QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT
for

Contra Costa County
Employees' Retirement Association

FOR THE PERIOD ENDING
December 31, 2005

February 13, 2006

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KEY POINTS

Fourth Quarter, 2005

- Domestic equity markets were positive in the fourth quarter. The S&P 500 index returned 2.1% for the quarter and the Russell 2000 small capitalization index returned 1.1%.
- Domestic bond markets were slightly positive in the quarter, with both the Lehman Aggregate and the median fixed income manager returning 0.6%.
- CCCERA Total Fund returned 3.2% for the fourth quarter, exceeding 1.8% for the median total fund and the 1.7% for the median public fund. CCCERA Total Fund performance has been above the median fund over all longer cumulative periods ended December 31, 2005.
- CCCERA domestic equities returned 2.9% in the quarter, ahead of the S&P 500 and the median equity manager.
- CCCERA international equities returned 6.5% for the quarter, above 4.1% for the MSCI EAFE index and 4.4% for the median international equity manager.
- CCCERA fixed income returned 0.9% for the quarter, above the Lehman Aggregate and median fixed income manager.
- CCCERA international fixed income returned 0.8% for the quarter, slightly below the 0.9% return of the Citigroup Non US Government Hedged Index.
- CCCERA alternative assets returned 4.6% for the quarter.
- CCCERA real estate returned 5.2% for the quarter, above the median real estate manager.
- Domestic equities were over-weighted vs. target at the end of the fourth quarter, offset by under-weightings in alternative investments and commodities. US equities are the "parking place" for assets intended for these asset classes. International equities, real estate, domestic fixed income, international fixed income and cash & equivalents were all close to target levels at quarter end.
- The Board selected McKinley Capital to replace Capital Guardian as the international growth equity manager.

WATCH LIST

Manager	Since	Reason
Boston Partners	3/2005	Personnel changes
Delaware	4/2005	Ownership
Progress	7/2005	Personnel changes
Prudential Timber	11/2004	Ownership and Personnel
US Realty	5/2003	Personnel changes

SUMMARY

The domestic equity markets had positive returns in the fourth quarter of 2005, with the S&P 500 returning 2.1%. Small capitalization stocks underperformed larger capitalization issues, with the Russell 2000 returning 1.1%. The median equity manager returned 2.1% and the broad market, represented by the Russell 3000, returned 2.0%. International equity markets had stronger results, with the MSCI EAFE Index returning 4.1% and the median international equity manager returning 4.4%. Emerging markets posted even stronger results, with the MSCI Emerging Markets Index returning 6.6%. The U.S. bond market was slightly positive in the quarter with both the Lehman Aggregate Index and the median fixed income manager returning 0.6%. Hedged international bonds performed slightly better, with the Citigroup Hedged Index returning 0.9%. Real estate returns were positive, with the NAREIT Equity Index of publicly traded real estate investment trust securities returning 1.5% and the NCREIF Property Index returning 5.4%. The median real estate manager returned 3.9%.

CCCERA's fourth quarter return of 3.2% exceeded both the median total fund and the median public fund. CCCERA has out-performed both medians over all trailing time periods.

CCCERA total domestic equities returned 2.9% for the quarter, above the 2.1% return of the S&P 500 and the 2.1% return of the median manager. Of CCCERA's active equity managers, Wentworth had the strongest domestic equity performance with a return of 4.3%, well above the 2.1% return of the S&P 500. Emerald returned 4.0%, better than the Russell 2000 Growth Index return of 1.6%. Delaware returned 3.8%, above the Russell 1000 Growth return of 3.0%. Progress returned 2.9%, better than the 1.1% return of the Russell 2000. Intech returned 2.7%, above the S&P 500. Rothschild returned 2.6% versus 0.9% for the Russell 2500 Value. Boston Partners returned 2.4%, above the S&P 500 and the Russell 1000 Value Index. PIMCO returned 2.1%, matching the S&P 500. Finally, ING returned 1.8%, slightly trailing the S&P 500.

CCCERA international equities returned 6.5%, above the 4.1% return of the Morgan Stanley Capital International Europe, Australia, Far East Index and the 4.4% return of the median international manager. Capital Guardian's developed market portfolio return of 8.5% was better than the MSCI EAFE and the median manager. The GMO Intrinsic Value portfolio returned 3.5%, slightly trailing the MSCI EAFE and the median international equity manager. The Capital Guardian emerging market portfolio returned 10.2% versus 7.2% for the MSCI Emerging Market Free Index.

CCCERA total domestic fixed income returned 0.9% for the fourth quarter, above 0.6% for the Lehman Aggregate and 0.6% for the median fixed income manager. AFL-CIO's return of 0.6% matched the Lehman Aggregate and the median fixed income manager but slightly trailed the Citigroup Mortgage Index. PIMCO returned 0.6%, matching the Lehman Aggregate and the median. Western Asset returned 0.2%, below the Lehman Aggregate and the median. ING Clarion returned 2.4%, well above the fixed income median. Nicholas Applegate returned 1.6% versus 0.4% for the Citigroup High Yield Index and 0.8% for the Merrill Lynch BB/B Index.

The Fischer Francis Trees & Watts international hedged fixed income portfolio returned 0.8% for the fourth quarter, slightly below the 0.9% return of the Salomon Non US Government Hedged Index.

CCCERA total alternative investments returned 4.6% in the fourth quarter. Pathway returned 8.2%, Energy Investor Fund reported a return of 4.9%, Adams Street Partners reported a return of 3.7%, PruTimber reported a return of 2.6%, Nogales had a return of 2.5% for the quarter and the Bay Area Equity Fund returned 0.2% for the fourth quarter. (Due to timing constraints, all alternative portfolio returns except PruTimber are for the quarter ending September 30.)

The median real estate manager returned 3.9% for the quarter while CCCERA's total real estate returned 5.1%. DLJ's RECP III returned 19.3% while RECP II returned 13.8%, Prudential SPF-II returned 7.7%; Invesco returned 5.7%; BlackRock Realty returned 4.3%, Adelante Capital's REIT portfolio returned 4.0%; Fidelity returned 2.1%; FFCA returned 2.1%; Willows Office property returned 1.9%; DLJ's RECP I returned 0.1%; and US Realty returned -27.3%. The poor showing of the US Realty portfolio was due to a large write-down of the remaining property in preparation of its sale.

Asset Allocation
The CCCERA fund at December 31, 2005 was over-weighted in domestic equity at 46% versus the target of 43%, and under-weight in alternatives at 3% versus the target of 5% and commodities at 0% versus the target of 2%. (Assets earmarked for alternative investments and commodities are temporarily invested in U.S. equities.) Other classes were near targets.

Securities lending income for the quarter totaled $132,022 from CCCERA's custodian, State Street Bank.

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

Investment Performance Objectives – over a market cycle of 3-4-5 years:
- Domestic equity managers are expected to have a rate of return in excess of the S&P 500 after adjusting for risk and to have above median performance in the Wilshire COOP database. The enhanced index portfolios are expected to exceed the S&P 500.
- U.S. fixed managers are expected to exceed the Lehman Aggregate index and have above median performance. High yield managers are expected to exceed the Citi High Yield Index.
- International equity managers are expected to have a rate of return in excess of the MSCI EAFE index after adjusting for risk and to have above-median performance in the COOP database.
- The international fixed income manager is expected to exceed the Citi International Government Fixed Hedged Index.
- Real estate managers are expected to return of the Consumer Price Index + 500 basis points.
- Alternative managers are expected to have a return in excess of the S&P 500 and peers.
- The total fund is expected to have a return 400 basis points above the CPI.

Summary of Managers Compliance with Investment Performance Objectives

Managers Meeting Objectives:	Adelante Capital, AFL-CIO, Boston Partners, DLJ I, DLJ II, FFCA, Intech, PIMCO (equity), PIMCO (fixed income), Prudential SPF II, Western Asset Management
Managers Meeting Some Objectives:	Capital Guardian (developed), Capital Guardian (emerging), FFTW, ING (equity), Nicholas-Applegate, Pathway, PruTimber, Wentworth, Willows
Managers Not Meeting Objectives:	Adams Street, US Realty,

The Total Fund, while exceeding total and public fund medians, has marginally trailed the CPI + 400 basis points (4%) over the five-year period.

ASSET ALLOCATION

As of December 31, 2005

EQUITY - DOMESTIC	Market Value	% of Portion	% of Total	Target % of Total
Boston Partners	$ 248,763,862	12.8 %	5.8 %	5.7 %
Delaware Investments	257,425,675	13.2	6.0	5.7
Emerald	171,569,843	8.8	4.0	3.9
ING	239,230,260	12.3	5.6	5.7
Intech	242,025,246	12.4	5.7	5.7
PIMCO	332,180,005	17.0	7.8	5.7
Progress	43,567,154	2.2	1.0	1.0
Rothschild	165,965,898	8.5	3.9	3.9
Wentworth	248,210,264	12.7	5.8	5.7
TOTAL DOMESTIC	$ 1,948,938,207	100.0 %	45.7 %	43.0 %
			Range:	*35 to 55 %*
INTERNATIONAL EQUITY				
Capital Guardian	$ 244,006,001	45.7 %	5.7 %	5.2 %
Cap. Grd. Emg Mkt	57,132,119	10.7	1.3	1.1
GMO Intrinsic Value	232,419,123	43.6	5.5	5.2
TOTAL INT'L EQUITY	$ 533,557,243	100.0 %	12.5 %	11.5 %
			Range:	*7 to 13 %*
FIXED INCOME - (non hy)				
AFL-CIO	$ 137,352,574	13.3 %	3.2 %	3.5 %
ING Clarion	55,733,920	5.4	1.3	1.7
PIMCO	422,555,144	40.9	9.9	8.9
Western Asset	417,747,516	40.4	9.8	8.9
TOTAL FIXED INCOME	1,033,389,154	100.0	24.3	23.0
			Range:	*19 to 35 %*
HIGH YIELD				
Nicholas Applegate	$ 78,887,270	100.0 %	1.9	2.0 %
TOTAL HIGH YIELD	78,887,270	100.0 %	1.9	2.0 %
			Range:	*1 to 4 %*
TOTAL U.S. FIXED	*$ 1,112,276,424*	*100.0 %*	*26.1 %*	*25.0 %*
INTERNATIONAL FIXED				
Fischer Francis	$ 160,982,824	100.0 %	3.8 %	4.0 %
TOTAL INT'L FIXED	$ 160,982,824	100.0 %	3.8 %	4.0 %
			Range:	*3 to 7 %*

ASSET ALLOCATION

As of December 31, 2005

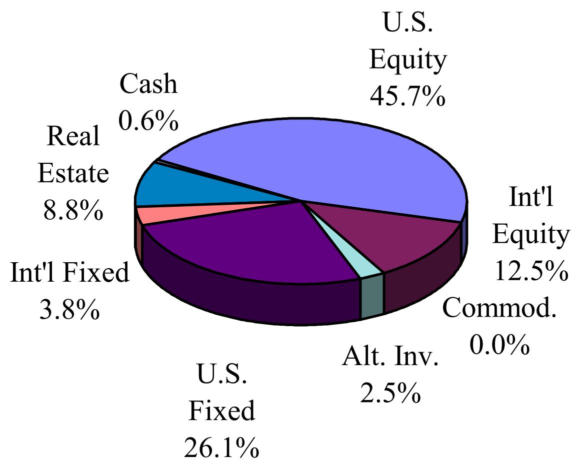
		Market Value	% of Portion	% of Total	Target % of Total
REAL ESTATE					
BlackRock Realty	$	17,308,082	4.6 %	0.4 %	- %
DLJ RECP I		1,665,515	0.4	0.0	-
DLJ RECP II		15,417,996	4.1	0.4	-
DLJ RECP III		20,543,142	5.5	0.5	-
FFCA		6,734,224	1.8	0.2	-
Fidelity		23,988,603	6.4	0.6	-
Hearthstone I		-1,180,000	-0.3	0.0	-
Hearthstone II		-471,000	-0.1	0.0	-
Invesco Fund I		12,499,121	3.3	0.3	-
Adelante Capital		245,851,480	65.4	5.8	-
Prudential SPF II		19,749,718	5.2	0.5	-
U.S. Realty		3,093,832	0.8	0.1	-
Willows Office Property		11,000,000	2.9	0.3	-
TOTAL REAL ESTATE	$	376,200,713	100.0 %	8.8 %	9.0 %
				Range:	*5 to 12 %*
COMMODITIES					
N/A	$	-	0.0	0.0	2.0
TOTAL COMMODITIES	$	-	0.0 %	0.0 %	2.0 %
				Range:	*0 to 3 %*
ALTERNATIVE INVESTMENTS					
Adams Street Partners	$	31,930,348	30.4 %	0.7 %	- %
Bay Area Equity Fund		2,485,759	2.4	0.1	-
Energy Investor Fund		26,046,209	24.8	0.6	-
Nogales		7,712,177	7.3	0.2	-
Pathway		22,839,792	21.8	0.5	-
PruTimber		13,958,054	13.3	0.3	-
TOTAL ALTERNATIVE	$	104,972,339	100.0 %	2.5 %	5.0 %
Custodian Cash	$	14,464,140	61.3 %	0.3 %	- %
Treasurer's Fixed		9,118,000	38.7	0.2	-
TOTAL CASH	$	23,582,140	100.0 %	0.6 %	0.5 %
TOTAL ASSETS	**$**	**4,260,509,890**	**100.0 %**	**100.0 %**	**100.0 %**

**CCCERA has committed $25 million to BlackRock (formerly SSR) Realty; $15 million to DLJ RECP I; $40 million to DLJ RECP II; $75 million to DLJ III, $12 million to FFCA, $50 million to Fidelity; $40 million to Prudential's SPF-II; $40 million to US Realty; $50 million to INVESCO Real Estate; $90 million to Adams Street Partners Venture Capital Fund; $10 million to Bay Area Equity Fund; $30 million to Energy Investors USPF I; $50 million to Energy Investors USPF II; $15 million to Nogales; $45 million to Pathway and $15 million to PruTimber.

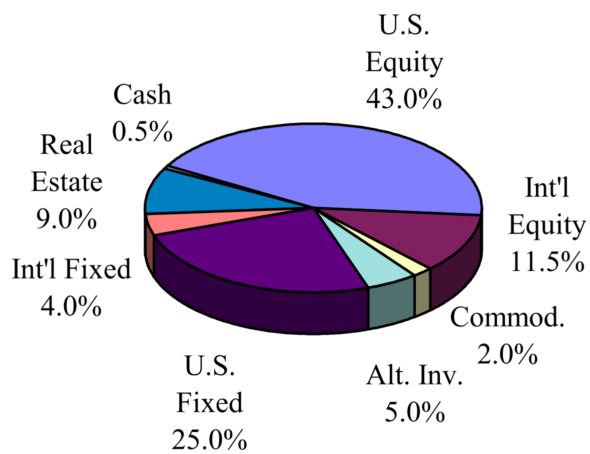
ASSET ALLOCATION

As of December 31, 2005

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

DOMESTIC EQUITY	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Boston Partners	**2.4 %**	**9.7 %**	**12.5 %**	**12.0 %**	**14.3 %**	**18.4 %**	**7.8 %**	**7.0 %**
Rank vs Equity	***40***	***18***	***22***	***14***	***20***	***41***	***41***	***32***
Rank vs Lg Value	***36***	***9***	***10***	***14***	***24***	***40***	***60***	***35***
Delaware	**3.8**	**13.7**	**19.6**	**-**	**-**	**-**	**-**	**-**
Rank vs Equity	***20***	***6***	***5***	-	-	-	-	-
Rank vs Lg Growth	***38***	***10***	***12***	-	-	-	-	-
Emerald Advisors	**4.0**	**10.7**	**15.1**	**10.1**	**7.1**	**-**	**-**	**-**
Rank vs Equity	***17***	***13***	***11***	***25***	***79***	-	-	-
Rank vs Sm Cap Growth	***20***	***22***	***17***	***20***	***73***	-	-	-
ING	**1.8**	**5.5**	**7.1**	**5.4**	**8.2**	**14.1**	**-**	**-**
Rank vs Equity	***60***	***67***	***74***	***61***	***62***	***78***	-	-
Rank vs Lg Core	***77***	***71***	***72***	***40***	***33***	***71***	-	-
Intech	**2.7**	**6.7**	**8.9**	**8.9**	**12.0**	**17.5**	**-**	**-**
Rank vs Equity	***34***	***45***	***51***	***34***	***33***	***45***	-	-
Rank vs Lg Core	***20***	***22***	***21***	***14***	***8***	***7***	-	-
Progress	**2.9**	**8.3**	**14.5**	**9.1**	**-**	**-**	**-**	**-**
Rank vs Equity	***31***	***27***	***13***	***32***	-	-	-	-
Rank vs All Sm Cap	***24***	***29***	***15***	***36***	-	-	-	-
Rothschild	**2.6**	**8.4**	**12.7**	**11.2**	**15.9**	**-**	**-**	**-**
Rank vs Equity	***35***	***26***	***21***	***18***	***11***	-	-	-
Rank vs Sm Cap Value	***14***	***13***	***16***	***23***	***39***	-	-	-
Wentworth, Hauser	**4.3**	**9.4**	**10.4**	**9.6**	**11.6**	**16.5**	**4.9**	**2.5**
Rank vs Equity	***15***	***20***	***36***	***28***	***37***	***52***	***58***	***53***
Rank vs Lg Core	***8***	***8***	***15***	***9***	***8***	***11***	***21***	***11***
PIMCO Stocks Plus	**2.1**	**5.6**	**6.9**	**4.6**	**7.8**	**14.6**	**-**	**-**
Rank vs Equity	***50***	***66***	***76***	***75***	***72***	***67***	-	-
Rank vs Lg Core	***49***	***69***	***74***	***78***	***67***	***35***	-	-
Total Domestic Equities	**2.9**	**8.5**	**11.1**	**8.8**	**10.9**	**17.2**	**3.8**	**1.0**
Rank vs Equity	***32***	***25***	***30***	***35***	***42***	***49***	***77***	***64***
Median Equity	2.1	6.3	9.1	6.5	9.6	17.0	6.1	3.3
S&P 500	2.1	5.8	7.2	4.9	7.8	14.4	3.9	0.5
Russell 2000	1.1	5.9	10.5	4.6	11.2	22.1	9.7	8.2
Russell 3000	2.0	6.1	8.5	6.1	9.0	15.9	5.1	1.6
Russell 1000 Value	1.3	5.2	7.0	7.0	11.7	17.5	8.2	5.3
Russell 1000 Growth	3.0	7.1	9.8	5.3	5.8	13.2	1.2	-3.6
INT'L EQUITY								
Capital Guardian	**8.5**	**21.9**	**21.3**	**20.8**	**18.0**	**24.1**	**12.9**	**6.3**
Rank vs Int'l Eq	***6***	***13***	***18***	***30***	***47***	***58***	***64***	***71***
Cap. Guard. Emg. Mkt.	**10.2**	**28.4**	**36.2**	**39.2**	**30.1**	**37.2**	**23.7**	**17.9**
Rank vs MS Emg Mkt Eq	***6***	***24***	***12***	***13***	***27***	***40***	***63***	***63***
GMO	**3.5**	**14.4**	**14.6**	**-**	**-**	**-**	**-**	**-**
Rank vs Int'l Eq	*68*	*61*	*54*	-	-	-	-	-
Total Int'l Equities	**6.5**	**19.2**	**19.8**	**20.0**	**19.0**	**25.7**	**14.4**	**6.8**
Rank vs Int'l Eq	***23***	***27***	***29***	***32***	***37***	***33***	***44***	***66***
Median Int'l Equity	4.4	15.8	15.1	15.9	17.9	24.4	13.7	8.0
Median MS Emg Mkt Eq	6.6	25.7	30.5	32.1	27.5	36.4	24.5	18.4
MSCI EAFE Index	4.1	15.0	14.1	14.0	17.3	24.2	12.7	4.9
MSCI EAFE Growth Index	4.3	15.3	14.3	13.3	14.7	20.2	9.9	1.9
MSCI EAFE Value Index	3.8	14.5	13.2	13.8	19.0	27.2	14.7	7.1
MSCI EM Free Index	7.2	26.6	32.0	34.5	30.2	38.4	25.6	19.4

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
DOMESTIC FIXED INCOME								
AFL-CIO Housing	**0.6 %**	**-0.1 %**	**3.3 %**	**3.0 %**	**3.8 %**	**3.9 %**	**5.9 %**	**6.4 %**
Rank vs Fixed Income	***48***	***79***	***28***	***25***	***36***	***47***	***28***	***32***
Nicholas Applegate	**1.6**	**2.9**	**5.7**	**3.8**	**6.4**	**11.1**	**9.5**	**8.3**
Rank vs MS High Yield	***5***	***15***	***6***	***15***	***39***	***62***	***27***	***32***
ING Clarion	**2.4**	**6.7**	**9.7**	**15.3**	**-**	**-**	**-**	**-**
Rank vs Fixed Income	***4***	***2***	***1***	***1***	***-***	***-***	***-***	***-***
PIMCO	**0.6**	**0.3**	**3.4**	**3.4**	**4.5**	**5.3**	**-**	**-**
Rank vs Fixed Income	***52***	***46***	***22***	***18***	***18***	***19***	***-***	***-***
Western Asset	**0.2**	**-0.1**	**3.0**	**2.4**	**4.4**	**5.3**	**-**	**-**
Rank vs Fixed Income	***87***	***82***	***44***	***56***	***19***	***19***	***-***	***-***
Total Domestic Fixed	**0.9**	**0.9**	**4.0**	**3.7**	**5.0**	**6.0**	**6.7**	**6.8**
Rank vs Fixed Income	***20***	***27***	***15***	***14***	***14***	***14***	***14***	***18***
Median Fixed Income	0.6	0.3	2.9	2.5	3.4	3.8	5.3	5.9
Median MS High Yield Mgr.	0.9	2.2	4.0	2.5	5.9	12.0	8.3	7.4
Lehman Aggregate	0.6	-0.1	2.9	2.4	3.4	3.6	5.2	5.9
Citigroup Mortgage	0.7	0.6	2.9	2.7	3.8	3.5	4.8	5.5
Citigroup High Yield	0.4	1.3	3.6	2.1	6.4	13.9	9.8	8.9
Merrill Lynch BB/B	0.8	1.6	4.7	3.3	6.5	11.8	8.3	7.7
T-Bills	0.9	1.7	2.5	3.1	2.2	1.8	1.8	2.3
INT'L FIXED INCOME								
Fischer Francis	**0.8**	**1.2**	**4.3**	**5.4**	**5.9**	**5.1**	**5.6**	**5.6**
Citigroup NonUS Govt Hdg	0.9	1.2	4.4	5.7	5.4	4.2	4.9	5.7
ALTERNATIVE INVESTMENTS*								
Adams Street**	**3.7**	**8.5**	**9.1**	**17.0**	**15.0**	**11.4**	**5.3**	**-2.6**
Bay Area Equity Fund**	**0.2**	**2.2**	**2.2**	**1.9**	**-**	**-**	**-**	**-**
Energy Investor Fund**	**4.9**	**24.7**	**28.3**	**84.2**	**-**	**-**	**-**	**-**
Nogales**	**2.5**	**5.5**	**9.6**	**13.1**	**-**	**-**	**-**	**-**
Pathway**	**8.2**	**23.4**	**24.2**	**42.5**	**26.4**	**17.0**	**5.4**	**-4.0**
PruTimber	**2.6**	**7.8**	**8.7**	**9.8**	**8.4**	**6.8**	**4.8**	**3.8**
Total Alternative	**4.6**	**14.3**	**15.8**	**33.5**	**21.5**	**15.2**	**8.5**	**1.4**

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

** See also see Internal Rates of Return for closed end funds on page 79.*

*** Performance as of September 30, 2005.*

CUMULATIVE PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
REAL ESTATE*								
Adelante Capital REIT	**4.0 %**	**8.5 %**	**27.7 %**	**16.7 %**	**26.4 %**	**29.6 %**	**22.7 %**	**- %**
Rank vs REIT Mut Fds	***21***	***17***	***1***	***4***	***7***	***13***	***15***	***-***
BlackRock Realty	**4.3**	**14.1**	**15.5**	**28.7**	**-**	**-**	**-**	**-**
Rank	***38***	***9***	***44***	***11***	***-***	***-***	***-***	***-***
DLJ RECP I**	**0.1**	**0.9**	**1.1**	**14.2**	**13.0**	**10.0**	**9.2**	**9.1**
Rank	***85***	***86***	***89***	***62***	***68***	***72***	***70***	***72***
DLJ RECP II**	**13.8**	**20.9**	**23.4**	**51.3**	**42.3**	**36.5**	**29.3**	**24.0**
Rank	***5***	***7***	***15***	***4***	***6***	***7***	***6***	***8***
DLJ RECP III**	**19.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rank	***4***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
FFCA	**2.1**	**4.8**	**7.4**	**10.7**	**14.7**	**10.9**	**10.7**	**10.6**
Rank	***69***	***71***	***77***	***74***	***62***	***69***	***66***	***67***
Fidelity	**2.1**	**4.7**	**13.6**	**16.1**	**-**	**-**	**-**	**-**
Rank	***69***	***71***	***61***	***51***	***-***	***-***	***-***	***-***
Invesco Fund I	**5.7**	**6.3**	**1.2**	**-**	**-**	**-**	**-**	**-**
Rank	***19***	***63***	***89***	***-***	***-***	***-***	***-***	***-***
Prudential SPF II	**7.7**	**10.6**	**27.8**	**38.3**	**28.6**	**23.0**	**18.6**	**15.6**
Rank	***10***	***23***	***8***	***7***	***13***	***33***	***34***	***41***
U.S. Realty	**-27.3**	**-25.1**	**-23.3**	**-21.1**	**-7.6**	**0.0**	**3.3**	**4.8**
Rank	***100***	***100***	***100***	***96***	***96***	***92***	***90***	***89***
Willows Office Property	**1.9**	**3.5**	**5.5**	**7.9**	**-0.8**	**2.0**	**3.5**	**13.8**
Rank	***70***	***78***	***80***	***80***	***94***	***90***	***90***	***50***
Total Real Estate	**5.2**	**9.6**	**24.8**	**20.8**	**25.5**	**25.5**	**20.7**	**18.7**
Rank	***25***	***30***	***11***	***28***	***19***	***27***	***24***	***27***
Median Real Estate	3.9	8.3	15.0	16.7	16.5	15.0	13.5	13.8
NCREIF Property Index	5.4	10.1	16.0	20.1	17.2	14.4	12.5	11.4
NAREIT Equity Index	1.5	5.4	20.7	12.2	21.5	26.5	20.4	19.1
CPI + 500 bps	0.3	3.7	5.7	8.6	8.6	8.2	8.1	7.8
CCCERA Total Fund	**3.2 %**	**7.9 %**	**11.9 %**	**10.8 %**	**12.1 %**	**15.8 %**	**8.9 %**	**6.6 %**
Rank vs. Total Fund	***7***	***9***	***4***	***5***	***7***	***13***	***11***	***14***
Rank vs. Public Fund	***2***	***2***	***1***	***2***	***4***	***6***	***7***	***11***
Median Total Fund	1.8	5.2	7.3	6.1	8.3	12.3	6.5	4.7
Median Public Fund	1.7	5.0	7.3	6.0	7.7	11.4	6.5	4.9
CPI + 400 bps	0.0	3.2	4.9	7.6	7.5	7.2	7.0	6.7

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

* See also see Internal Rates of Return for closed end funds on page 79.

** Performance as of September 30, 2005.

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
DOMESTIC EQUITY								
Boston Partners	**2.3 %**	**9.5 %**	**12.3 %**	**11.6 %**	**13.9 %**	**18.0 %**	**7.4 %**	**6.7 %**
Delaware	**3.6**	**13.5**	**19.2**	**-**	**-**	**-**	**-**	**-**
Emerald Advisors	**3.8**	**10.3**	**14.6**	**9.4**	**6.4**	**-**	**-**	**-**
ING	**1.7**	**5.3**	**6.9**	**5.1**	**7.9**	**13.7**	**-**	**-**
Intech	**2.7**	**6.6**	**8.7**	**8.6**	**11.7**	**17.2**	**-**	**-**
Progress	**2.7**	**7.9**	**13.9**	**8.3**	**-**	**-**	**-**	**-**
Rothschild	**2.5**	**8.1**	**12.2**	**10.5**	**15.1**	**-**	**-**	**-**
Wentworth, Hauser	**4.2**	**9.3**	**10.2**	**9.4**	**11.4**	**16.3**	**4.7**	**2.2**
PIMCO Stocks Plus	**2.0**	**5.4**	**6.6**	**4.3**	**7.5**	**14.3**	**-**	**-**
S&P 500	2.1	5.8	7.2	4.9	7.8	14.4	3.9	0.5
Russell 2000	1.1	5.9	10.5	4.6	11.2	22.1	9.7	8.2
Russell 3000	2.0	6.1	8.5	6.1	9.0	15.9	5.1	1.6
Russell 1000 Value	1.3	5.2	7.0	7.0	11.7	17.5	8.2	5.3
Russell 1000 Growth	3.0	7.1	9.8	5.3	5.8	13.2	1.2	-3.6
INT'L EQUITY								
Capital Guardian	**8.3**	**21.6**	**20.9**	**20.3**	**17.5**	**23.6**	**12.4**	**5.8**
Cap. Guard. Emg. Mkt.	**10.0**	**28.0**	**35.6**	**38.4**	**29.2**	**36.3**	**22.9**	**17.1**
GMO Intrinsic Value	**3.4**	**14.1**	**14.0**	**-**	**-**	**-**	**-**	**-**
MSCI EAFE Index	4.1	15.0	14.1	14.0	17.3	24.2	12.7	4.9
MSCI EAFE Growth Index	4.3	15.3	14.3	13.3	14.7	20.2	9.9	1.9
MSCI EAFE Value Index	3.8	14.5	13.2	13.8	19.0	27.2	14.7	7.1
MSCI EM Free Index	7.2	26.6	32.0	34.5	30.2	38.4	25.6	19.4
DOMESTIC FIXED INCOME								
AFL-CIO Housing	**0.5**	**-0.3**	**3.0**	**2.6**	**3.4**	**3.5**	**5.5**	**6.0**
Nicholas Applegate	**1.3**	**2.5**	**5.1**	**3.2**	**5.8**	**10.5**	**8.9**	**7.7**
ING Clarion	**1.8**	**5.4**	**7.7**	**12.4**	**-**	**-**	**-**	**-**
PIMCO	**0.5**	**0.2**	**3.2**	**3.1**	**4.2**	**5.0**	**-**	**-**
Western Asset	**0.1**	**-0.2**	**2.8**	**2.2**	**4.2**	**5.1**	**-**	**-**
Lehman Aggregate	0.6	-0.1	2.9	2.4	3.4	3.6	5.2	5.9
Citigroup Mortgage	0.7	0.6	2.9	2.7	3.8	3.5	4.8	5.5
Citigroup High Yield	0.4	1.3	3.6	2.1	6.4	13.9	9.8	8.9
T-Bills	0.9	1.7	2.5	3.1	2.2	1.8	1.8	2.3
INT'L FIXED INCOME								
Fischer Francis	**0.7**	**1.1**	**4.1**	**5.0**	**5.5**	**4.7**	**5.3**	**5.2**
Citigroup NonUS Govt Hdg	0.9	1.2	4.4	5.7	5.4	4.2	4.9	5.7
REIT Portfolio								
Adelante Capital	**3.9**	**8.2**	**27.3**	**16.1**	**25.8**	**28.9**	**22.1**	**-**
NAREIT Equity Index	1.5	5.4	20.7	12.2	21.5	26.5	20.4	19.1

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

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

DOMESTIC EQUITY	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Boston Partners	**12.0 %**	**16.6 %**	**27.1 %**	**-18.7 %**	**4.1 %**	**18.8 %**	**5.7 %**
Rank vs Equity	***14***	***31***	***75***	***32***	***21***	***13***	***74***
Rank vs Lg Value	***14***	***32***	***81***	***54***	***22***	***15***	***59***
Delaware	-	-	-	-	-	-	-
Rank vs Equity	-	-	-	-	-	-	-
Rank vs Lg Growth	-	-	-	-	-	-	-
Emerald Advisors	**10.1**	**4.1**	-	-	-	-	-
Rank vs Equity	***25***	***93***	-	-	-	-	-
Rank vs Sm Cap Growth	***20***	***86***	-	-	-	-	-
ING	**5.4**	**11.2**	**26.7**	-	-	-	-
Rank vs Equity	***61***	***60***	***77***	-	-	-	-
Rank vs Lg Core	***40***	***36***	***83***	-	-	-	-
Intech	**8.9**	**15.3**	**29.4**	-	-	-	-
Rank vs Equity	***34***	***37***	***60***	-	-	-	-
Rank vs Lg Core	***14***	***7***	***34***	-	-	-	-
Progress	**9.1**	-	-	-	-	-	-
Rank vs Equity	***32***	-	-	-	-	-	-
Rank vs All Sm Cap	***36***	-	-	-	-	-	-
Rothschild	**11.2**	**20.7**	-	-	-	-	-
Rank vs Equity	***18***	***15***	-	-	-	-	-
Rank vs Sm Cap Value	***23***	***39***	-	-	-	-	-
Wentworth, Hauser	**9.6**	**13.6**	**27.1**	**-23.4**	**-6.7**	**11.4**	**15.8**
Rank vs Equity	***28***	***46***	***75***	***65***	***42***	***24***	***59***
Rank vs Lg Core	***9***	***15***	***82***	***77***	***11***	***2***	***86***
PIMCO Stocks Plus	**4.6**	**11.1**	**29.9**	-	-	-	-
Rank vs Equity	***75***	***62***	***58***	-	-	-	-
Rank vs Lg Core	***78***	***15***	***29***	-	-	-	-
Total Domestic Equities	**8.8**	**13.0**	**31.0**	**-28.0**	**-9.2**	**-2.8**	**18.9**
Rank vs Equity	***35***	***49***	***50***	***83***	***48***	***50***	***53***
Median Equity	6.5	12.9	31.0	-22.0	-9.7	-2.7	20.3
S&P 500	4.9	10.9	28.7	-22.1	-11.9	-9.1	21.0
Russell 2000	4.6	18.3	47.3	-20.5	2.5	-3.0	21.3
Russell 3000	6.1	12.0	31.0	-21.6	-11.5	-7.5	20.9
Russell 1000 Value	7.0	16.5	30.0	-15.5	-5.6	7.0	7.3
Russell 1000 Growth	5.3	6.3	29.8	-27.9	-20.4	-22.4	33.2

