

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

FOR THE PERIOD ENDING
September 30, 2008

November 18, 2008

© 2008, Milliman

650 California Street, 17th Floor
San Francisco, CA 94108

Tel: (415) 403-1333
Fax: (415) 986-2777

This report was prepared using data from third parties and other sources including but not limited to Milliman computer software and databases. Reasonable care has been taken to assure the accuracy of the data contained in this report, and comments are objectively stated and are based on facts gathered in good faith. Nothing in this report should be construed as investment advice or recommendations with respect to the purchase, sale or disposition of particular securities. Past performance is no guarantee of future results. We take care to assure the accuracy of the data contained in this report, and we strive to make our reports as error-free as possible. Milliman disclaims responsibility, financial or otherwise, for the accuracy and completeness of this report to the extent any inaccuracy or incompleteness in the report results from information received from a third party or the client on the client's behalf.

This analysis is intended for the sole use of the Milliman client for whom it was prepared, and may not be provided to third parties without Milliman's prior written consent except as required by law. Milliman does not intend to benefit any third party recipient of this report, even if Milliman consents to its release.

There should be no reliance on Milliman to report changes to changes to manager rankings, ratings or opinions on a daily basis. Milliman services are not intended to monitor investment manager compliance with individual security selection criteria, limits on security selection, and/or prohibitions to the holding of certain securities or security types.

The Dow Jones Wilshire IndexesSM are calculated, distributed and marketed by Dow Jones & Company, Inc. pursuant to an agreement between Dow Jones and Wilshire and have been licensed for use. All content of the Dow Jones Wilshire IndexesSM © 2008 Dow Jones & Company, Inc. and Wilshire Associates Incorporated.

MSCI is a service mark of Morgan Stanley Capital International Inc. Morgan Stanley Capital International, MSCI®, ACWI and EAFE® are the exclusive property of MSCI or its affiliates. All MSCI indices are the exclusive property of MSCI.

Frank Russell Company ("FRC") is the source and owner of the Russell Index data contained or reflected in this material and all related trademarks and copyrights. The material is intended for the sole use of the intended recipient. This is a Milliman, Inc. presentation of the data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in its presentation.

Standard & Poor's and S&P are trademarks of The McGraw-Hill Companies, Inc.

TABLE OF CONTENTS

KEY POINTS	1
WATCH LIST	1
SUMMARY	2
ASSET ALLOCATION	6
CUMULATIVE PERFORMANCE STATISTICS	10
CLOSED END FUNDS INTERNAL RATE OF RETURN (IRR).....	13
AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS	14
YEAR BY YEAR PERFORMANCE STATISTICS	16
TOTAL FUND PERFORMANCE.....	20
MANAGER COMMENTS – DOMESTIC EQUITY	24
Boston Partners	24
Delaware	26
Emerald.....	28
ING Investment.....	30
Intech - Enhanced Plus.....	32
Intech - Large Cap Core.....	34
PIMCO.....	36
Progress.....	38
Rothschild	40
Wentworth, Hauser and Violich	42
Total Domestic Equity	45
Domestic Equity Performance and Variability	46
Domestic Equity Style Map.....	49
PORTFOLIO PROFILE REPORT	49
MANAGER COMMENTS – INTERNATIONAL EQUITY	56
Grantham, Mayo, van Otterloo & Co	56
McKinley Capital.....	58
Total International Equity	61
MANAGER COMMENTS – FIXED INCOME.....	62
AFL-CIO Housing Investment Trust.....	62
ING Clarion	64
ING Clarion II.....	66
Nicholas Applegate.....	68
PIMCO.....	70
Western Asset Management.....	72
Total Domestic Fixed Income.....	75
Domestic Fixed Income Performance and Variability	76
MANAGER COMMENTS – GLOBAL FIXED INCOME.....	78
Lazard Asset Management.....	78
MANAGER COMMENTS – REAL ESTATE	79
Adelante Capital Management.....	80
BlackRock Realty	80
DLJ Real Estate Capital Partners	80
DLJ Real Estate Capital Partners II	81
DLJ Real Estate Capital Partners III	81
DLJ Real Estate Capital Partners IV.....	81
Fidelity Investments US Growth Fund II.....	82
Fidelity Investments US Growth Fund III	82
Hearthstone I & II	82
Invesco Real Estate Fund I	82
Invesco Real Estate Fund II	83
Prudential Strategic Performance Fund II.....	83
Total Real Estate Diversification	85

MANAGER COMMENTS - ALTERNATIVE INVESTMENTS.....	87
Adams Street Partners	87
Bay Area Equity Fund	87
Carpenter Community BancFund	87
Energy Investors - US Power Fund I.....	87
Energy Investors - US Power Fund II.....	88
Energy Investors - US Power Fund III	88
Nogales Investors Fund I	88
Paladin Fund III	88
Pathway Private Equity Fund	89
PT Timber Fund III.....	89
APPENDIX – EXAMPLE CHARTS.....	90
DEFINITIONS	92

KEY POINTS

Third Quarter, 2008

- Domestic equity markets had mostly negative returns in the third quarter. The S&P 500 Index returned -8.4% for the quarter while the Russell 2000® small capitalization index returned -1.1%. Value did better than growth.
- Domestic bond markets were negative in the quarter, with the Lehman Aggregate returning -0.5% and the median fixed income manager returning -1.7%.
- CCCERA Total Fund returned -7.3% for the third quarter, near the -7.2% return of the median total fund and the -7.4% return of the median public fund. CCCERA Total Fund performance has been well above the median fund over longer time periods extending to the past five years.
- CCCERA domestic equities returned -8.7% in the quarter, matching the -8.7% return of the Russell 3000® and the -8.7% return of the median equity manager.
- CCCERA international equities returned -24.1% for the quarter, below the -20.5% return of the MSCI EAFE Index and the -20.0% return of the median international equity manager.
- CCCERA fixed income returned -3.5% for the quarter, trailing the Lehman Universal return of -1.2% and the median fixed income manager return of -1.7%.
- CCCERA alternative assets returned 0.7% for the quarter, better than the -7.4% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned -2.2% for the quarter, below the median real estate manager return of -0.7% and the CCCERA real estate benchmark return of 1.2%.
- Domestic equity, fixed income and real estate were over-weighted vs. target at the end of the third quarter, offset by modest under-weights in alternative investments and international equities. US equities are the “parking place” for assets intended for alternative investments.

WATCH LIST

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

SUMMARY

After some positive movement in the equity markets during the second quarter of 2008, the third quarter markets declined, dominated by fears of a continuing credit crunch that is now spilling over into the real economy and by the failure of several large financial institutions. September alone saw the government intervene in capital markets to a degree not experienced since the Great Depression. After Fannie Mae and Freddie Mac were effectively nationalized in early September, the following week saw the failure of Lehman Brothers, the acquisition of Merrill Lynch by Bank of America and the government bailout of AIG. Congress subsequently passed the Troubled Asset Relief Program to try to infuse banks with capital and unfreeze the credit markets. These developments and other actions taken by the Federal Reserve will continue to play out over the coming months, but the impact on markets in the third quarter (and for much of October as well) was losses and unprecedented volatility.

Large capitalization stocks, as measured by the S&P 500, returned -8.4% while the Russell 2000® returned -1.1% for the quarter. The median equity manager returned -8.7% and the broad market, represented by the Russell 3000® Index, returned -8.7%. International equity markets declined more than the domestic equity markets in the third quarter, with the MSCI EAFE Index returning -20.5% and the MSCI ACWI ex-US Index returning -21.8%. The U.S. bond market had negative returns in the third quarter of 2008, with the Lehman Universal Index returning -0.8%, the Aggregate Index returning -0.5% and the median fixed income manager returning -1.7%. The domestic private real estate market began to reflect the current environment with a third quarter return for the NCREIF Index of -0.2%. Publicly listed real estate was positive with the Dow Jones Wilshire REIT Index returning 4.8%.

CCCERA's third quarter return of -7.3% slightly trailed the median total fund and slightly exceeded the median public fund. CCCERA slightly trailed the median funds over the past year. CCCERA has out-performed both medians over all trailing time periods two years and longer, ranking in the upper quartile of both universes over the past two through ten-year periods.

CCCERA total domestic equities returned -8.7% for the quarter, matching the -8.7% return of the Russell 3000® and the median manager. Of CCCERA's domestic equity managers, Boston Partners had the strongest performance with a return of -1.7%, better than the -6.1% return of the Russell 1000® Value Index. Rothschild returned -4.3%, trailing the -1.2% return of the Russell 2500™ Value Index. Emerald returned -4.6%, better than the -7.0% return of the Russell 2000® Growth Index. Intech Large Cap Core returned -8.1%, better than the S&P 500 return of -8.4%. Intech Enhanced Plus returned -8.4%, matching the S&P 500. ING returned -8.4%, also matching the S&P 500 and exceeding the S&P 500 ex-Tobacco. Wentworth returned -10.7%, better than the -8.4% return of the S&P 500. Progress returned -11.7%, well below the -1.1% return of the Russell 2000® Index. PIMCO returned -11.9%, below the S&P 500. Finally, Delaware returned -14.2%, below the -12.3% return of the Russell 1000® Growth Index.

CCCERA international equities returned -24.1%, below the -20.5% return of the MSCI EAFE Index and the -20.0% return of the median international manager. The GMO Intrinsic Value portfolio returned -18.0%, better than the S&P Citi PMI EPAC Value Index return of -18.9% and the median international equity manager. McKinley Capital returned -29.9%, trailing the MSCI ACWI ex-US Growth Index return of -23.8% as well as the median international equity manager.

CCCERA total domestic fixed income returned -3.5% for the third quarter, trailing the -1.2% return the Lehman Universal and the -1.7% return of the median fixed income manager. AFL-CIO's had the strongest third quarter return at 0.7% which was better than the Lehman Aggregate return of -0.5% and was well above the median fixed income manager. PIMCO returned -2.0%, below the Lehman Aggregate and the median. Western Asset returned -3.9%, below the Lehman Aggregate and the median. Nicholas Applegate returned -5.9% versus -9.5% for the ML High Yield II Index and -7.7% for the median high yield manager. The ING Clarion II closed-end fund returned -14.4%, below the ML High Yield II Index and the high yield fixed income median. ING Clarion (mostly already liquidated) returned -50.1%, well below the high yield fixed income

median and the Merrill Lynch High Yield Master II Index.

Lazard Asset Management returned -4.2% in the third quarter, trailing the Lehman Global Aggregate return of -3.8%, but ranking in the 36th percentile of global fixed income portfolios.

CCCERA total alternative investments returned 0.7% in the third quarter. Carpenter Community Bancfund returned 6.7%, Hancock PT Timber Fund returned 6.0%, Energy Investor Fund III reported a return of 3.6%, Energy Investor Fund II reported a return of 3.2%, Nogales had a return of 1.7% for the quarter, The Bay Area Equity Fund reported a return of 1.2%, Paladin III returned 0.3%, Pathway returned -0.3%, Adams Street Partners reported a return of -1.1% and Energy Investor Fund reported a return of -10.1%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending June 30.)

The median real estate manager returned -0.7% for the quarter while CCCERA's total real estate returned -2.2%. DLJ's RECP III returned 9.9%; DLJ's RECP I returned 2.0%; Willows Office property returned 1.5%; Invesco returned 0.4%; Fidelity III returned -0.4%; Prudential SPF-II returned -1.0%; DLJ RECP II returned -1.3%; Adelante returned -2.4%; BlackRock Realty returned -5.4%; Fidelity II returned -9.9%; and Invesco Fund II returned -22.2%. Also, please refer to the internal rate of return (IRR) table for closed-end funds on page 13, which is the preferred measurement for the individual closed-end debt, real estate and private equity funds.

Asset Allocation

The CCCERA fund at September 30, 2008 was near target in investment grade fixed income at 29.8% vs. the target of 29.0% and global equity at 49.2% versus the target of 49.0%. Real estate was above target at 12.1% vs. 11.5%. The fund was under-weight in alternatives at 4.4% versus the target of 7.0%. Assets earmarked for alternative investments were temporarily invested in U.S. equities. Cash was above its 0.5% target at 1.4%.

Third quarter securities lending income from the custodian, State Street Bank, totaled \$672,368.

Performance Compared to Investment Performance Objectives

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

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

**Summary of Managers Compliance with Investment Performance Objectives
As of September 30, 2008**

	Trailing 3 Years			Trailing 5 Years		
	<u>Gross Return</u>	<u>Net Return</u>	<u>Rank Target</u>	<u>Gross Return</u>	<u>Net Return</u>	<u>Rank Target</u>
DOMESTIC EQUITY						
Boston Partners	Yes	Yes	Yes	Yes	Yes	Yes
Delaware	No	No	No	-	-	-
Emerald Advisors	Yes	Yes	Yes	No	No	No
ING Investments	No	No	No	Yes	No	No
Intech - Enhanced Plus	Yes	Yes	Yes	Yes	Yes	Yes
Intech - Large Core	-	-	-	-	-	-
PIMCO Stocks Plus	No	No	No	No	No	No
Progress	No	No	Yes	-	-	-
Rothschild	Yes	Yes	Yes	Yes	Yes	Yes
Wentworth, Hauser	No	No	No	Yes	No	No
Total Domestic Equities	No	No	No	Yes	Yes	No
INT'L EQUITY						
GMO Intrinsic Value	Yes	No	No	-	-	-
McKinley Capital	-	-	-	-	-	-
Total Int'l Equities	Yes	Yes	No	Yes	Yes	No
DOMESTIC FIXED INCOME						
AFL-CIO Housing	Yes	Yes	Yes	Yes	Yes	Yes
Nicholas Applegate	Yes	Yes	Yes	Yes	Yes	Yes
ING Clarion	No	No	No	-	-	-
ING Clarion II	-	-	-	-	-	-
PIMCO	No	No	Yes	Yes	Yes	Yes
Western Asset	No	No	No	No	No	No
Total Domestic Fixed	No	No	No	No	No	Yes
GLOBAL FIXED INCOME						
Lazard Asset Management	-	-	-	-	-	-
ALTERNATIVE INVESTMENTS						
Adams Street	Yes	Yes	Yes	Yes	Yes	Yes
Bay Area Equity Fund	Yes	Yes	Yes	-	-	-
Carpenter Bancfund	-	-	-	-	-	-
Energy Investor Fund	Yes	Yes	Yes	-	-	-
Energy Investor Fund II	-	-	-	-	-	-
Energy Investor Fund III	-	-	-	-	-	-
Nogales	No	No	No	-	-	-
Paladin	-	-	-	-	-	-
Pathway	Yes	Yes	Yes	Yes	Yes	Yes
Hancock PT Timber Fund	Yes	Yes	Yes	Yes	No	No
Total Alternative	Yes	No	Yes	Yes	Yes	Yes
REAL ESTATE						
Adelante Capital REIT	No	No	No	Yes	No	Yes
BlackRock Realty	Yes	No	Yes	-	-	-
DLJ RECP I	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP II	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP III	Yes	Yes	Yes	-	-	-
DLJ IV	-	-	-	-	-	-
Fidelity II	No	No	No	-	-	-
Fidelity III	-	-	-	-	-	-
Invesco Fund I	Yes	Yes	Yes	-	-	-
Invesco Fund II	-	-	-	-	-	-
Invesco Int'l REIT	-	-	-	-	-	-
Prudential SPF II	Yes	Yes	Yes	Yes	Yes	Yes
Willows Office Property	Yes	Yes	Yes	No	No	No
Total Real Estate	No	No	No	Yes	Yes	Yes
CCCERA Total Fund	No	No	Yes	Yes	Yes	Yes

