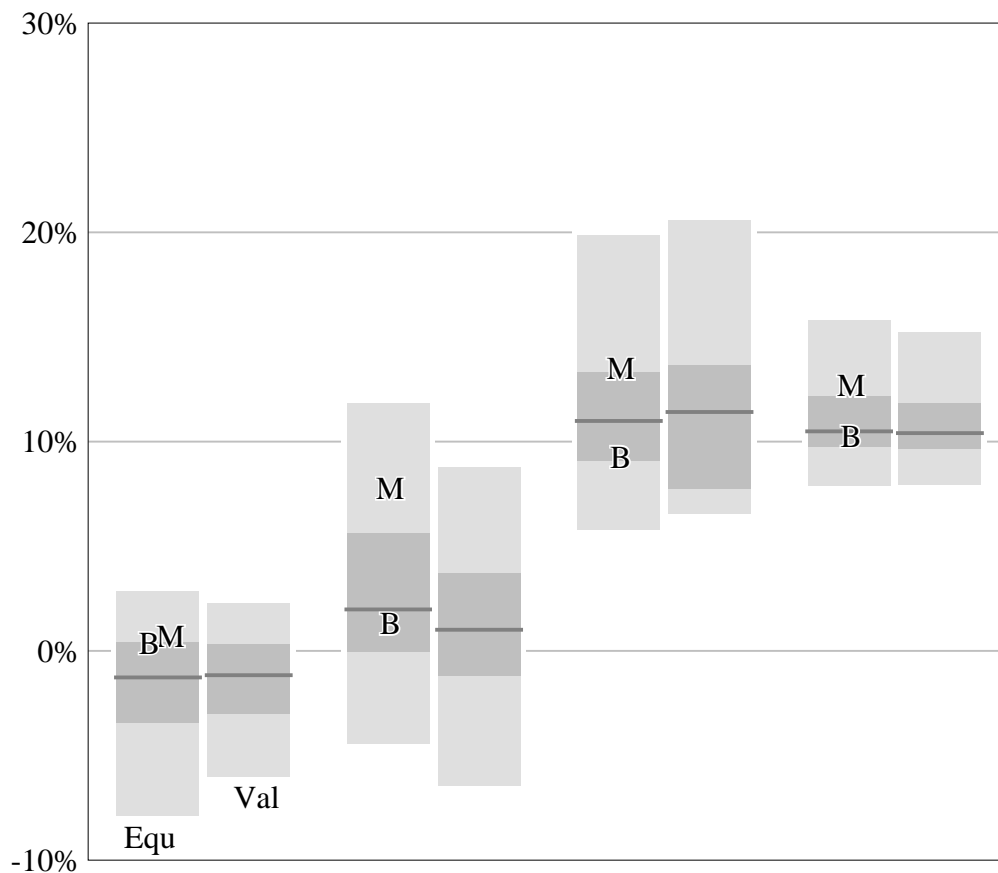


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter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

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

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

How to Read The Floating Bar Chart:



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

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

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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