INT'L EQUITY							
Capital Guardian	**20.8**	**15.2**	**37.3**	**-14.9**	**-16.5**	**-18.5**	**67.6**
Rank vs Int'l Eq	***30***	***84***	***43***	***48***	***49***	***76***	***10***
Cap. Guard. Emg. Mkt.	**39.2**	**21.6**	**51.5**	**-9.9**	**-3.4**	**-31.0**	**77.9**
Rank vs MS Emg Mkt Eq	***13***	***65***	***66***	***85***	***42***	***48***	***28***
GMO	-	-	-	-	-	-	-
Rank vs Int'l Eq	-	-	-	-	-	-	-
Total Int'l Equities	**20.0**	**18.1**	**39.9**	**-14.6**	**-18.1**	**-18.2**	**53.6**
Rank vs Int'l Eq	***32***	***68***	***27***	***45***	***59***	***74***	***31***
Median Int'l Equity	15.9	19.9	36.4	-15.0	-16.5	-14.0	29.5
Median MS Emg Mkt Eq	32.1	24.4	54.4	-6.5	-4.1	-31.5	66.7
MSCI EAFE Index	14.0	20.7	39.2	-15.7	-21.2	-14.0	27.3
MSCI EM Free Index	34.5	26.0	56.3	-6.0	-2.4	-30.6	66.4

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

	2005	2004	2003	2002	2001	2000	1999
DOMESTIC FIXED INCOME							
AFL-CIO Housing	**3.0 %**	**4.6 %**	**4.2 %**	**12.1 %**	**8.6 %**	**12.7 %**	**-0.3 %**
Rank vs Fixed Income	***25***	***41***	***66***	***6***	***43***	***9***	***52***
Nicholas Applegate	**3.8**	**9.1**	**21.2**	**4.8**	**3.6**	**-**	**-**
Rank	***15***	***66***	***68***	***5***	***40***	***-***	***-***
ING Clarion	**15.3**	**-**	**-**	**-**	**-**	**-**	**-**
Rank vs Fixed Income	***1***	***-***	***-***	***-***	***-***	***-***	***-***
PIMCO	**3.4**	**5.6**	**6.9**	**-**	**-**	**-**	**-**
Rank vs Fixed Income	***18***	***20***	***21***	***-***	***-***	***-***	***-***
Western Asset	**2.4**	**6.5**	**7.1**	**-**	**-**	**-**	**-**
Rank vs Fixed Income	***56***	***15***	***18***	***-***	***-***	***-***	***-***
Total Domestic Fixed	**3.7**	**6.3**	**7.9**	**9.1**	**7.2**	**10.7**	**-0.4**
Rank vs Fixed Income	***14***	***16***	***14***	***52***	***75***	***49***	***55***
Median Fixed Income	2.5	4.4	4.6	9.2	8.4	10.7	-0.3
Median MS High Yield Mgr.	2.5	9.8	24.0	-1.1	2.7	-8.1	4.0
Lehman Aggregate	2.4	4.3	4.1	10.3	8.4	11.6	-0.8
Citigroup Mortgage	2.7	4.8	3.1	8.8	8.2	11.3	1.8
Citigroup High Yield	2.1	10.8	30.6	-1.5	5.4	-5.7	1.7
T-Bills	3.1	1.3	1.1	1.8	4.4	6.1	4.6
INT'L FIXED INCOME							
Fischer Francis	**5.4**	**6.4**	**3.5**	**7.3**	**5.4**	**-**	**-**
Citigroup NonUS Govt Hdg	5.7	5.2	1.9	6.9	6.1	9.6	2.7
ALTERNATIVE INVESTMENTS							
Adams Street**	**17.0**	**13.0**	**4.5**	**-10.9**	**-28.9**	**92.1**	**39.8**
Bay Area Equity Fund**	**1.9**	**-**	**-**	**-**	**-**	**-**	**-**
Energy Investor Fund**	**84.2**	**-**	**-**	**-**	**-**	**-**	**-**
Nogales**	**13.1**	**-**	**-**	**-**	**-**	**-**	**-**
Pathway**	**42.5**	**12.2**	**0.2**	**-23.1**	**-33.9**	**39.3**	**-**
PruTimber	**9.8**	**6.9**	**3.8**	**-1.1**	**0.2**	**3.3**	**7.3**
Total Alternative	**33.5**	**10.5**	**3.5**	**-9.3**	**-22.8**	**59.5**	**22.7**

See also IRRs on closed end funds (real estate and alternatives) on Page 79.

*** Performance is as of September 30, 2005.*

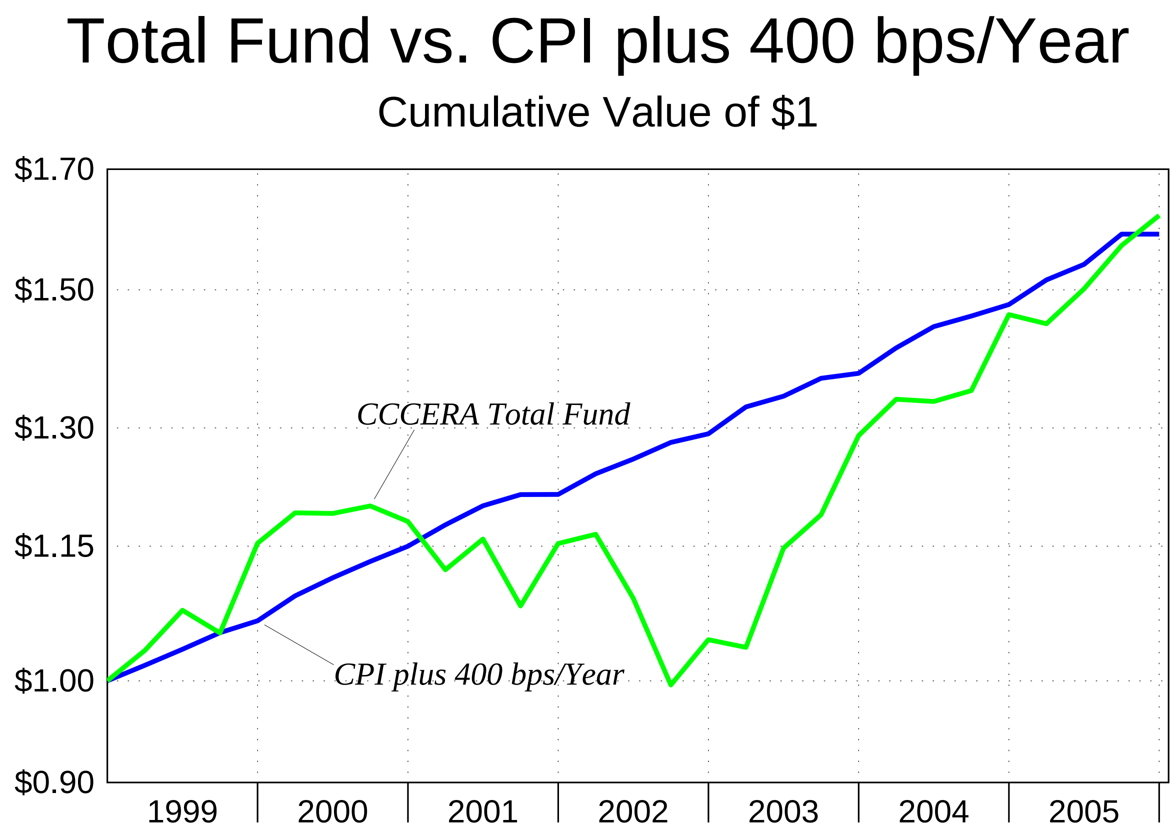
YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Fourth Quarter, 2005

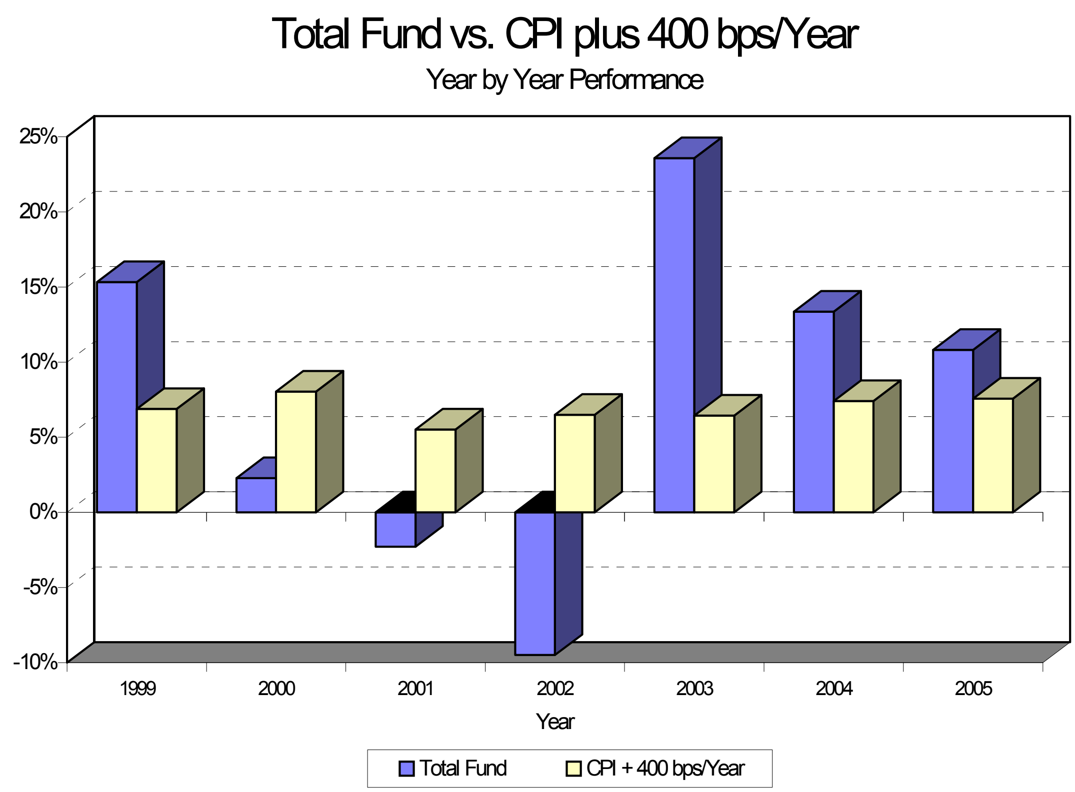
	2005	2004	2003	2002	2001	2000	1999
REAL ESTATE							
Adelante Capital REIT	**16.7 %**	**36.9 %**	**36.1 %**	**4.2 %**	**- %**	**- %**	**- %**
Rank	***4***	***11***	***53***	***47***	**-**	**-**	**-**
BlackRock Realty	**28.7**	**-**	**-**	**-**	**-**	**-**	**-**
Rank	***11***	***-***	***-***	***-***	***-***	***-***	***-***
DLJ RECP I**	**14.2**	**11.8**	**4.2**	**6.8**	**9.0**	**14.9**	**24.2**
Rank	***62***	***54***	***84***	***39***	***35***	***38***	***3***
DLJ RECP II**	**51.3**	**33.8**	**25.8**	**9.9**	**4.9**	**-4.3**	**-**
Rank	***4***	***19***	***28***	***14***	***66***	***88***	***-***
DLJ RECP III**	**-**	**33.8**	**25.8**	**9.9**	**4.9**	**-4.3**	**-**
Rank	***-***	***19***	***28***	***14***	***66***	***88***	***-***
FFCA	**10.7**	**14.5**	**9.6**	**9.9**	**10.2**	**15.1**	**10.9**
Rank	***74***	***39***	***43***	***13***	***21***	***37***	***32***
Fidelity	**16.1**	**-**	**-**	**-**	**-**	**-**	**-**
Rank	***51***	**-**	**-**	**-**	**-**	**-**	**-**
Invesco Fund I	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rank	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Prudential SPF II	**38.3**	**19.7**	**12.4**	**6.5**	**4.1**	**11.7**	**7.7**
Rank	***7***	***30***	***33***	***40***	***68***	***57***	***46***
U.S. Realty	**-21.1**	**8.3**	**17.2**	**13.8**	**11.1**	**11.1**	**22.6**
Rank	***96***	***69***	***32***	***2***	***20***	***64***	***3***
Willows Office Property	**7.9**	**-8.9**	**7.9**	**8.2**	**66.1**	**10.6**	**-**
Rank	***80***	***96***	***67***	***29***	***1***	***65***	***-***
Total Real Estate	**20.8**	**30.4**	**25.6**	**7.5**	**10.2**	**11.0**	**12.4**
Rank	***28***	***23***	***28***	***35***	***25***	***64***	***20***
Median Real Estate	16.7	12.3	9.5	4.8	7.3	12.7	6.9
NCREIF Property Index	20.1	14.5	9.0	6.7	6.3	10.3	9.3
NAREIT Index	12.2	30.4	38.5	5.2	15.5	25.9	-7.6
CPI + 500 bps	8.6	8.5	7.5	7.6	6.7	10.2	7.6
CCCERA Total Fund	**10.8**	**13.38**	**23.5**	**-9.5**	**-2.4**	**2.2**	**16.3**
Rank vs. Total Fund	***5***	***15***	***20***	***63***	***54***	***53***	***23***
Rank vs. Public Fund	***2***	***8***	***19***	***69***	***47***	***48***	***19***
Median Total Fund	6.1	10.4	19.1	-8.1	-1.6	2.8	10.6
Median Public Fund	6.0	10.0	20.4	-8.0	-2.4	2.1	12.0
CPI + 400 bps	7.6	7.4	6.5	6.5	5.5	9.1	6.7

*** Performance is as of September 30, 2005.*

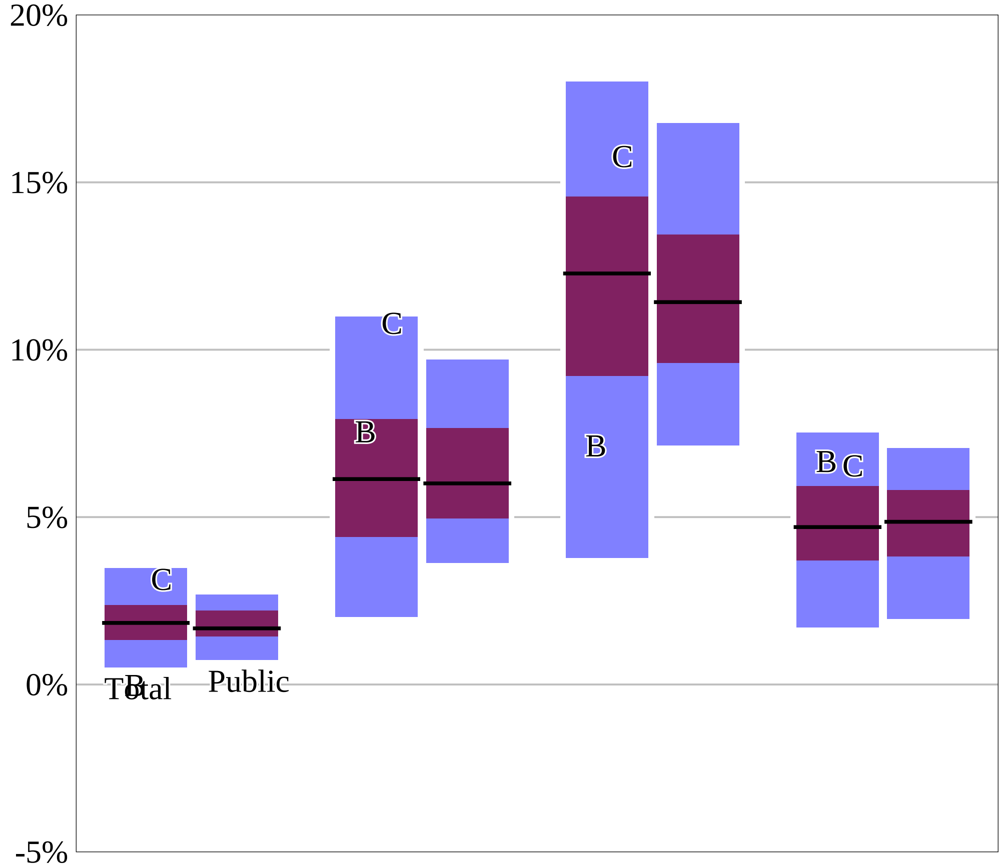
TOTAL FUND PERFORMANCE

Total Fund





Total Fund



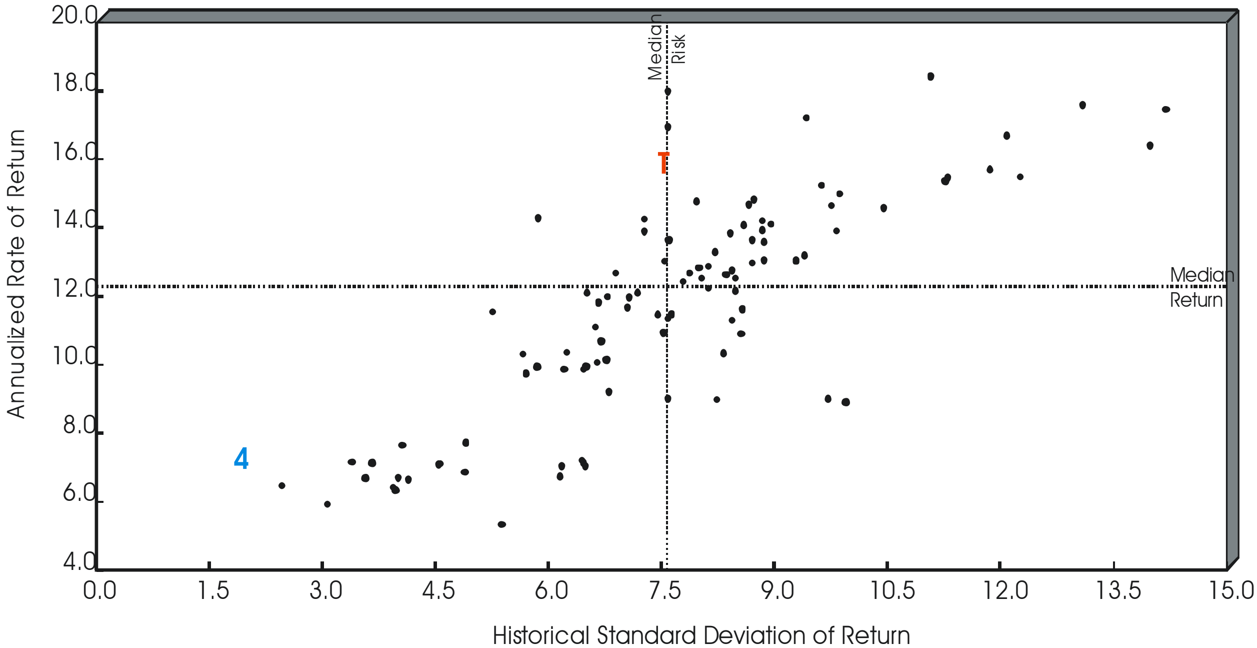
	Last Qtr	1 Yr	3 Yrs	5 Yrs
Total Fund (C)	3.2	10.8	15.8	6.6
Rank v. Total	*7*	*5*	*13*	*14*
Rank v. Public	*2*	*2*	*6*	*11*
CPI plus 400 (B)	0.0	7.6	7.2	6.7
Total Fund Median	1.8	6.1	12.3	4.7
Public Fund Median	1.7	6.0	11.4	4.9

CCCERA Total Fund returned 3.2% in the fourth quarter, exceeding the 1.8% return of the median total fund and the 1.7% return of the median total public fund. For the one-year period, the Total Fund returned 10.8%, well above 6.1% for the median total fund and 6.0% 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 similar risk over the past three and five year periods. Despite strong relative performance over recent years, CCCERA Total Fund marginally trailed the CPI plus 400 basis points over the past five years.

TOTAL FUND PERFORMANCE

Performance and Variability

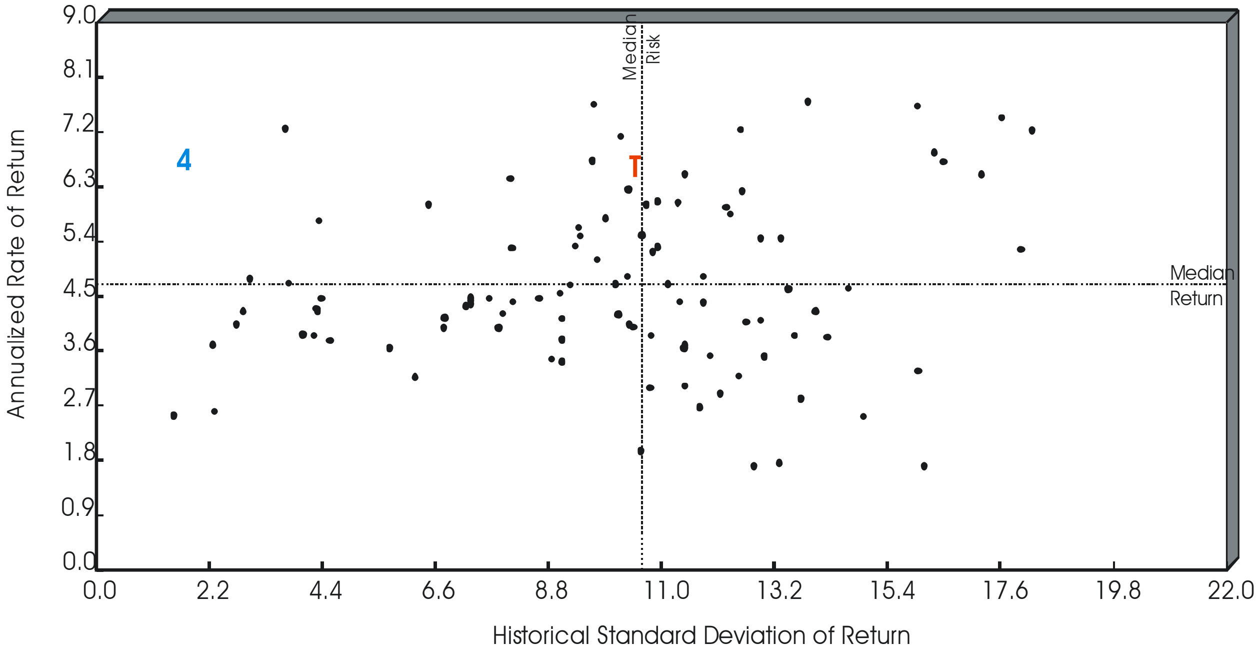
Three Years Ending December 31, 2005



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
T	Total Fund	15.80	13	7.62	52
4	CPI + 400bps/yr (add 32bps/mth)	7.15	83	1.98	3
	Median	12.28		7.58	

Performance and Variability

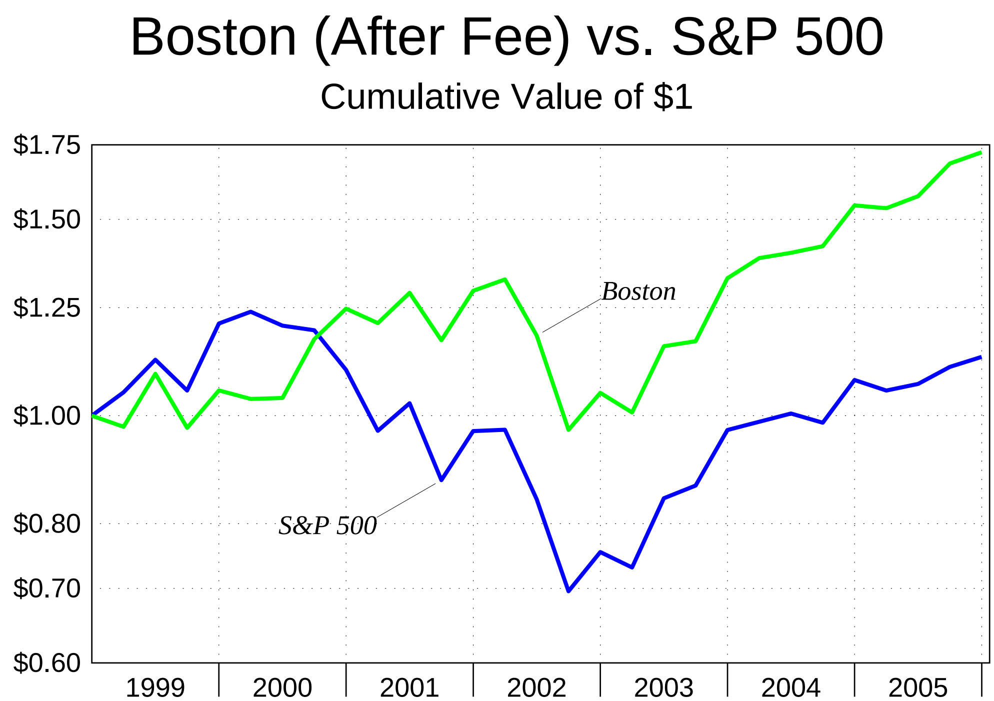
Five Years Ending December 31, 2005

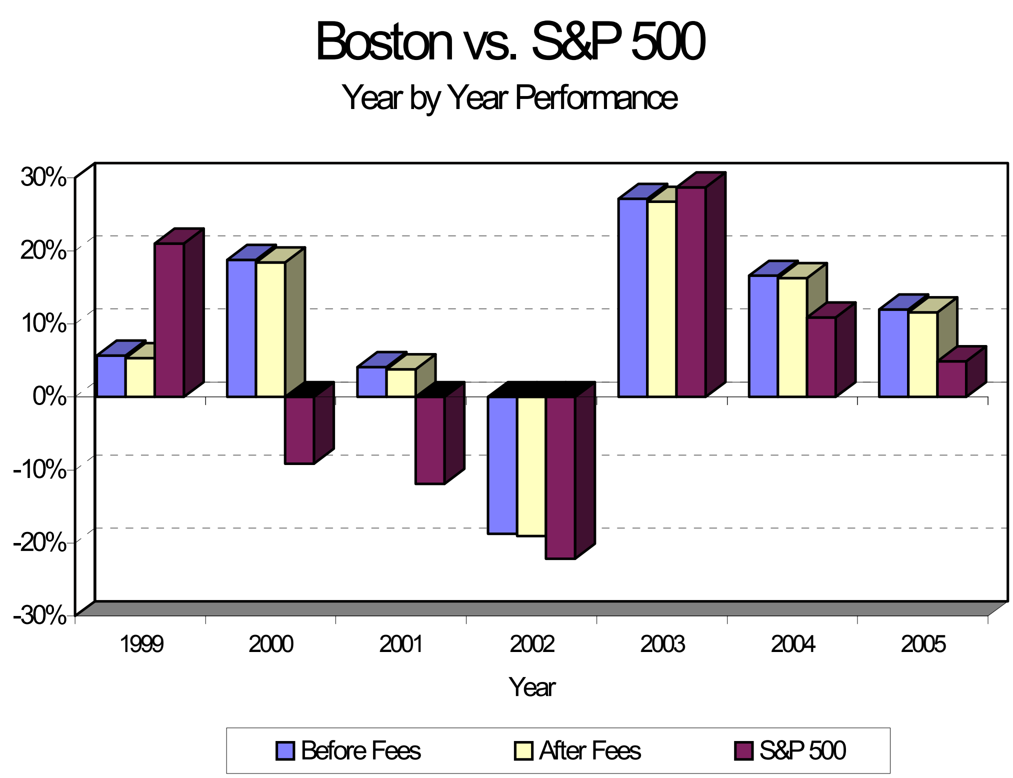


		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
T	Total Fund	6.56	14	10.62	51
4	CPI + 400bps/yr (add 32bps/mth)	6.69	13	1.78	2
	Median	4.70		10.62	

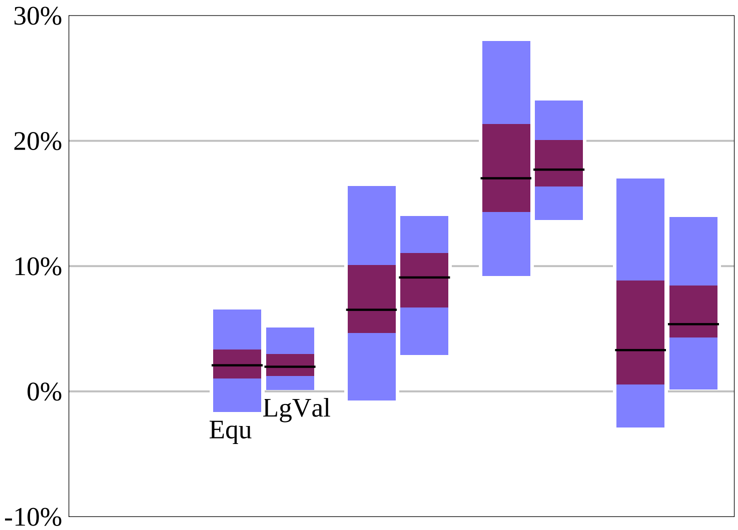
MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners





Boston Partners



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Boston (B)	2.4	12.0	18.4	7.0
Rank v. Equity	*40*	*14*	*41*	*32*
Rank v. Lg Value	*36*	*14*	*40*	*35*
S&P 500 (S)	2.1	4.9	14.4	0.5
Rus. 1000 Val. (r)	1.3	7.0	17.5	5.3
Equity Median	2.1	6.5	17.0	3.3
Lg Value Median	2.0	9.1	17.7	5.4

Portfolio Characteristics	**Boston Partners**	**S&P 500**
Eq Mkt Value ($Mil)	241.7	N/A
Wtd. Avg. Cap ($Bil)	64.0	90.1
Beta	1.09	1.00
Yield (%)	1.56	1.86
P/E Ratio	15.21	18.21
Cash (%)	2.8	0.0
Number of Holdings	77	500
Turnover Rate (%)	73.7	-

Sector	**Boston Partners**	**S&P 500**
Energy	13.6 %	9.3 %
Materials	3.7	3.0
Industrials	8.9	11.6
Cons. Discretionary	14.2	10.5
Consumer Staples	0.5	9.5
Health Care	8.2	13.3
Financials	33.9	21.2
Info Technology	13.8	15.1
Telecom Services	2.8	3.0
Utilities	0.5	3.4

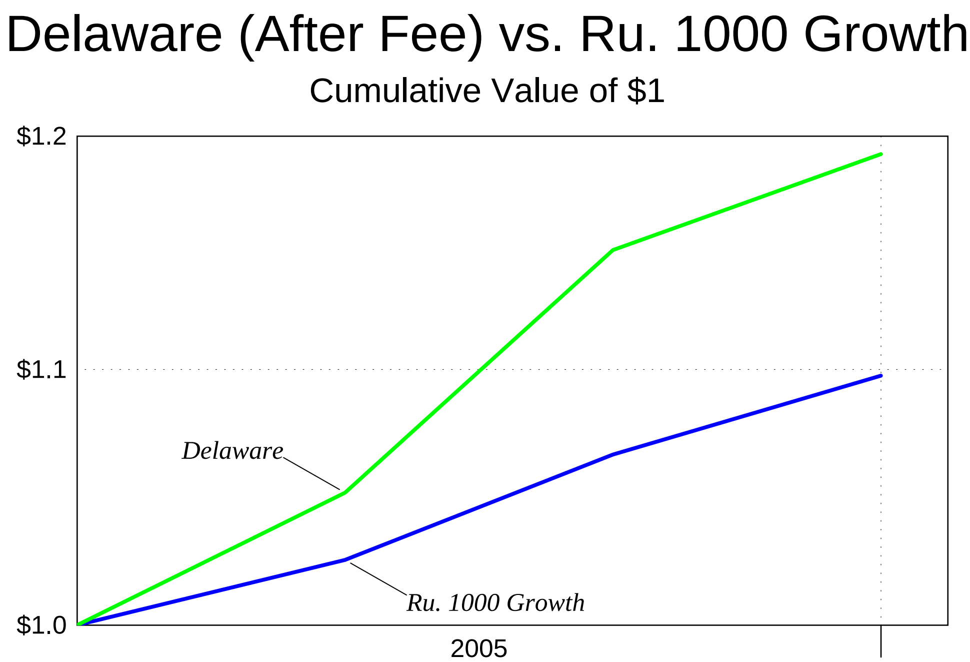
Boston Partners' fourth quarter return of 2.4% was above 2.1% for the S&P 500, 2.1% for the median equity manager, the 2.0% return of the median large value equity manager and the 1.3% return of the Russell 1000 Value Index. For the one-year period, Boston returned 12.0%, above 4.9% for the S&P 500, 6.5% for the median equity manager and the 7.0% return of the Russell 1000 Value Index. Over both the three and five year periods, Boston's performance was above the median equity manager and exceeded the S&P 500 on both a risk-adjusted and absolute basis (page 36). Boston is in compliance with CCCERA's performance objectives.