ASSET ALLOCATION
As of September 30, 2008

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
EQUITY - DOMESTIC				
Boston Partners	\$ 299,200,912	16.0 %	6.5 %	6.1 %
Delaware Investments	260,135,161	13.9	5.7	6.1
Emerald	129,149,102	6.9	2.8	2.7
ING	227,436,800	12.2	5.0	5.0
Intech - Enhanced Plus	21,386,476	1.1	0.5	0.4
Intech - Large Core	210,518,155	11.3	4.6	4.6
PIMCO	249,093,555	13.3	5.4	3.3
Progress	119,388,669	6.4	2.6	2.7
Rothschild	128,764,820	6.9	2.8	2.7
Wentworth	221,526,756	11.9	4.8	5.0
TOTAL DOMESTIC	\$ 1,866,600,406	82.8 %	40.7 %	38.6 %
INTERNATIONAL EQUITY				
McKinley Capital	\$ 180,513,583	8.0 %	3.9 %	5.20 %
GMO Intrinsic Value	208,169,037	9.2	4.5	5.20
TOTAL INT'L EQUITY	\$ 388,682,620	17.2 %	8.5 %	10.4 %
TOTAL GLOBAL EQUITY	\$ 2,255,283,026	100.0 %	49.2 %	49.0 %
			<i>Range:</i>	<i>45 to 53 %</i>
FIXED INCOME				
AFL-CIO	\$ 168,422,404	12.3 %	3.7 %	3.4 %
Goldman Sachs	0	0.0	0.0	5.6
ING Clarion	299,548	0.0	0.0	0.0
ING Clarion II	71,387,852	5.2	1.6	1.9
ING Clarion III	0	0.0	0.0	1.5
Lord Abbett	0	0.0	0.0	5.6
PIMCO	479,292,287	35.0	10.5	7.0
Western Asset	458,562,913	33.5	10.0	0.0
TOTAL US FIXED INCOME	1,177,965,004	86.1 %	25.7 %	25.0 %
GLOBAL FIXED				
Lazard Asset Mgmt	\$ 190,299,800	13.9 %	4.2 %	4.0 %
TOTAL GLOBAL FIXED	\$ 190,299,800	13.9 %	4.2 %	4.0 %
TOTAL INV GRADE FIXED	\$ 1,368,264,804	100.0 %	29.8 %	29.0 %
			<i>Range:</i>	<i>24 to 34 %</i>
HIGH YIELD				
Nicholas Applegate	\$ 139,457,315	100.0 %	3.0 %	3.0 %
TOTAL HIGH YIELD	139,457,315	100.0 %	3.0 %	3.0 %
			<i>Range:</i>	<i>1 to 5 %</i>

ASSET ALLOCATION
As of September 30, 2008

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
REAL ESTATE*				
Adelante Capital	\$ 275,965,610	49.6 %	6.0 %	- %
BlackRock Realty	30,516,046	5.5	0.7	-
DLJ RECP I	265,822	0.0	0.0	-
DLJ RECP II	8,671,436	1.6	0.2	-
DLJ RECP III	66,153,742	11.9	1.4	-
DLJ RECP IV	11,260,649	2.0	0.2	-
Fidelity II	37,804,604	6.8	0.8	-
Fidelity III	17,671,362	3.2	0.4	-
Hearthstone I	57,000	0.0	0.0	-
Hearthstone II	-29,000	0.0	0.0	-
Invesco Fund I	37,544,953	6.8	0.8	-
Invesco Fund II	3,436,835	0.6	0.1	-
Invesco International REIT	47,373,473	8.5	1.0	-
Prudential SPF II	3,719,298	0.7	0.1	-
Willows Office Property	15,560,000	2.8	0.3	-
TOTAL REAL ESTATE	<u>\$ 555,971,830</u>	<u>100.0 %</u>	<u>12.1 %</u>	<u>11.5 %</u>
			<i>Range:</i>	<i>8 to 14 %</i>
ALTERNATIVE INVESTMENTS*				
Adams Street Partners	\$ 56,903,021	28.0 %	1.2 %	- %
Bay Area Equity Fund	9,481,070	4.7	0.2	-
Carpenter Bancfund	1,155,149	0.6	0.0	-
Energy Investor Fund	7,675,960	3.8	0.2	-
Energy Investor Fund II	41,305,763	20.3	0.9	-
Energy Investor Fund III	16,816,954	8.3	0.4	-
Nogales	6,023,248	3.0	0.1	-
Paladin III	4,776,852	2.3	0.1	-
Pathway	51,491,802	25.3	1.1	-
Hancock PT Timber	7,829,315	3.8	0.2	-
TOTAL ALTERNATIVE	<u>\$ 203,459,134</u>	<u>100.0 %</u>	<u>4.4 %</u>	<u>7.0 %</u>
			<i>Range:</i>	<i>5 to 9 %</i>
CASH				
Custodian Cash	\$ 47,833,721	76.4 %	1.0 %	- %
Treasurer's Fixed	14,781,000	23.6	0.3	-
TOTAL CASH	<u>\$ 62,614,721</u>	<u>100.0 %</u>	<u>1.4 %</u>	<u>0.5 %</u>
			<i>Range:</i>	<i>0 to 1 %</i>
TOTAL ASSETS	\$ 4,585,050,830	100.0 %	100.0 %	100.0 %

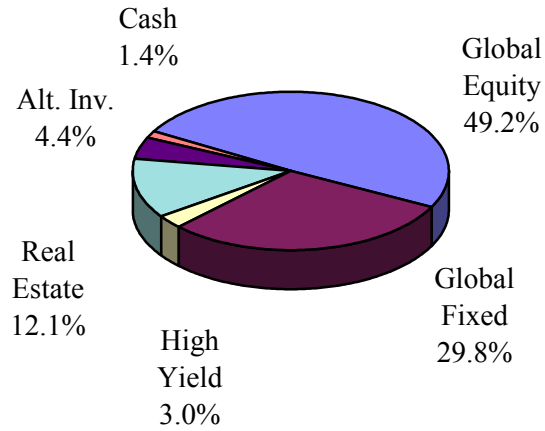
*CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$100 million to DLJ IV; \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million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

This page intentionally left blank.

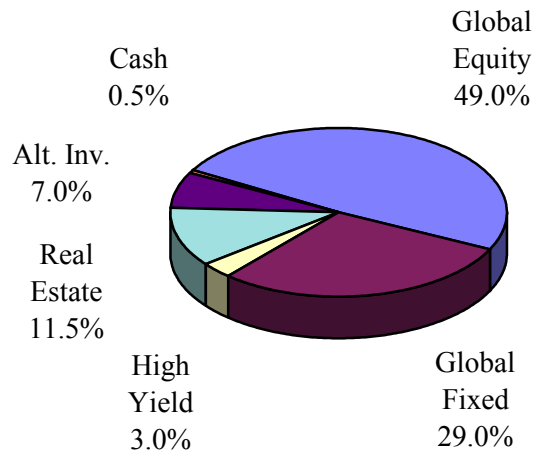
ASSET ALLOCATION

As of September 30, 2008

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
DOMESTIC EQUITY								
Boston Partners	-1.7 %	-18.8 %	-2.2 %	2.7 %	6.6 %	9.5 %	6.8 %	7.6 %
<i>Rank vs Equity</i>	12	35	34	24	22	18	41	36
<i>Rank vs Lg Value</i>	7	18	18	19	10	13	30	16
Delaware	-14.2	-26.6	-6.0	-3.7	-	-	-	-
<i>Rank vs Equity</i>	82	87	75	92	-	-	-	-
<i>Rank vs Lg Growth</i>	67	90	86	91	-	-	-	-
Emerald Advisors	-4.6	-21.7	-3.4	1.5	6.1	5.7	-	-
<i>Rank vs Equity</i>	20	54	46	36	28	63	-	-
<i>Rank vs Sm Cap Growth</i>	31	56	62	42	49	80	-	-
ING Investments	-8.4	-22.4	-5.4	-0.3	2.9	4.9	-	-
<i>Rank vs Equity</i>	47	65	71	68	78	82	-	-
<i>Rank vs Lg Core</i>	52	74	74	75	83	91	-	-
Intech - Enhanced Plus	-8.4	-19.8	-4.2	0.6	4.2	6.9	-	-
<i>Rank vs Equity</i>	47	40	55	47	50	48	-	-
<i>Rank vs Lg Core</i>	52	22	33	30	29	24	-	-
Intech - Large Core	-8.1	-19.3	-	-	-	-	-	-
<i>Rank vs Equity</i>	40	38	-	-	-	-	-	-
<i>Rank vs Lg Core</i>	23	21	-	-	-	-	-	-
PIMCO Stocks Plus	-11.9	-26.6	-7.7	-1.9	1.4	3.8	-	-
<i>Rank vs Equity</i>	71	87	86	83	91	90	-	-
<i>Rank vs Lg Core</i>	89	92	90	91	97	97	-	-
Progress	-11.7	-22.8	-3.7	0.5	4.8	-	-	-
<i>Rank vs Equity</i>	70	68	49	48	43	-	-	-
<i>Rank vs Small Core</i>	91	94	75	71	77	-	-	-
Rothschild	-4.3	-11.1	0.8	5.2	9.0	11.7	-	-
<i>Rank vs Equity</i>	19	8	13	7	7	6	-	-
<i>Rank vs Sm Cap Value</i>	86	19	19	12	7	21	-	-
Wentworth, Hauser	-10.7	-21.2	-4.1	-0.8	3.5	5.2	3.8	4.9
<i>Rank vs Equity</i>	66	51	54	75	63	73	73	60
<i>Rank vs Lg Core</i>	79	32	32	84	45	69	55	38
Total Domestic Equities	-8.7	-21.7	-4.3	0.1	4.0	6.2	3.4	3.8
<i>Rank vs Equity</i>	50	54	55	63	54	57	86	72
Median Equity	-8.7	-21.1	-3.7	0.4	4.3	6.8	5.8	6.2
S&P 500	-8.4	-22.0	-4.7	0.2	3.1	5.2	3.5	3.1
S&P 500 ex-Tobacco	-8.5	-22.3	-5.0	0.0	2.8	4.9	-	-
Russell 3000®	-8.7	-21.5	-4.4	0.3	3.7	5.7	4.4	3.8
Russell 1000® Value	-6.1	-23.6	-6.5	0.1	4.0	7.1	5.5	5.5
Russell 1000® Growth	-12.3	-20.9	-2.8	0.1	2.8	3.8	2.3	0.6
Russell 2000®	-1.1	-14.5	-2.0	1.8	5.6	8.2	9.0	7.8
Rothschild Benchmark	-1.2	-15.8	-4.3	0.6	4.8	8.6	-	-
Russell 2000® Growth	-7.0	-17.1	-0.7	1.5	5.4	6.6	6.9	4.7
INT'L EQUITY								
GMO Intrinsic Value	-18.0	-28.3	-5.2	2.4	-	-	-	-
<i>Rank vs Int'l Eq</i>	31	46	56	56	-	-	-	-
McKinley Capital	-29.9	-36.0	-7.7	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	93	89	80	-	-	-	-	-
Total Int'l Equities	-24.1	-32.2	-6.4	2.6	8.6	10.7	9.7	7.8
<i>Rank vs Int'l Eq</i>	79	73	68	54	45	60	63	75
Median Int'l Equity	-20.0	-28.5	-4.7	2.7	8.3	11.4	10.3	9.1
MSCI EAFE Index	-20.5	-30.1	-6.4	1.6	7.3	10.2	8.2	5.4
MSCI ACWI ex-US	-21.8	-30.0	-4.2	3.1	9.1	11.8	10.1	6.9
S&P Citi PMI EPAC Value	-18.9	-31.1	-6.7	2.0	8.1	11.3	9.4	7.2
MSCI ACWI ex-US Growth	-23.8	-29.2	-2.8	3.5	9.3	10.9	9.4	4.8

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
DOMESTIC FIXED INCOME								
AFL-CIO Housing	0.7 %	5.0 %	5.2 %	4.9 %	4.5 %	4.4 %	5.4 %	6.0 %
<i>Rank vs Fixed Income</i>	16	18	21	18	17	17	14	8
Nicholas Applegate	-5.9	-6.4	0.8	2.9	3.9	5.0	7.3	-
<i>Rank vs High Yield</i>	19	9	6	3	4	14	11	-
ING Clarion*	-50.1	-64.4	-26.8	-14.5	-7.5	-	-	-
<i>Rank vs High Yield</i>	100	99	99	99	99	-	-	-
ING Clarion II*	-14.4	-40.1	-21.5	-	-	-	-	-
<i>Rank vs High Yield</i>	97	99	99	-	-	-	-	-
PIMCO	-2.0	2.3	4.1	4.1	4.2	4.3	-	-
<i>Rank vs Fixed Income</i>	53	54	49	48	29	22	-	-
Western Asset	-3.9	-4.3	-0.1	1.2	1.9	2.7	-	-
<i>Rank vs Fixed Income</i>	76	84	90	93	93	87	-	-
Total Domestic Fixed	-3.5	-3.0	1.8	2.9	3.4	3.8	5.0	5.2
<i>Rank vs Fixed Income</i>	73	80	80	76	64	41	25	41
Median Fixed Income	-1.7	2.7	4.0	4.0	3.7	3.7	4.5	5.1
Median High Yield Mgr.	-7.7	-10.3	-1.9	0.9	2.1	3.9	5.8	-
Lehman Universal	-1.2	2.3	3.8	3.9	3.8	3.9	4.9	5.4
Lehman Aggregate	-0.5	3.7	4.4	4.2	3.8	3.8	4.7	5.2
Merrill Lynch HY II	-9.5	-11.5	-2.4	1.0	2.4	4.3	6.5	4.3
Merrill Lynch BB/B	-8.7	-9.9	-1.7	1.3	2.5	4.3	6.0	4.2
T-Bills	0.6	2.9	4.1	4.2	3.8	3.3	2.8	3.6
GLOBAL FIXED INCOME								
Lazard Asset Mgmt	-4.2	-	-	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	36	-	-	-	-	-	-	-
Lehman Global Aggregate	-3.8	15.2	11.6	6.7	6.2	-	-	-
ALTERNATIVE INVESTMENTS*								
Adams Street**	-1.1	3.0	15.6	18.4	17.8	16.7	8.6	14.7
Bay Area Equity Fund**	1.2	32.9	41.4	24.6	18.4	-	-	-
Carpenter Bancfund	6.7	-	-	-	-	-	-	-
Energy Investor Fund**	-10.1	164.0	79.0	54.2	61.3	-	-	-
Energy Investor Fund II**	3.2	20.4	15.9	-	-	-	-	-
Energy Investor Fund III**	3.6	-	-	-	-	-	-	-
Nogales**	1.7	-50.2	-21.9	-12.1	-6.2	-	-	-
Paladin	0.3	-	-	-	-	-	-	-
Pathway**	-0.3	4.5	24.0	25.3	27.5	23.9	9.6	-
Hancock PT Timber Fund	6.0	14.5	16.3	12.0	12.0	10.3	7.5	6.5
Total Alternative	0.7	7.7	17.5	18.6	21.7	19.2	10.8	13.3
S&P 500 + 400 bps	-7.4	-18.8	-0.8	4.2	7.2	9.4	7.6	7.2

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

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

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
REAL ESTATE*								
Adelante Capital REIT	-2.4 %	-19.3 %	-7.4 %	3.9 %	10.2 %	13.5 %	14.2 %	- %
<i>Rank vs REITs</i>	<i>56</i>	<i>60</i>	<i>64</i>	<i>55</i>	<i>39</i>	<i>26</i>	<i>36</i>	<i>-</i>
BlackRock Realty	-5.4	-3.7	6.7	12.0	-	-	-	-
<i>Rank</i>	<i>88</i>	<i>72</i>	<i>67</i>	<i>35</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
DLJ RECP I**	2.0	31.3	32.9	33.0	26.9	25.0	19.3	18.1
<i>Rank</i>	<i>16</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>7</i>	<i>12</i>	<i>5</i>
DLJ RECP II**	-1.3	18.0	27.2	31.1	33.5	32.6	27.5	-
<i>Rank</i>	<i>59</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>-</i>
DLJ RECP III**	9.9	20.6	24.1	24.2	-	-	-	-
<i>Rank</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Fidelity II	-9.9	-10.1	-3.5	2.8	7.3	-	-	-
<i>Rank</i>	<i>94</i>	<i>79</i>	<i>85</i>	<i>93</i>	<i>92</i>	<i>-</i>	<i>-</i>	<i>-</i>
Fidelity III	-0.4	-7.4	-	-	-	-	-	-
<i>Rank</i>	<i>47</i>	<i>75</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Invesco Fund I	1.4	7.9	12.9	18.8	-	-	-	-
<i>Rank</i>	<i>19</i>	<i>9</i>	<i>10</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Invesco Fund II	-22.2	-	-	-	-	-	-	-
<i>Rank</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Prudential SPF II	-1.0	49.7	47.5	51.9	47.4	41.0	30.0	23.9
<i>Rank</i>	<i>55</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Willows Office Property	1.5	45.7	22.9	17.7	14.9	9.9	15.9	17.3
<i>Rank</i>	<i>19</i>	<i>1</i>	<i>3</i>	<i>8</i>	<i>20</i>	<i>90</i>	<i>21</i>	<i>6</i>
Total Real Estate	-2.2	-8.8	0.9	9.6	14.3	16.0	15.8	14.0
<i>Rank</i>	<i>74</i>	<i>78</i>	<i>77</i>	<i>66</i>	<i>24</i>	<i>16</i>	<i>21</i>	<i>18</i>
Median Real Estate	-0.7	1.8	8.6	11.0	12.8	13.1	12.1	11.2
Real Estate Benchmark	1.2	0.6	7.0	11.3	13.9	14.3	12.9	12.4
DJ Wilshire REIT	4.8	-12.5	-4.7	5.2	10.6	13.4	14.3	13.0
NCREIF Property Index	-0.2	5.3	11.1	13.2	14.7	14.2	12.1	11.8
NCREIF Index + 300 bps	0.6	8.4	14.6	16.7	18.1	17.6	15.4	15.1
NCREIF Index + 500 bps	1.1	10.5	16.5	18.7	20.2	19.8	17.5	17.3
NCREIF Apartment	-0.4	3.1	8.1	11.0	12.9	12.5	11.4	11.6
NCREIF Apt + 300 bps	0.4	6.1	11.2	14.2	16.2	15.8	14.6	14.8
CCCERA Total Fund	-7.3 %	-13.7 %	-0.4 %	3.7 %	6.7 %	8.1 %	7.2 %	7.0 %
<i>Rank vs. Total Fund</i>	<i>51</i>	<i>56</i>	<i>49</i>	<i>18</i>	<i>5</i>	<i>5</i>	<i>6</i>	<i>9</i>
<i>Rank vs. Public Fund</i>	<i>48</i>	<i>52</i>	<i>47</i>	<i>18</i>	<i>4</i>	<i>3</i>	<i>6</i>	<i>2</i>
Median Total Fund	-7.2	-12.9	-0.4	2.5	4.3	5.4	5.2	5.0
Median Public Fund	-7.4	-13.6	-0.5	2.5	4.8	5.9	5.6	5.4
CPI + 400 bps	1.0	9.2	8.0	7.4	7.8	7.5	7.2	6.9

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

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

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

CLOSED END FUNDS INTERNAL RATE OF RETURN (IRR)

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
FIXED INCOME					
ING Clarion	31.2%	<i>n/a</i>	28.5%	<i>n/a</i>	02/19/04
ING Clarion II	-33.3%	<i>n/a</i>	-36.0%	<i>n/a</i>	07/01/06
REAL ESTATE					
BlackRock Realty	15.8%	<i>n/a</i>	14.0%	<i>n/a</i>	11/19/04
DLJ RECP I	17.0%	<i>n/a</i>	<i>n/a</i>	11.0%	05/14/96
DLJ RECP II	30.0%	<i>n/a</i>	<i>n/a</i>	20.0%	09/24/99
DLJ RECP III	13.0%	<i>n/a</i>	<i>n/a</i>	8.0%	06/23/05
DLJ RECP IV	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	02/11/08
Fidelity Growth Fund II	3.4%	2.4%	2.3%	1.3%	03/10/04
Fidelity Growth Fund III	-6.3%	-1.6%	-14.9%	-17.6%	03/30/07
Hearthstone I	<i>n/a</i>	<i>n/a</i>	4.5%	4.5%	06/15/95
Benchmark ¹	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Hearthstone II	<i>n/a</i>	<i>n/a</i>	30.0%	30.0%	06/17/98
Benchmark ²	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Invesco Real Estate I	15.5%	15.5%	12.5%	13.3%	02/01/05
Invesco Real Estate II	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11/26/07
Prudential SPF II	<i>n/a</i>	13.7%	<i>n/a</i>	12.0%	05/14/96
ALTERNATIVE INVESTMENTS					
Adams Street Partners	<i>n/a</i>	16.3%	<i>n/a</i>	13.4%	03/18/96
Bay Area Equity Fund	27.0%	28.1%	12.7%	13.2%	06/14/04
Carpenter Bancfund	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	01/31/08
EIF US Power Fund I	31.1%	34.8%	26.1%	28.5%	11/26/03
EIF US Power Fund II	16.6%	15.3%	12.0%	11.0%	08/16/05
EIF US Power Fund III	9.1%	9.2%	-5.9%	-5.9%	05/30/07
Nogales	-5.7%	-7.3%	-11.6%	-21.5%	02/15/04
Paladin	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11/30/07
Pathway	13.5%	13.5%	11.1%	11.1%	11/09/98
Benchmark ³	12.9%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
Benchmark ⁴	0.0%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
PruTimber	<i>n/a</i>	<i>n/a</i>	3.8%	4.0%	12/12/95

Benchmarks:

Hearthstone I

Benchmark ¹

Target IRR range per CCCERA agreement

Hearthstone II

Benchmark ²

Target IRR range per CCCERA agreement

Pathway

Benchmark ³

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

Benchmark ⁴

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

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

DOMESTIC EQUITY	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	7 Yr	10 Yr
Boston Partners	-1.8 %	-19.1 %	-2.5 %	2.4 %	6.2 %	9.2 %	6.4 %	7.3 %
Delaware	-14.3	-26.9	-6.4	-4.1	-	-	-	-
Emerald Advisors	-4.7	-22.2	-4.0	0.9	5.5	5.1	-	-
ING Investments	-8.5	-22.6	-5.6	-0.5	2.6	4.7	-	-
Intech - Enhanced Plus	-8.5	-20.0	-4.5	0.3	3.9	6.6	-	-
Intech - Large Core	-8.2	-19.6	-	-	-	-	-	-
PIMCO Stocks Plus	-12.0	-27.1	-8.1	-2.4	1.0	3.4	-	-
Progress	-11.8	-23.4	-4.3	-0.2	4.1	-	-	-
Rothschild	-4.5	-11.6	0.1	4.5	8.4	11.0	-	-
Wentworth, Hauser	-10.7	-21.4	-4.3	-1.0	3.3	5.0	3.5	4.7
Total Domestic Equities	-8.8	-22.0	-4.6	-0.3	3.6	5.8	3.1	3.4
Median Equity	-8.7	-21.1	-3.7	0.4	4.3	6.8	5.8	6.2
S&P 500	-8.4	-22.0	-4.7	0.2	3.1	5.2	3.5	3.1
S&P 500 ex-Tobacco	-8.5	-22.3	-5.0	0.0	2.8	4.9	-	-
Russell 3000®	-8.7	-21.5	-4.4	0.3	3.7	5.7	4.4	3.8
Russell 1000® Value	-6.1	-23.6	-6.5	0.1	4.0	7.1	5.5	5.5
Russell 1000® Growth	-12.3	-20.9	-2.8	0.1	2.8	3.8	2.3	0.6
Russell 2000®	-1.1	-14.5	-2.0	1.8	5.6	8.2	9.0	7.8
Russell 2500™ Value	-1.2	-15.8	-4.3	0.6	5.4	9.0	10.5	9.9
Russell 2000® Growth	-7.0	-17.1	-0.7	1.5	5.4	6.6	6.9	4.7
INT'L EQUITY								
GMO Intrinsic Value	-18.1	-28.8	-5.8	1.8	-	-	-	-
McKinley Capital	-30.1	-36.4	-8.1	-	-	-	-	-
Total Int'l Equities	-24.2	-32.6	-6.9	2.0	8.1	10.2	9.6	7.4
Median Int'l Equity	-20.0	-28.5	-4.7	2.7	8.3	11.4	10.3	9.1
MSCI EAFE Index	-20.5	-30.1	-6.4	1.6	7.3	10.2	8.2	5.4
MSCI ACWI ex-US	-21.8	-30.0	-4.2	3.1	9.1	11.8	10.1	6.9
S&P Citi PMI EPAC Value	-18.9	-31.1	-6.7	2.0	8.1	11.3	9.4	7.2
MSCI ACWI ex-US Growth	-23.8	-29.2	-2.8	3.5	9.3	10.9	9.4	4.8
DOMESTIC FIXED INCOME								
AFL-CIO Housing	0.7	4.6	4.8	4.5	4.1	4.0	5.0	5.6
Nicholas Applegate	-6.0	-6.9	0.3	2.5	3.4	4.5	6.8	-
ING Clarion	-50.1	-64.4	-26.9	-15.0	-8.5	-	-	-
ING Clarion II	-14.9	-41.9	-	-	-	-	-	-
PIMCO	-2.0	2.0	3.8	3.8	3.9	4.0	-	-
Western Asset	-3.9	-4.5	-0.3	1.0	1.7	2.5	-	-
Total Domestic Fixed	-3.6	-3.4	1.3	2.5	2.9	3.4	4.7	5.0
Median Fixed Income	-1.7	2.7	4.0	4.0	3.7	3.7	4.5	5.1
Median High Yield Mgr.	-7.7	-10.3	-1.9	0.9	2.1	3.9	5.8	3.7
Lehman Universal	-1.2	2.3	3.8	3.9	3.8	3.9	4.9	5.4
Lehman Aggregate	-0.5	3.7	4.4	4.2	3.8	3.8	4.7	5.2
Merrill Lynch HY II	-9.5	-11.5	-2.4	1.0	2.4	4.3	6.5	4.3
Merrill Lynch BB/B	-8.7	-9.9	-1.7	1.3	2.5	4.3	6.0	4.2
T-Bills	0.6	2.9	4.1	4.2	3.8	3.3	2.8	3.6
GLOBAL FIXED INCOME								
Lazard Asset Mgmt	-4.3	-	-	-	-	-	-	-
Lehman Global Aggregate	-3.8	15.2	11.6	6.7	6.2	-	-	-