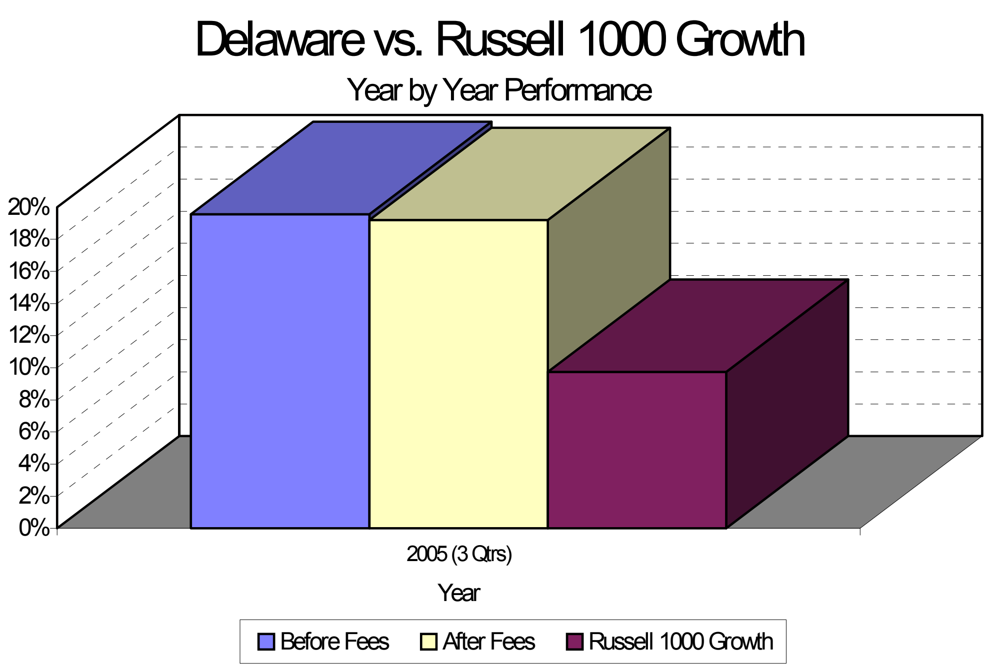
The portfolio had a slightly above market beta of 1.09x, a below-market P/E ratio and a below-market yield. It included 77 stocks, concentrated in the large to mid capitalization sectors. Boston's largest economic sector over-weightings were in the financials and energy sectors, while the largest under-weightings were in the consumer staples and health care sectors. Boston's annual rate of portfolio turnover rate at the end of the fourth quarter was 73.7%.

Boston Partners' fourth quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Trading decisions during the quarter had a small negative impact. Stock selection decisions in the consumer discretionary and information technology sectors had the strongest positive impacts on the portfolio. Top performing holdings included Claires Stores (+23%), Crown Holdings (+23%) and CB Richard Ellis Group (+20%), while the worst performing holdings included Chesapeake Energy (-17%), Conocophilips (-16%) and Vodaphone Group plc (-16%).

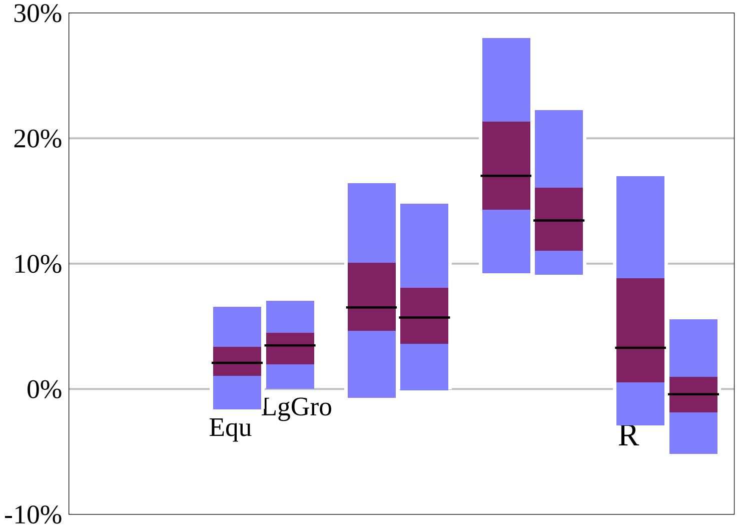
MANAGER COMMENTS – DOMESTIC EQUITY

Delaware





Delaware



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Delaware (D)	3.8	-	-	-
Rank v. Equity	*20*	-	-	-
Rank v. Lg Growth	*38*	-	-	-
Rus. 1000 Gro. (R)	3.0	5.3	13.2	-3.6
Equity Median	2.1	6.5	17.0	3.3
Lg Growth Median	3.5	5.7	13.4	-0.4

Portfolio Characteristics	**Delaware**	**S&P 500**
Eq Mkt Value ($Mil)	257.01	N/A
Wtd. Avg. Cap ($Bil)	51.89	90.1
Beta	1.10	1.00
Yield (%)	0.58	1.86
P/E Ratio	36.50	18.21
Cash (%)	0.2	0.0
Number of Holdings	29	500
Turnover Rate (%)	-	-

Sector	**Delaware**	**S&P 500**
Energy	0.0 %	9.3 %
Materials	3.3	3.0
Industrials	7.5	11.6
Cons. Discretionary	25.3	10.5
Consumer Staples	10.2	9.5
Health Care	16.4	13.3
Financials	7.5	21.2
Info Technology	27.1	15.1
Telecom Services	3.0	3.0
Utilities	0.0	3.4

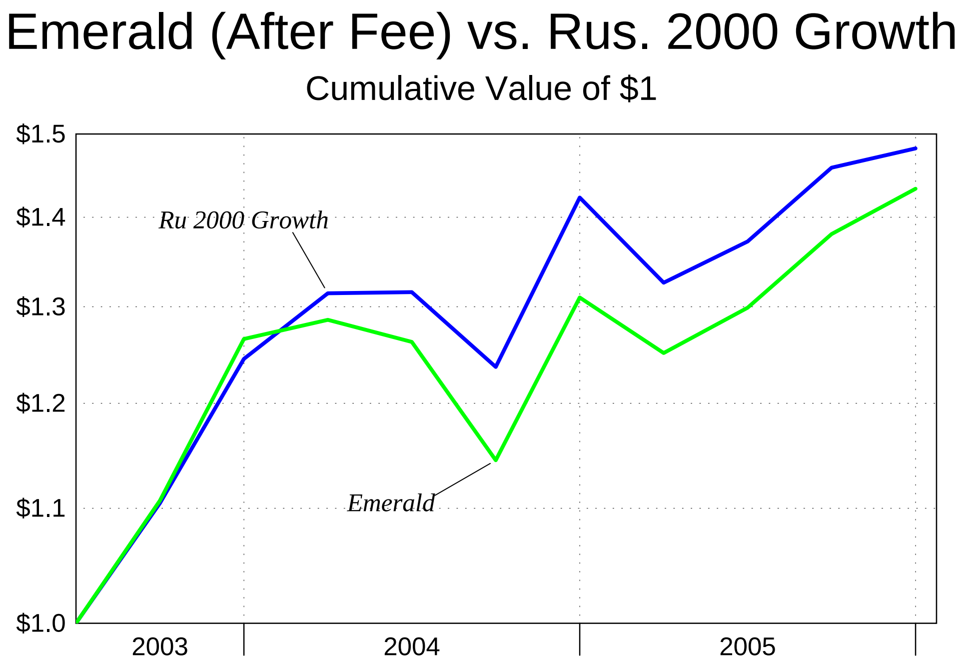
Delaware's return of 3.8% for the fourth quarter was better than the 3.0% return of the Russell 1000 Growth index and exceeded the 3.5% return of the large cap growth median, ranking in the 38th percentile in the universe of large growth equity managers.

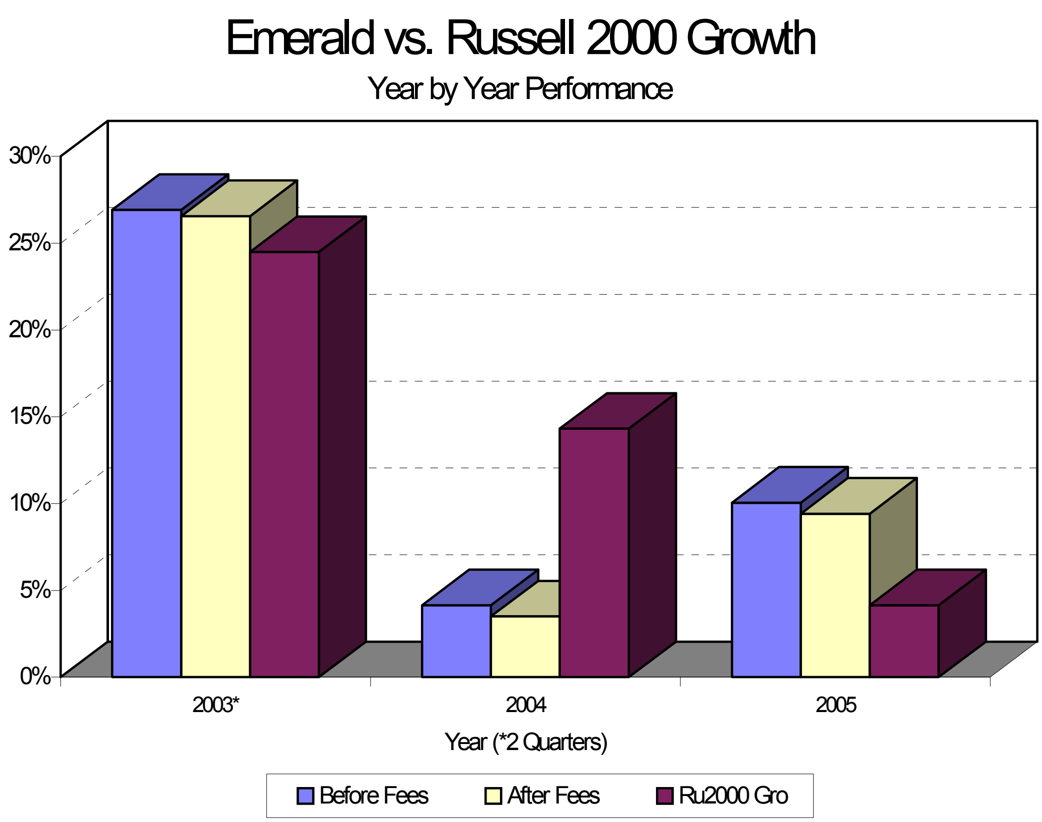
The portfolio (compared to the S&P 500 Index) had a beta of 1.10x and a well below-market yield. It included 29 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weightings relative to the S&P 500 were in the consumer discretionary and information technology sectors, while the largest under-weightings were in the financials and energy sectors.

Delaware's fourth quarter performance relative to the S&P 500 Index was helped significantly by stock selection and slightly by sector allocation decisions. Stock selection helped performance the most in the information technology and health care sectors. Trading decisions had a large negative impact on performance for the quarter. The top performing holdings included Sandisk Corp (+30%), Moodys Corp (+20%) and Expeditors Intl Wash (+19%). The worst performing holdings included XM Satellite Radio (-24%), Liberty Global (-18%) and MGM Grand (-16%). At the end of the quarter, the largest holdings were Genentech (5.4%), Qualcomm Inc (5.4%) and Sandisk (4.9%).

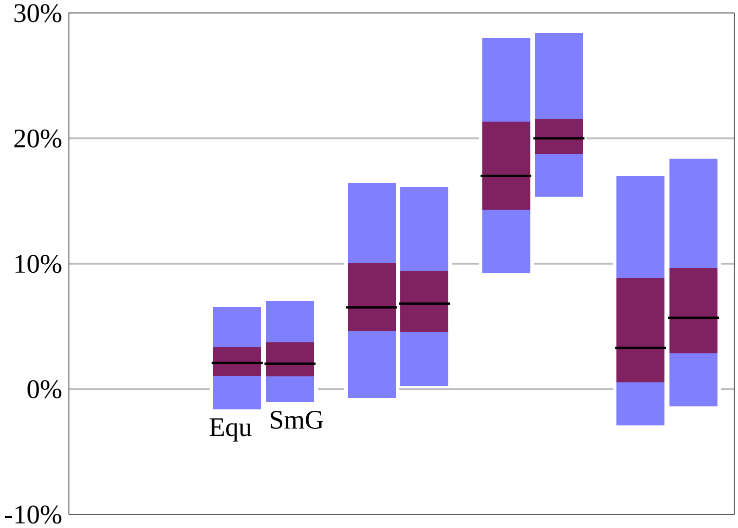
MANAGER COMMENTS – DOMESTIC EQUITY

Emerald





Emerald



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Emerald (E)	4.0	10.1	-	-
Rank v. Equity	*17*	*25*	-	-
Rank v. Sm. Gro	*20*	*20*	-	-
Ru 2000 Gro (R)	1.6	4.2	20.9	2.3
Equity Median	2.1	6.5	17.0	3.3
Sm. Gro Median	2.0	6.8	20.0	5.7

Portfolio Characteristics	**Emerald**	**Russell 2000**
Eq Mkt Value ($Mil)	167.48	N/A
Wtd. Avg. Cap ($Bil)	1.31	1.10
Beta	1.42	1.21
Yield (%)	0.20	1.10
P/E Ratio	50.52	33.15
Cash (%)	2.4	0.0
Number of Holdings	117	2,010
Turnover Rate (%)	67.8	-

Sector	**Emerald**	**Russell 2000**
Energy	5.4 %	6.3 %
Materials	4.1	4.5
Industrials	20.3	15.0
Cons. Discretionary	8.4	14.7
Consumer Staples	1.8	2.7
Health Care	20.4	12.6
Financials	7.9	21.7
Info Technology	31.3	18.6
Telecom Services	0.4	1.4
Utilities	0.0	2.4

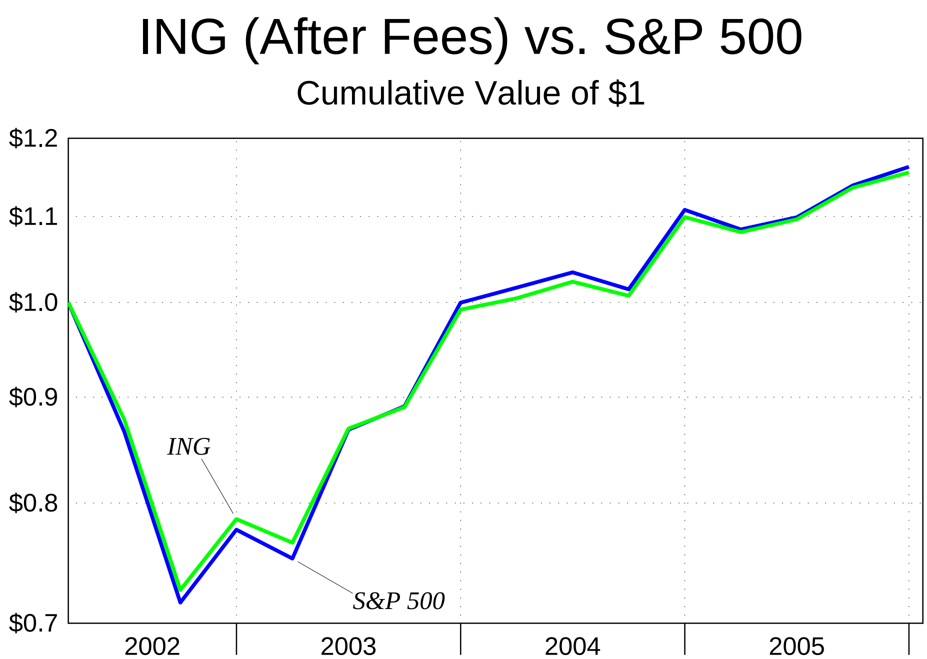
Emerald's return of 4.0% for the fourth quarter was better than the 1.6% return of the Russell 2000 Growth index and exceeded the 2.0% return of the small cap growth median, ranking in the 20th percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 10.1%, well above the 4.2% return of the Russell 2000 Growth and 6.8% return of the small cap growth median. Emerald's one-year performance ranks in the 20th percentile in the universe of small growth equity managers.

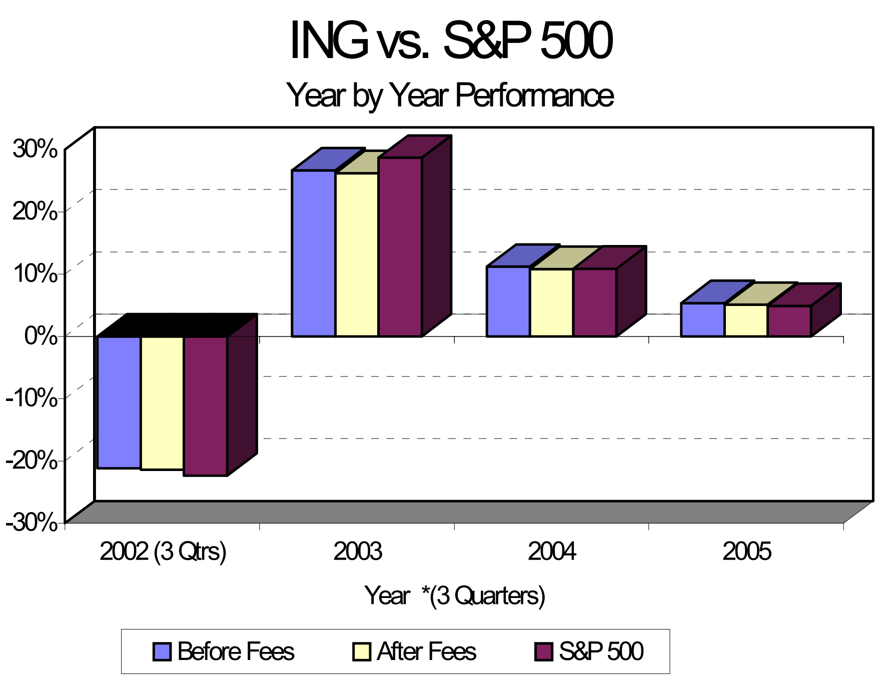
The portfolio (compared to the Russell 2000 Index) has a beta of 1.42x versus 1.21x for the Index and a well below-market yield. It includes 117 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weightings relative to the Russell 2000 are in the information technology, health care and industrials sectors, while the largest under-weightings are in the financials and consumer discretionary sectors. Portfolio turnover was at an annual rate of 67.8%.

Emerald's fourth quarter performance relative to the Russell 2000 Growth Index experienced positive contributions from both stock selection and sector allocation decisions. Stock selection helped performance the most in the industrials, information technology and consumer staples sectors. Trading decisions had a positive impact on performance for the quarter. The top performing holdings included Hansen Nat Corp (+67%), Nutri Systems Inc (+44%) and Redback Networks (+42%). The worst performing holdings included GSI Commerce (-24%), Lifetime Brands (-23%) and Arris Group (-20%). At the end of the quarter, the largest holdings were Wesco International (3.4%), Micros Systems (3.1%) and JLG Industries (2.6%). Growth stocks began outperforming their value counterparts in May 2005 - Ken Mertz and Stacey Sears believe that this trend will continue for some time. They continue to find many attractive stocks whose growth has not fully been recognized by the market.

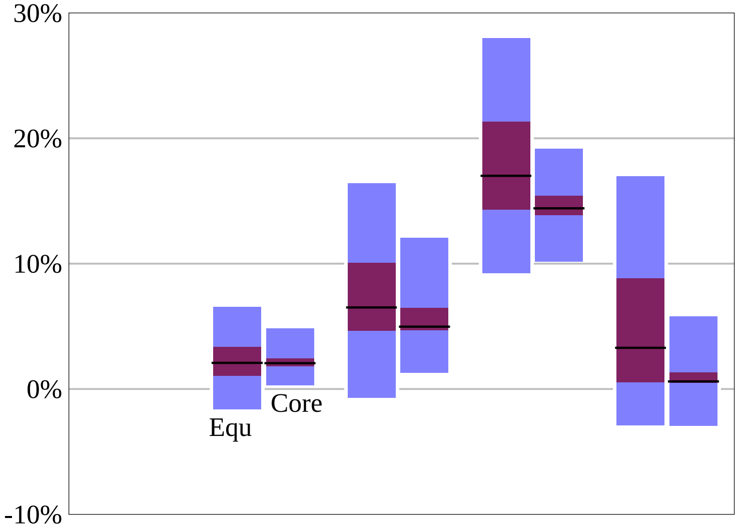
MANAGER COMMENTS – DOMESTIC EQUITY

ING Investment Management





ING Investment Management



	Last Qtr	1 Yr	3 Yrs	5 Yrs
ING (I)	1.8	5.4	14.1	-
Rank v. Equity	*60*	*61*	*78*	-
Rank v. Lg Core	*77*	*40*	*71*	-
S&P 500 (S)	2.1	4.9	14.4	0.5
Equity Median	2.1	6.5	17.0	3.3
Lg Core Median	2.1	5.0	14.4	0.6

Portfolio Characteristics	**ING**	**S&P 500**
Eq Mkt Value ($Mil)	238.57	N/A
Wtd. Avg. Cap ($Bil)	92.29	90.07
Beta	1.01	1.00
Yield (%)	1.75 %	1.86 %
P/E Ratio	17.81	18.21
Cash (%)	0.3 %	0.0 %
Number of Holdings	402	500
Turnover Rate (%)	88.7	-

Sector	**ING**	**S&P 500**
Energy	10.4 %	9.3 %
Materials	2.6	3.0
Industrials	11.1	11.6
Cons. Discretionary	9.8	10.5
Consumer Staples	9.0	9.5
Health Care	13.0	13.3
Financials	21.3	21.2
Info Technology	17.0	15.1
Telecom Services	2.9	3.0
Utilities	2.9	3.4

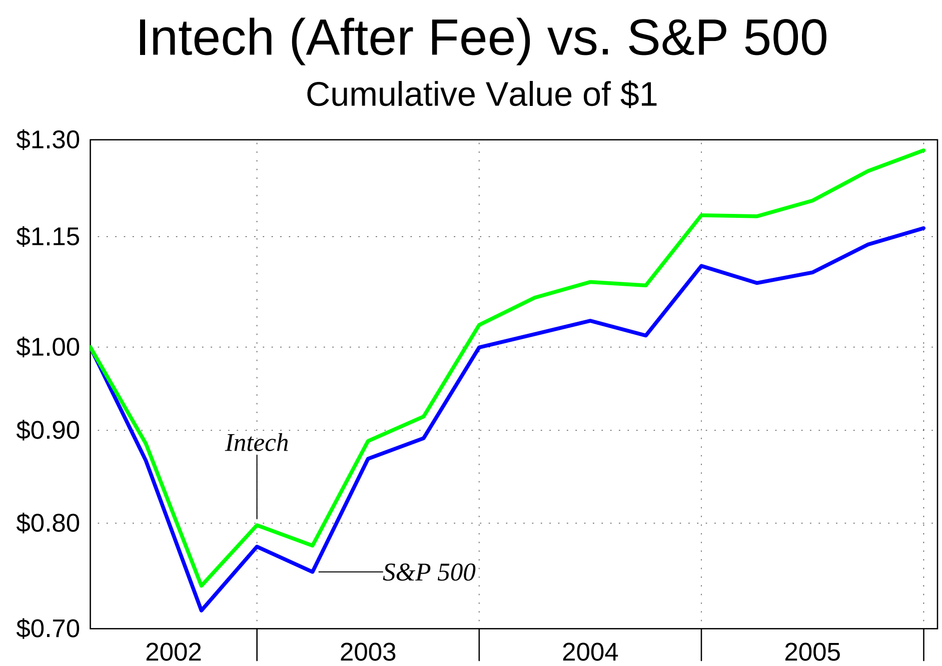
ING's return of 1.8% for the fourth quarter was slightly below the 2.1% return of the S&P 500 (ranking in the 60th percentile in the universe of equity managers). For the one-year period, ING returned 5.4%, above 4.9% for the S&P 500. While ING has outperformed the S&P 500 over periods shorter than three years, ING's performance slightly trailed the S&P 500 over the past three years. ING is not in compliance with some of CCCERA's performance objectives. As of June 2005, ING stopped using Innovest's rankings.

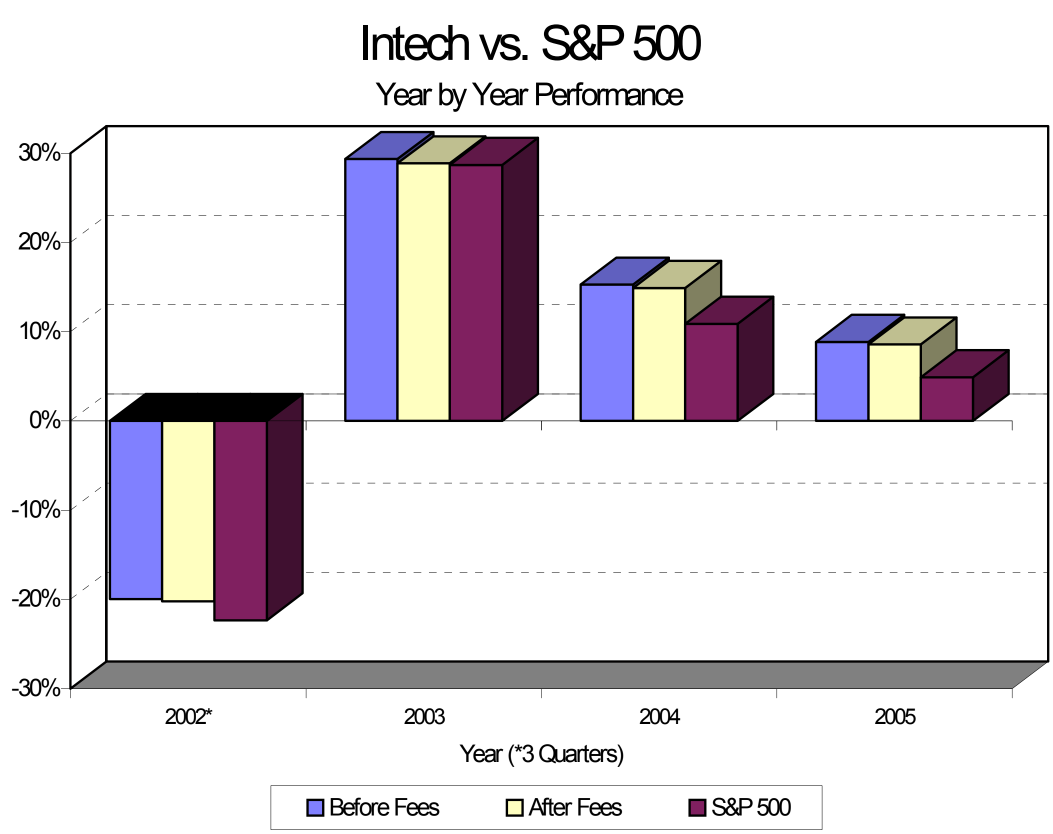
The portfolio had a near market beta, a lower yield and a below-market price/earnings (P/E) ratio. It included 402 stocks, concentrated in large capitalization sectors, and showed similar-to-market historical growth. As expected, the portfolio continued to be structured very similarly to the S&P 500. ING's largest economic sector over-weightings were in the information technology and energy sectors, while the largest under-weightings were in the consumer discretionary and consumer staples sectors. Portfolio turnover was at an annual rate of 88.7% this quarter.

ING's performance for the fourth quarter relative to the S&P 500 was hurt slightly by both stock selection and sector allocation decisions, although no individual sector had a significant impact. Trading decisions during the quarter had a neutral impact on performance. The largest portfolio holdings at the end of the quarter were Exxon Mobil (3.8%), General Electric (3.1%) and Microsoft (2.3%). The best performing holdings during the quarter included Express Scripts (+35%), Apple Compute (+34%) and Monster Worldwide (+33%), while the worst performing holdings included Mercury Interactive (-30%), Lexmark International (-27%) and Symantec Corp (-23%). Doug Cote believes the portfolio is positioned to capitalize on high quality companies with superior r business momentum, growing earnings and attractive valuations.

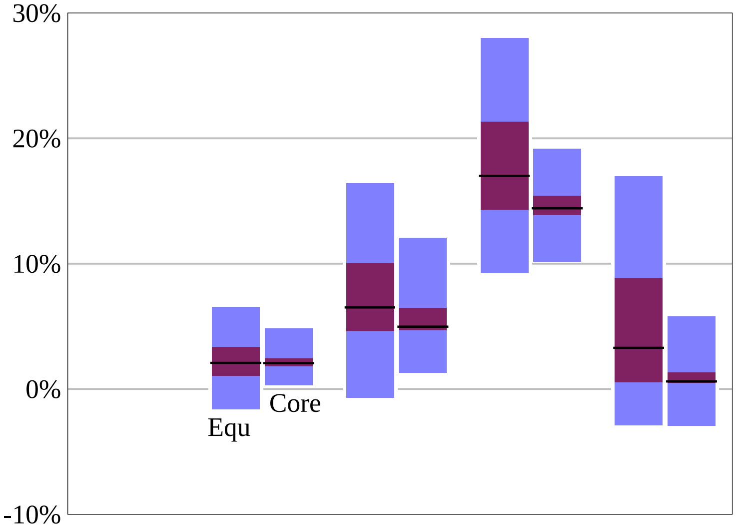
MANAGER COMMENTS – DOMESTIC EQUITY

Intech





Intech



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Intech (I)	2.7	8.9	17.5	-
Rank v. Equity	*34*	*34*	*45*	-
Rank v. Lg Core	*20*	*14*	*7*	-
S&P 500 (S)	2.1	4.9	14.4	0.5
Equity Median	2.1	6.5	17.0	3.3
Lg Core Median	2.1	5.0	14.4	0.6

Portfolio Characteristics	**Intech**	**S&P 500**
Eq Mkt Value ($Mil)	240.66	N/A
Wtd. Avg. Cap ($Bil)	66.93	90.07
Beta	0.87	1.00
Yield (%)	1.67 %	1.86 %
P/E Ratio	18.71	18.21
Cash (%)	0.6 %	0.0 %
Number of Holdings	389	500
Turnover Rate (%)	68.5	-

Sector	**Intech**	**S&P 500**
Energy	10.9 %	9.3 %
Materials	2.1	3.0
Industrials	8.9	11.6
Cons. Discretionary	11.0	10.5
Consumer Staples	10.3	9.5
Health Care	19.2	13.3
Financials	17.9	21.2
Info Technology	11.3	15.1
Telecom Services	2.9	3.0
Utilities	5.6	3.4

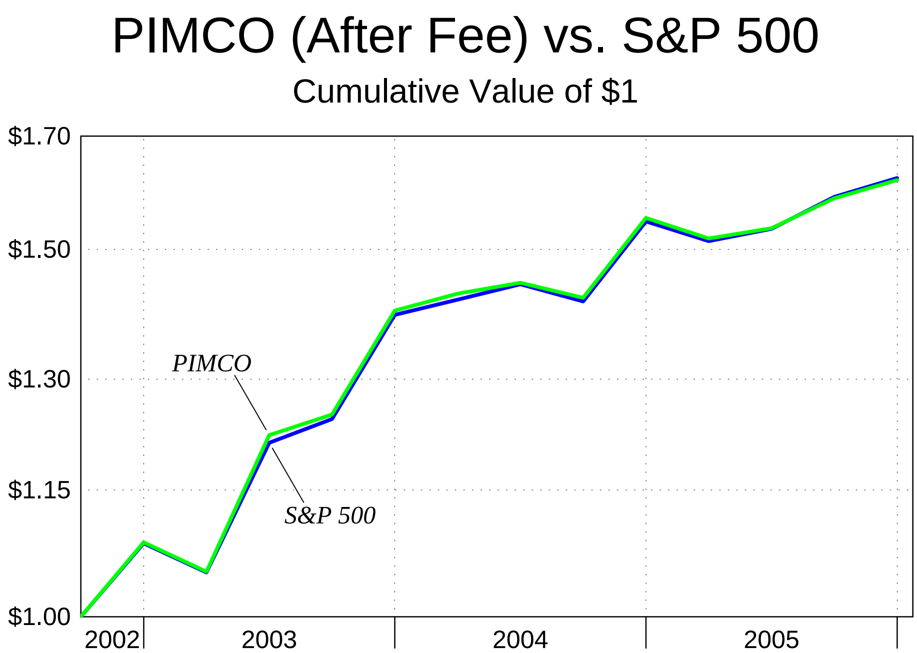
Intech's return of 2.7% for the fourth quarter exceeded 2.1% for the S&P 500 and the median equity manager, ranking in the 34th percentile in the universe of equity managers. For the one-year period, Intech returned 8.9%, exceeding 4.9% for the S&P 500 and 6.5% for the median equity manager. Over the past three years, Intech returned 17.5%, above the 14.4% return of the S&P 500 and ranking in the 45th percentile of equity managers. Over the past three years, Intech's performance was above the median equity manager and exceeded the S&P 500 on both a risk-adjusted and absolute basis (page 36). Intech is in compliance with CCCERA's performance objectives.