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

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
ALTERNATIVE INVESTMENTS*								
Adams Street**	-1.4 %	1.4 %	13.6 %	16.2 %	15.4 %	14.3 %	6.3 %	12.4 %
Bay Area Equity Fund**	0.5	27.7	35.1	17.3	8.0	-	-	-
Carpenter Bancfund**	-5.6	-	-	-	-	-	-	-
Energy Investor Fund**	-11.4	135.5	67.2	46.2	53.7	-	-	-
Energy Investor Fund II**	2.5	16.6	12.1	-	-	-	-	-
Energy Investor Fund III**	1.9	-	-	-	-	-	-	-
Nogales**	0.5	-56.6	-25.5	-15.6	-11.1	-	-	-
Paladin III	-2.5	-	-	-	-	-	-	-
Pathway**	-0.8	2.2	21.5	22.9	25.1	21.1	6.9	-
Hancock PT Timber Fund	5.8	13.4	15.3	11.0	11.0	9.2	6.5	5.4
Total Alternative	-0.1	4.8	14.8	15.9	18.9	15.9	8.0	10.7
S&P 500 + 400 bps	-7.4	-18.8	-0.8	4.2	7.2	9.4	7.6	7.2
REAL ESTATE*								
Adelante Capital REIT	-2.5	-19.7	-7.9	3.4	9.7	13.0	13.6	-
BlackRock Realty	-4.1	-1.8	6.6	10.1	-	-	-	-
DLJ RECP I**	2.0	21.3	27.4	29.2	23.6	22.0	17.0	15.8
DLJ RECP II**	-1.3	18.4	26.8	30.7	32.7	31.4	25.4	-
DLJ RECP III**	9.9	20.9	23.7	23.6	-	-	-	-
DLJ RECP IV**	-3.4	-	-	-	-	-	-	-
Fidelity II	-10.1	-11.8	-3.1	2.0	5.6	-	-	-
Fidelity III	-1.3	-41.7	-	-	-	-	-	-
Invesco Fund I	1.4	6.3	10.8	16.8	-	-	-	-
Invesco Fund II	-23.3	-	-	-	-	-	-	-
Prudential SPF II	-1.0	42.0	38.5	42.8	39.7	34.7	25.4	20.3
Willows Office Property	1.5	45.7	22.9	17.7	14.9	9.9	15.9	17.2
Total Real Estate	-2.3	-9.5	0.1	8.7	13.3	14.9	14.7	12.8
Median Real Estate	-0.7	1.8	8.6	11.0	12.8	13.1	12.1	11.2
Real Estate Benchmark	1.2	0.6	7.0	11.3	13.9	14.3	12.9	12.4
DJ Wilshire REIT	4.8	-12.5	-4.7	5.2	10.6	13.4	14.3	13.0
NCREIF Property Index	-0.2	5.3	11.1	13.2	14.7	14.2	12.1	11.8
NCREIF Index + 300 bps	0.6	8.4	14.6	16.7	18.1	17.6	15.4	15.1
NCREIF Index + 500 bps	1.1	10.5	16.5	18.7	20.2	19.8	17.5	17.3
NCREIF Apartment	-0.4	3.1	8.1	11.0	12.9	12.5	11.4	11.6
NCREIF Apt + 300 bps	0.4	6.1	11.2	14.2	16.2	15.8	14.6	14.8
CCCERA Total Fund	-7.4 %	-14.2 %	-0.9 %	3.2 %	6.2 %	7.6 %	6.7 %	6.5 %
CPI + 400 bps	1.0	9.2	8.0	7.4	7.8	7.5	7.2	6.9

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

** Performance as of June 30, 2008.

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

DOMESTIC EQUITY	YTD	2007	2006	2005	2004	2003	2002
Boston Partners	-15.6 %	4.3 %	20.2 %	12.0 %	16.6 %	27.1 %	-18.7 %
<i>Rank vs Equity</i>	31	60	12	14	31	75	32
<i>Rank vs Lg Value</i>	16	24	36	14	32	81	54
Delaware	-26.6	13.6	3.2	-	-	-	-
<i>Rank vs Equity</i>	91	15	91	-	-	-	-
<i>Rank vs Lg Growth</i>	90	33	74	-	-	-	-
Emerald Advisors	-14.5	3.2	13.8	10.1	4.1	-	-
<i>Rank vs Equity</i>	27	64	56	25	93	-	-
<i>Rank vs Sm Cap Growth</i>	38	48	39	20	86	-	-
ING	-20.5	5.8	15.9	5.4	11.2	26.7	-
<i>Rank vs Equity</i>	69	44	38	61	60	77	-
<i>Rank vs Lg Core</i>	78	75	39	40	36	83	-
Intech - Enhanced Plus	-19.3	7.4	14.4	8.9	15.3	29.4	-
<i>Rank vs Equity</i>	59	36	54	34	37	60	-
<i>Rank vs Lg Core</i>	66	79	80	14	7	34	-
Intech - Large Cap Core	-19.1	7.0	-	-	-	-	-
<i>Rank vs Equity</i>	53	38	-	-	-	-	-
<i>Rank vs Lg Core</i>	40	-	-	-	-	-	-
PIMCO Stocks Plus	-24.0	5.0	15.7	4.6	11.1	29.9	-
<i>Rank vs Equity</i>	86	56	43	75	62	58	-
<i>Rank vs Lg Core</i>	92	68	64	78	15	29	-
Progress	-19.4	6.1	15.4	9.1	-	-	-
<i>Rank vs Equity</i>	61	42	46	32	-	-	-
<i>Rank vs Sm Core</i>	95	17	46	36	-	-	-
Rothschild	-8.2	1.8	21.3	11.2	20.7	-	-
<i>Rank vs Equity</i>	8	70	9	18	15	-	-
<i>Rank vs Sm Cap Value</i>	42	31	19	23	39	-	-
Wentworth, Hauser	-18.1	6.6	7.2	9.6	13.6	27.1	-23.4
<i>Rank vs Equity</i>	44	40	83	28	46	75	65
<i>Rank vs Lg Core</i>	24	36	98	9	15	82	77
Total Domestic Equities	-19.4	6.5	13.5	8.8	13.0	31.0	-28.0
<i>Rank vs Equity</i>	61	40	60	35	49	50	83
Median Equity	-18.8	5.5	15.0	6.5	12.9	31.0	-22.0
S&P 500	-19.3	5.5	15.8	4.9	10.9	28.7	-22.1
S&P 500 ex-Tobacco	-19.5	5.2	15.7	4.6	10.7	28.4	-22.3
Russell 3000®	-18.8	5.1	15.7	6.1	12.0	31.0	-21.6
Russell 1000® Value	-18.9	-0.2	22.2	7.0	16.5	30.0	-15.5
Russell 1000® Growth	-20.3	11.8	9.1	5.3	6.3	29.8	-27.9
Russell 2000®	-10.4	-1.6	18.4	4.6	18.3	47.3	-20.5
Rothschild Benchmark	-9.5	-7.3	20.2	5.5	22.3	-	-
Russell 2000® Growth	-15.3	7.1	13.4	4.2	14.3	-	-
INT'L EQUITY							
GMO	-25.7	10.6	26.2	-	-	-	-
<i>Rank vs Int'l Eq</i>	25	60	44	-	-	-	-
McKinley Capital	-35.4	20.1	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	91	17	-	-	-	-	-
Total Int'l Equities	-30.6	15.3	26.6	20.0	18.1	39.9	-14.6
<i>Rank vs Int'l Eq</i>	71	36	41	32	68	27	45
Median Int'l Equity	-27.9	11.9	25.9	15.9	19.9	36.4	-15.0
MSCI EAFE Index	-28.9	11.6	26.9	14.0	20.7	39.2	-15.7
MSCI ACWI ex-US	-29.5	17.1	27.2	17.1	21.4	41.4	-14.7
S&P Citi PMI EPAC Value	-29.6	12.2	28.1	15.7	23.5	42.1	-13.1
MSCI ACWI ex-US Growth	-29.6	21.4	24.0	17.1	17.1	34.9	-14.7

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>YTD</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
DOMESTIC FIXED INCOME							
AFL-CIO Housing	1.9 %	7.1 %	5.1 %	3.0 %	4.6 %	4.2 %	12.1 %
<i>Rank vs Fixed Income</i>	21	34	28	25	41	66	6
Nicholas Applegate	-5.9	7.1	10.2	3.8	9.1	21.2	4.8
<i>Rank vs. High Yield</i>	0	34	32	15	66	68	5
ING Clarion	-59.0	-9.6	64.8	15.3	-	-	-
<i>Rank vs Fixed Income</i>	0	100	1	1	-	-	-
ING Clarion II	-36.2	-6.6	-	-	-	-	-
<i>Rank vs Fixed Income</i>	0	100	-	-	-	-	-
PIMCO	-1.3	8.4	4.8	3.4	5.6	6.9	-
<i>Rank vs Fixed Income</i>	61	13	37	18	20	21	-
Western Asset	-6.1	4.7	5.2	2.4	6.5	7.1	-
<i>Rank vs Fixed Income</i>	87	80	27	56	15	18	-
Total Domestic Fixed	-5.0	5.8	7.5	3.7	6.3	7.9	9.1
<i>Rank vs Fixed Income</i>	82	62	11	14	16	14	52
Median Fixed Income	-0.1	6.5	4.5	2.5	4.4	4.6	9.2
Median High Yield Mgr.	0.0	6.5	9.0	2.5	9.8	24.0	-1.1
Lehman Universal	-0.3	6.5	5.0	2.7	5.0	5.8	9.8
Lehman Aggregate	0.6	7.0	4.3	2.4	4.3	4.1	10.3
ML High Yield II	-10.4	2.1	11.7	2.7	10.8	28.1	-1.9
T-Bills	1.8	5.0	4.8	3.1	1.3	1.1	1.8
Global Fixed Income							
Lazard Asset Mgmt	0.8	-	-	-	-	-	-
<i>Rank vs. Global Fixed</i>	14	-	-	-	-	-	-
Lehman Global Aggregate	-0.4	-	-	-	-	-	-
ALTERNATIVE INVESTMENTS							
Adams Street**	1.4	27.9	23.5	17.0	13.0	4.5	-10.9
Bay Area Equity Fund**	26.2	63.6	-6.5	1.9	-	-	-
Energy Investor Fund**	203.1	2.2	12.7	84.2	-	-	-
Energy Investor Fund II**	16.4	12.5	-	-	-	-	-
Energy Investor Fund III**	109.2	-	-	-	-	-	-
Nogales**	-50.7	21.2	11.0	13.1	-	-	-
Paladin	-66.1	-	-	-	-	-	-
Pathway**	-0.4	50.4	21.4	42.5	12.2	0.2	-23.1
Hancock PT Timber Fund	6.4	14.7	12.1	9.8	6.9	3.8	-1.1
Total Alternative	2.0	28.0	19.2	33.3	11.4	3.5	-9.3
S&P 500 + 400 bps	-16.8	9.7	19.8	8.9	14.9	32.7	-18.1

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

** Performance as of June 30, 2008.

This page intentionally left blank.

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Third Quarter, 2008

	<u>YTD</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
REAL ESTATE							
Adelante Capital REIT	-6.1 %	-16.9 %	38.2 %	16.7 %	36.9 %	36.1 %	4.2 %
<i>Rank</i>	54	55	13	4	11	53	47
BlackRock Realty	-5.2	14.8	23.8	28.7	-	-	-
<i>Rank</i>	88	44	27	11	-	-	-
DLJ RECP I**	24.0	34.2	41.2	14.2	11.8	4.2	6.8
<i>Rank</i>	3	2	6	62	54	84	39
DLJ RECP II**	8.2	34.8	35.7	51.3	33.8	25.8	9.9
<i>Rank</i>	9	1	17	4	19	28	14
DLJ RECP III**	11.8	30.5	10.2	-	-	-	-
<i>Rank</i>	6	2	79	-	-	-	-
Fidelity II	-13.1	5.0	16.5	16.1	-	-	-
<i>Rank</i>	93	74	45	51	-	-	-
Fidelity III	-1.9	-	-	-	-	-	-
<i>Rank</i>	75	-	-	-	-	-	-
Invesco Fund I	4.1	10.4	38.1	-	-	-	-
<i>Rank</i>	13	63	10	-	-	-	-
Invesco Fund II	-35.5	-	-	-	-	-	-
<i>Rank</i>	100	-	-	-	-	-	-
Prudential SPF II	21.8	45.3	83.8	38.3	19.7	12.4	6.5
<i>Rank</i>	4	1	1	7	30	33	40
Willows Office Property	3.3	44.5	7.4	7.5	-8.9	7.9	8.2
<i>Rank</i>	16	1	87	80	96	67	29
Total Real Estate	-3.2	-3.0	33.8	20.4	30.4	25.6	7.5
<i>Rank</i>	85	82	20	29	23	28	35
Median Real Estate	0.8	13.9	15.6	16.7	12.3	9.5	4.8
Real Estate Benchmark	1.9	6.3	-	-	-	-	-
DJ Wilshire REIT Index	1.3	-17.6	36.0	13.8	33.1	36.2	3.6
NCREIF Property Index	2.0	15.8	16.6	20.1	14.5	9.0	6.7
CCCERA Total Fund	-12.7	7.3	15.3	10.8	13.38	23.5	-9.5
<i>Rank vs. Total Fund</i>	52	45	13	5	15	20	63
<i>Rank vs. Public Fund</i>	48	42	11	2	8	19	69
Median Total Fund	-12.4	7.1	12.0	6.1	10.4	19.1	-8.1
Median Public Fund	-12.9	6.9	11.9	6.0	10.0	20.4	-8.0
CPI + 400 bps	7.3	8.3	6.6	7.6	7.4	6.5	6.5

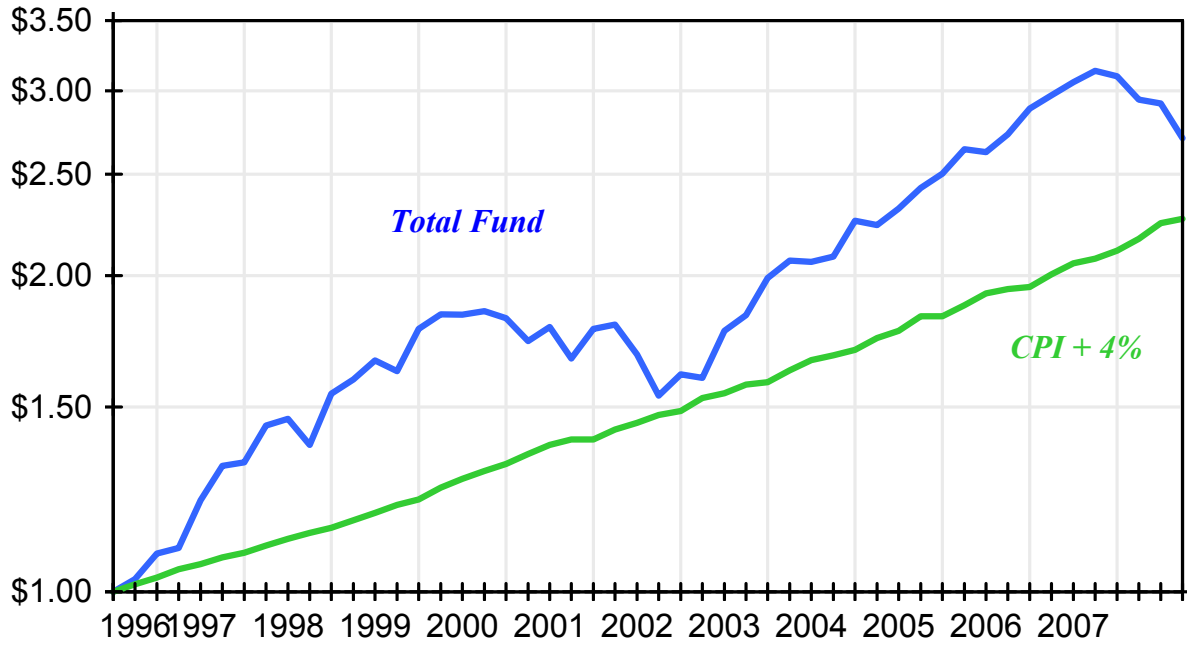
** Performance as of June 30, 2008.