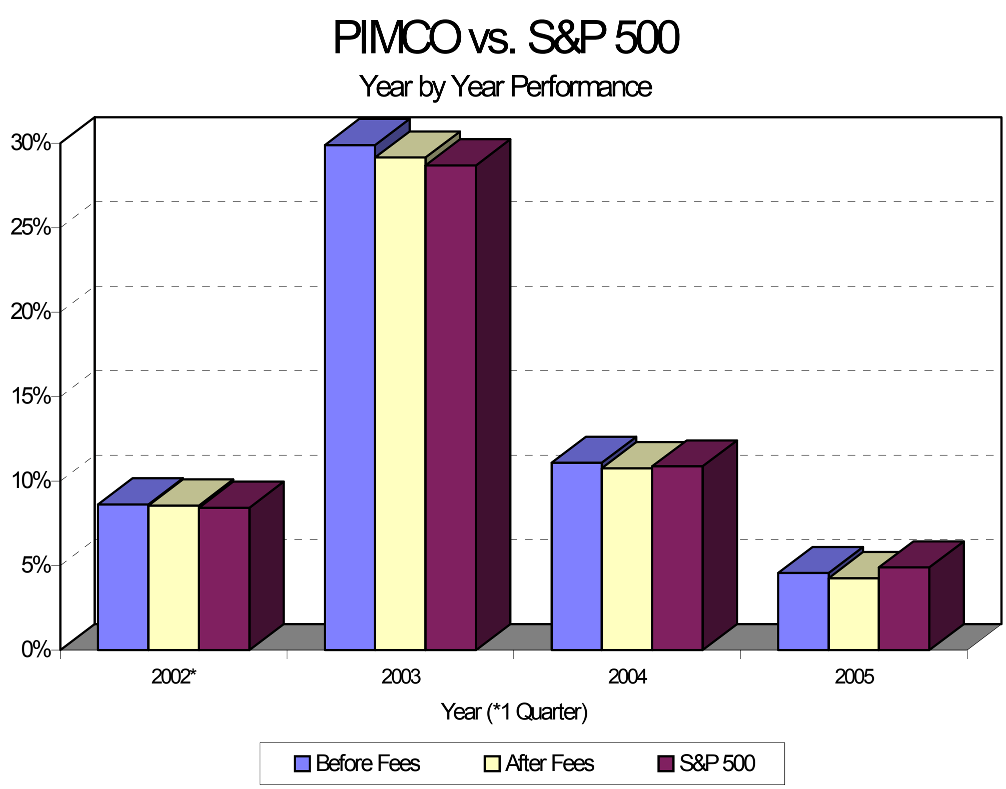
Intech uses a mathematical, quantitative approach to managing funds. The portfolio has a below-market beta of 0.87x, a lower yield and a slightly above-market P/E ratio. The portfolio has 389 holdings concentrated in large capitalization sectors, and shows similar-to-market growth. The largest economic sector over-weightings were in the health care and utilities sectors, while largest under-weightings were in the information technology and financials sectors. Fourth quarter portfolio turnover was at an annual rate of 68.5%.

Intech's fourth quarter performance relative to the S&P 500 was helped by stock selection but slightly hindered by sector allocation decisions. The impact from active trading decisions was negligible. Stock selection in the consumer discretionary sector helped performance the most during the quarter. The best performing portfolio stocks included Express Scripts (+35%), Apple Computer (+34%), and Symbol Technologies (+33%), while the worst performing holdings during the quarter included Tenet Healthcare (-32%), Mercury Interactive (-30%) and Lexmark International (-27%).

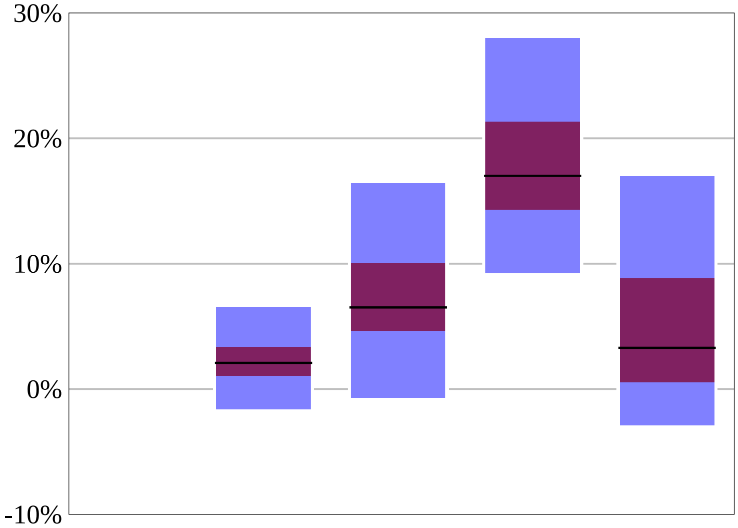
MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO





PIMCO



	Last Qtr	1 Yr	3 Yrs	5 Yrs
PIMCO (P)	2.1	4.6	14.6	-
Rank v. Equity	*50*	*75*	*67*	-
S&P 500 (S)	2.1	4.9	14.4	0.5
Equity Median	2.1	6.5	17.0	3.3

Portfolio Characteristics	**PIMCO**	**S&P 500**
Eq Mkt Value ($Mil)	332.2	N/A
Wtd. Avg. Cap ($Bil)	*	90.07
Beta	*	1.00
Yield (%)	* %	1.86 %
P/E Ratio	*	18.21
Cash (%)	23.3 %	0.0 %
Number of Holdings	*	500
Turnover Rate (%)	994.6	-

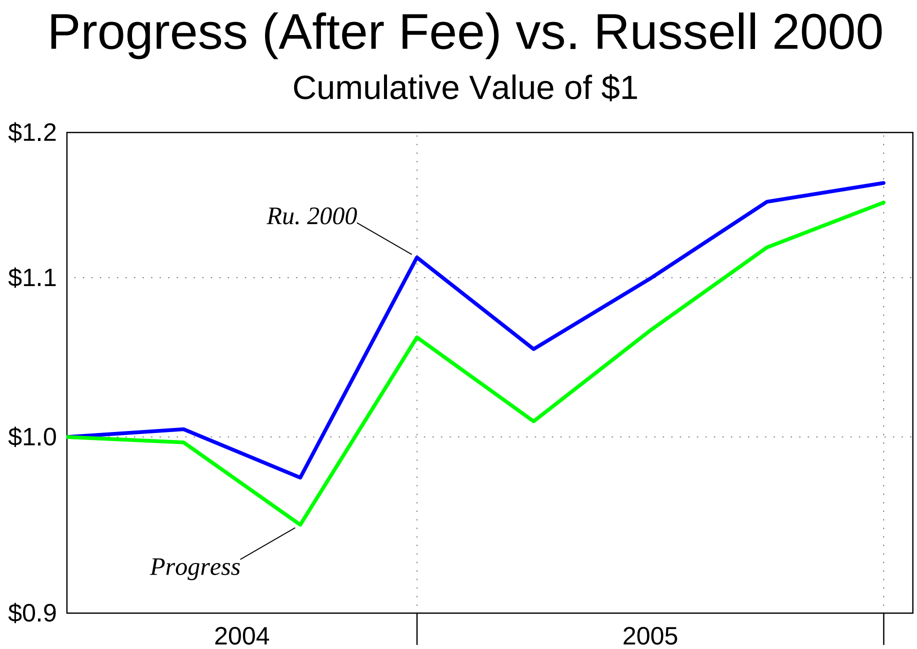
Sector	**PIMCO**	**S&P 500**
Energy	* %	9.3 %
Materials	*	3.0
Industrials	*	11.6
Cons. Discretionary	*	10.5
Consumer Staples	*	9.5
Health Care	*	13.3
Financials	*	21.2
Info Technology	*	15.1
Telecom Services	*	3.0
Utilities	*	3.4

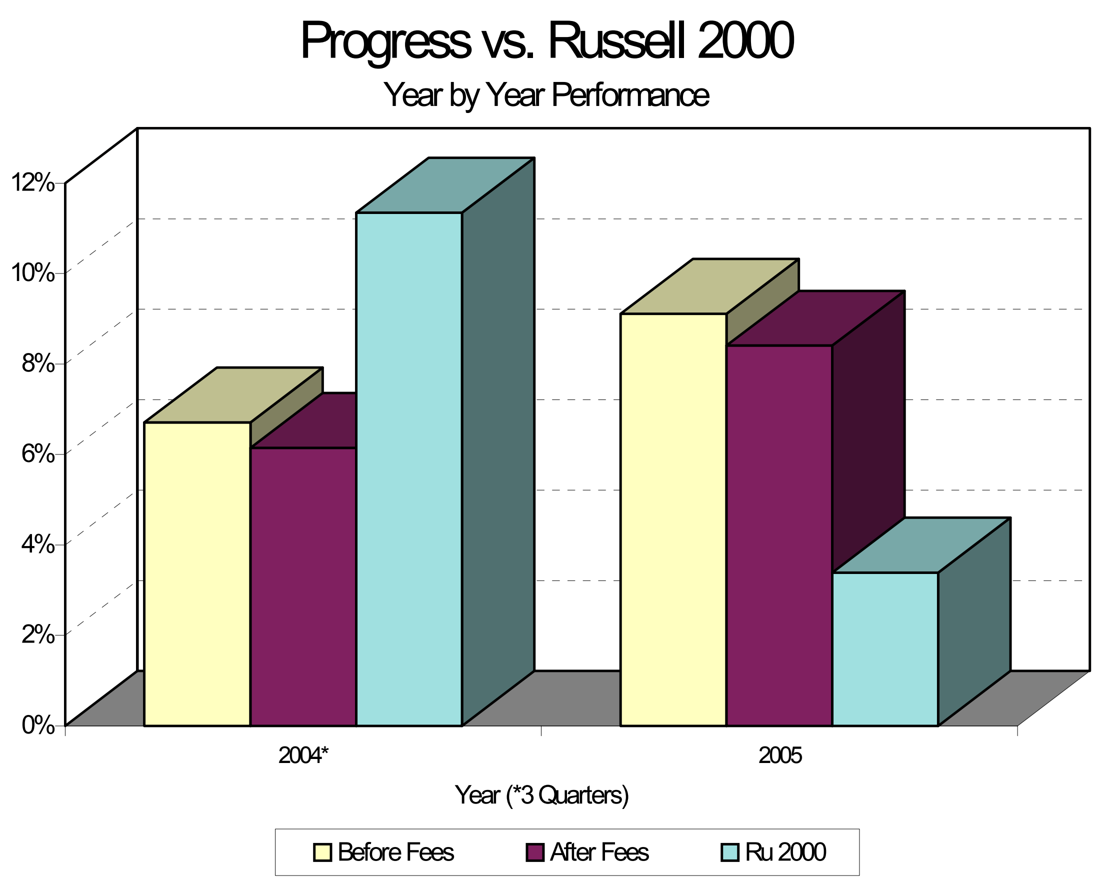
*PIMCO manages a synthetic equity portfolio and does not hold any equity securities.

PIMCO's Stock Plus (futures plus cash) portfolio returned 2.1% for the fourth quarter, matching the 2.1% return of the S&P 500 and the median equity manager. For the one-year period, PIMCO returned 4.6%, slightly below the 4.9% return of the S&P 500 and the 6.5% return of the median equity manager. Over the past three years, the portfolio return of 14.6% exceeded the 14.4% return of the S&P 500. The portfolio has met the objective of exceeding the S&P 500 over the past three years.

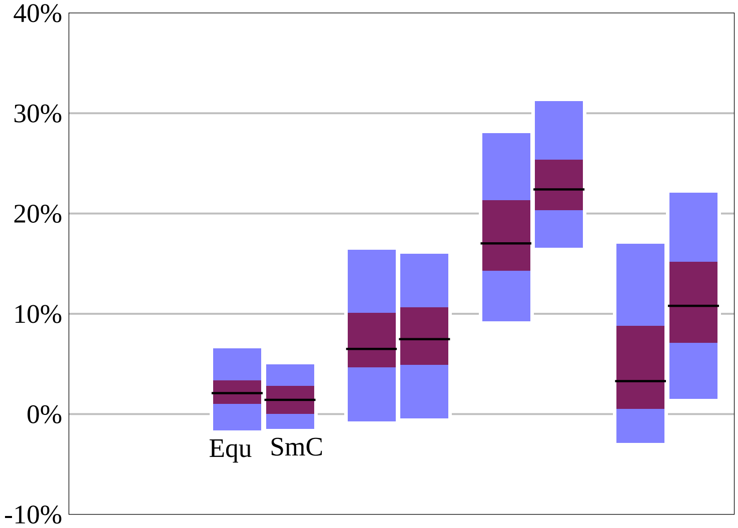
PIMCO's performance was hurt by US interest rate exposure, which hurt returns as rates moved higher. A mortgage emphasis also hurt performance as mortgage lagged Treasuries. Corporate holdings also lagged Treasuries as spreads widened early in the quarter. Positive contributors to fourth quarter performance included the yield advantage of asset-backed securities and swap spread widening strategies, as swap spreads increased in developed markets as risk premiums rose.

Progress


Progress (After Fee) vs. Russell 2000
Cumulative Value of $1
$1.2
$1.1
$1.0
$0.9
Ru. 2000
Progress
2004
2005


Progress vs. Russell 2000
Year by Year Performance
12%
10%
8%
6%
4%
2%
0%
2004*
2005
Year (*3 Quarters)
Before Fees
After Fees
Ru 2000

Progress



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Progress (P)	2.9	9.1	-	-
Rank v. Equity	*31*	*32*	-	-
Rank v. Small Cap	*24*	*36*	-	-
Russell 2000 (R)	1.1	4.6	22.1	8.2
Equity Median	2.1	6.5	17.0	3.3
Small Cap Median	1.4	7.5	22.4	10.8

Portfolio Characteristics	**Progress**	**Russell 2000**
Eq Mkt Value ($Mil)	43.57	N/A
Wtd. Avg. Cap ($Bil)	1.66	1.10
Beta	1.20	1.21
Yield (%)	0.79 %	1.10 %
P/E Ratio	30.47	33.15
Cash (%)	0.0 %	0.0 %
Number of Holdings	480	2,010
Turnover Rate (%)	0.7	-

Sector	**Progress**	**Russell 2000**
Energy	9.9 %	6.3 %
Materials	2.0	4.5
Industrials	13.2	15.0
Cons. Discretionary	17.7	14.7
Consumer Staples	2.8	2.7
Health Care	11.7	12.6
Financials	24.3	21.7
Info Technology	15.4	18.6
Telecom Services	1.8	1.4
Utilities	1.1	2.4

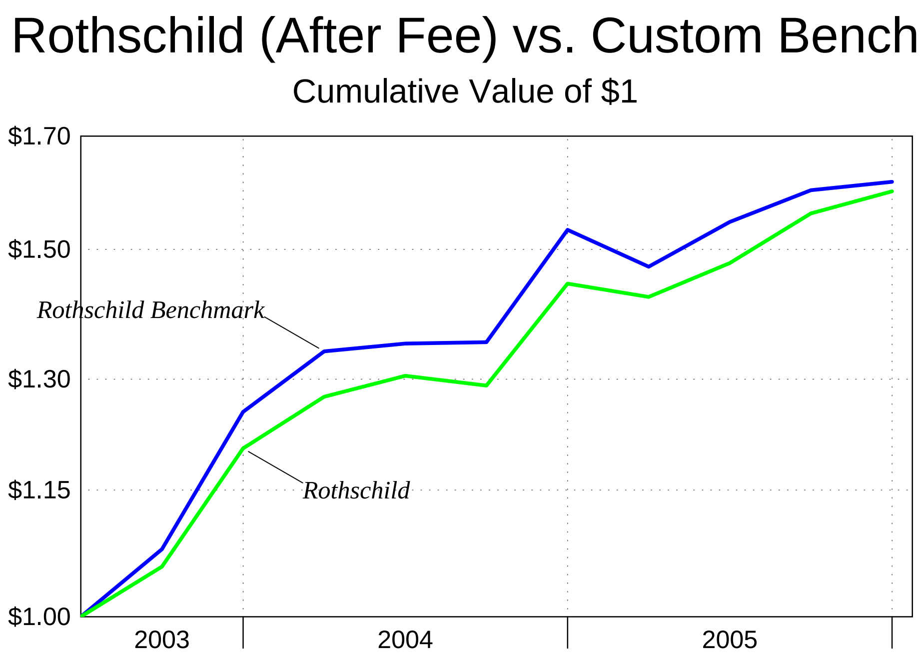
Progress, a manager of emerging managers that invest in small capitalization stocks, returned 2.9% for the fourth quarter, above the 1.1% return of the Russell 2000 index and the 1.4% return of the small cap median. Progress' fourth quarter performance ranked in the 24th percentile of small capitalization equity managers. Over the past year, Progress has returned 9.1%, above the 4.6% return of the Russell 2000 Index and ranking in the 36th percentile of small cap equity managers.

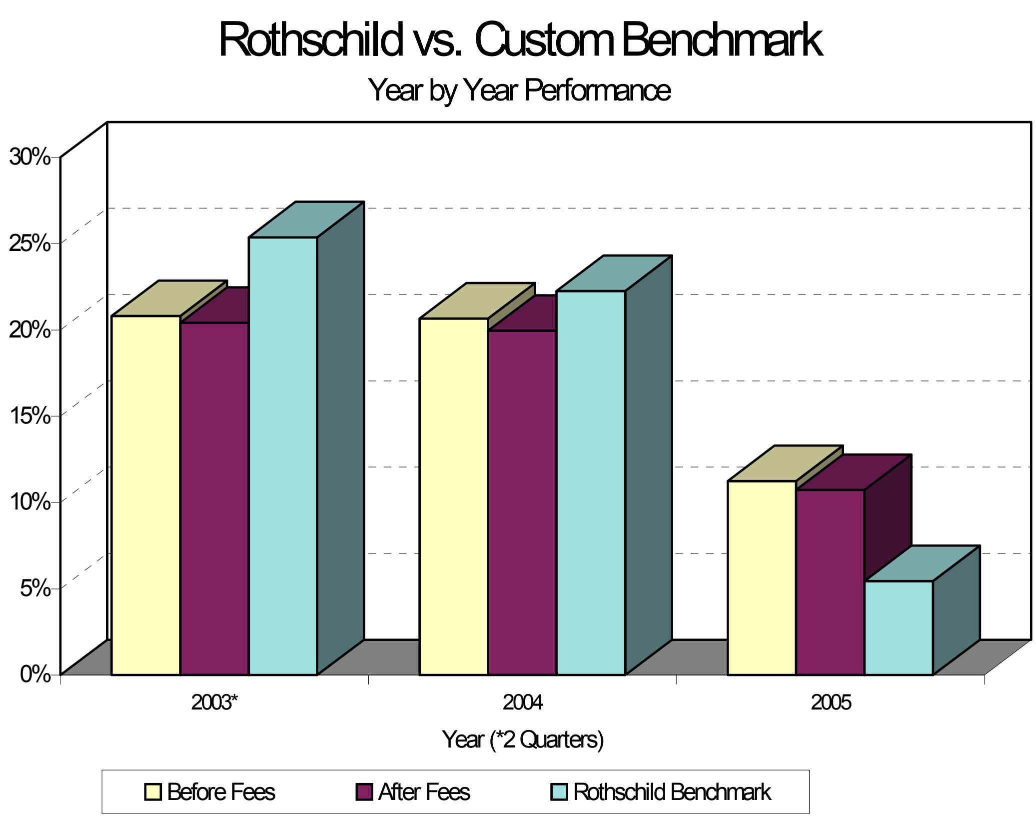
The portfolio had a beta of 1.20x compared to 1.21x for the Russell 2000 Index, a below-market yield and a below market P/E ratio. It included 480 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weightings relative to the Russell 2000 were in the energy and consumer discretionary sectors, while the largest under-weightings were in the information technology and materials sectors.

Progress announced the appointment of a new CIO in February 2006. Alex Hsiao comes to Progress from The California Endowment in Los Angeles where he spent the past seven years, the last five of which as Treasurer & Chief Investment Officer. The portfolio's fourth quarter performance was helped relative to the Russell 2000 by stock selection while sector allocation decisions were detrimental to a lesser degree. Stock selection in the consumer staples and consumer discretionary sectors had the largest positive impacts on fourth quarter performance. Aggregate trading decisions had a negligible impact on performance. The largest holdings at the end of the quarter were Psychiatric Solution (1.2%). Hansen Nat Corp (1.2%), and Helmerich & Payne (1.1%). During the quarter, the best performing holdings included PW Eagle (+167%), US Global (+111%) and Bodisen Biotech (+103). The worst performing holdings were Alpha Natural Resources (-36%), Sonus Networks (-36%) and Sigmatel (-35%).

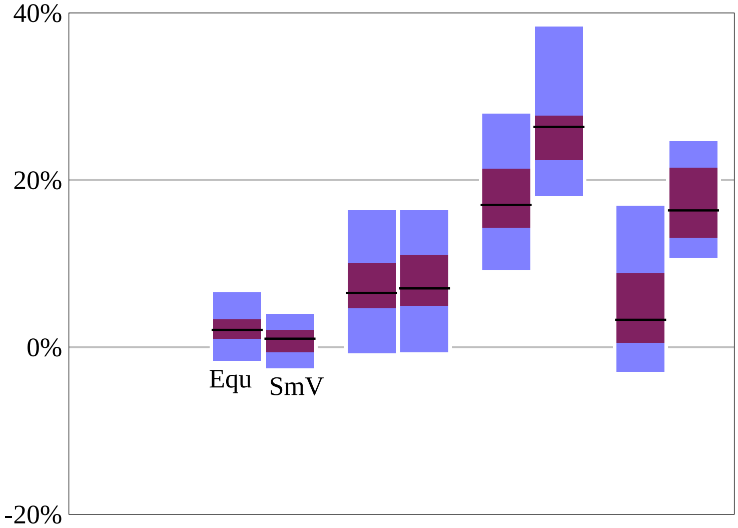
MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild





Rothschild



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Rothschild (R)	2.6	11.2	-	-
Rank v. Equity	*35*	*18*	-	-
Rank v. Sm. Value	*14*	*23*	-	-
Custom Bench (B)	0.9	5.5	23.5	13.7
Equity Median	2.1	6.5	17.0	3.3
Sm. Value Median	1.0	7.0	26.4	16.4

Portfolio Characteristics	**Rothschild**	**Russell 2500**
Eq Mkt Value ($Mil)	165.22	N/A
Wtd. Avg. Cap ($Bil)	2.38	2.38
Beta	0.99	1.15
Yield (%)	1.51 %	1.23 %
P/E Ratio	21.86	27.33
Cash (%)	0.5 %	0.0 %
Number of Holdings	151	2,499
Turnover Rate (%)	82.2	-

Sector	**Rothschild**	**Russell 2500**
Energy	6.7 %	6.3 %
Materials	7.8	5.8
Industrials	15.0	12.9
Cons. Discretionary	6.0	15.2
Consumer Staples	3.9	2.6
Health Care	7.5	11.9
Financials	30.7	21.8
Info Technology	14.5	16.6
Telecom Services	0.6	2.0
Utilities	7.3	5.1

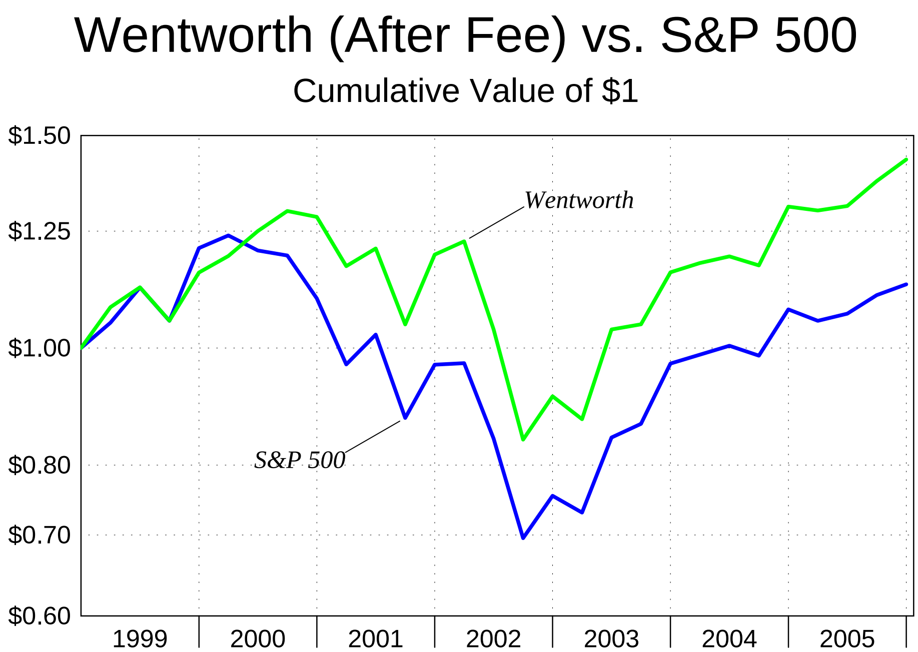
Rothschild's return of 2.6% for the fourth quarter was above the 0.9% return of the custom benchmark (Russell 2000 Value index through 2nd quarter, 2005, Russell 2500 Value thereafter) and above the 1.0% return of the small cap value median, ranking in the 14th percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 11.2%, exceeding the custom benchmark return of 5.5% and the 7.0% return of the median small value equity manager. Rothschild's one-year performance ranks in the 23rd percentile in the universe of small cap value equity managers.

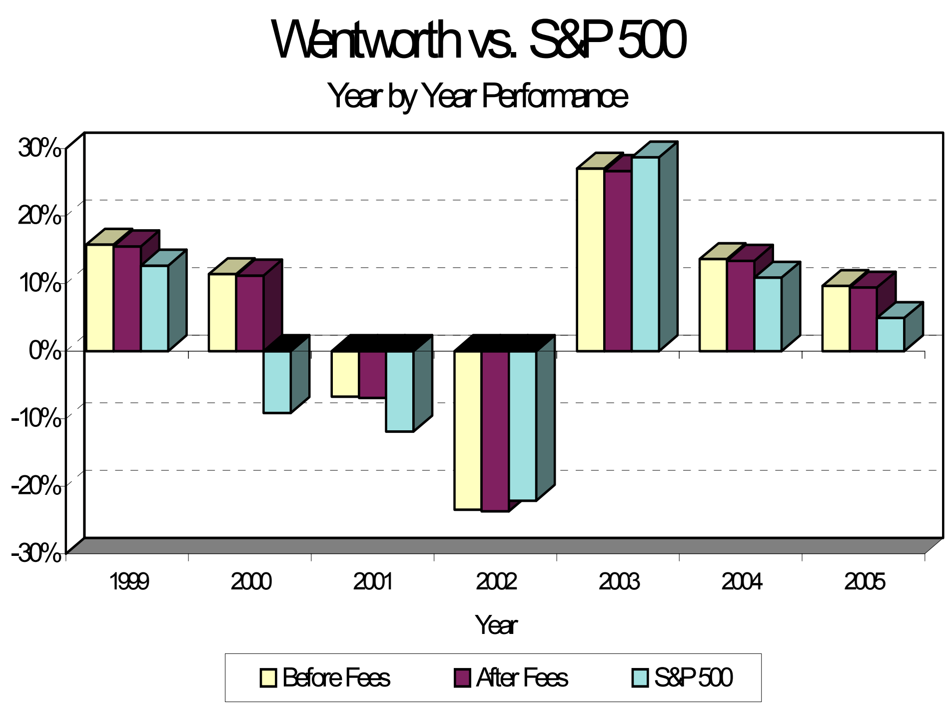
The portfolio (compared to the Russell 2500 Index) had a beta of 0.99x versus 1.15x for the Index, an above-market yield and a below market P/E ratio. It included 151 stocks, concentrated in the small capitalization sectors. Rothschild's largest economic sector over-weightings relative to the Russell 2500 were in the financials, utilities and industrials sectors, while the largest under-weightings were in the consumer discretionary, health care and information technology sectors. Fourth quarter portfolio turnover was at an annual rate of 82.2%, up from last quarter's rate of 78.6%.

Rothschild's fourth quarter performance relative to the Russell 2500 Value index was helped by both stock selection and sector allocation decisions. Trading decisions had a small negative impact on performance. Stock selection in the consumer discretionary sector helped performance the most during the fourth quarter. The best performing portfolio stocks were Continental Airlines (+121%), Brightpoint (+45%) and Payless Shoesource (+44%). The worst performing holdings included Mediacom Communications (-26%), Scholastic Corp (-23%) and Oneok Inc (-21%). The ten largest holdings account for 12.4% of the portfolio at quarter end.

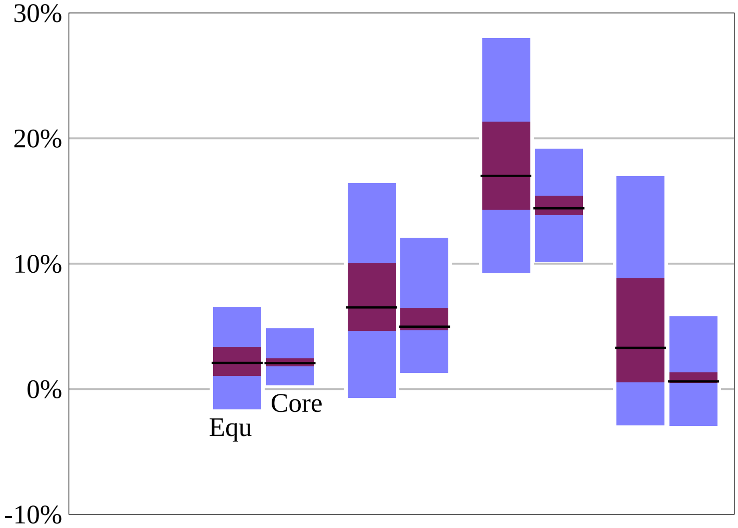
MANAGER COMMENTS – DOMESTIC EQUITY

Wentworth, Hauser and Violich





Wentworth, Hauser and Violich



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Wentworth (W)	4.3	9.6	16.5	2.5
Rank v. Equity	*15*	*28*	*52*	*53*
Rank v. Lg Core	*8*	*9*	*11*	*11*
S&P 500 (S)	2.1	4.9	14.4	0.5
Equity Median	2.1	6.5	17.0	3.3
Lg Core Median	2.1	5.0	14.4	0.6

Portfolio Characteristics	**Wentworth**	**S&P 500**
Eq Mkt Value ($Mil)	247.91	N/A
Wtd. Avg. Cap ($Bil)	69.23	90.07
Beta	1.08	1.00
Yield (%)	1.33	1.86
P/E Ratio	18.60	18.21
Cash (%)	0.1	0.0
Number of Holdings	40	500
Turnover Rate (%)	26.9	-

Sector	**Wentworth**	**S&P 500**
Energy	13.5 %	9.3 %
Materials	0.0	3.0
Industrials	12.4	11.6
Cons. Discretionary	15.5	10.5
Consumer Staples	11.2	9.5
Health Care	15.2	13.3
Financials	17.1	21.2
Info Technology	12.7	15.1
Telecom Services	0.0	3.0
Utilities	2.3	3.4

Wentworth's return of 4.3% for the fourth quarter was above the 2.1% return of the S&P 500 and the median equity manager. For the one-year period, Wentworth returned 9.6%, exceeding the 4.9% return of the S&P 500 and 6.5% for the median manager. Wentworth has exceeded the S&P 500 on a risk-adjusted basis over the past three and five years (page 36) on both an absolute and risk-adjusted basis over the past five years. It has not met the objectives of exceeding the median equity manager over the three and five year periods (but it has exceeded the median core manager over both periods).

The portfolio has an above-market beta of 1.08x, a below-market yield and an above-market P/E ratio. The portfolio has 40 holdings concentrated in large and mid capitalization sectors, and shows above-market growth. The largest economic sector over-weightings are in consumer discretionary and energy, while largest under-weightings are in the financial and telecom services sectors. Fourth quarter portfolio turnover was at an annual rate of 26.9%.

Wentworth's fourth quarter performance relative to the S&P 500 was helped by stock selection decisions, but hurt to a lesser extent by sector allocation decisions. Stock selection in the health care sector was particularly strong. The best performing portfolio stocks included Teva Pharmaceutical (+29%), Costco Wholesale (+15%) and Becton Dickinson (+15%) while the worst performing holdings included Conocophilips (-16%), Dell (-12%) and CVS (-9%). At the end of the quarter, the three largest holdings were Costco Wholesale, Teva Pharmaceutical and Caremark Rx.

Domestic Equity Regression Analysis

Three Year Regression for Periods Ending December 31, 2005
T-Bills and S&P 500 used for Market Line Calculations.

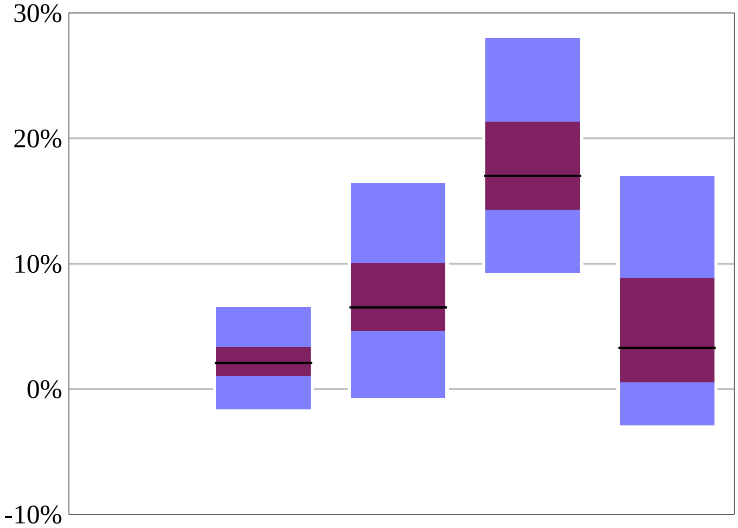
Portfolio Component	Comp'd Retn.	Std. Devn.	Alpha	Beta	R^2	Sharpe Ratio[1]
T-Bill	1.77	0.46				
S&P 500	14.38	11.04				1.14
Boston Partners	18.40	10.82	4.32	0.93	0.91	1.54
ING	14.05	9.97	0.80	0.91	1.00	1.23
INTECH	17.53	9.72	4.18	0.88	0.99	1.62
PIMCO	14.59	11.37	-0.13	1.03	1.00	1.13
Wentworth	16.53	12.49	0.88	1.09	0.94	1.18
Total Equity	17.18	11.39	2.18	1.02	0.99	1.35
Russell 1000 Val	17.48	12.13	1.99	1.06	0.94	1.30
Russell 1000 Gro	13.24	11.13	-0.58	0.96	0.92	1.03
Russell 2000	22.13	16.67	1.84	1.41	0.91	1.22

Five Year Regression for Periods Ending December 31, 2005
T-Bills and S&P 500 used for Market Line Calculations.

Portfolio Component	Comp'd Retn.	Std. Devn.	Alpha	Beta	R^2	Sharpe Ratio
T-Bill	2.29	0.69				
S&P 500	0.53	19.88				-0.09
Boston Partners	7.03	17.47	6.19	0.85	0.93	0.27
Wentworth	2.47	21.28	2.01	1.04	0.97	0.01
Total Equity	1.04	22.14	0.66	1.09	0.98	-0.06
Russell 1000 Val	5.27	18.25	4.52	0.89	0.93	0.16
Russell 1000 Gro	-3.58	24.84	-3.8	1.18	0.93	-0.24
Russell 2000	8.22	26.56	8.06	1.22	0.89	0.22

[1] The Sharpe Ratio is equal to the return on the portfolio minus the risk free rate divided by the portfolio's standard deviation. [Sharpe Ratio = $(r_p - r_f)/s_p$].

Total Domestic Equity



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Total Equity (B)	2.9	8.8	17.2	1.0
Rank	*32*	*35*	*49*	*64*
S&P 500 (S)	2.1	4.9	14.4	0.5
Equity Median	2.1	6.5	17.0	3.3

Portfolio Characteristics	**Total Fund**	**S&P 500**
Eq Mkt Value ($Mil)	1,934.31	N/A
Wtd. Avg. Cap ($Bil)	59.29	90.07
Beta	1.06	1.00
Yield (%)	1.35 %	1.86 %
P/E Ratio	23.71	18.21
Cash (%)	4.7 %	0.0 %
Number of Holdings	1,174	500
Turnover Rate (%)	190.0	-

Sector	**Total Fund**	**S&P 500**
Energy	8.9 %	9.3 %
Materials	3.1	3.0
Industrials	11.5	11.6
Cons. Discretionary	13.1	10.5
Consumer Staples	7.4	9.5
Health Care	14.1	13.3
Financials	19.8	21.2
Info Technology	17.3	15.1
Telecom Services	2.1	3.0
Utilities	2.6	3.4

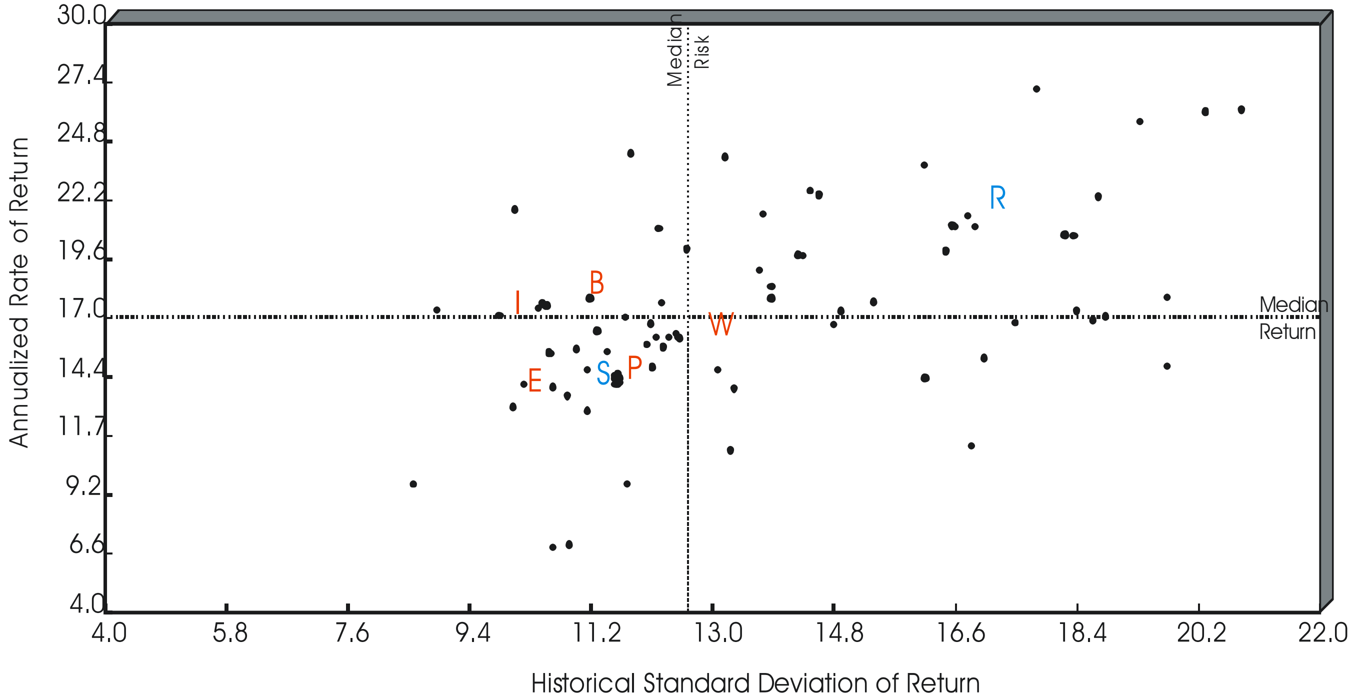
CCCERA total domestic equities returned 2.9% in the fourth quarter, above the 2.1% return of the S&P 500 and the median equity manager. For the one-year period, the CCCERA equity return of 8.8% was above 4.9% for the S&P 500 and 6.5% return of the median manager. For the three and five-year periods, CCCERA domestic equities have exceeded the S&P 500 on an absolute and risk-adjusted basis (page 36).

The combined domestic equity portfolio has a fundamental beta of 1.06x, a below-market yield and an above-market P/E ratio. The portfolio is broadly diversified with 1,174 stocks, and resembles the broad market with an R^2 of 0.93 to the S&P 500. The combined portfolio's largest economic sector over-weightings are in the consumer discretionary and information technology sectors, while the largest under-weightings are in the consumer staples and financials sectors.

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

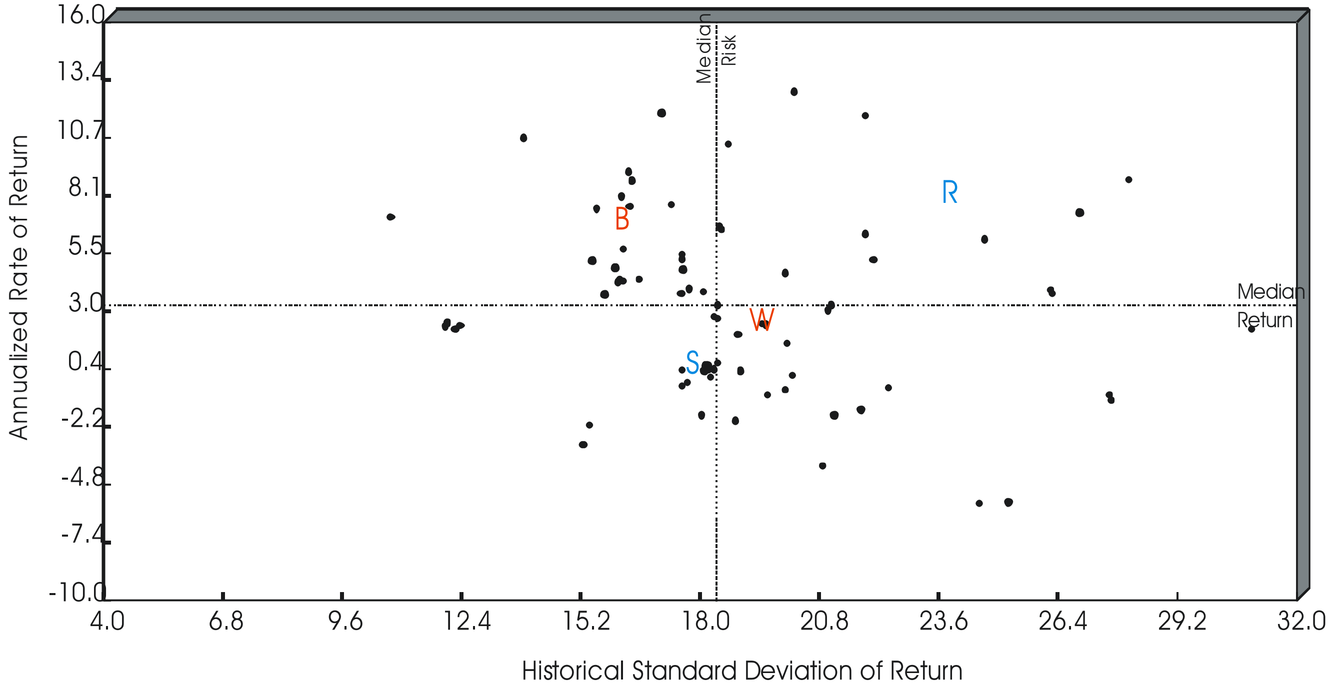
Three Years Ending December 31, 2005



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	18.40	41	11.37	23
E	ING Investment Mgmt	14.05	78	10.46	12
I	Intech	17.53	45	10.28	11
P	PIMCO #433	14.59	67	11.94	42
W	Wentworth, Hauser & Violich	16.54	52	13.14	58
S	Standard & Poors 500	14.39	72	11.58	31
R	Russell 2000	22.13	21	17.30	87
	Median	17.02		12.64	

Domestic Equity Performance and Variability

Five Years Ending December 31, 2005



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	7.03	32	16.32	20
W	Wentworth, Hauser & Violich	2.48	53	19.48	63
S	Standard & Poors 500	0.54	75	18.18	47
R	Russell 2000	8.23	28	24.01	87
	Median	3.29		18.40	

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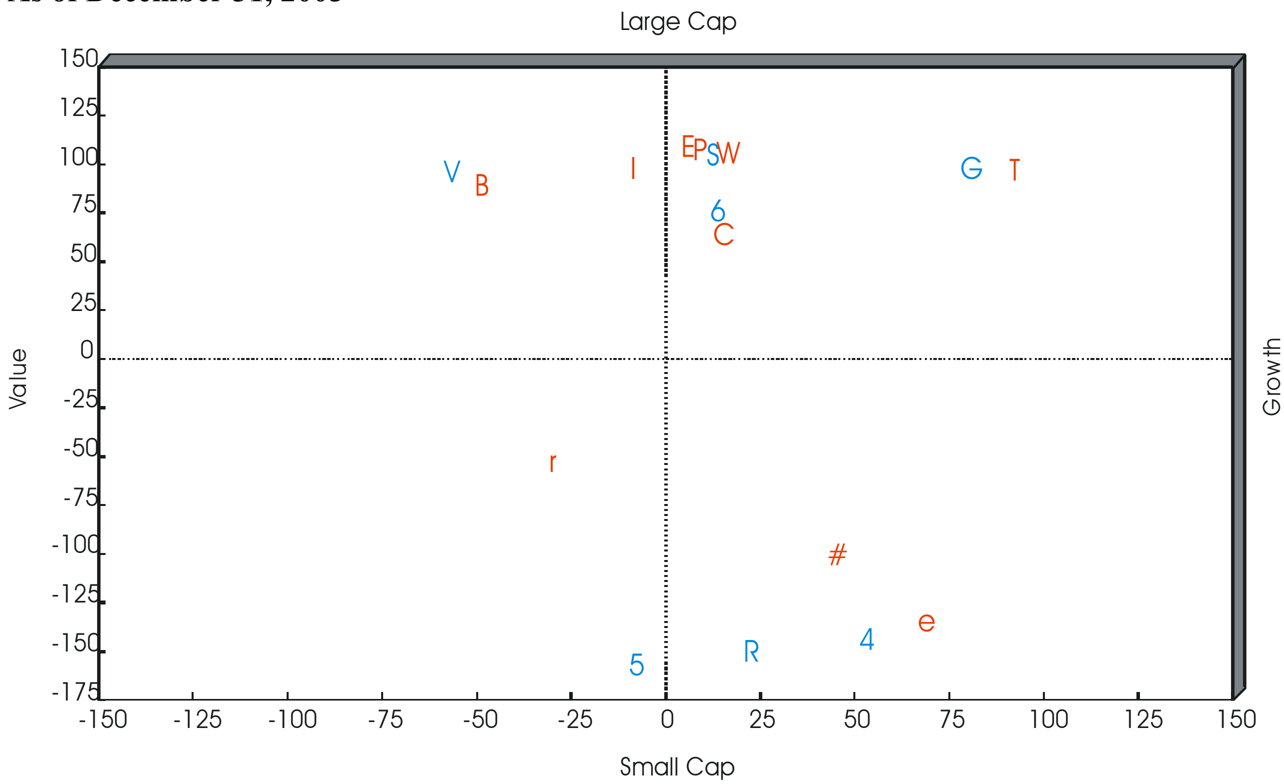
Domestic Equity Style Map

As of December 31, 2005



		Growth-Value	Size
B	Boston Partners	-47.28	87.11
T	Delaware Inves.(Formerly Transamerica)	94.26	95.45
e	Emerald Advisors	70.05	-136.30
E	ING Investment Mgmt	9.46	107.61
I	Intech	-5.96	96.01
P	PIMCO #433	11.21	105.47
#	Progress Investment Mgmt Co	42.98	-102.35
r	Rothschild Asset Management	-27.40	-54.10
W	Wentworth, Hauser & Violich	16.89	103.82
C	Domestic Equity	16.25	62.11
S	Standard & Poors 500	11.19	105.47
G	Russell 1000 Growth	81.27	96.11
V	Russell 1000 Value	-55.21	94.21
R	Russell 2000	24.23	-152.29
4	Russell 2000 Growth	54.33	-146.13
5	Russell 2000 Value	-6.53	-158.59
6	Russell 3000	15.04	74.06

PORTFOLIO PROFILE REPORT

	PIMCO/ S&P 500 Cap Wtd 12/31/2005	Russell 3000 12/31/2005	Russell 2500 12/31/2005	Russell 2000 12/31/2005	ING 12/31/2005	Delaware 12/31/2005	Boston 12/31/2005
Equity Market Value	332,180,005				238,568,043	257,008,489	241,703,481
Beta	1.00	1.02	1.15	1.21	1.01	1.10	1.09
Yield	1.86	1.73	1.23	1.10	1.75	0.58	1.56
P/E Ratio	18.21	19.78	27.33	33.15	17.81	36.50	15.21
Standard Error	1.16	1.56	4.69	6.04	1.07	3.86	2.60
R^2	0.98	0.96	0.73	0.65	0.98	0.81	0.9
Wtd Cap Size ($Mil)	90,070.57	73,501.58	2,381.17	1,101.86	92,289.7	51,886.7	63,964.32
Avg Cap Size ($Mil)	11,390.07	1,003.97	770.36	594.47	13,179.9	16,609.9	13,946.28
Number of Holdings	500	2,993	2,499	2,010	402	29	77
Economic Sectors							
Energy	9.30	8.32	6.25	6.27	10.38	0.00	13.63
Materials	2.99	3.24	5.77	4.54	2.61	3.30	3.69
Industrials	11.62	10.86	12.89	14.97	11.11	7.47	8.86
Consumer Discretionary	10.53	12.04	15.16	14.72	9.81	25.26	14.22
Consumer Staples	9.54	8.31	2.56	2.74	8.99	10.15	0.50
Health Care	13.33	13.35	11.89	12.58	13.04	16.35	8.15
Financials	21.23	21.64	21.84	21.74	21.32	7.45	33.92
Information Technology	15.09	15.80	16.55	18.58	16.97	27.07	13.78
Telecom. Services	3.01	2.87	2.03	1.41	2.90	2.96	2.77
Utilities	3.36	3.56	5.07	2.44	2.86	0.00	0.48

PORTFOLIO PROFILE REPORT

	Emerald 12/31/2005	Intech 12/31/2005	Progress 12/31/2005	Rothschild 12/31/2005	Wentworth 12/31/2005	Combined Equity 12/31/2005
Equity Market Value	167,477,139	240,662,454	43,567,154	165,224,186	247,914,396	1,934,305,347
Beta	1.42	0.87	1.20	0.99	1.08	1.06
Yield	0.20	1.67	0.79	1.51	1.33	1.35
P/E Ratio	50.52	18.71	30.47	21.86	18.60	23.71
Standard Error	8.07	1.77	9.96	4.80	2.21	2.11
R^2	0.59	0.92	0.26	0.65	0.93	0.93
Wtd Cap Size ($Mil)	1,305.92	66,928.20	1,660.61	2,380.98	69,231.61	59,291.47
Avg Cap Size ($Mil)	792.64	13,145.45	1,237.83	1,678.35	34,011.98	13,765.80
Number of Holdings	117	389	480	151	40	1,174
Economic Sectors						
Energy	5.37	10.86	9.91	6.65	13.47	8.91
Materials	4.14	2.07	2.04	7.82	0.00	3.06
Industrials	20.29	8.90	13.24	14.99	12.44	11.50
Consumer Discretionary	8.37	10.99	17.71	5.97	15.54	13.14
Consumer Staples	1.80	10.34	2.80	3.86	11.18	7.43
Health Care	20.40	19.15	11.66	7.52	15.20	14.09
Financials	7.91	17.92	24.33	30.72	17.14	19.79
Information Technology	31.30	11.27	15.39	14.52	12.69	17.33
Telecom. Services	0.41	2.92	1.80	0.61	0.00	2.11
Utilities	0.00	5.57	1.13	7.34	2.33	2.63

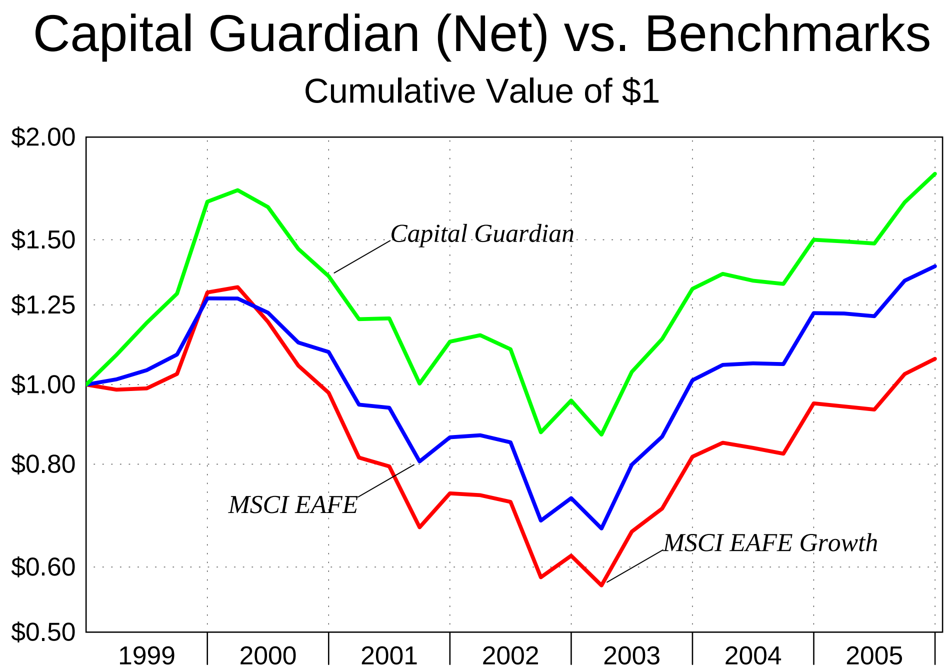
PORTFOLIO PROFILE REPORT

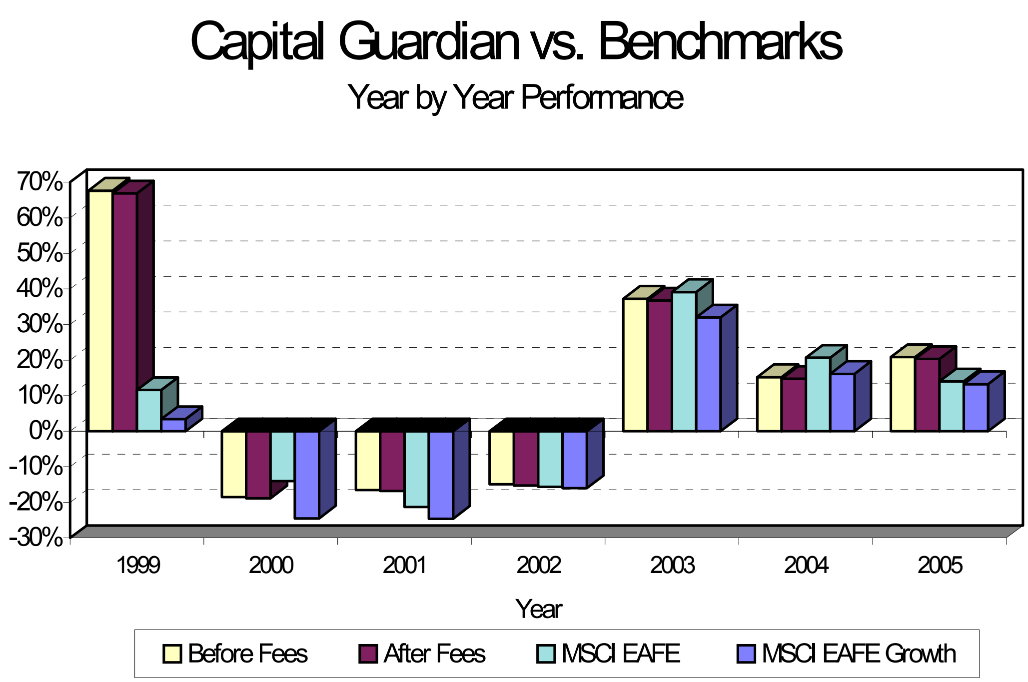
	S&P 500 Cap Wtd 12/31/2005	Russell 3000 12/31/2005	Russell 2500 12/31/2005	Russell 2000 12/31/2005	ING 12/31/2005	Delaware 12/31/2005	Boston 12/31/2005
Beta Sectors							
1 0.0 - 0.9	56.01	54.94	47.20	44.12	54.28	50.89	47.91
2 0.9 - 1.1	7.62	8.37	10.83	10.12	7.77	12.72	7.57
3 1.1 - 1.3	10.36	9.73	9.13	9.37	10.64	7.71	7.71
4 1.3 - 1.5	8.19	7.86	6.34	7.20	9.68	8.83	16.29
5 Above 1.5	17.81	19.10	26.50	29.19	17.63	19.86	20.52
Yield Sectors							
1 Above 5.0	2.38	2.91	5.14	5.44	2.27	0.00	1.72
3 3.0 - 5.0	19.97	18.22	9.37	7.33	16.83	0.00	12.49
3 1.5 - 3.0	29.52	26.06	14.14	12.32	30.08	14.10	32.58
4 0.0 - 1.5	34.97	32.32	24.49	19.15	38.45	48.67	38.27
5 0.0	13.16	20.49	46.85	55.75	12.37	37.24	14.95
P/E Sectors							
1 0.0 - 12.0	15.62	14.13	9.13	8.93	17.76	0.00	23.96
2 12.0 -20.0	43.56	40.41	30.49	27.81	41.76	2.73	54.54
3 20.0 -30.0	24.24	24.22	23.81	21.34	26.07	49.53	9.93
4 30.0 - 150.0	13.34	15.63	21.64	21.01	12.15	38.46	5.17
5 N/A	3.24	5.62	14.94	20.90	2.27	9.28	6.40
Capitalization Sectors							
1 Above 20.0 ($Bil)	73.12	58.87	0.00	0.00	76.24	42.19	53.46
2 10.0 - 20.0	16.57	13.81	0.42	0.00	15.60	41.23	14.35
3 5.0 - 10.0	7.67	9.05	5.32	0.00	6.33	14.02	16.36
4 1.0 - 5.0	2.63	14.07	71.62	52.07	1.83	2.56	15.83
5 0.5 - 1.0	0.02	2.73	14.68	31.05	0.00	0.00	0.00
6 0.1 - 0.5	0.00	1.47	7.95	16.86	0.00	0.00	0.00
7 0.0 - 0.1	0.00	0.00	0.01	0.03	0.00	0.00	0.00
5 Yr Earnings Growth							
1 N/A	23.57	25.42	35.92	38.9	22.32	10.29	32.26
2 0.0 -10.0	32.81	31.06	26.24	24.9	31.7	14.16	30.2
3 10.0 -20.0	29.69	27.97	19.99	17.72	29.48	56.76	22.25
5 Above 20.0	13.93	15.55	17.86	18.48	16.5	18.79	15.28

PORTFOLIO PROFILE REPORT

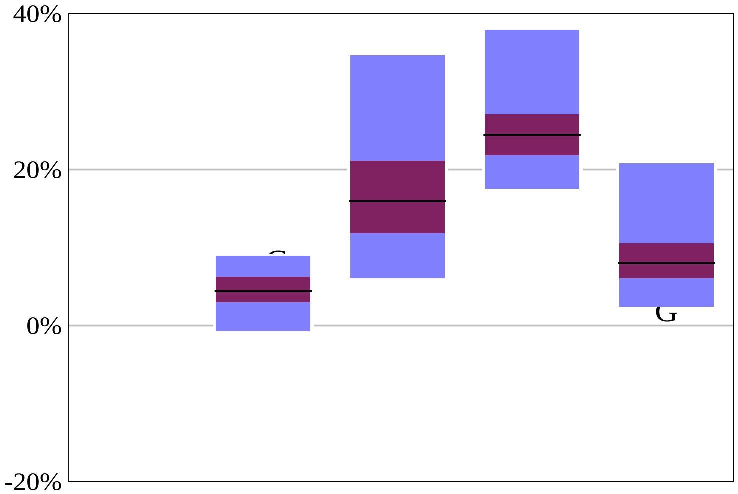
	Emerald 12/31/2005	Intech 12/31/2005	Progress 12/31/2005	Rothschild 12/31/2005	Wentworth 12/31/2005	Combined Equity 12/31/2005
Beta Sectors						
1 0.0 - 0.9	29.63	65.92	42.32	52.94	48.02	51.46
2 0.9 - 1.1	13.81	6.19	11.51	13.70	7.12	9.21
3 1.1 - 1.3	6.58	10.08	6.73	11.19	16.81	10.16
4 1.3 - 1.5	12.25	7.21	10.42	5.24	11.23	9.89
5 Above 1.5	37.73	10.60	29.02	16.93	16.83	19.28
Yield Sectors						
1 Above 5.0	0.73	2.19	3.03	3.91	0.00	1.64
3 3.0 - 5.0	0.00	15.22	6.62	16.03	4.91	11.11
3 1.5 - 3.0	2.20	29.63	9.03	18.62	28.95	24.11
4 0.0 - 1.5	16.58	38.79	20.19	27.42	54.41	38.03
5 0.0	80.49	14.16	61.14	34.02	11.73	25.12
P/E Sectors						
1 0.0 - 12.0	1.42	13.16	5.87	8.22	4.29	11.01
2 12.0 -20.0	13.92	39.71	26.04	40.09	51.19	36.53
3 20.0 -30.0	29.35	30.46	20.70	26.69	33.25	28.54
4 30.0 - 150.0	34.17	13.85	34.65	17.24	11.27	17.92
5 N/A	21.13	2.82	12.74	7.76	0.00	6.00
Capitalization Sectors						
1 Above 20.0 ($Bil)	0.00	54.82	0.00	0.00	71.08	50.18
2 10.0 - 20.0	0.00	25.55	0.22	0.00	19.59	17.74
3 5.0 - 10.0	1.36	15.44	2.16	3.58	6.76	9.26
4 1.0 - 5.0	54.56	4.18	63.70	81.45	2.57	16.96
5 0.5 - 1.0	27.86	0.00	21.28	11.76	0.00	3.90
6 0.1 - 0.5	15.62	0.00	11.52	3.21	0.00	1.89
7 0.0 - 0.1	0.61	0.00	1.13	0.00	0.00	0.08
5 Yr Earnings Growth						
1 N/A	22.42	21.43	23.94	35.9	13.18	22.10
2 0.0 -10.0	36.51	31.29	27.12	34.81	26.75	29.27
3 10.0 -20.0	22.81	29.81	24.15	18.74	38.42	31.81
5 Above 20.0	18.25	17.47	24.78	10.55	21.65	16.82

Capital Guardian Trust Company





Capital Guardian Trust Company



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Capital Guard. (C)	8.5	20.8	24.1	6.3
Rank	*6*	*30*	*58*	*71*
EAFE (E)	4.1	14.0	24.2	4.9
EAFE Growth (G)	4.3	13.3	20.2	1.9
Int'l Median	4.4	15.9	24.4	8.0

Portfolio Characteristics	**Capital Guardian**	**MSCI EAFE**
IEq Mkt Value ($Mil)	243.9	N/A
Cash	0.1 %	0.0 %

Over-Weighted Countries	**Capital Guardian**	**MSCI EAFE**
Japan	32.0 %	25.7 %
Canada	4.9	0.0
Netherlands	5.2	3.4

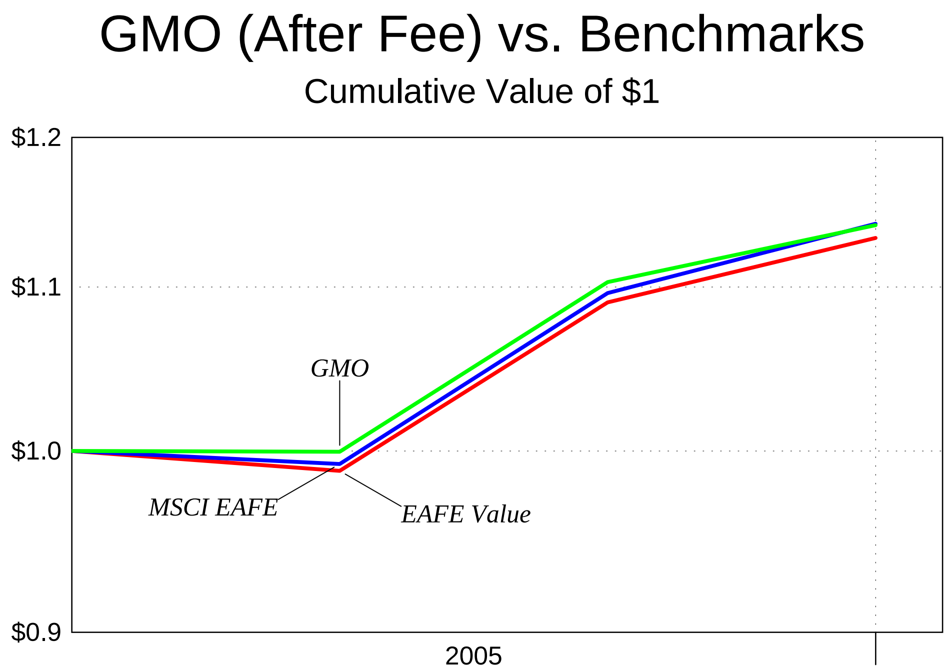
Under-Weighted Countries	**Capital Guardian**	**MSCI EAFE**
United Kingdom	15.5 %	24.0 %
Australia	2.4	5.3
Sweden	1.2	2.4

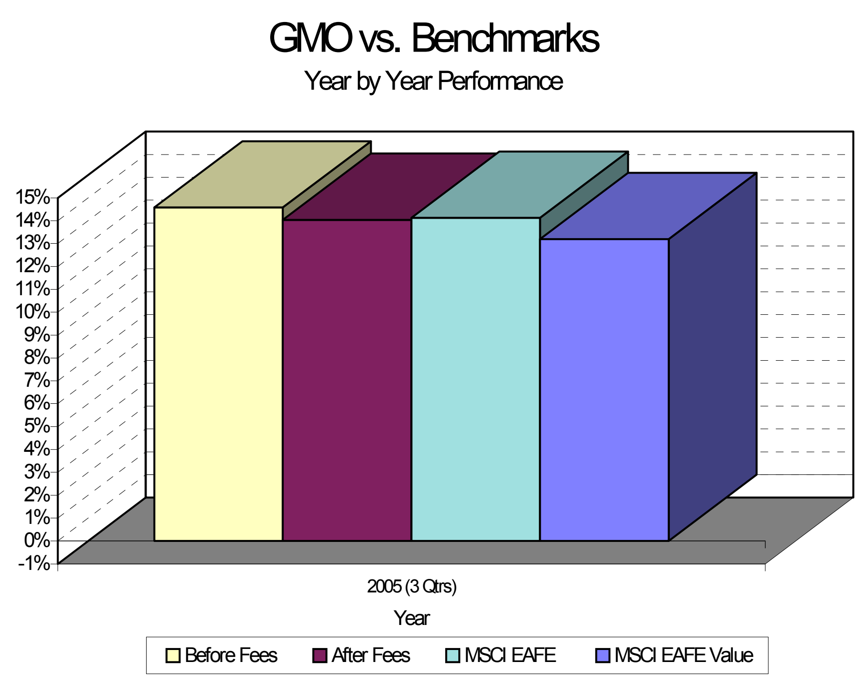
The Capital Guardian international portfolio returned 8.5% in the fourth quarter, better than 4.1% for the MSCI EAFE Index, 4.3% for the MSCI EAFE Growth Index and 4.4% for the median international equity manager. For the one-year period, Capital Guardian's return of 20.8% exceeded the 14.0% return of the MSCI EAFE Index, 13.3% return of the EAFE Growth Index and the 15.9% return of the median international manager. Capital Guardian has not met the performance objectives of exceeding the median over the past three and five year periods or the index over the past three years.