TOTAL FUND PERFORMANCE

Total Fund

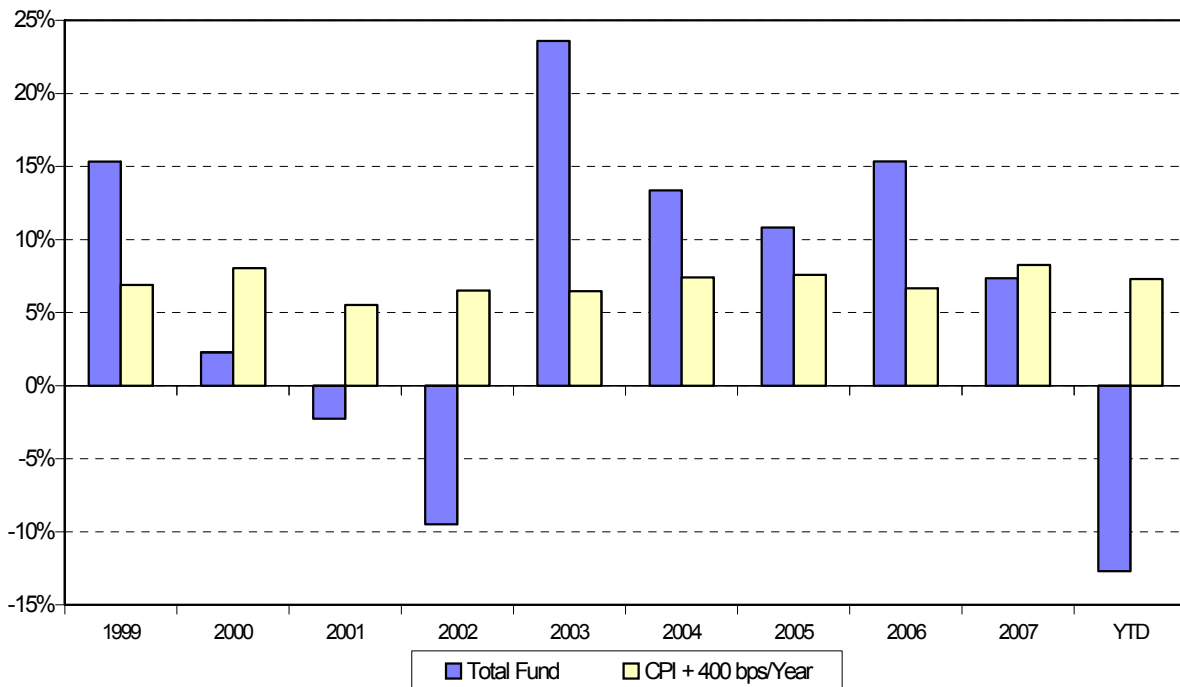
Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

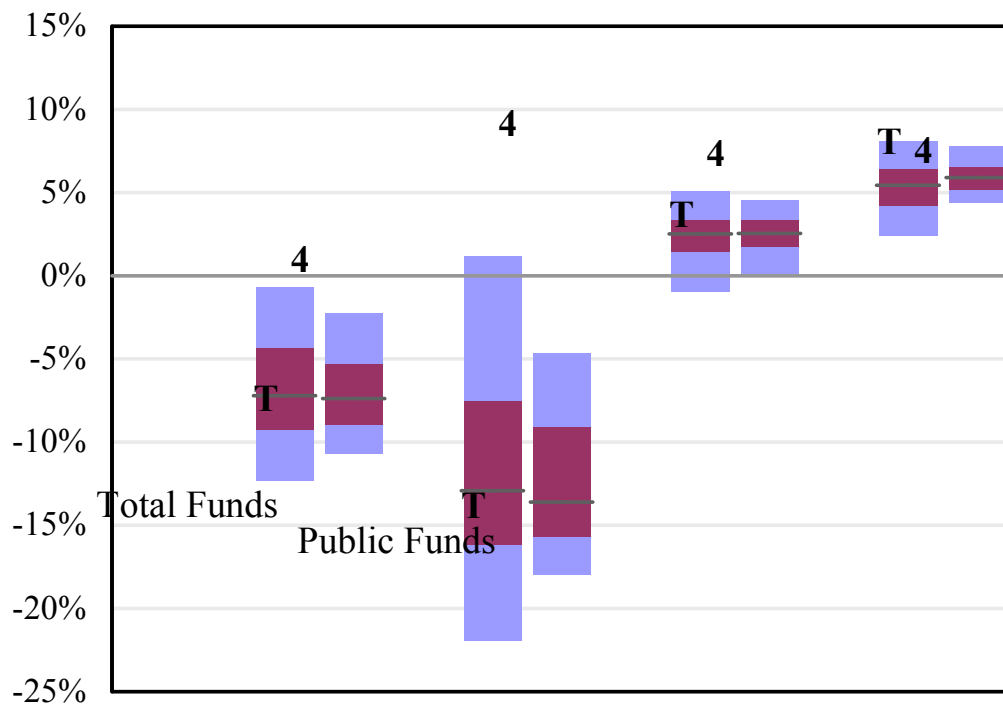


Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



Total Fund



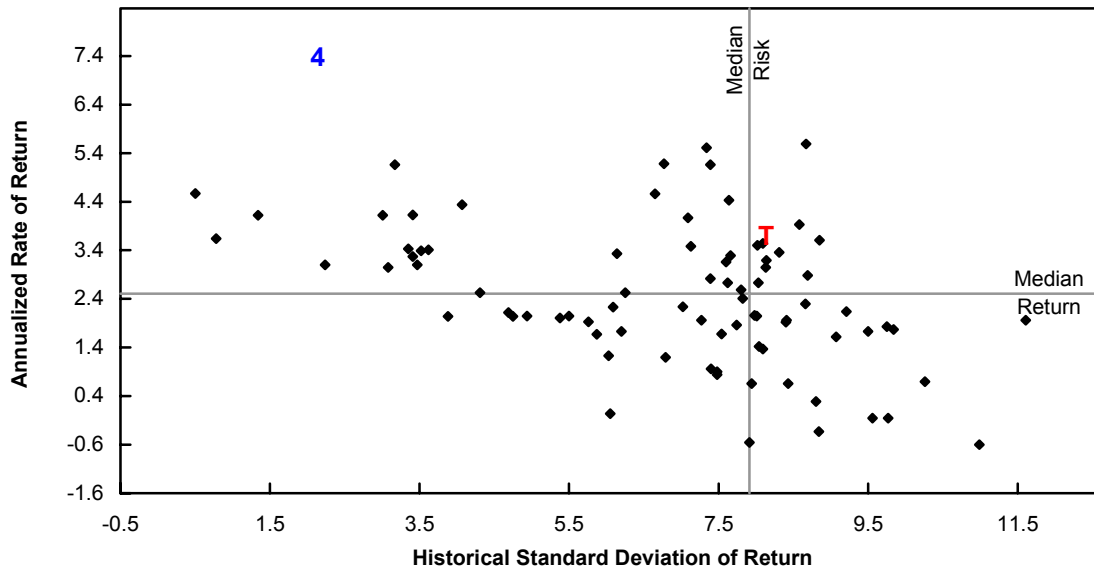
	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fund (T)	-7.3	-13.8	3.7	8.1
<i>Rank v. Total Fd</i>	51	56	19	5
<i>Rank v. Public Fd</i>	48	52	18	3
CPI + 4% (4)	1.0	9.2	7.4	7.5
Total Fund Median	-7.2	-12.9	2.5	4.2
Total Public Median	-7.4	-13.6	2.5	5.9

CCCERA Total Fund returned -7.3% in the third quarter, slightly below the -7.2% return of the median total fund and slightly above the -7.4% return of the median total public fund. For the one-year period, the Total Fund returned -13.8%, below the -12.9% for the median total fund and -13.6% for the median public fund. Over the longer periods CCCERA has performed much better than both fund medians. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past three and five year periods. CCCERA Total Fund also exceeded the CPI plus 400 basis points over the past five years.

TOTAL FUND PERFORMANCE

Performance and Variability

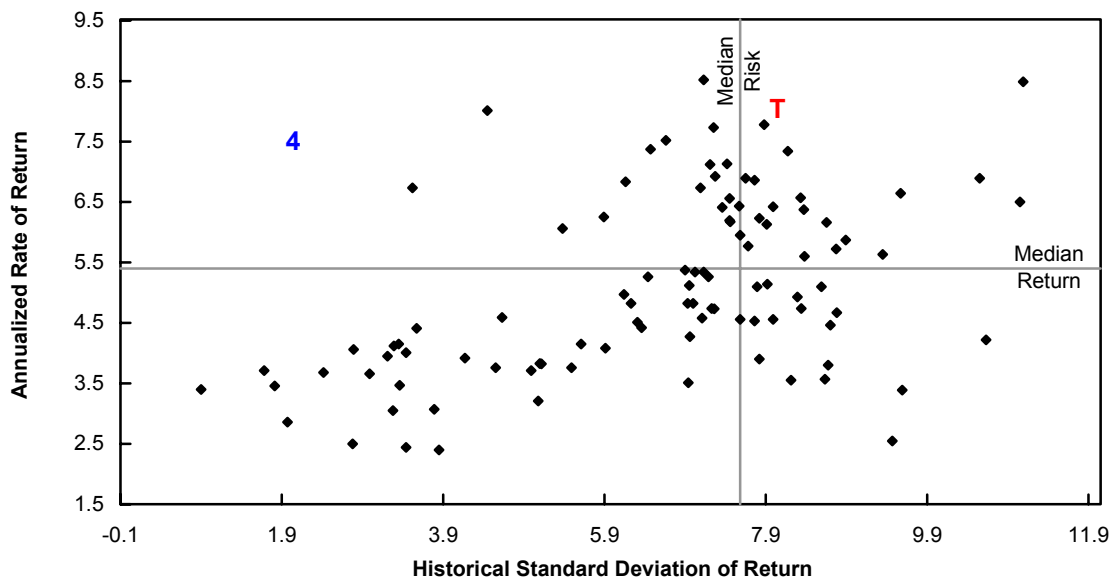
Three Years Ending September 30, 2008



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund (T)	3.7 %	8.2 %	-0.06
CPI + 4% (4)	7.4	2.2	1.47
Median Fund	2.5	7.9	-0.21

Performance and Variability

Five Years Ending September 30, 2008



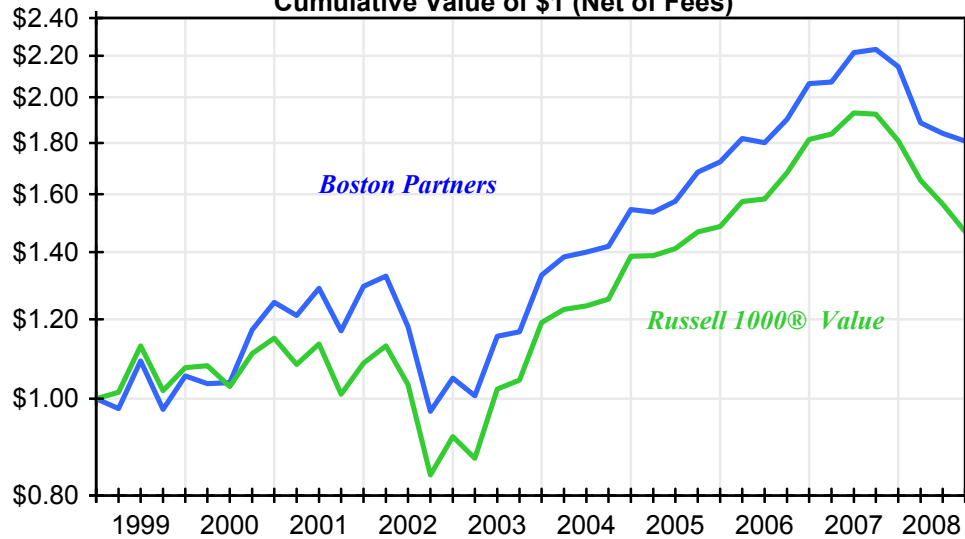
	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund (T)	8.1 %	8.2 %	0.59
CPI + 4% (4)	7.4	2.2	1.90
Median Fund	2.5	7.9	-0.09

MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners

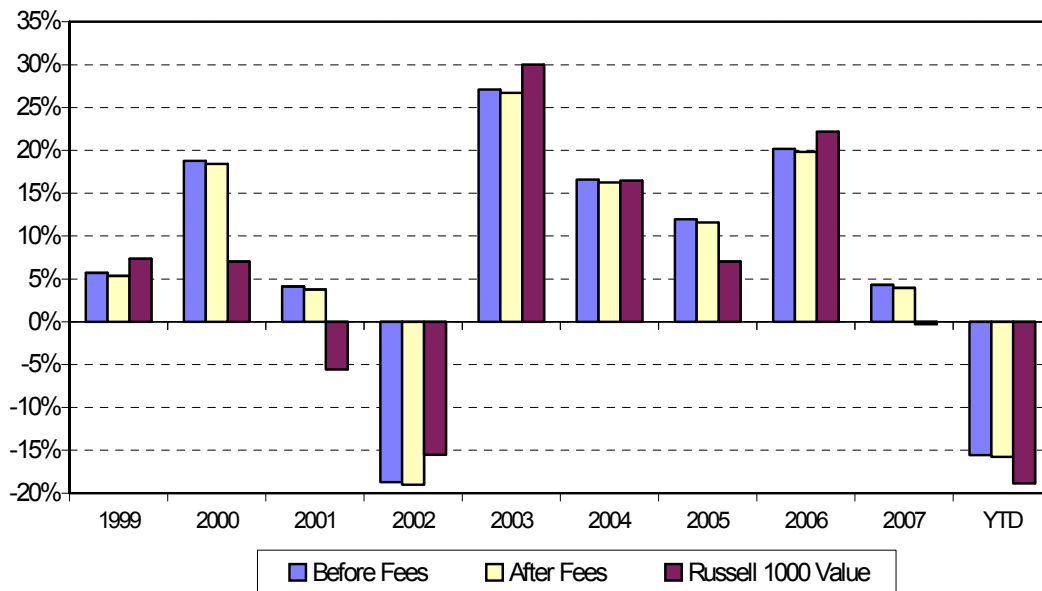
Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