The best performing countries of the MSCI EAFE Index for the quarter, in US$ terms, were Japan (+11.9%), Netherlands (+8.2%) and Denmark (+6.5%), while the worst performing countries of the Index for the fourth quarter, in US$ terms, were Norway (-4.4%), New Zealand (+3.6%) and Hong Kong (-3.0%). The portfolio's largest country over-weightings were Japan, Canada (not in MSCI EAFE) and the Netherlands, and while the largest under-weightings were in the United Kingdom, Australia and Sweden. At the end of the quarter, 4.6% of the portfolio was invested in emerging markets.

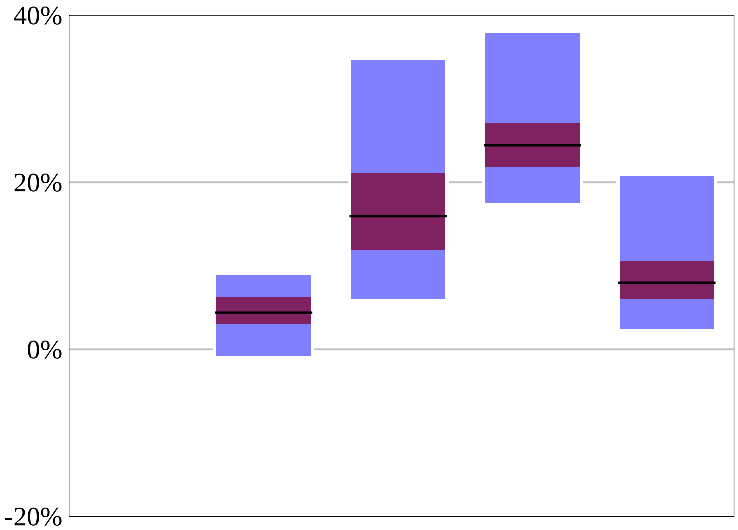
Relative results were helped by stock selection and an overweight position in the IT sector. Leaders in many areas of technology are gaining market share. The firm feels that this has not been reflected in their valuations. The portfolio’s extensive holdings in Japan also contributed to returns. An overweight position in Japan and an underweight position in the UK also proved beneficial. Capital Guardian expects that the recovery in the eurozone will continue into 2006 and that slightly higher short-term interest rates will not be an impediment to economic growth. In Japan, the fundamentals for consumer-oriented companies are improving and the weak yen is helping exporters. Japanese financials are benefiting from the view that deflation will end, interest rates will normalize and loan activity will pick up.

Grantham, Mayo, van Otterloo & Co





Grantham, Mayo, van Otterloo & Co



	Last Qtr	1 Yr	3 Yrs	5 Yrs
GMO (G)	3.5	-	-	-
Rank	*68*	-	-	-
EAFE (E)	4.1	14.0	24.2	4.9
EAFE Value (V)	3.8	13.8	27.2	7.1
Int'l Median	4.4	15.9	24.4	8.0

Portfolio Characteristics	**GMO**	**MSCI EAFE**
IEq Mkt Value ($Mil)	232.4	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	**GMO**	**MSCI EAFE**
Netherlands	7.9 %	3.7 %
Japan	28.3	25.7
Germany	9.2	6.7

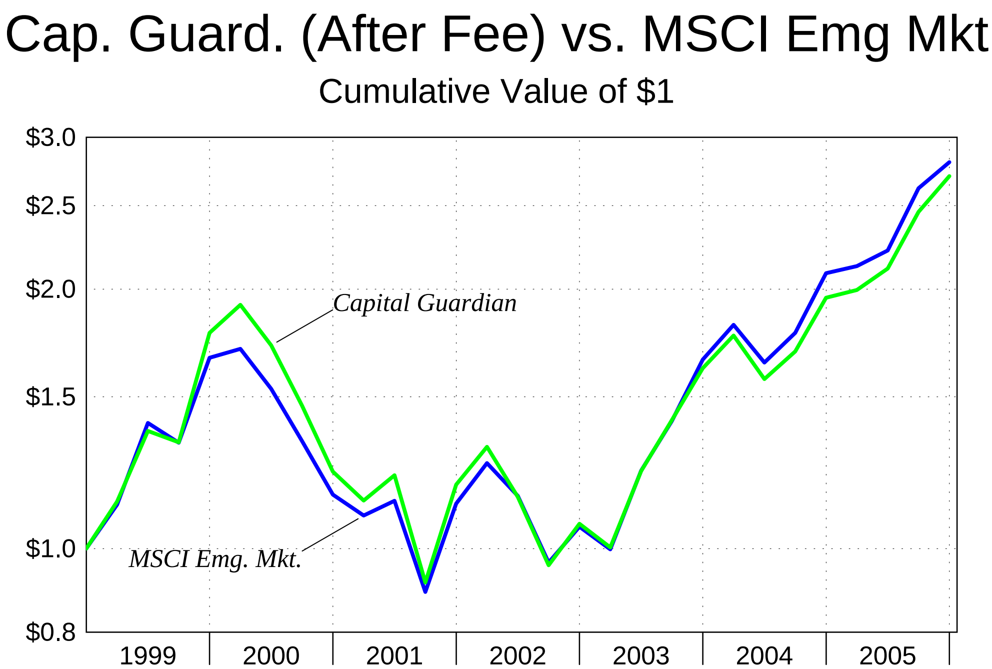
Under-Weighted Countries	**GMO**	**MSCI EAFE**
Switzerland	2.3 %	6.9 %
France	5.9	9.0
United Kingdom	21.5	24.2

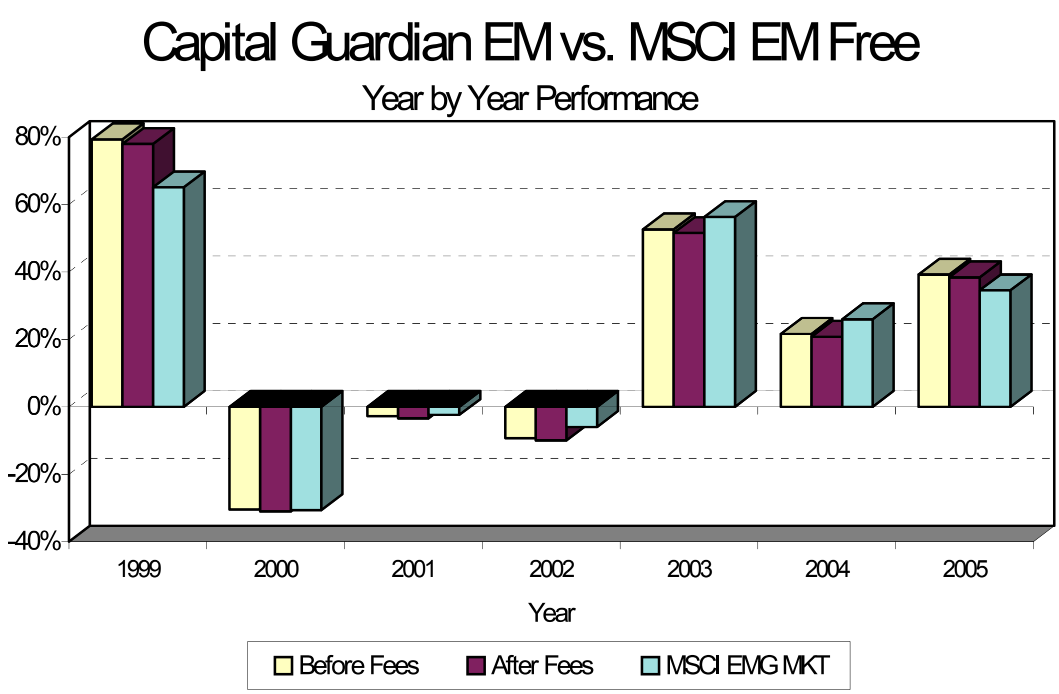
The GMO value international portfolio returned 3.5% in the fourth quarter, below the 4.1% return of the MSCI EAFE Index, the 3.8% return of the EAFE Value Index and the 4.4% return of the median international equity manager.

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

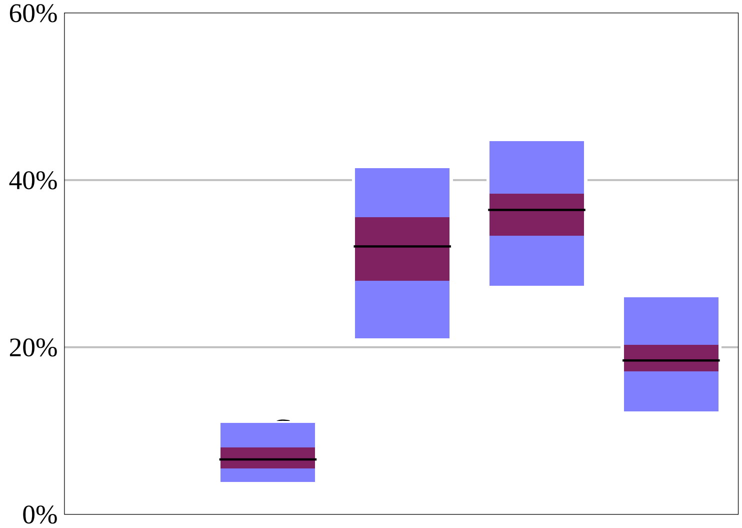
The portfolio was boosted by an underweight in telecom services and stock selection in the United Kingdom and in the energy sector. The portfolio was hurt by underweights in the materials and industrials sectors and stock selection in Japan and the health care sectors. The top performing holdings included Vodaphone, HSBC and Telefonica while the worst performing sectors were Toyota, ABN AMRO and Enel.

Capital Guardian Emerging Markets





Capital Guardian Emerging Markets



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Capital Guard. (C)	10.2	39.2	37.2	17.9
Rank	*6*	*13*	*40*	*63*
MSCI Emg Mkt (E)	7.2	34.5	38.4	19.4
MS Em Mkt Median	6.6	32.1	36.4	18.4

Portfolio Characteristics	**Capital Guardian**	**MSCI EM Free**
IEq Mkt Value ($M	57.1	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	**Capital Guardian**	**MSCI EM Free**
India	7.9 %	6.0 %
Indonesia	3.0	1.4
Korea	20.2	18.7
Hong Kong	1.5	0.0

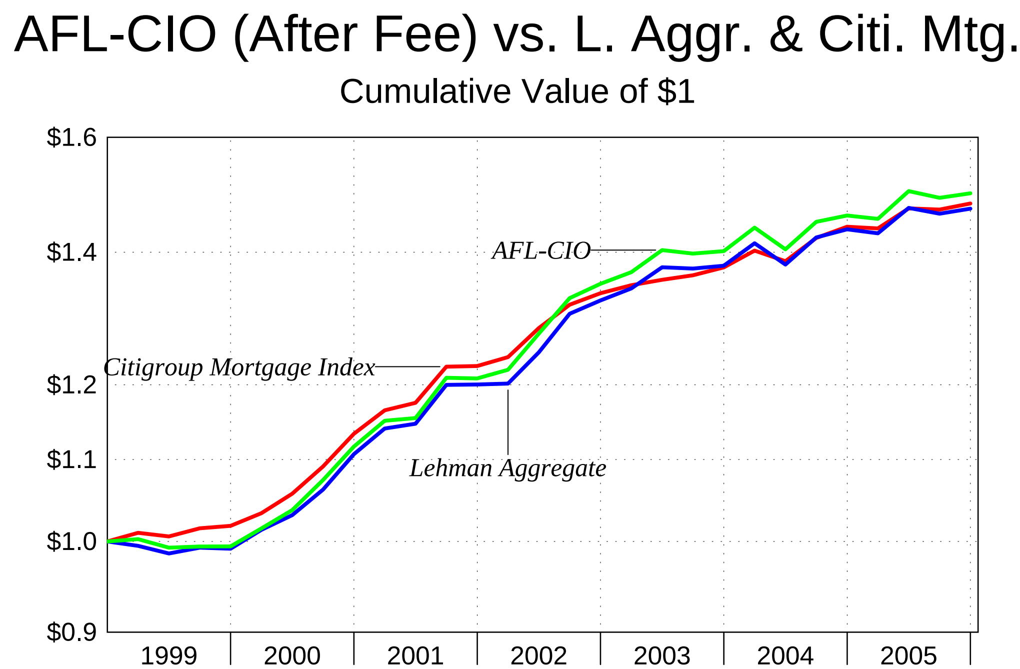
Under-Weighted Countries	**Capital Guardian**	**MSCI EM Free**
China	4.4 %	7.6 %
Taiwan	11.4	14.5
Russia	3.3	5.3

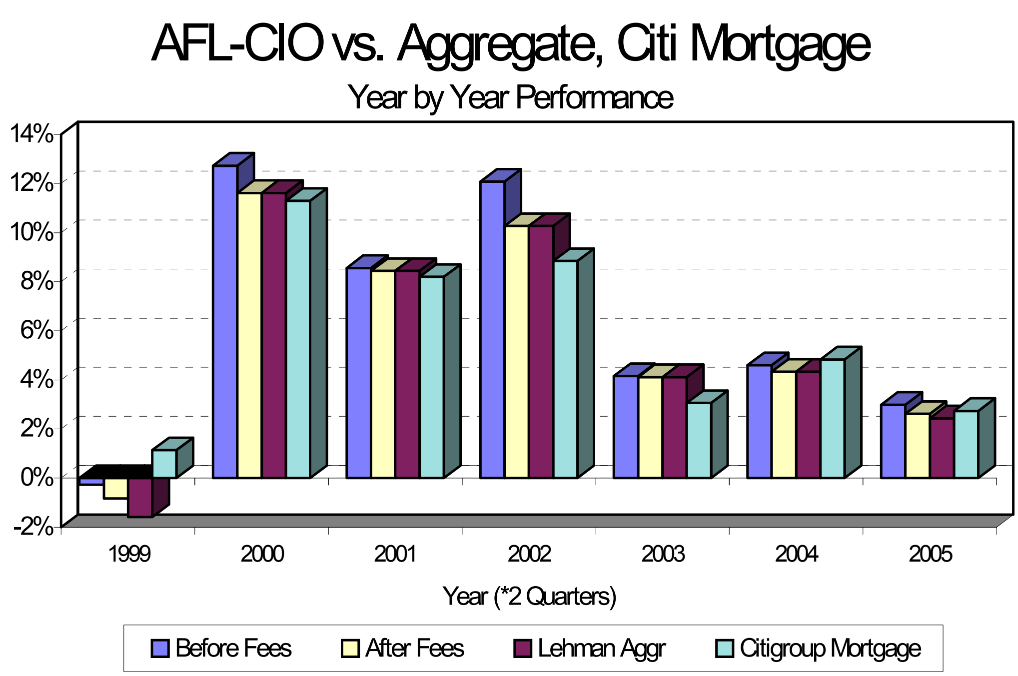
Capital Guardian's emerging market equity portfolio returned 10.2% in the fourth quarter, exceeding the 7.2% return of the MSCI Emerging Market Free index and the 6.6% return of the median emerging market equity mutual fund. For the one year period, Capital Guardian's return of 39.2% was better than the 34.5% return of the MSCI Emerging Market Free Index and the 32.1% return of the median. For the five-year period, Capital Guardian returned 17.9% versus 19.4% for the MSCI Emerging Market Free Index and 18.4% for the median emerging market equity mutual fund. Capital Guardian has not met the objective of exceeding the Index and the median over the three and five year periods.

The top performing emerging market countries were Columbia (+42%), Turkey (+17%) and Philippines (+17%). The worst performing countries were Sri Lanka (-21%), Hungary (-14%) and Argentina (-13%). The Europe & Middle East region was positive for the quarter with a return of 5.3%, Latin American was up 3.5% and the Asian region was up 8.7%. The portfolio's largest country over-weightings were India, Indonesia, South Korea and Hong Kong, while the largest under-weightings were China, Taiwan and Russia.

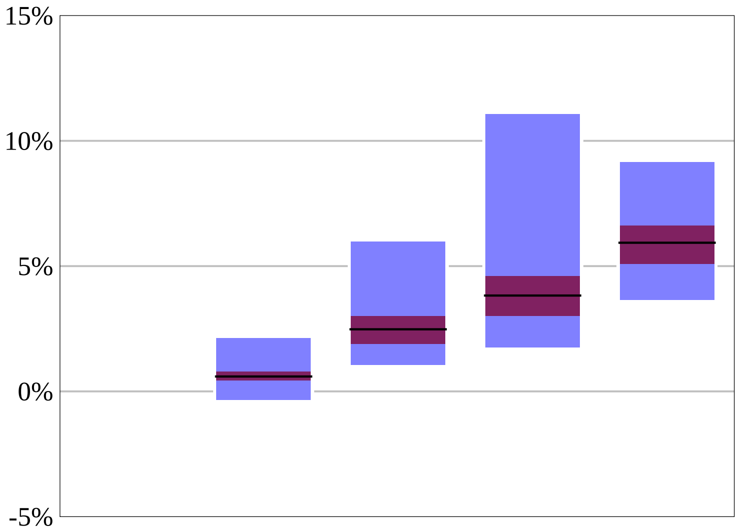
Relative returns were supported by good stock selection in financials, telecom services, materials and industrials. The portfolio's underexposure to energy also boosted fourth quarter returns. Stock selection in South Korea, Brazil and Taiwan and Russia was also positive. The firm feels that the macroeconomic fundamentals remain supportive, with current accounts in balance or surplus, fiscal account in good shape and central bank generally espousing conservative monetary policies. Among potential stumbling blocks, Brazil and Mexico will hold general elections in 2006, which historically have created some political and market volatility. Also, China may experience excess capacity in the steel and cement areas.

AFL-CIO Housing Investment Trust





AFL-CIO Housing Investment Trust



	Last Qtr	1 Yr	3 Yrs	5 Yrs
AFL-CIO (A)	0.6	3.0	3.9	6.4
Rank	*48*	*25*	*47*	*32*
L. Agg (L)	0.6	2.4	3.6	5.9
Citi. Mtg. (C)	0.7	2.7	3.5	5.5
Fixed Median	0.6	2.5	3.8	5.9

Portfolio Characteristics	**AFL-CIO**
Mkt. Value ($mil)	137.4
Duration (yrs)	4.4
Current Yield (%)	5.4

Diversification by Sector	**AFL-CIO**
Single Family MBS	29%
Construction Related CMBS	15
Agency CMBS	46
US Treasury	8
Short-term	2

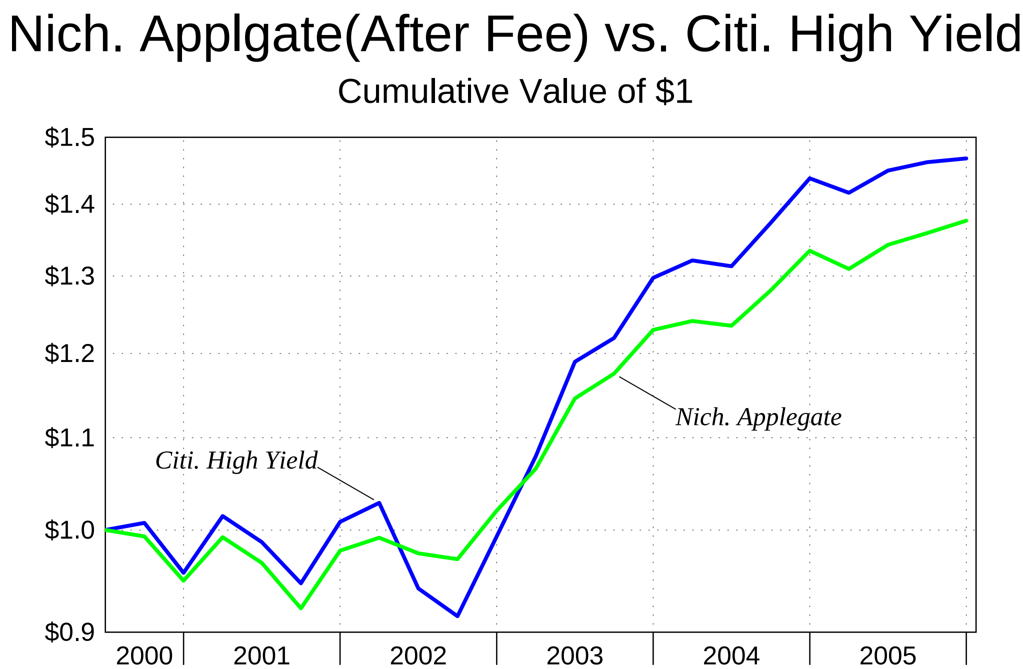
AFL-CIO returned 0.6% in the fourth quarter, matching the return of the Lehman Aggregate and near the 0.7% return of the Citigroup Mortgage index. The portfolio ranked in the 48th percentile of fixed income managers. For the past year, AFL-CIO returned 3.0%, which was above the 2.4% return of the Lehman Aggregate, 2.7% for the Citigroup Mortgage and 2.5% for the median fixed income manager. Over longer periods, AFL-CIO has exceeded the benchmarks and the median, meeting performance objectives.

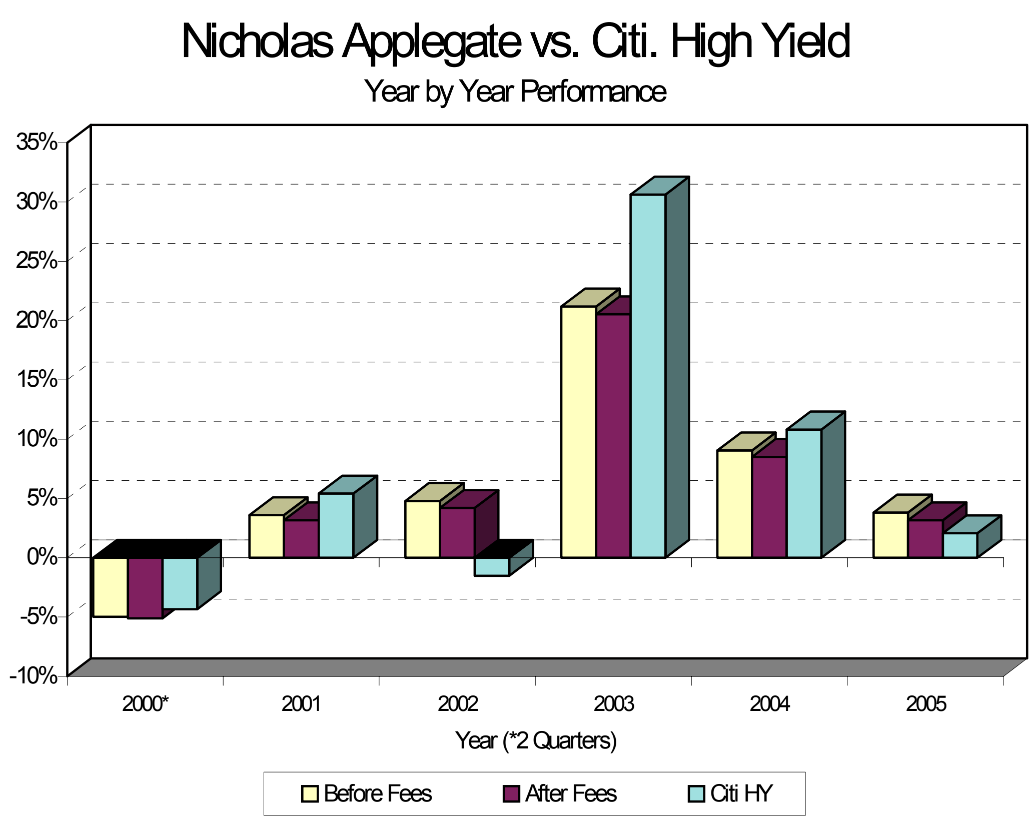
At the end of the fourth quarter, the AFL-CIO Housing Investment Trust had 29% of the portfolio allocated to single family mortgage backed securities (down 1% from the end of the previous quarter), 15% allocated to construction related CMBS (unchanged), 46% allocated to agency CMBS (down 1%), 8% to US Treasury notes (up 2%) and 2% to short-term (up 1%). The AFL-CIO portfolio duration at the end of the fourth quarter was 4.4 years and the current yield of the portfolio was 5.4%.

AFL-CIO reports that in the fourth quarter the Trust issued new financing commitments in the amount of $99.6 million for six multi-family projects having a total of 988 units. The Trust's HIT HOME mortgage program originated mortgage loans for 508 union households valued at $93 million during the quarter. In the year ahead, the Trust expects to maintain its overweight in agency-credit quality multifamily MFS, as this sector has a record of providing higher yields than many other securities with similar credit ratings. The Trust currently anticipates that it will maintain it duration-neutral strategy relative to the Lehman Aggregate Index.

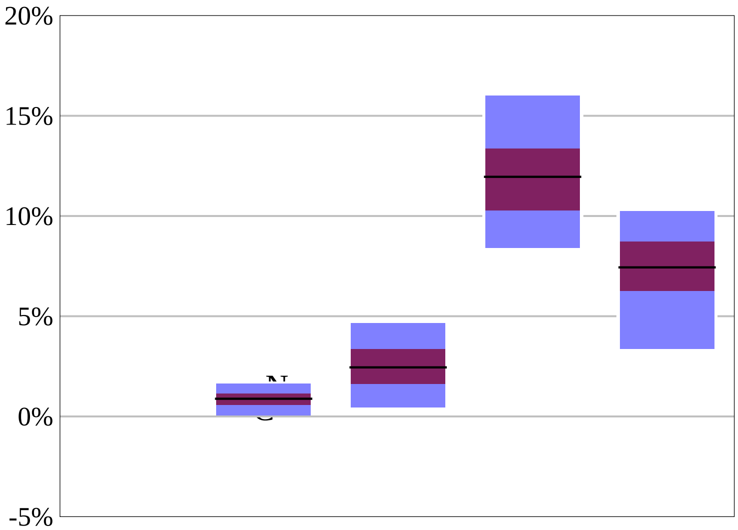
MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate





Nicholas Applegate



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Nich. Appl. (N)	1.6	3.8	11.1	8.3
Rank	*5*	*15*	*62*	*32*
Citi. Hi Yield (C)	0.4	2.1	13.9	8.9
ML BB/B (M)	0.8	3.3	11.8	7.7
MS Hi Yield Med	0.9	2.5	11.9	7.4

Portfolio Characteristics	**Nicholas Applegate**	**Citigroup HY**
Mkt. Value ($mil)	78.9	N/A
Yield to Maturity (%)	7.7	8.2
Duration (years)	3.9	4.6
Avg. Quality	BB	B+
Cash	1.0	0.0

Quality Distribution	**Nicholas Applegate**	**Citigroup HY**
A	2%	0%
BBB	2	0
BB	32	42
B	63	48
CCC	2	10

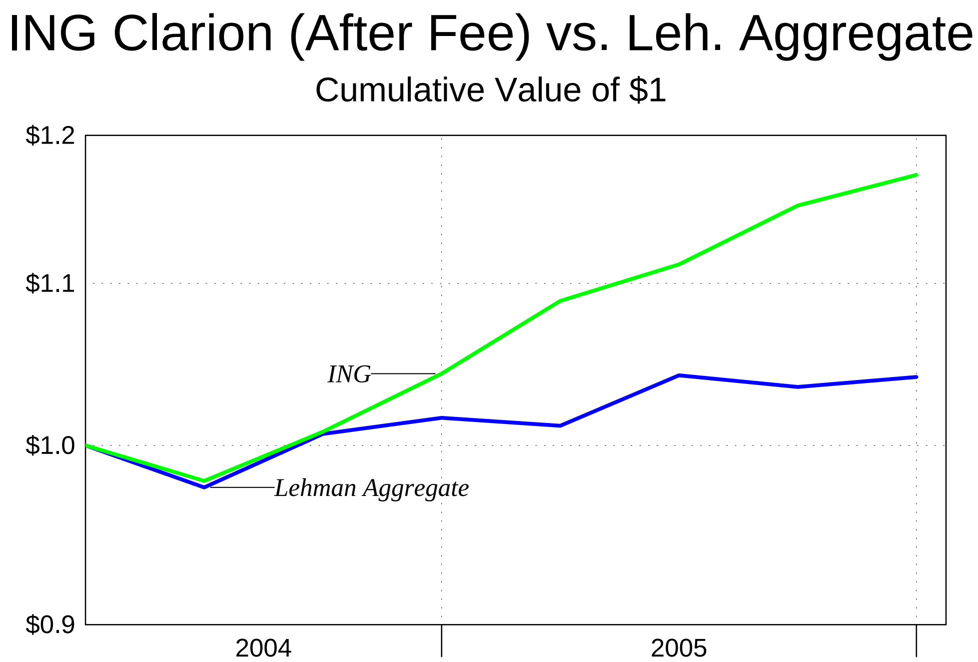
Nicholas Applegate's high yield fixed income portfolio returned 1.6% for the fourth quarter, better than the 0.4% return of the Citigroup High Yield Index, 0.8% for the Merrill Lynch BB/B Index and 0.9% for the median high yield fixed income mutual fund. For the past year, Nicholas Applegate returned 3.8% versus 2.1% for the Citigroup High Yield Index, 3.3% for the Merrill Lynch BB/B Index and 2.5% for the median. For the five-year period, Nicholas Applegate's return of 8.3% was above 7.7% for the BB/B Index and 7.4% for the median, but below 8.9% for the Citigroup High Yield Index.

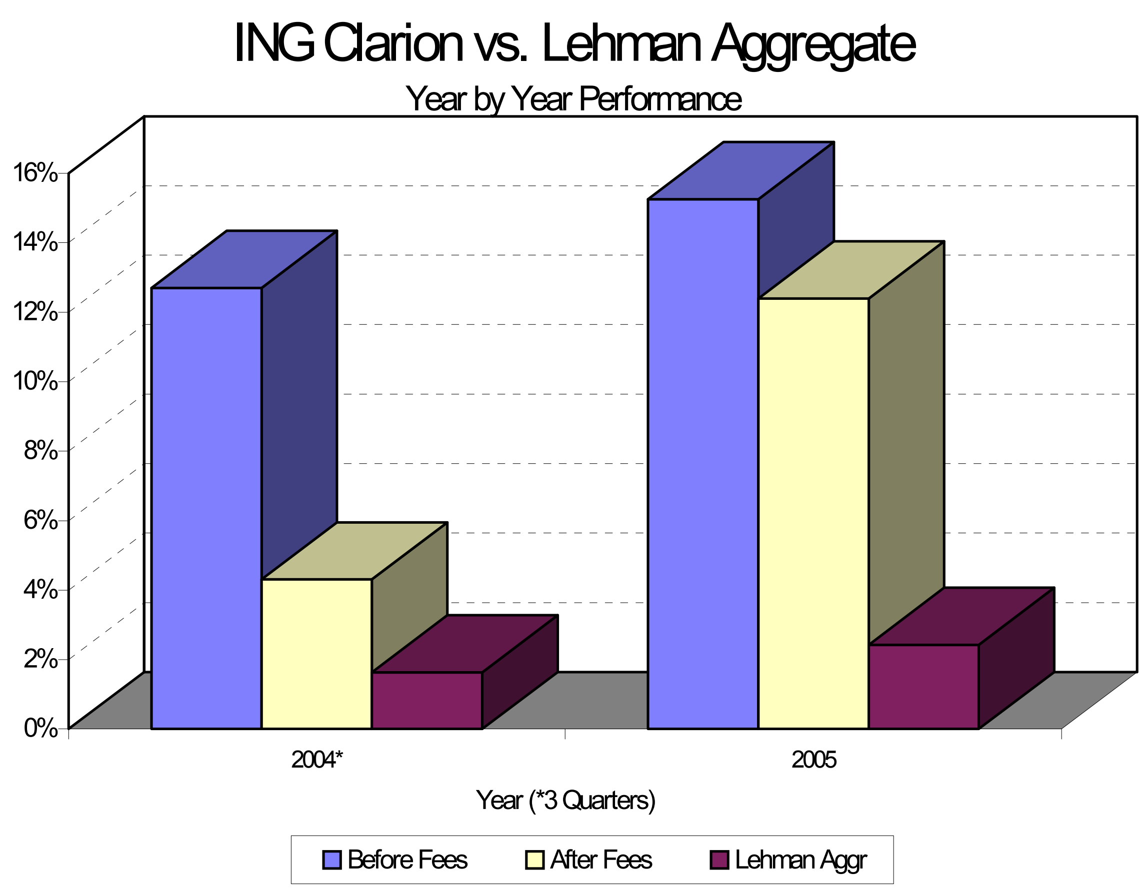
As of December 31, 2005, the Nicholas Applegate high yield portfolio was allocated 2% to A rated securities vs. 0% for the Index, 2% to BBB rated securities vs. 0% for the Index, 32% to BB rated issues versus 42% for the Index, 63% to B rated issues versus 48% in the Citigroup High Yield Index and 2% to C rated securities versus 10% for the Index. At the end of the quarter, 1.0% of the portfolio was invested in cash and equivalent securities. The portfolio's December 31, 2005, duration was 3.9 years, shorter than 4.6 years for the Citigroup High Yield Index.

There were fourteen positive rating actions in the fourth quarter. The upgrades included several industries. The drawback to this many upgrades is replacing those issues that traded to a level that is too tight for total return performance. In the fourth quarter specific positive performance was generated by Vertrue Inc, Psychiatric Solutions, Levi Strauss & Co. and Valor Communications. These issues continue to have healthy credit trends and, specifically in Vertrue's case, reported a better-than-expected third quarter. The only notable underperformer in the portfolio in the quarter was Alliance Imaging. The price was lower due to the hurricanes, industry softness and other temporary factors that caused the company to lower guidance. Nicholas Applegate feels that the high yield market remains a compelling investment versus other fixed income options. The economy is healthy, corporate balance sheets are solid, and defaults are low.

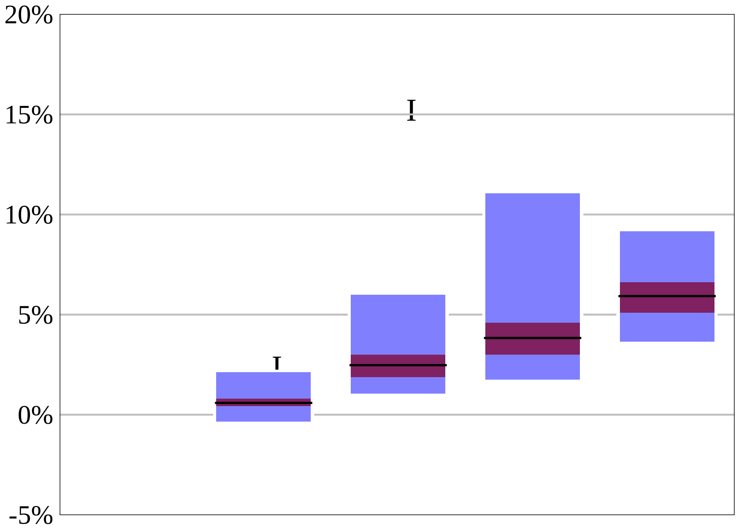
MANAGER COMMENTS – FIXED INCOME

ING Clarion





ING Clarion



	Last Qtr	1 Yr	3 Yrs	5 Yrs
ING Clarion (I)	2.4	15.3	-	-
Rank	*4*	*1*	-	-
L. Agg (L)	0.6	2.4	3.6	5.9
Fixed Median	0.6	2.5	3.8	5.9

Portfolio Characteristics	**ING**
Mkt. Value ($mil)	55.7
Avg. Quality	B

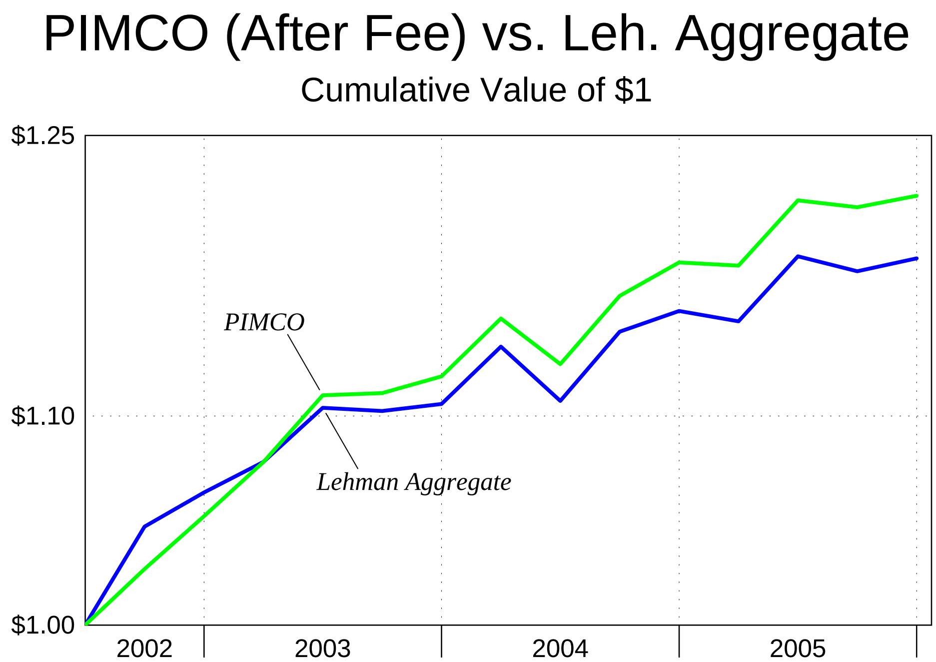
ING Clarion invests in lower quality mortgages purchased at a significant discount. Its return of 2.4% for the fourth quarter was well above the Lehman Aggregate return of 0.6% and the median fixed income manager return of 0.6%. ING Clarion ranked in the 4th percentile in the universe of fixed income managers. Over the past year, the portfolio has returned 15.3%, well above the benchmark return of 2.4% and the fixed income median return of 2.5%.

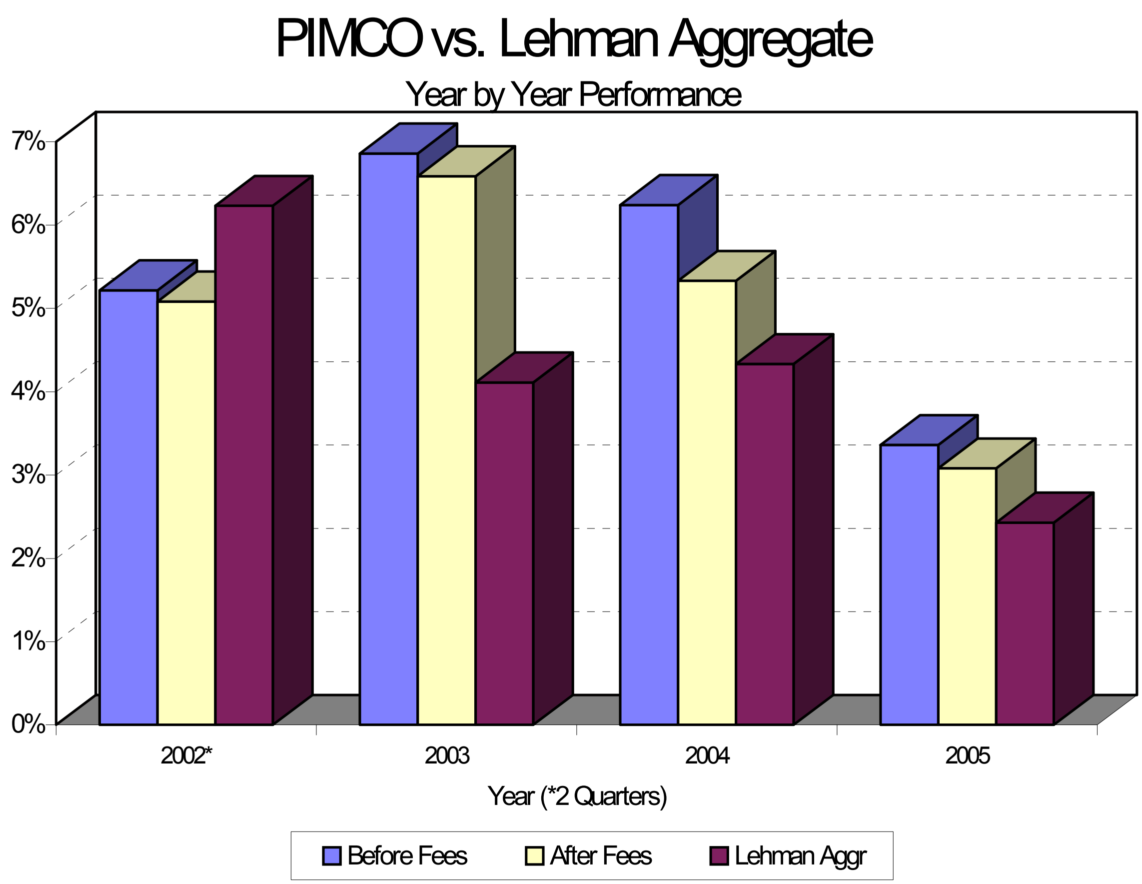
As of December 31, 2005, the portfolio consisted of 90 investments purchased at an average price of approximately 46% of par.

The following data was not available for the quarter ending December 31, 2005 at the time this report was printed. For the quarter ending September 30, 2005, the fund was offered eight investment opportunities, and pursued one deal. ING Clarion acquired four classes of securities from four different securitization deals. All classes were acquired at discounts to par (the par amount was $5,248,000 and the purchase price was $4,504,413, averaging 86% of par amount) at an average nominal yield to maturity of approximately 8% and a nominal cash-on-cash yield of approximately 7%.

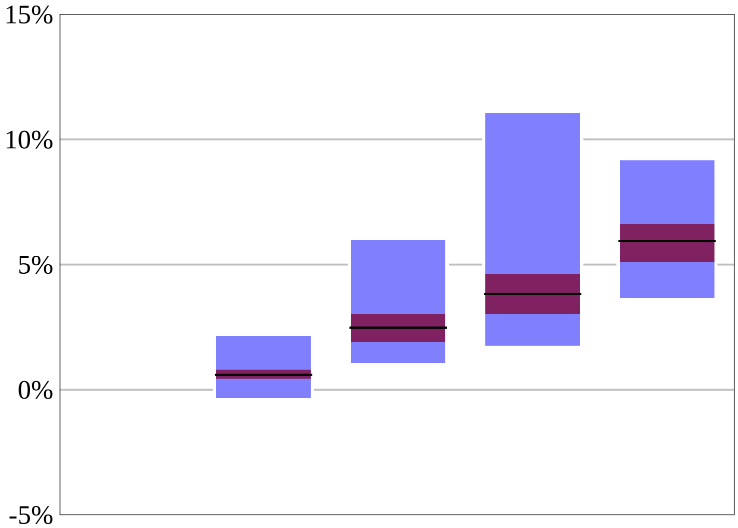
MANAGER COMMENTS – FIXED INCOME

PIMCO





PIMCO



	Last Qtr	1 Yr	3 Yrs	5 Yrs
PIMCO (P)	0.6	3.4	5.3	-
Rank	*52*	*18*	19	-
L. Agg (L)	0.6	2.4	3.6	5.9
Fixed Median	0.6	2.5	3.8	5.9

Portfolio Characteristics	**PIMCO**	**L. Agg**
Mkt. Value ($mil)	422.6	N/A
Yield to Maturity (%)	5.1	5.1
Duration (years)	4.7	4.6
Avg. Quality	AAA	AA+

Sectors	**PIMCO**	**L. Agg**
Treasury/Agency	38%	36%
Mortgages	48	40
Corporates	5	20
High Yield	0	0
Asset Backed	0	0
CMBS	0	0
Cash	0	0
International	4	4
Emerging Markets	3	0
Other	2	0

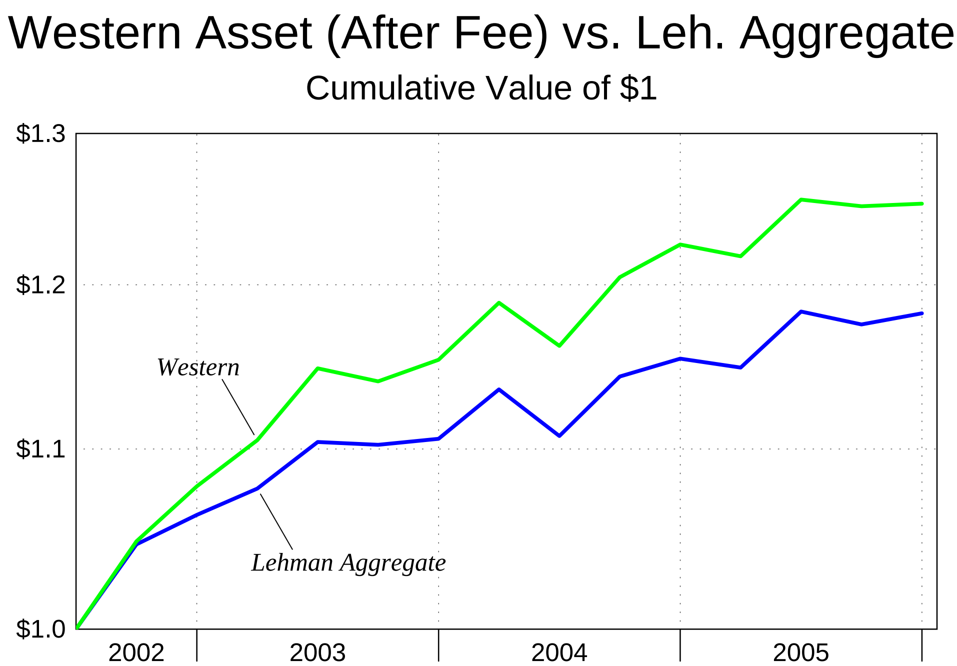
PIMCO's return of 0.6% for the fourth quarter matched the 0.6% return of the Lehman Aggregate and the median fixed income manager. PIMCO ranked in the 52nd percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 3.4% was above the 2.4% return of the Lehman Aggregate and the 2.5% return of the median, ranking in the 18th percentile. Over the past three years, the portfolio has returned 5.3%, above the Lehman Aggregate return of 3.6% and ranking in the 19th percentile.

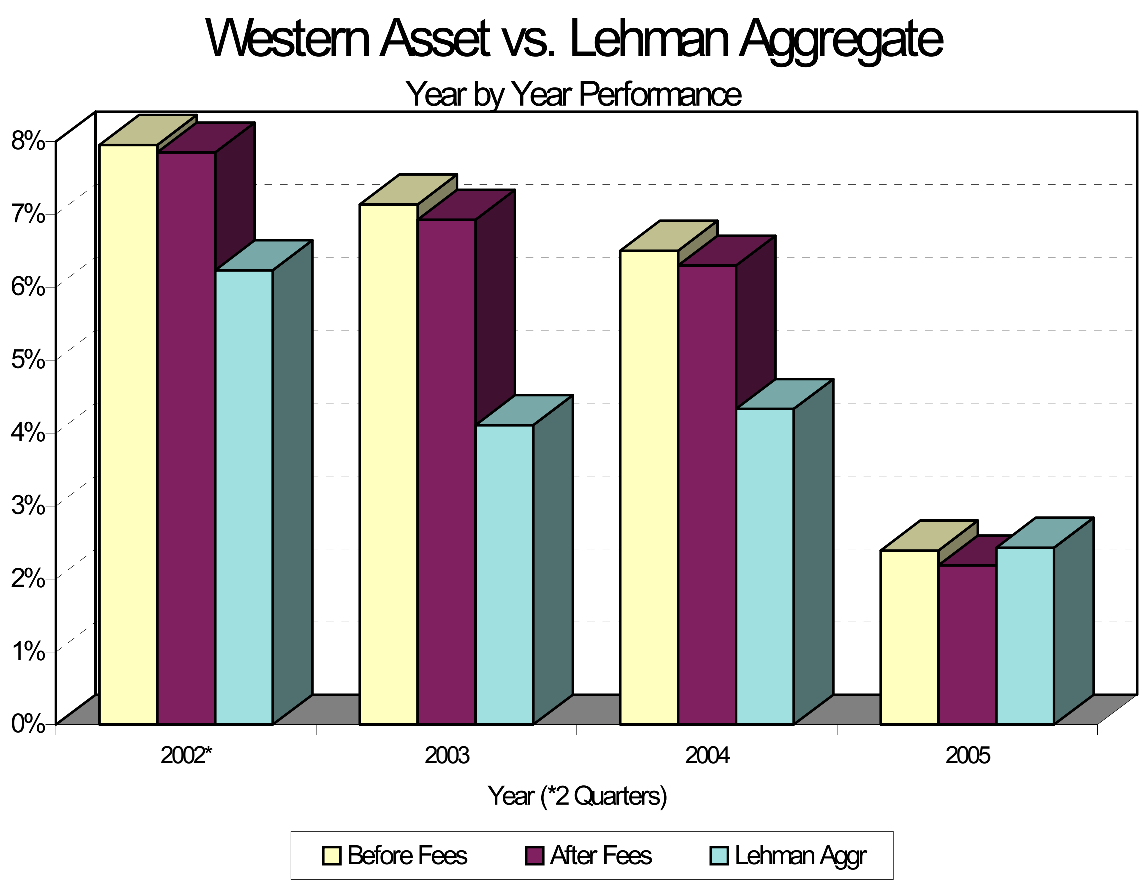
During the fourth quarter, PIMCO reduced the allocation to treasuries and agencies, emerging market debt and cash by 1% each. The reduced allocations were offset by an increased allocation to mortgages by 3%. The zero position in high yield remains from the end of the previous quarter. Duration of the PIMCO fixed income portfolio at the end of the fourth quarter was 4.7 years, longer than the 4.4 year duration at the end of last quarter and slightly longer than that of the benchmark.

Fourth quarter performance was helped by the portfolio's underweight to corporate securities, which trailed treasuries as credit premiums widened early in the quarter. Exposure to emerging market bonds was also beneficial, as were tactical adjustments to the portfolio's duration as rates rose early in the quarter and fell late in the quarter. The portfolio's significant mortgage exposure detracted from returns as mortgages lagged similar-duration treasuries. PIMCO plans to position the portfolio's duration slightly above the index as they believe that slower growth will create downward pressure on interest rates.

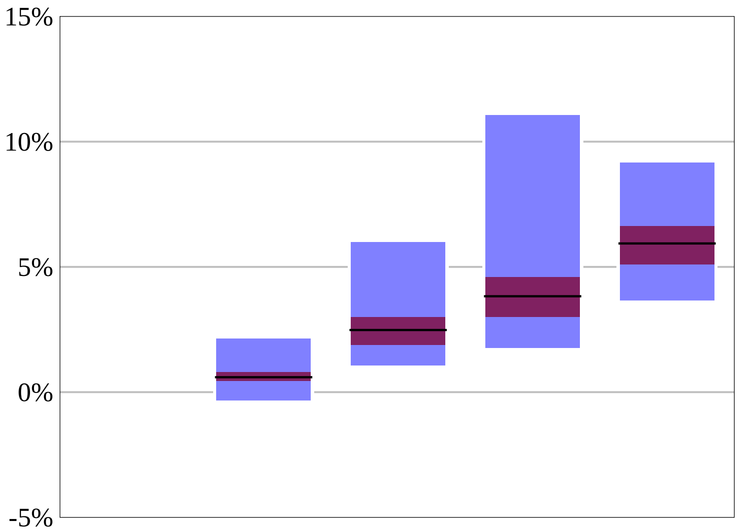
MANAGER COMMENTS – FIXED INCOME

Western Asset Management





Western Asset Management



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Western Asset (W)	0.2	2.4	5.3	-
Rank	*87*	*56*	19	-
L. Agg (L)	0.6	2.4	3.6	5.9
Fixed Median	0.6	2.5	3.8	5.9

Portfolio Characteristics	**Western**	**L. Aggr**
Mkt. Value ($mil)	417.7	N/A
Yield to Maturity (%)	5.6	5.1
Duration (years)	4.9	4.6
Avg. Quality	AA+	AA+

Sectors	**Western**	**L. Aggr**
Treasury/Agency	19%	36%
Mortgages	40	40
Corporates	19	20
High Yield	3	0
Asset Backed	1	0
CMBS	2	0
Cash	9	0
International	5	4
Emerging Markets	3	0
Other	0	0

Western Asset Management's return of 0.2% for the fourth quarter trailed the 0.6% return of the Lehman Aggregate and the median fixed income manager. The fourth quarter performance ranked in the 87th percentile in the universe of fixed income managers. For the one-year period, Western's return of 2.4% matched the return of the Aggregate but ranked in the 56th percentile. Over the past three years, Western returned 5.3%, above the Lehman Aggregate return of 3.6%, and ranked in the 19th percentile.

During the fourth quarter, Western Asset increased its allocation to cash by 3%, mortgages by 2% and corporates by 2%. These increased allocations were offset by decreased allocations to Treasuries/Agencies by 3%, high yield by 3% and emerging markets by 1%. The allocations to asset backed securities and CMBS securities were unchanged from the end of the previous quarter. The duration of the Western Asset fixed income portfolio at the end of the fourth quarter was 5.6 years, longer than the 5.4 year duration at the end of the previous quarter, and longer than that of the index.

Western Asset Management's fourth quarter performance was helped by a moderately overweight duration by mid-quarter as rates rose, an overweight to MBS towards the end of the quarter as rates stabilized and emerging markets debt. A bulleted exposure to the short end of the yield curve hurt the portfolio, as did exposure to TIPS, corporates, high yield and non-dollar bonds.

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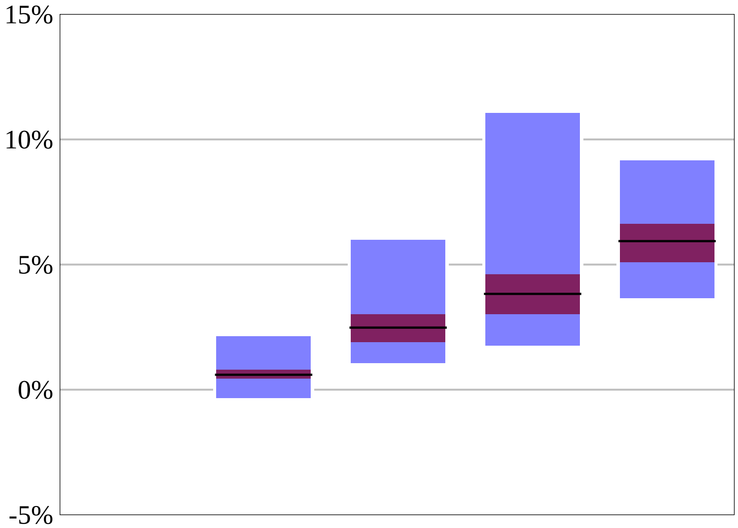
MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



	Last Qtr	1 Yr	3 Yrs	5 Yrs
CCC Total (C)	0.9	3.7	5.9	6.8
Rank	*20*	*14*	*14*	*18*
L. Agg (L)	0.6	2.4	3.6	5.9
Fixed Median	0.6	2.5	3.8	5.9

Portfolio Characteristics	**Combined***	**L.Agg**
Mkt. Value ($mil)	1,056.5	N/A
Yield to Maturity (%)	5.5	5.1
Duration (years)	4.7	4.6

Sectors	**Combined***	**L. Agg**
Treasury/Agency	24%	36%
Mortgages	47	40
Corporates	9	20
High Yield	9	0
Asset Backed	0	0
CMBS	1	0
Cash	4	0
International	4	4
Emerging Markets	3	0
Other	0	0

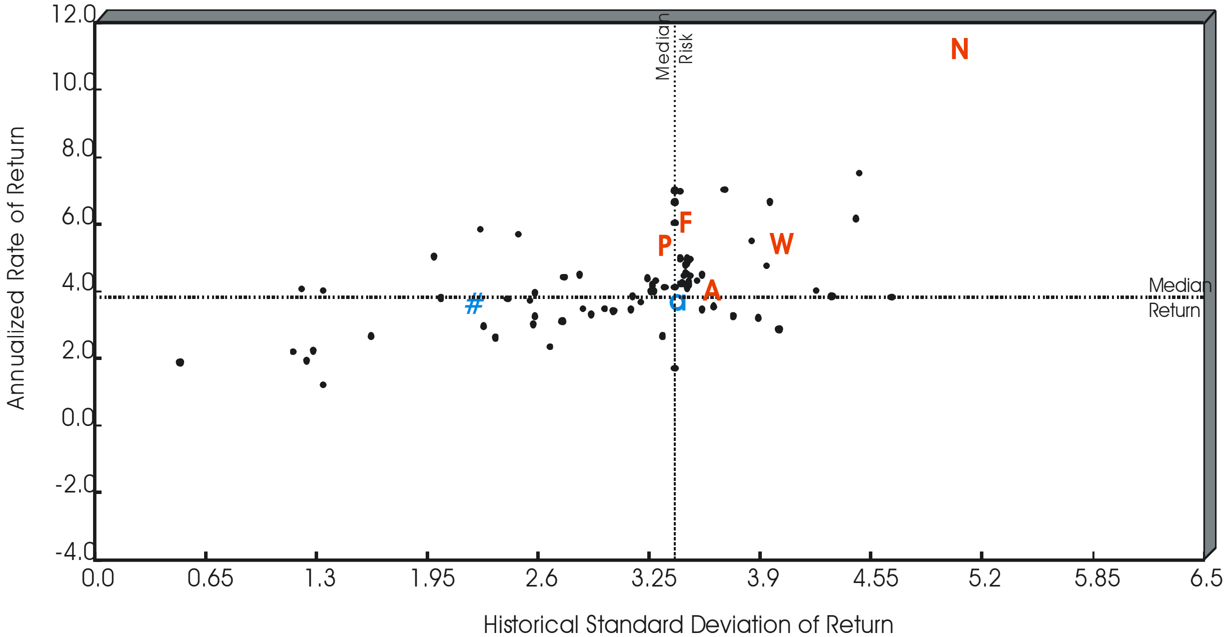
**Exclusive of ING Clarion portfolio.*

CCCERA total fixed income returned 0.9% in the fourth quarter, better than 0.6% for the Lehman Aggregate and the median fixed income manager, ranking in the 20th percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 3.7%, exceeding 2.4% for the Aggregate and 2.5% for the median manager. CCCERA total fixed income's returns have exceeded the Aggregate and the median fixed income manager over both the three and five year periods.

During the fourth quarter, the allocations to treasury and agency securities, high yield and emerging market debt all decreased by 1%. Mortgages were up 2%, corporates were up 1% and cash was up 1%. Duration of the total fixed income portfolio at the end of the fourth quarter was 4.7 years, slightly longer than the 4.6 year duration of the index.

Domestic Fixed Income Performance and Variability

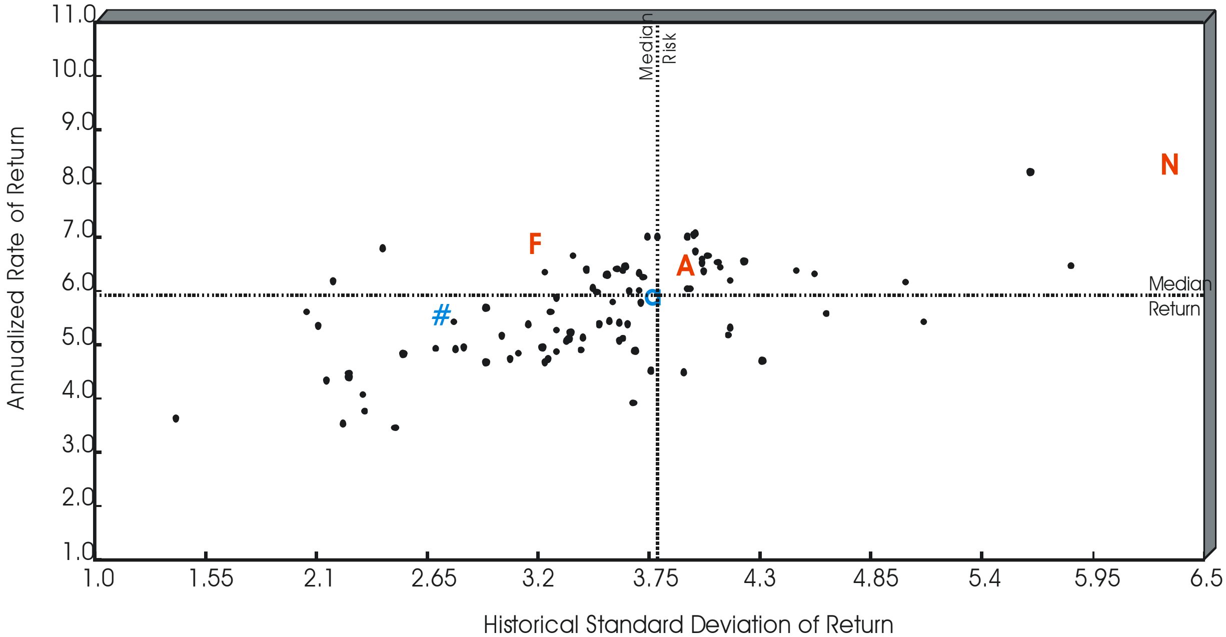
Three Years Ending December 31, 2005



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
A	AFL-CIO	3.91	47	3.64	75
N	Nicholas Applegate	11.12	4	5.09	90
P	PIMCO #2433	5.27	19	3.37	49
W	Western Asset Management	5.32	19	4.03	80
F	Total Fixed Income	5.95	14	3.50	66
a	LB Aggregate	3.62	58	3.44	54
#	SB Mortgage	3.54	62	2.24	17
	Median	3.83		3.40	

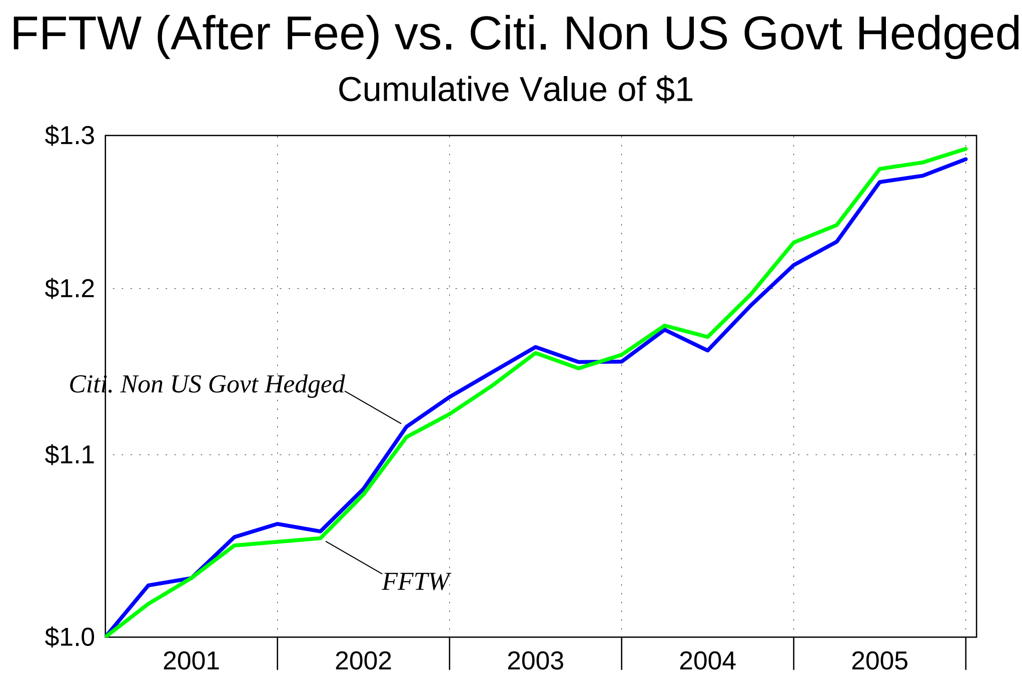
Domestic Fixed Income Performance and Variability

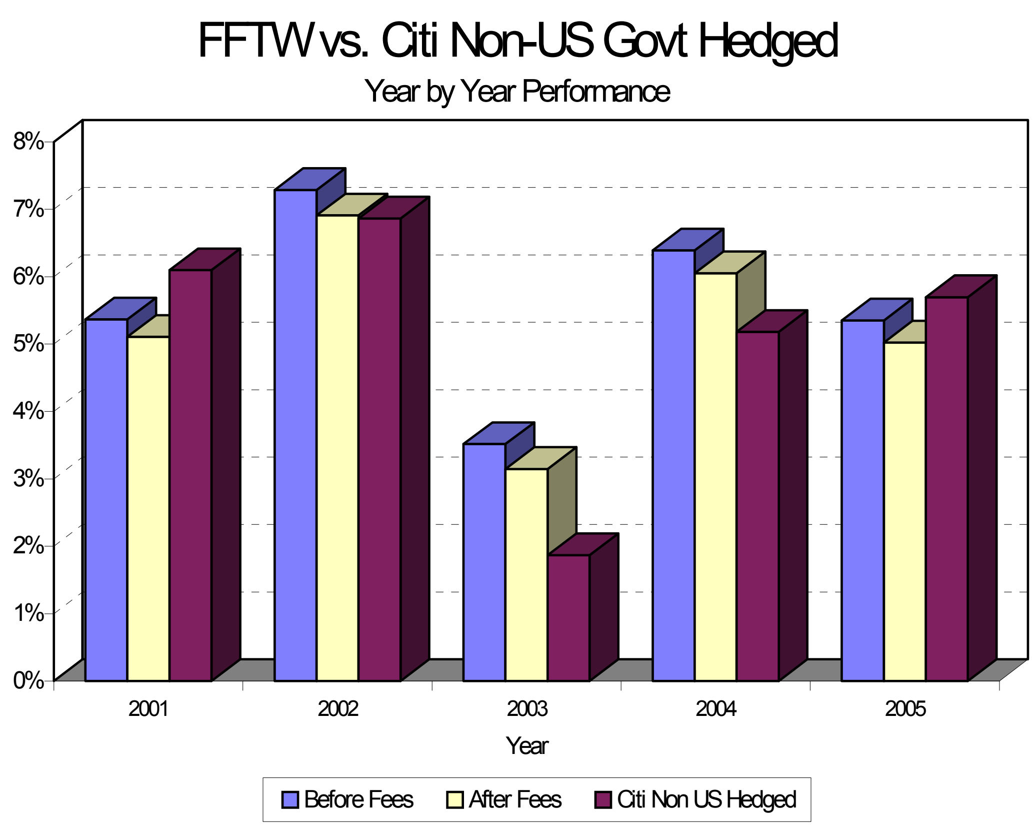
Five Years Ending December 31, 2005



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
A	AFL-CIO	6.42	32	3.95	62
N	Nicholas Applegate	8.30	7	6.35	92
F	Total Fixed Income	6.81	18	3.21	22
a	LB Aggregate	5.87	54	3.79	51
#	SB Mortgage	5.50	64	2.73	17
	Median	5.93		3.79	

Fischer Francis Trees & Watts





Fischer Francis Trees & Watts

Performance

	Last Qtr	1 Yr	3 Yrs	5 Yrs
FFTW	0.8%	5.4%	5.1%	5.6%
Citi. NonUS Hdg	0.9	5.7	4.2	5.7

Portfolio

Characteristics	FFTW	Citi. NonUS
Mkt. Value ($mil)	161.0	N/A
Duration (years)	6.2	6.1

Over-Weighted Countries	FFTW	Citigroup NonUS
United States	9%	0%
United Kingdom	14	7

Under-Weighted Countries	FFTW	Citigroup NonUS
Japan	21%	36%
Italy	0	11

Non-Government Securities	FFTW	Citigroup NonUS
Non-US Collateralized	9%	0%
US ABS	9	0
Non-US Credit	1	0
US Credit	0	0
Non-US Gov/Agency	76	100
Cash	5	0

Fischer Francis Trees & Watts' (FFTW) portfolio returned 0.8% for the fourth quarter, slightly trailing the 0.9% return of the Citigroup Non US Government Hedged Index. For the past year, FFTW returned 5.4%, below the 5.7% return of the Index. For the five-year period, FFTW's return of 5.6% was slightly below the 5.7% return of the Index. The portfolio is not in compliance with the five-year performance objective.