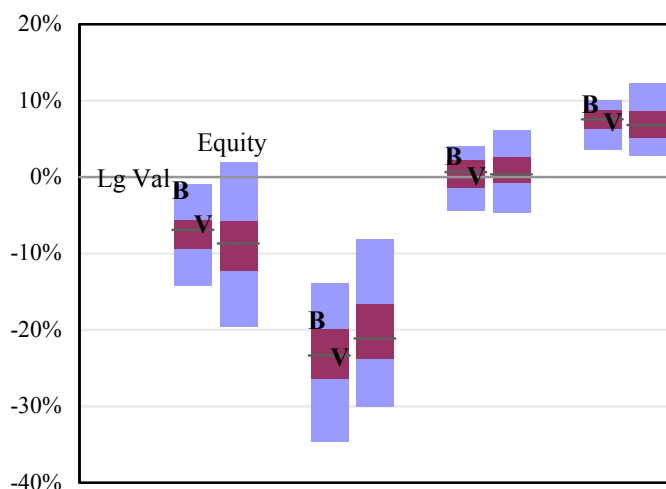


Boston vs. Russell 1000® Value

Year by Year Performance



Boston Partners



	Qtr	1 Year	3 Years	5 Years
Boston (B)	-1.7	-18.8	2.7	9.5
Rank v. Lg Value	7	18	19	13
Rank v. Equity	12	35	24	18
Rus 1000 Val (V)	-6.1	-23.6	0.1	7.1
Lg Val Median	-6.9	-23.4	0.7	6.3
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	292.4	N/A
Wtd. Avg. Cap (\$Bil)	74.0	90.0
Beta	0.95	0.93
Yield (%)	2.03	3.17
P/E Ratio	14.14	14.63
Cash (%)	2.3	0.0
Number of Holdings	84	662
Turnover Rate (%)	81.6	-

Sector	Boston Partners	Russell 1000® Value
Energy	13.1 %	15.6 %
Materials	0.8	3.7
Industrials	6.8	9.6
Cons. Discretionary	11.3	8.8
Consumer Staples	6.6	8.9
Health Care	12.0	11.8
Financials	30.8	27.6
Info Technology	14.6	2.9
Telecom Services	1.4	5.2
Utilities	2.7	6.0

Boston Partners' third quarter return of -1.7% was better than the -6.1% return of the Russell 1000® Value Index and ranked in the 7th percentile of large value managers. For the one-year period, Boston Partners returned -18.8%, better than the -23.6% return of the Russell 1000® Value Index. Over both the three and five-year periods, Boston Partners' performance was above the median large value equity manager and exceeded the Russell 1000® Value Index. Boston Partners is in compliance with CCCERA's performance objectives.

The portfolio had a lower P/E ratio and a lower yield than the index. At the end of the quarter, the portfolio held 84 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest economic sector over-weights were in the information technology, financials and consumer discretionary sectors, while the largest under-weights were in the telecom services, utilities and materials sectors.

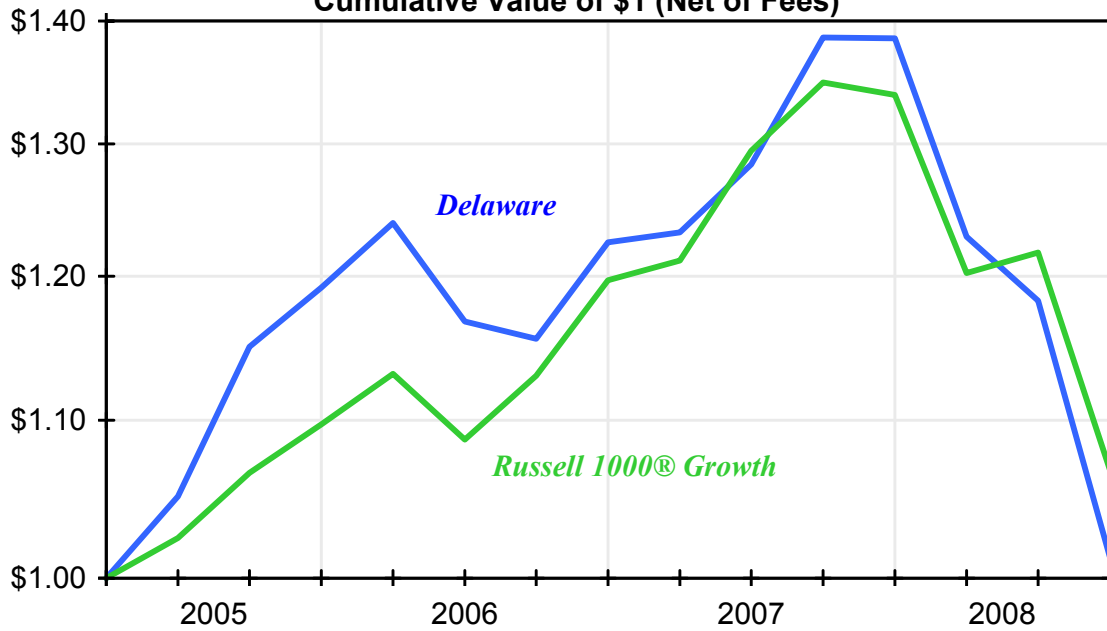
Boston Partners' third quarter performance relative to the Russell 1000® Value Index was boosted by both stock selection and sector allocation decisions. Stock selection was strongest in the financials and information technology sectors. Top performing holdings included Wells Fargo (+60%), Bank of America (+49%) and Huntington Bancshare (+41%), while the worst performing holdings included Helix Energy Solutions (-42%), Talisman Energy (-36%) and Morgan Stanley (-30%).

MANAGER COMMENTS – DOMESTIC EQUITY

Delaware

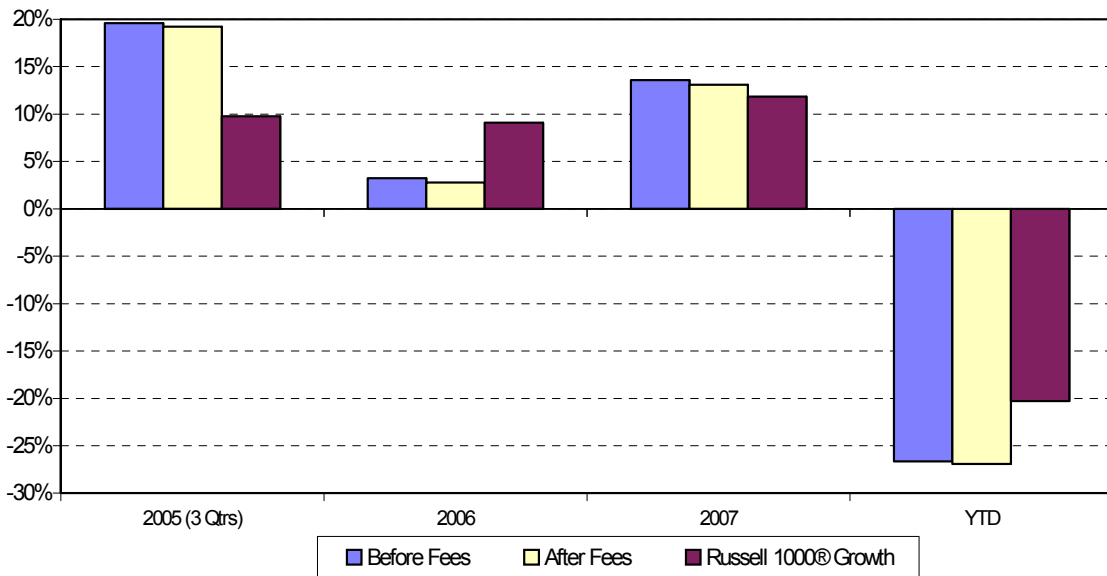
Delaware vs. Russell 1000 Growth

Cumulative Value of \$1 (Net of Fees)

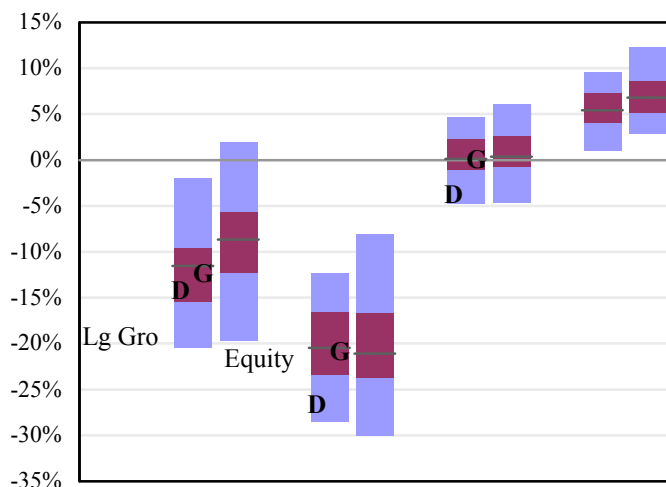


Delaware vs. Russell 1000® Growth

Year by Year Performance



Delaware



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Delaware (D)	-14.2	-26.6	-3.7	-
Rank v. Lg Gro	67	90	91	-
Rank v. Equity	82	87	92	-
Ru 1000 Gro (G)	-12.3	-20.9	0.1	-
Lg Gro Median	-3.4	5.5	8.8	13.0
Equity Median	-3.3	5.5	9.1	14.7

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	256.81	N/A
Wtd. Avg. Cap (\$Bil)	46.29	64.9
Beta	1.34	1.12
Yield (%)	0.82	1.49
P/E Ratio	20.79	16.60
Cash (%)	1.3	0.0
Number of Holdings	27	647
Turnover Rate (%)	43.2	-

Sector	Delaware	Russell 1000® Growth
Energy	2.9 %	10.2 %
Materials	2.9	3.8
Industrials	6.5	13.1
Cons. Discretionary	9.3	9.5
Consumer Staples	8.2	13.6
Health Care	13.5	14.2
Financials	9.9	4.5
Info Technology	43.7	28.6
Telecom Services	3.0	0.8
Utilities	0.0	1.7

Delaware's return of -14.2% for the third quarter was below the -12.3% return of the Russell 1000® Growth Index, ranking in the 67th percentile in the universe of large growth equity managers. Over the past year, the portfolio returned -26.6%, trailing the Russell 1000® Growth Index return of -20.9%, and ranked in the 90th percentile of large growth equity managers. Despite the portfolio's strong start in early 2005, since inception performance now trails the Russell 1000® Growth Index.

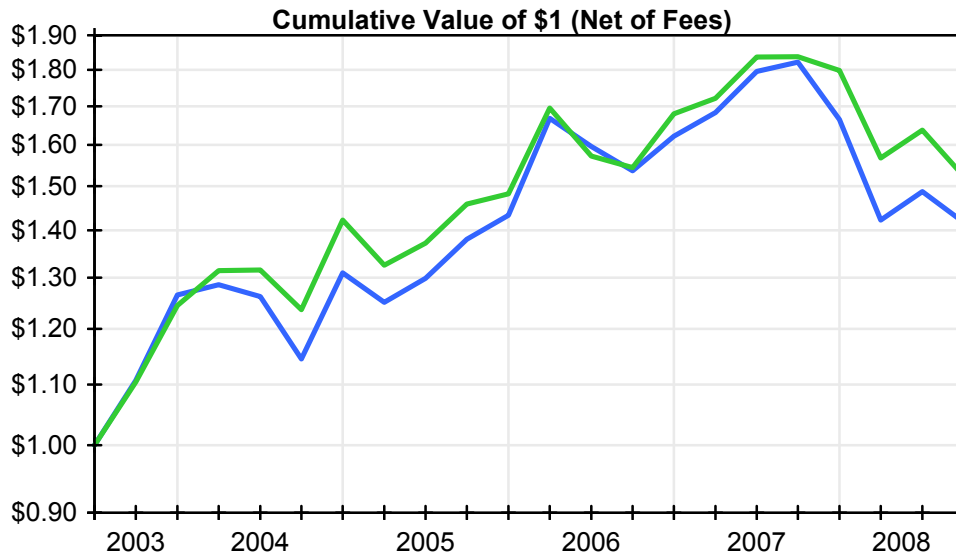
The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 27 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weights relative to the Russell 1000® Growth Index were in the information technology, financials and telecom sectors, while the largest under-weights were in the energy, industrials and consumer staples sectors.

Delaware's third quarter performance relative to the Russell 1000® Growth Index was hurt by stock selection, while sector allocation decisions were positive. Stock selection in the information technology sector dominated all other factors and was responsible for the bulk of the underperformance. Trading decisions had a small positive impact on performance for the quarter. The top performing holdings included Genentech (+17%), Procter & Gamble (+15%) and Intuit (+15%). The worst performing holdings included Research in Motion (-42%), Seagate Technology (-36%) and Mastercard Inc (-33%).