As of December 31, 2005, the portfolio's largest country over-weightings are the in the United States and the United Kingdom, while the largest under-weightings continue to be in Japan and Italy. The portfolio contained 9% non-US collateralized securities, 9% US asset backed securities, 1% other non-US credits and 0% US Credits. The portfolio's fourth quarter duration was 6.2years, slightly longer than the 6.1 year duration of the Citigroup Non US Government Index.

FFTW moved from an overweight to an underweight bias in Europe in November. Portfolios are now positioned with an overweight to the UK against Europe, Japan and the US. In aggregate, this move had a neutral impact on performance. The firm maintained an underweight credit position in Europe during the quarter, which was also neutral. Finally, FFTW made several tactical currency shifts during the quarter. They moved to a more bearish US dollar bias in December. Short euro versus US dollar trades detracted from returns and a long Canadian versus US dollar position, held throughout the quarter, was neutral in return terms.

FFTW is concerned that global currency policies may become less accommodating in 2006. They believe that this is contingent upon the direction of the euro and the ECB's ability to tighten without severely damaging economic activity in Europe, while in Japan it will depend on the political influence of Prime Minister Koizumi as much as it will depend on consumer price rises spurred by economic recovery.

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management (formerly Lend Lease Rosen)

Adelante Capital Management reported a return of 4.0% for the fourth quarter, ranking in the 21st percentile in the universe of REIT Mutual funds. Adelante's one-year return of 16.7% out-performed the NAREIT Equity Index return of 12.2%.

As of September 30, the portfolio consisted of 29 properties. The portfolio consisted of office properties comprising 19.4% of the portfolio; apartments made up 25.3%; retail represented 30.0%; industrials accounted for 16.5%; 7.0% is accounted as diversified/specialty, hotels accounted for 1.2%, and 3.3% is accounted for as cash. The properties were diversified regionally with 6.7% in the East North Central region, 14.8% in the Mideast, 6.9% in the Mountain, 21.8% in the Northeast, 32.9% in the Pacific region, 9.2% in the Southeast, 5.2% in the Southwest region, 1.8% in the West North Central region, and 0.7% unclassified.

The REIT market's total return for 2005 exceeded most prognosticators' forecast by rising 14.0%. While real estate of all kind – residential, commercial, public and private – has commanded more media attention, investors began to see greater divergence in property type and company performance.

REIT investors experienced negative total returns in October to start the fourth quarter but the REIT market recovered and ended the fourth quarter up 2.5%. There were three noteworthy transactions in the REIT sector – Brandywine Realty's acquisition of Prentiss Properties Trust and the privatization of CenterPoint Properties and Arden Realty.

DLJ Real Estate Capital Partners

DLJ Real Estate Capital Partners (RECP) reported a return of 0.1% in the quarter ending September 30, 2005. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP has returned 14.2%. CCCERA has a 3.8% ownership interest in RECP.

The portfolio as of September 30 consisted of office properties comprising 14.1% of the portfolio; retail represented 24.5%; and land development accounted for 61.4%. The properties were diversified regionally with 1.5% in the Southeast, 16.2% in the Pacific, 33.1% in the Southwest region, 18.0% internationally, and 31.1% listed as "other".

As of third quarter, the RECP I fund has fully realized 43 of its original 49 investments, generating profits of $372 million. These proceeds, combined with refinancing proceeds, operating cash flow and the proceeds from the sale of a portion of the assets in the 6 remaining portfolio investments have generated total realized proceeds of $931 million to date, representing 149% of the capital originally invested in the portfolio.

DLJ will continue to proactively manage the remaining six properties in the RECP I with the objective of fully realizing the portfolio by the end of 2006. They will continue to generate significant partial realizations from their three remaining residential land properties (Glennloch Farms, D'Andrea Ranch, and SunCal) and expect to fully realize these investments in 2006. Gleannloch remains on track to generate substantial profits, and they are working to minimize the losses on D'Adrea and SunCal. To date, DLJ has sold 47 of the 51 properties in the Phoenix Home Life Portfolio and expect to sell the remaining few properties in the next six to nine months. They recently placed the Montreal Forum under contract and expect to sell it by year-end 2005. With respect to Maremagnum, their retail asset in Barcelona, Spain, they recently completed a highly successful redevelopment and leasing strategy which will enable them to sell the property in mid-2006.

DLJ Real Estate Capital Partners II

DLJ Real Estate Capital Partners II (RECP II) reported a return of 13.8% in quarter the ending September 30, 2005. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP II has returned 51.25%. CCCERA has a 3.4% ownership interest in RECP II.

As of September 31 the fund held 51 investments. The portfolio consisted of office properties comprising 12.6% of the portfolio; hotel accounted for 20.2%; residential accounted for 34.4%; land development made up 8.4%; assisted living facilities made up 3.5%; retail made up 6.2%; sub-performing loans made up 14.7%, and "other" made up 0.0%. The properties were diversified regionally with 11.8% in the Pacific, 15.0% in the Northeast, 6.8% in the Southeast, 46.3% internationally, and 20.2% list as "Various U.S.".

To date, RECT II has fully realized 23 of its 51 investments, generating profits of $558.3 million. Including proceeds received from the remaining portfolio investments, RECP II has generated $1.24 billion of realized proceeds, or 131% of the capital originally invested in the portfolio. The existing portfolio continues to experience very positive results and they expect further realizations in the near future.

DLJ II will continue with the final stages of realizing their investment in Neuilly, a 206-unit property located on the western side of Paris, France. To day, all of the units are either sold or under contract, with a full realization expected in the 1st quarter of 2006.

Construction is nearly complete at the Bath Club, RECP II's luxury condominium project in Miami Beach, Florida. To date, they have pre-sold 115 of the 118 units, and RECP II expects to realize profits in excess of $20 million on this investment. They anticipate closing the process to be completed by early 2006.

In November 2005, the Fund committed to sell the Rome, Italy portion of the Giglio Office Portfolio. RECP II purchased the three properties in 2004 at an attractive price and commenced a refurbishment and re-leasing program. The sale of this portion of the portfolio is expected to close this year.

DLJ Real Estate Capital Partners III

DLJ Real Estate Capital Partners III (RECP III) reported a return of 19.3% in quarter of ending September 30, 2005. (Performance lags by one quarter due to financial reporting constraints.) CCCERA has a 12.7% ownership interest in RECP II.

As of September 31 the fund held 18 investments. The portfolio consisted of office properties comprising 0.6% of the portfolio; hotel accounted for 5.3%; residential accounted for 21.6%; land development made up 19.0%; public securities made up 14.0%; retail made up 1.7%; and sub-performing loan made up 37.8%. The properties were diversified regionally with 22.7% in the Pacific, 16.6% in the Northeast, 59.1% internationally, and 1.7% list as "Various U.S.".

On June 6, 2005, RECP III had its first closing. The Fund's second closing occurred on November 11, 2005, bringing the aggregate capital commitments of RECP III to $979 million. They anticipate RECP III will have its final closing in early 2006. To date, RECP III has completed 18 investments, committing over $300 million of equity. Since the beginning of the third quarter, RECP III has acquired eight investments – 839 Sixth Avenue, City Place, Guangzhou R&F Properties, Windsor Capital/RIM Portfolios, Marina Lagoons, Kyoto Gato Building, Hirokane Building, and American Cam.

BlackRock Realty

BlackRock Realty Apartment Value Fund III (AVF III) reported a fourth quarter total return of 4.3%. Over the one-year period, BlackRock has returned 28.7%. CCCERA has a 22.8% interest in the AVF III.

As of September 30, 2005, the fund held nine investments. The portfolio consisted of 100% apartment properties. The properties were diversified regionally with 61.2% in the Pacific, 14.1% in the Northeast, and 24.7% in the Southeast. During the quarter, the average portfolio occupancy rate of stabilized properties (minus two Oxford properties) was 94% while the average portfolio occupancy rate of properties under development (two Oxford properties) was 75%. Average rental rate decreased from $940 to $913 while the properties under development average rental rate increased from $840 to $843.

On September 13, 2005 the Fund closed its ninth acquisition, Oxford Gateway, in Westchester, Pennsylvania, for a total acquisition cost of $20.3 million. The garden-style Oxford Gateway community consists of 136 units in 5 three-story.

During the third quarter of 2005, the Fund accepted Subscription Agreements for $1.5 million, raising the total investor commitments to $110.5 million as of September 30, 2005. The fund also has received written indications of interest for a total of $8.0 million in commitments from two BlackRock investors, subject to review and execution of the Subscription Agreement. AVF III was accepting additional investor commitments through December 31, 2005.

FFCA Co-Investment Limited Partnership

FFCA reported a fourth quarter total return of 2.1%. For the one-year period, FFCA reported a total return of 10.7%. Over longer periods, FFCA has met the objective of exceeding the CPI plus 500 basis points. CCCERA has a 34% interest in the Co-Investment.

As of September 30, 2005, the Co-Investment's portfolio includes 37 restaurant properties. It is diversified regionally with 30.0% in the Southeast region, 0.0% in the North East region, 9.1% in the Southwest region, 5.7% in the Mountain region, 0.0% in the Pacific region, 22.5% in the West North Central region, 24.5% in the East North Central region, and 8.3% in the Mideast region.

The fund continues to receive the contractual payments on these properties. Rental income for the six-month period ended June 30, 2005 decreased by $22,112. This is primarily due to rent associated with sold properties. Participating income decreased by approximately $45,174 for the six-month period ended June 30, 2005, primarily due to rent associated with a sold property and from an operator that did not have participating income over the same period in 2005, offset by increased sales revenue from other operators. The credit in the current period for default expenses represents the reversal of a property tax accrual.

Fidelity Investments

Fidelity Investments reported a return of 2.1% for the fourth quarter of 2005. For the one-year period, Fidelity reported a total return of 16.1%

As of September 30, the fund was comprised of twenty-seven investments representing over $247 million of invested or committed capital. Apartment properties comprised 15% of the portfolio; office space accounted for 1%; retail accounted for 3%; industrial account for 2%; condominiums accounted for 15%; self storage made up of 1%; land made up 9%; student housing accounted for 5%; a golf course made up 1% and "Unallocated" properties comprised of 48% of the portfolio. The properties were diversified regionally with 11% in the Pacific, 5% in the Northeast, 8% in the Southeast, 14% in the Mideast, 4% in the Midwest, 6% in the Mountain region, 4% in the Southwest, and 48% list as "Unallocated".

Fidelity Real Estate Growth Fund II continued its busy pace of investing in the third quarter as five new investments were added to the portfolio for a total of $76.8 million of capital. $49 million of capital has been allocated to four investments that they anticipate closing within the next few quarters. The fund has now closed 27 investments to date. Taking into account capital allocated to the four potential new investments, FREG II has funded or allocated 58% of its capital commitments.

As of September 30, the fund has called over $285 million of capital. The fund made its fifth distribution to investors during the third quarter, returning $16 million, bringing total distribution to $51 million since the fund's inception.

Invesco Real Estate Fund I

Invesco Real Estate Fund I reported a third quarter total return of 1.2%. CCCERA has a 15.6% interest in the Real Estate Fund I.

As of December 31, the portfolio consisted of five properties. The portfolio consisted of 29% retail, 35% industrial properties, 30% office and 6% multi-family. The properties were diversified regionally with 12.8% in the Northeast, 6.4% in the Southeast, 26.2% in the Southwest, 17.2% in the East North Central region and 37.4% in the mountain region.

The Fund completed its first disposition (Park Lane Place) in the fourth quarter. All proceeds from this sale were distributed to investors in November, and it is the Fund's intent to redeploy the original equity investment from this asset into future acquisitions.

Acquisition activity was strong in the fourth quarter with the Fund securing under letter of intent two potential new investments – the $55 million Park Place Apartments in Minneapolis and the $28 million Red Lion Shopping Center in Philadelphia. Park Place is described as classic multi-family market as well as a compelling property upgrade with commensurate revenue enhancement. Red Lion provides the opportunity to capitalize on a distressed ownership situation resulting in above market acquisition yields and prudent leasing risk and significant resultant value creation associated with a currently vacant anchor space. It is anticipated that both these investments will close in the first quarter of 2006 and will increase the Fund's called equity capital from 25% to 33% and committed equity from 38% to 47%.

Prudential Strategic Performance Fund II

For the fourth quarter, the Prudential Strategic Performance Fund-II (SPF-II) reported a total return of 7.7%, 2.0% from income and 5.7% from appreciation. Over the one year period, the fund returned 38.2%, 9.3% from income and 29.0 from appreciation. CCCERA accounts for 16.2% of SPF-II.

As of December 31, the portfolio was invested in 19 properties - seven office properties (46.4%), eleven residential complexes (50.7%), and one retail (2.9%). The regional distribution of the portfolio contains 11.3% in the Southeast region, 6.8% in the Southwest region, 10.5% in the Pacific region, 7.5% Northeast, 8.9% Mountain, 0.0% East North Central, and 55.0% Mideast. Current occupancy at the office buildings averages 100%, remaining the same from last quarter. The residential properties are 69% leased, lower than the last quarter. The retail properties are 89% leased, lower than the last quarter.

The fourth quarter income return of 2.0% is below the long-term average and will continue to decline as the portfolio's direct real estate investments are liquidated. The appreciation return of 5.7% was driven primarily by realized gains from property sales totaling $6.8 million and unrealized gains related to debt and derivative valuation.

SPF-II's investors' equity commitments total approximately $237.3 million. The Fund can leverage up to 40% of gross market value of its assets. From inception to December 31, 2005, SPF-II has drawn down approximately $205.5 million (86.6%) of the capital committed by the investors.

U.S. Realty

For the fourth quarter, US Realty reported a total return of -27.3%. For the one-year period, US Realty reported a total return of -21.1%. CCCERA has a 33.3% interest in the investment.

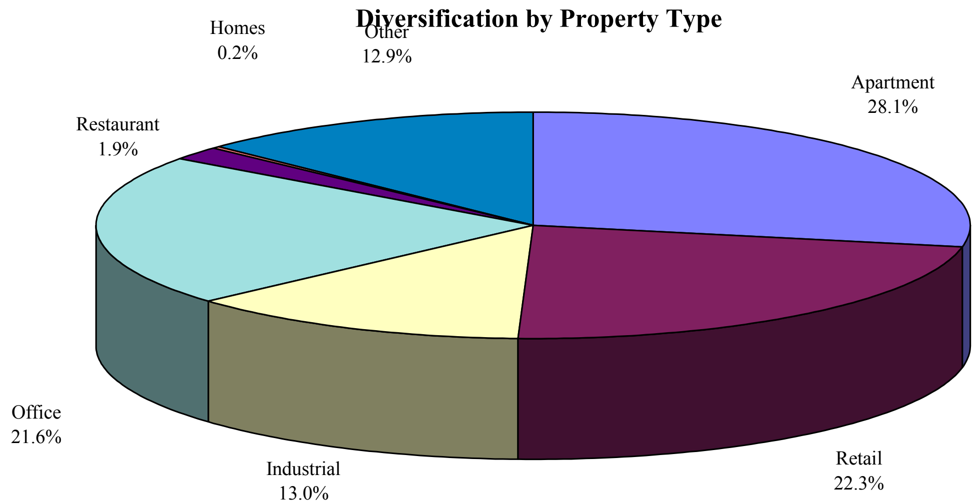
As of December 31, the portfolio held one investment: Four Allegheny Center (office property). Four Allegheny Center is a 242,490 gross square foot office building with 231,426 square feet of net rentable area located in what is known as the Northshore area of Pittsburgh, Pennsylvania. The tenant under the lease is Allegheny General Hospital, which is current on its lease obligations. West Penn Allegheny Health System, which was formed in 2000, has assumed AGH's obligation under the lease.

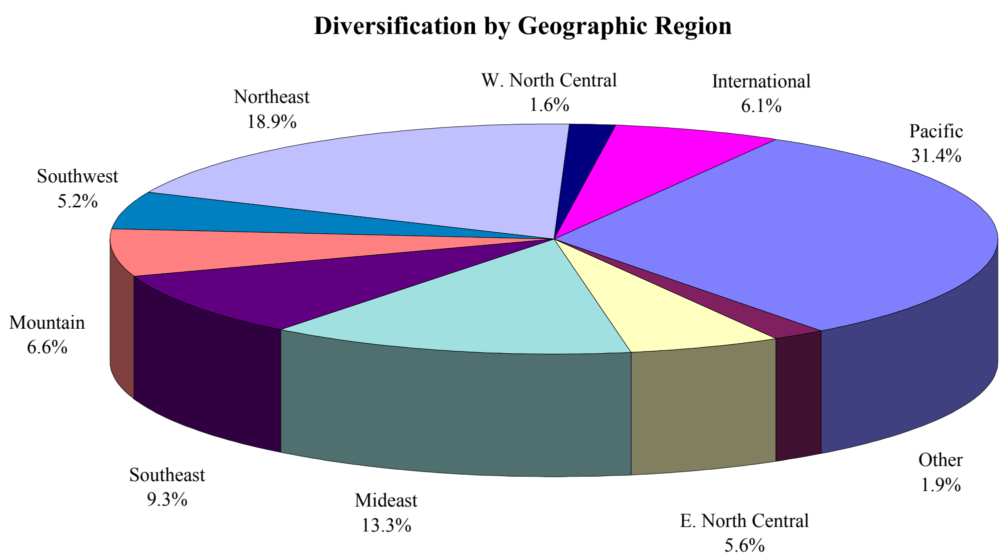
In response to the request of the Members of the Fund, Four Allegheny Center, was offered for sale through a national brokerage firm. A letter of intent to sell the property was entered into during the fourth quarter, and a contract to sell the property was signed in January 2005.

With ownership of only the Four Allegheny property, the Fund's return of -27.3% reflected the revaluation of the property based upon the letter of intent to sell the property, which resulted in an equity write down of $3.9 million, and the payment of expenses to close out the three other properties that had been sold in 2004 and 2005.

MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification





ALTERNATIVE INVESTMENTS

Adams Street Partners

Adams Street reported a third quarter return of 3.7% for Partnership Trust. For the one-year period, Adams Street has returned 17.0%. (Performance lags by one quarter due to financial reporting constraints. This is typical for this type of investment vehicle.) The portfolio will still be acquiring investments for several years. CCCERA makes up 3.0% of the Fund.

Funds are comprised of 40.1% in venture capital funds, 7.9% in mezzanine funds, 34.3% in buyout funds, 10.6% in special situation funds, and 7.1% in restructuring/distressed debt. Regionally 84.1% of the commitment is in the U.S. and 15.9% is non-U.S.

Bay Area Equity Fund

Bay Area Equity Fund reported a third quarter return of 0.2% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 1.9%. CCCERA has a 13.3% ownership interest in the Fund.

As of September 30, 2005, the Fund has committed approximately 47% of the assets under management. The portfolio consisted of eight portfolio companies, all located in the Bay Area.

Energy Investors Funds Group

The Energy Investors Fund Group (EIF) reported a third quarter return of 4.9%. CCCERA has a 12.0% ownership interest in EIF. (Performance lags by one quarter due to financial reporting constraints. This is typical for this type of investment vehicle.) For the one-year period, EIF reports a total return of 84.1%.

Early in the third quarter, the Fund invested in $32 million in the Glen Park Hydroelectric project in Watertown, NY, thereby fully committing the portfolio with approximately $255 million of aggregate investments and commitments. Performance of the Fund's investments remains strong and consistent with original return projections.

During the quarter, in addition to Glen Park, USPF funded incremental amounts to the Astoria Energy, Loring and Sea Breeze Pacific Regional Transmission System projects. In addition, the Neptune Phase I development loan was fully repaid and the Fund provided a $50 million letter of credit to support its equity commitments to the Neptune Project.

Nogales Investors Fund I

The Nogales Investors Fund I reported a third quarter return of 1.6%. (Performance lags by one quarter due to financial reporting constraints. This is typical for this type of investment vehicle). For the one-year period, Nogales has returned 13.1%. CCCERA makes up 15.1% of the Fund.

During the quarter ended September 30, 2005, the total committed to the Partnership was $98,800,000 consisting of Limited and General Partner's capital commitments of $97,000,000 and $1,800,000, respectively.

For the quarter end September 30, 2005, the Partnership made a series of cash distributions to all Limited Partners totaling $753,037. These distributions were in connection with the Partnership's investments in G.I. Joe's, Inc., Alfa Leisure, Inc., and VKGS, LLC.

Pathway Private Equity Fund

The Pathway Private Equity Fund (PPEF) reported a third quarter return of 8.2% (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF reports a total return of 42.5%. PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments.

During the quarter, the PPEF portfolio received $1.2 million in distributions, increasing the total distributions received to $11.4 million. In addition, during the third quarter, distributions exceeded contributions by $0.1 million, marking the second consecutive quarter of positive cash flows generated from the fund's 18 partnerships.

The PPEF portfolio's strong quarterly return was primarily attributable to the positive performances of Blackstone IV, TPG IV, and TPG III. Each of these three funds benefited from an increase in valuation of an electric utility company that announced during the third quarter it was be purchased by a strategic acquirer.

PT Timber Fund III

John Hancock reported for Fund III a fourth quarter return of 2.6%. For the one-year period, John Hancock reports a total return of 9.8%. CCCERA makes up 12.3% of the Fund III.

As of the end of the fourth quarter, PT timberland portfolio was comprised of six properties totaling 78,643 acres: Tyrell in North Carolina, Covington in Alabama and Florida, Bonifay in Florida, Choctaw in Mississippi, Alexander Plantations LLC in Alabama, Louisiana and Mississippi, and Hamakua in Hawaii.

All of the Fund's properties were appraised during the fourth quarter. The value of the properties increased on average, accounting for the majority of the portfolio's appreciation return. The portfolio's unrealized gain increased by $7.0 million for the year. The Alexander, Bonifay, Hamakua, and Covington properties increased in value, and the Choctaw and Tyrell properties decreased in value.

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REAL ESTATE AND ALTERNATIVE INVESTMENT PORTFOLIO IRR RETURNS

	Gross of Fees		Net of Fees		
	Fund Level IRR	**CCCERA IRR**	**Fund Level IRR**	**CCCERA IRR**	**Inception**
REAL ESTATE					
BlackRock Realty	29.7%	28.9%	24.5%	24.1%	11/19/04
DLJ RECP I	17.0%	*n/a*	*n/a*	10.0%	05/14/96
DLJ RECP II	28.0%	*n/a*	*n/a*	19.0%	09/24/99
DLJ RECP III	103.0%	*n/a*	*n/a*	90.0%	06/23/05
FFCA	*n/a*	*n/a*	*n/a*	*n/a*	03/11/92
Fidelity	15.7%	14.0%	12.5%	13.1%	03/10/04
Invesco Real Estate I	5.2%	5.2%	3.9%	3.9%	2/1/2005
Prudential SPF II	*n/a*	*n/a*	*n/a*	*n/a*	05/14/96
U.S. Realty	12.5%	12.5%	11.8%	11.8%	10/10/95
ALTERNATIVE INVESTMENTS					
Adams Street Partners	15.6%	15.6%	*n/a*	12.6%	12/22/95
Benchmark [3]	10.3%	*n/a*	*n/a*	*n/a*	
Benchmark [4]	-0.2%	*n/a*	*n/a*	*n/a*	
Bay Area Equity Fund	2.7%	3.1%	-23.1%	-26.1%	06/14/04
Energy Investor Fund	35.3%	48.9%	29.3%	39.4%	11/26/03
Nogales	16.4%	12.5%	-36.0%	-2.0%	02/15/04
Pathway	7.1%	7.1%	4.4%	4.4%	11/09/98
Benchmark [5]	10.4%	*n/a*	*n/a*	*n/a*	
Benchmark [6]	-6.6%	*n/a*	*n/a*	*n/a*	
PruTimber	*n/a*	*n/a*	2.6%	2.7%	12/12/95

Benchmarks:

Adams Street Partners

Benchmark [3] Venture Economic aggregate upper quartile return for vintage years 1996-2004

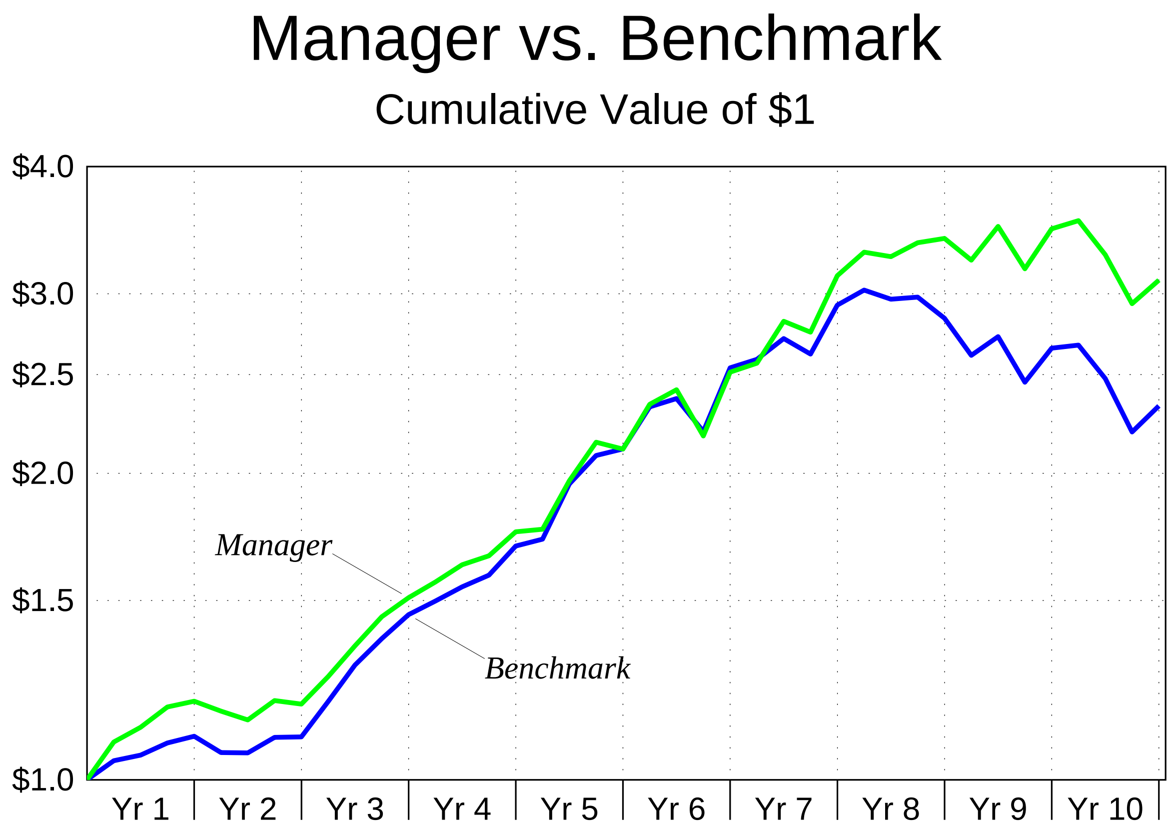
Benchmark [4] Venture Economic aggregate median quartile return for vintage years 1996-2004

Pathway

Benchmark [5] Venture Economics Buyout Pooled IRR - 1999-2004 as of 6/30/04

Benchmark [6] Venture Economics Venture Capital IRR - 1999-2004 as of 6/30/04

How to Read the Cumulative Return Chart:

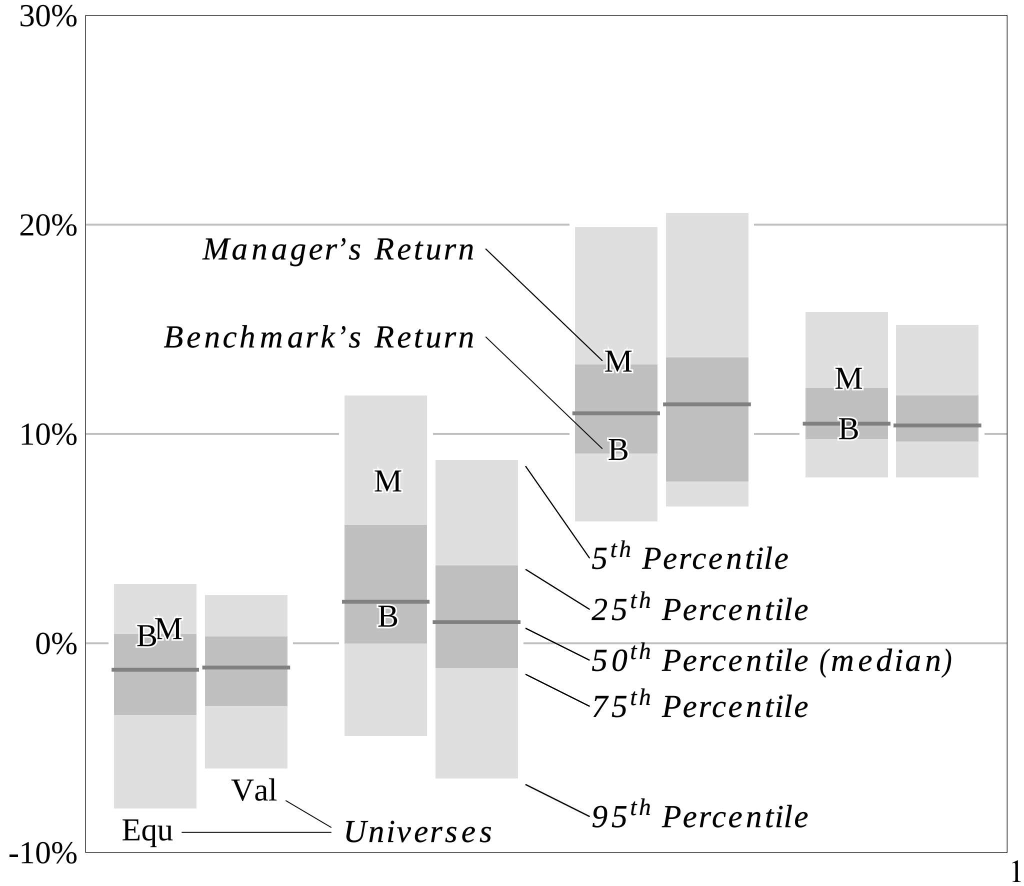


This chart shows the growth of $1 invested in the 1st quarter of Year 1 with the manager vs. $1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if $1 had been invested with the manager at the beginning of the 1st quarter of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

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

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

How to Read The Floating Bar Chart:



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

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

The benchmark index and two manager universes are presented for comparison. **B** is the benchmark's return, 0.4% for last quarter. The universes are labeled "Equ" for all equity and "Val" for value. Each universe for each period is shown as a shaded box divided into 4 portions. The box top is the return of the manager at the 5^{th} percentile of the universe (better than 95% of managers), while the box bottom is the return at the 95^{th} percentile. The shading changes at the 25^{th} and 75^{th} percentiles. The 50^{th} 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, Alpha = Portfolio Return - Risk Free Rate - Beta * (Market Return - Risk Free Rate); $\alpha = r_p - r_f - \beta(r_m - r_f)$. A positive alpha is an indication of value added.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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