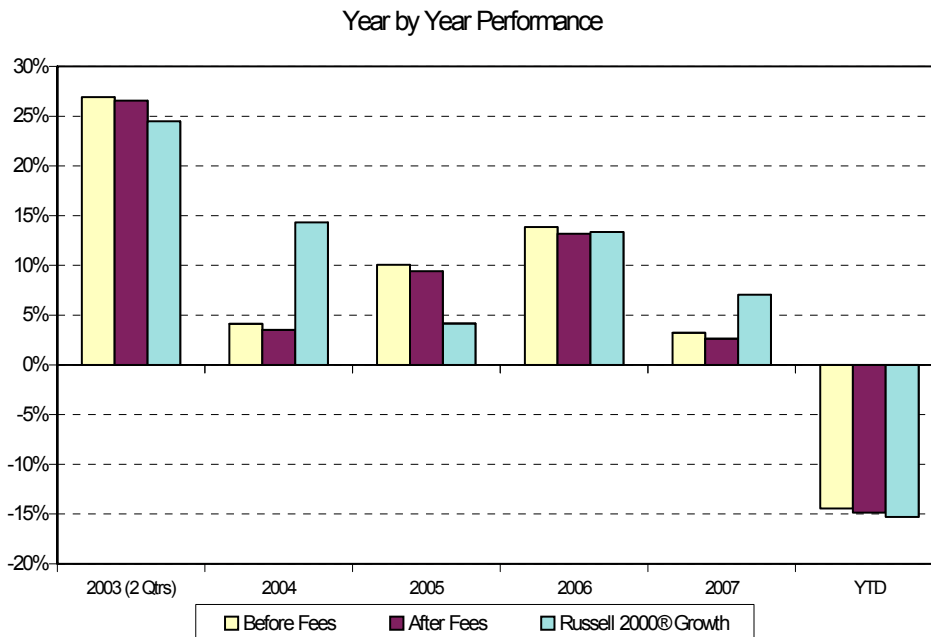
MANAGER COMMENTS – DOMESTIC EQUITY

Emerald

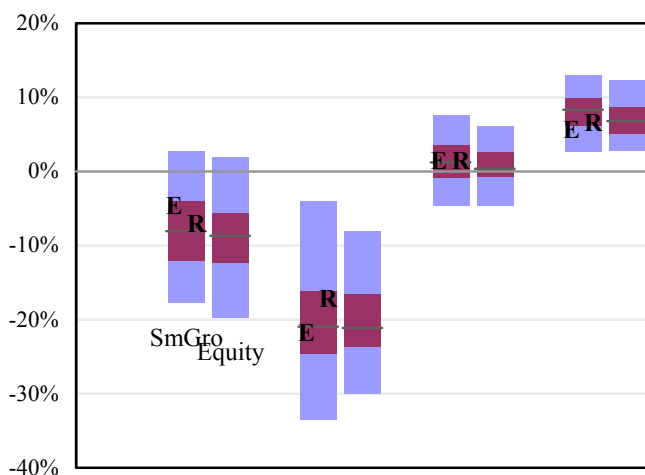
Emerald vs. Russell 2000 Growth



Emerald vs. Russell 2000® Growth



Emerald



	Qtr	1 Year	3 Years	5 Years
Emerald (E)	-4.6	-21.7	1.5	5.7
Rank v. Sm Gro	31	56	42	80
Rank v. Equity	20	54	36	63
Ru 2000 Gro (R)	-7.0	-17.1	1.5	6.6
Sm Gro Median	-8.0	-20.9	1.2	8.4
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Emerald	Russell 2000® Growth
Eq Mkt Value (\$Mil)	126.50	N/A
Wtd. Avg. Cap (\$Bil)	1.66	1.14
Beta	1.23	1.29
Yield (%)	0.38	0.62
P/E Ratio	32.14	43.20
Cash (%)	2.1	0.0
Number of Holdings	115	1,212
Turnover Rate (%)	120.5	-

Sector	Emerald	Russell 2000® Growth
Energy	5.4 %	9.1 %
Materials	5.0	3.2
Industrials	11.8	18.5
Cons. Discretionary	9.8	12.8
Consumer Staples	2.7	2.9
Health Care	31.6	24.7
Financials	6.2	5.3
Info Technology	26.1	21.6
Telecom Services	1.4	1.2
Utilities	0.0	0.8

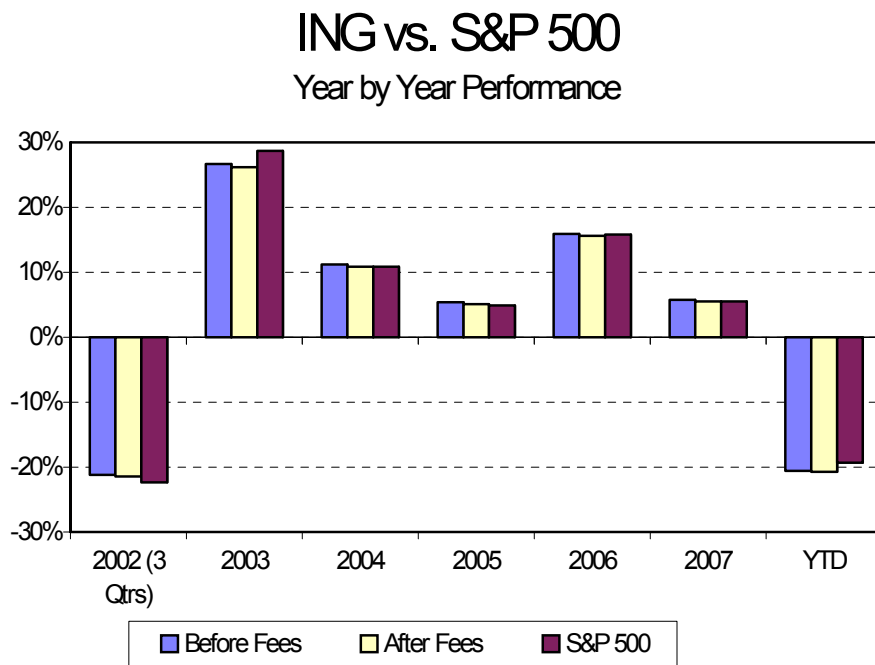
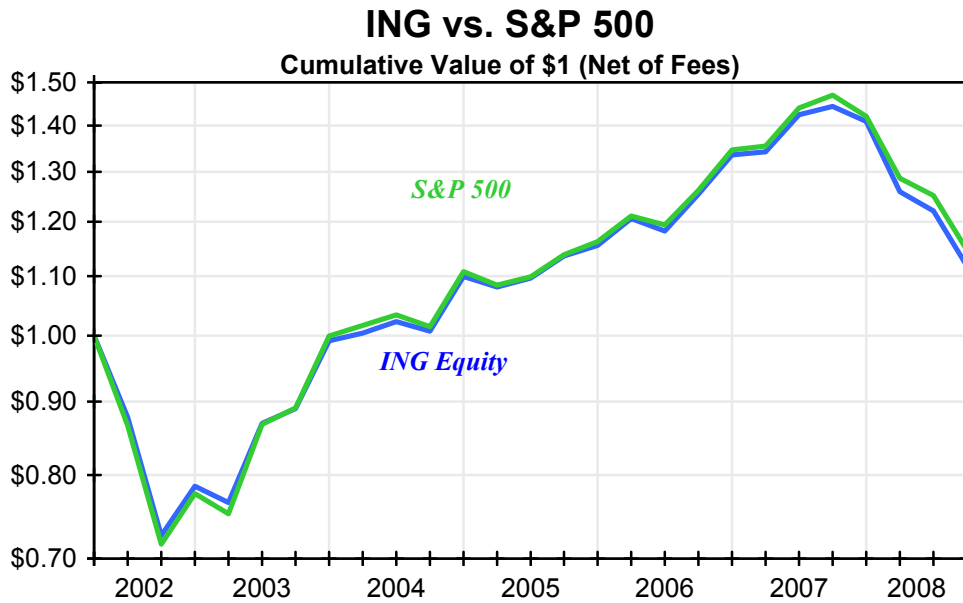
Emerald's return of -4.6% for the third quarter was better than the -7.0% return of the Russell 2000® Growth index and ranked in the 31st percentile in the universe of small growth equity managers. For the one-year period, Emerald returned -21.7%, trailing the -17.1% return of the Russell 2000® Growth, and ranked in the 56th percentile in the universe of small growth equity managers. Over the three-year period Emerald returned 1.5%, matching the 1.5% return of the index, and ranked in the 42nd percentile of small growth managers. Over the past five years Emerald has returned 5.7%, below the index and small growth median. Emerald is not in compliance with CCCERA's performance objectives over the past five years.

The portfolio has a beta of 1.23x compared to 1.29x for the Russell 2000® Growth Index and has a well below-index yield. It includes 115 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the health care, information technology and materials sectors. The largest under-weights are in the industrials, energy and consumer discretionary sectors.

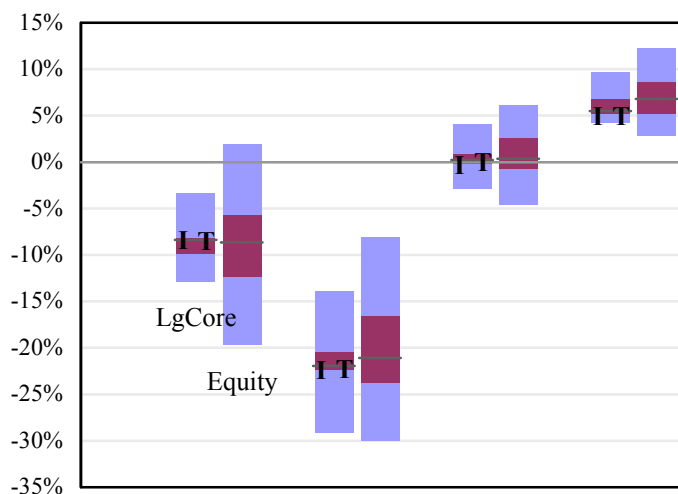
Emerald's third quarter performance relative to the Russell 2000® Growth Index was helped by both stock selection and trading decisions. Strong stock selection in the health care sector and an underweight to the energy sector were the largest positive contributors to third quarter performance. The top performing holdings included Allegiant Travel Company (+90%), Sequenom (+67%) and 99 Cents Only Stores (+66%). The worst performing holdings included Exco Resources (-56%), T-3 Energy Services (-53%) and Cepheid (-51%).

MANAGER COMMENTS – DOMESTIC EQUITY

ING Investment



ING Investment Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING (I)	-8.4	-22.4	-0.3	4.9
Rank v. Lg Core	52	74	75	91
Rank v. Equity	47	65	68	82
S&P 500 (S)	-8.4	-22.0	0.2	5.2
S&P 500 ex-Tob (T)	-8.5	-22.3	0.0	4.9
LgCore Median	-8.4	-21.9	0.2	5.5
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio

<u>Characteristics</u>	<u>ING</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	227.08	N/A
Wtd. Avg. Cap (\$Bil)	89.78	86.58
Beta	1.02	1.00
Yield (%)	2.38 %	2.44 %
P/E Ratio	13.06	15.34
Cash (%)	0.2 %	0.0 %

Number of Holdings	227	499
Turnover Rate (%)	114.1	-

<u>Sector</u>	<u>ING</u>	<u>S&P 500</u>
Energy	14.5 %	13.4 %
Materials	2.5	3.4
Industrials	11.7	11.1
Cons. Discretionary	10.2	8.5
Consumer Staples	10.2	12.2
Health Care	12.0	13.1
Financials	15.9	15.9
Info Technology	16.8	16.0
Telecom Services	3.1	3.1
Utilities	3.1	3.6

ING's return of -8.4% for the third quarter matched the -8.4% return of the S&P 500 and was slightly better than the S&P 500 ex-Tobacco return of -8.5%, and ranked in the 52nd percentile in the universe of large core equity managers. For the one-year period, ING returned -22.4%, slightly below the -22.0% return of the S&P 500 and the Tobacco-free Index return of -22.3%. ING has trailed the S&P 500 over the past three and five years. ING is not in compliance with CCCERA's performance objectives. As of June 2005, ING stopped using Innovest's SRI rankings, but the portfolio is still tobacco-free (as are all CCCERA US equity portfolios).

The portfolio had a near-market beta, a lower yield and a below-market P/E ratio. It included 227 stocks, concentrated in the large capitalization sectors. The portfolio closely resembles the S&P 500. ING's largest economic sector over-weights were in the consumer discretionary and energy sectors, while the largest under-weights were in the consumer staples and health care sectors.

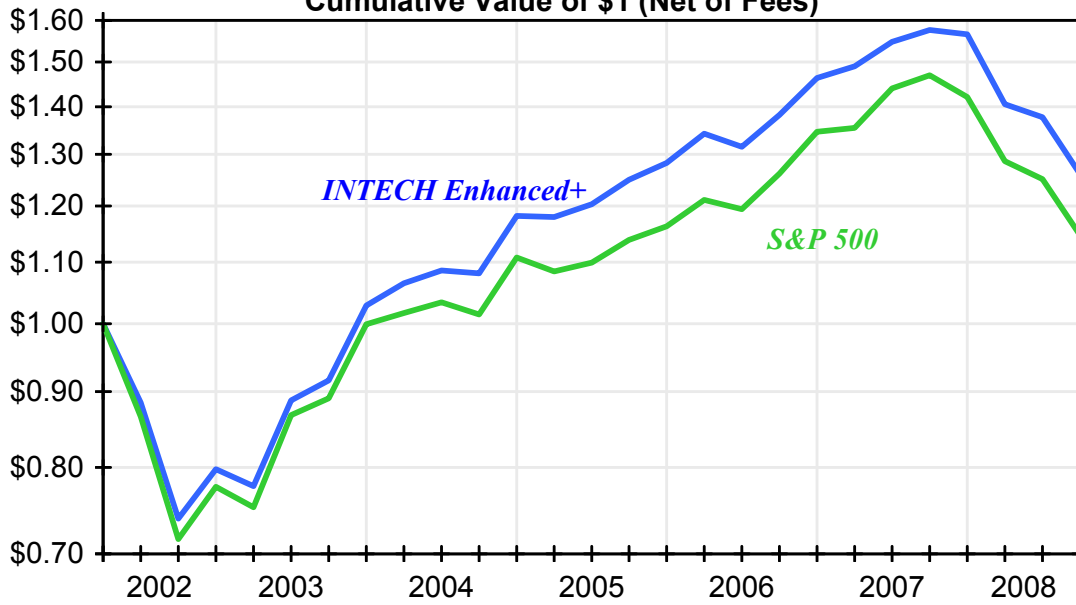
ING's performance for the third quarter relative to the S&P 500 was hurt by sector allocation decisions. Stock selection and active trading decisions had almost no impact. The best performing holdings during the quarter included MBIA (+171%), BB&T (+70%) and Wells Fargo (+60%), while the worst performing holdings included AIG (-87%), AK Steel (-62%) and US Steel (-58%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Enhanced Plus

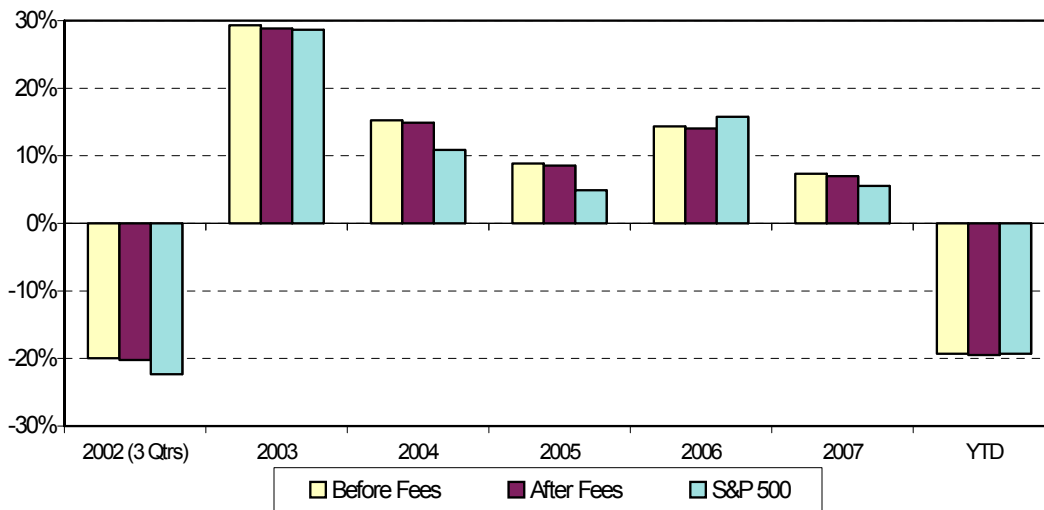
INTECH Enhanced Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

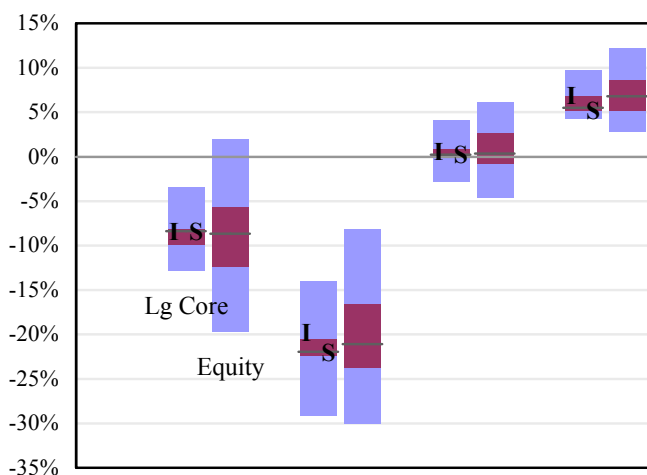


Intech Enhanced Plus vs. S&P 500

Year by Year Performance



Intech - Enhanced Plus



	Qtr	1 Year	3 Years	5 Years
INTECH Enh+ (I)	-8.4	-19.8	0.6	6.9
Rank v. Lg Core	52	22	30	24
Rank v. Equity	47	40	47	48
S&P 500 (S)	-8.4	-22.0	0.2	5.2
Lg Core Median	-8.4	-21.9	0.2	5.5
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Intech - Enhanced Plus	
	Plus	S&P 500
Eq Mkt Value (\$Mil)	21.31	N/A
Wtd. Avg. Cap (\$Bil)	82.64	86.58
Beta	1.01	1.00
Yield (%)	2.19 %	2.44 %
P/E Ratio	15.67	15.34
Cash (%)	0.4 %	0.0 %
Number of Holdings	385	499
Turnover Rate (%)	70.0	-

Sector	Intech - Enhanced Plus	
	Plus	S&P 500
Energy	14.4 %	13.4 %
Materials	3.1	3.4
Industrials	12.8	11.1
Cons. Discretionary	10.3	8.5
Consumer Staples	11.5	12.2
Health Care	12.7	13.1
Financials	14.6	15.9
Info Technology	12.7	16.0
Telecom Services	3.4	3.1
Utilities	4.5	3.6

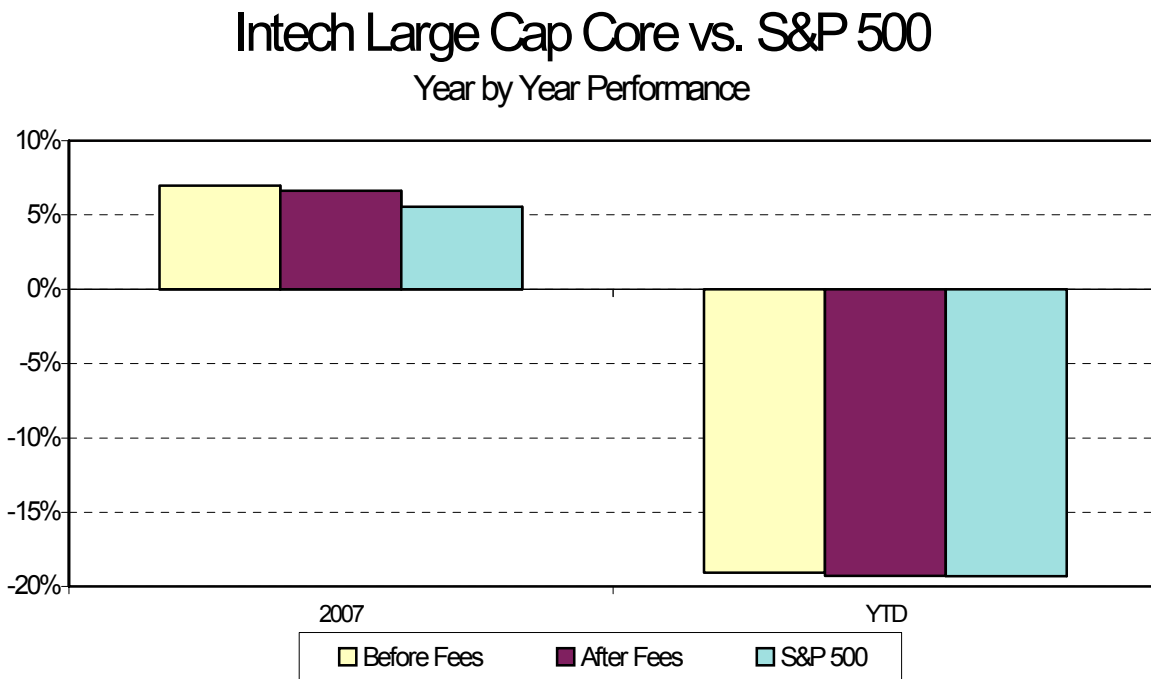
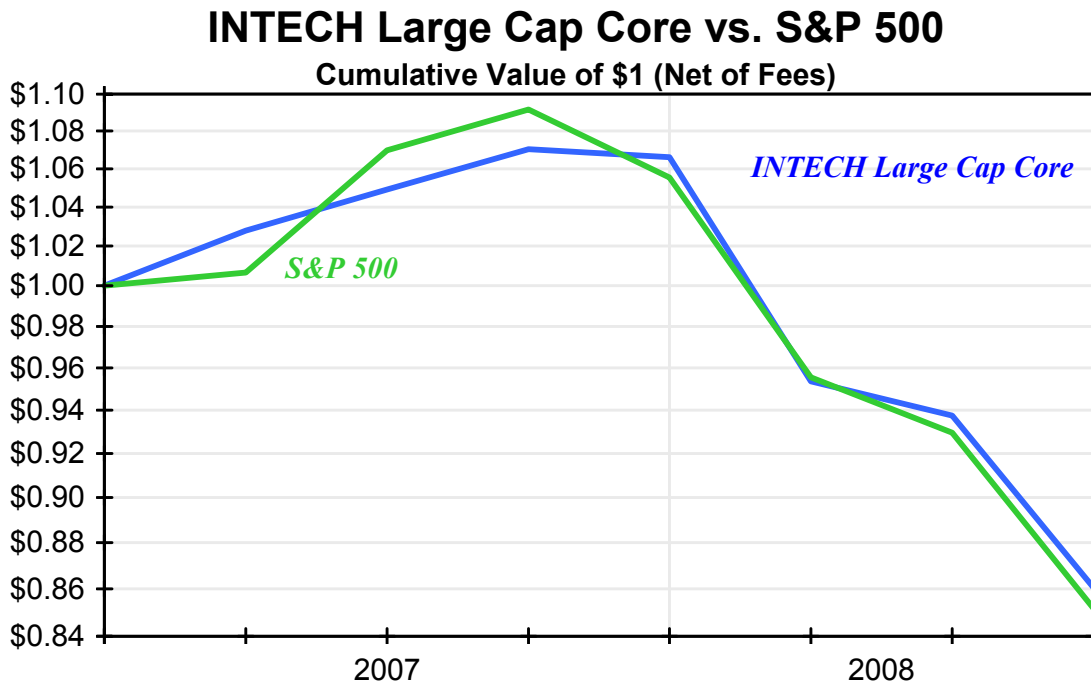
Intech's Enhanced Plus return of -8.4% for the third quarter matched the -8.4% return of the S&P 500, ranking in the 52nd percentile in the universe of large core equity managers. For the one-year period, Intech returned -19.8%, better than the -22.0% for the S&P 500, and ranked in the 22nd percentile. Over the past five years, Intech returned 6.9%, above the 5.2% return of the S&P 500, and ranked in the 24th percentile of large core equity managers. Intech is in compliance with CCCERA's performance objectives.

The portfolio has nearly the same beta as the market at 1.01, a lower yield and a near-market P/E ratio. The portfolio has 385 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the consumer discretionary, industrials and energy sectors, while largest under-weights were in the information technology, financials and consumer staples sectors.

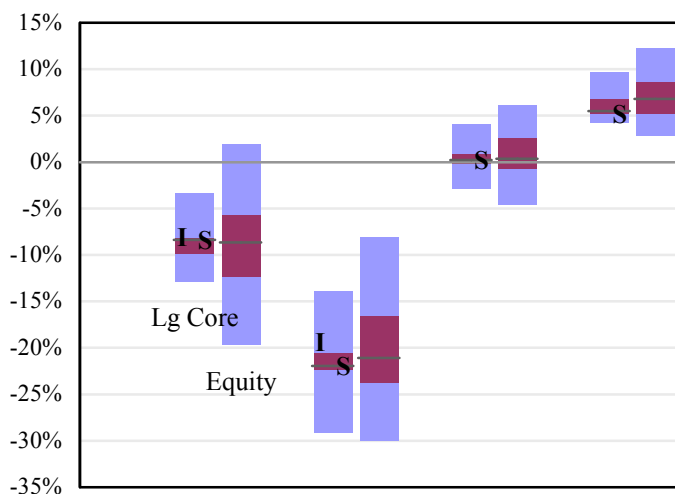
The portfolio's third quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Active trading decisions had a negative impact on performance. Stock selection in the financials sector and an underweight to the energy sector helped the most during the third quarter. The best performing portfolio stocks included BB&T (+70%), Wells Fargo (+60%) and Rohm & Haas (+52%), while the worst performing holdings during the quarter included AIG (-87%), Wachovia (-77%) and Constellation Energy (-70%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Large Cap Core



Intech - Large Cap Core



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Intech Lg Cap (I)	-8.1	-19.3	-	-
Rank v. Lg Core	23	21	-	-
Rank v. Equity	40	38	-	-
S&P 500 (S)	-8.4	-22.0	0.2	5.2
Lg Core Median	-8.4	-21.9	0.2	5.5
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Intech - Large Cap	S&P 500
Eq Mkt Value (\$Mil)	209.55	N/A
Wtd. Avg. Cap (\$Bil)	82.01	86.58
Beta	1.01	1.00
Yield (%)	2.19 %	2.44 %
P/E Ratio	15.56	15.34
Cash (%)	0.5 %	0.0 %
Number of Holdings	356	499
Turnover Rate (%)	90.6	-

Sector	Intech - Large Cap	S&P 500
Energy	14.5 %	13.4 %
Materials	3.5	3.4
Industrials	13.4	11.1
Cons. Discretionary	10.4	8.5
Consumer Staples	11.4	12.2
Health Care	12.0	13.1
Financials	13.9	15.9
Info Technology	12.1	16.0
Telecom Services	4.0	3.1
Utilities	5.0	3.6

Intech's Large Cap Core return of -8.1% for the third quarter was better than the -8.4% return of the S&P 500 and ranked in the 23rd percentile in the universe of large core equity managers. Over the past year, the new Intech portfolio has returned -19.3%, better than the S&P 500 return of -22.0%, and ranked in the 21st percentile of large core equity managers.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a market beta of 1.01, a lower than market yield and a slightly above-market P/E ratio. The portfolio has 356 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the industrials, consumer discretionary and utilities sectors, while largest under-weights were in the information technology, financials and health care sectors.

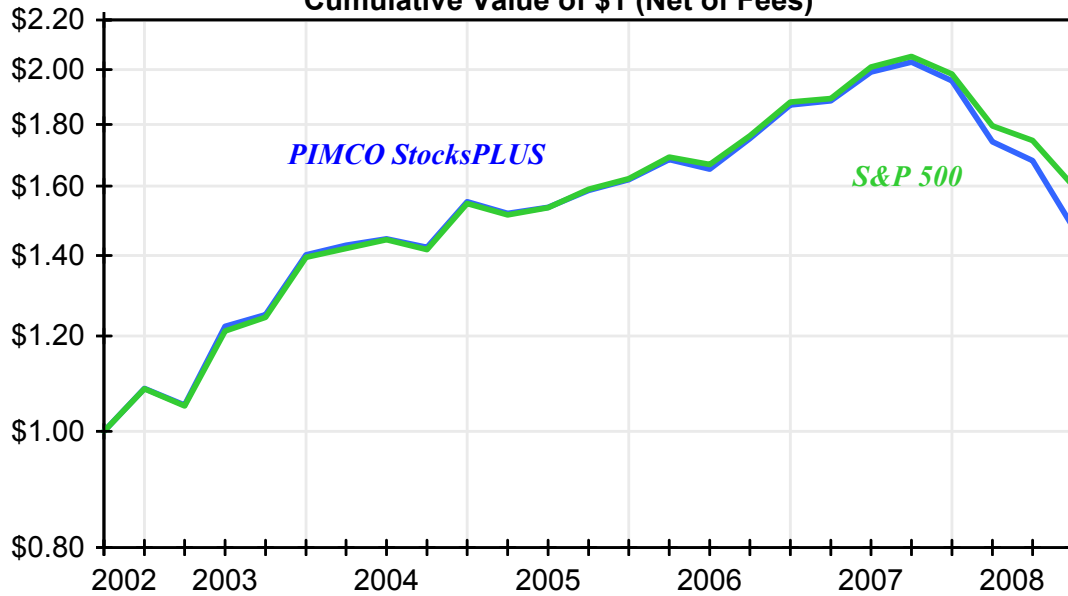
Intech's third quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Active trading decisions had a negative impact on performance. Stock selection in the financials sector helped performance the most during the quarter. The best performing portfolio stocks included BB&T (+70%), Wells Fargo (+60%) and Rohm & Haas (+52%), while the worst performing holdings during the quarter included Washington Mutual (-98%), AIG (-87%) and Wachovia (-77%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

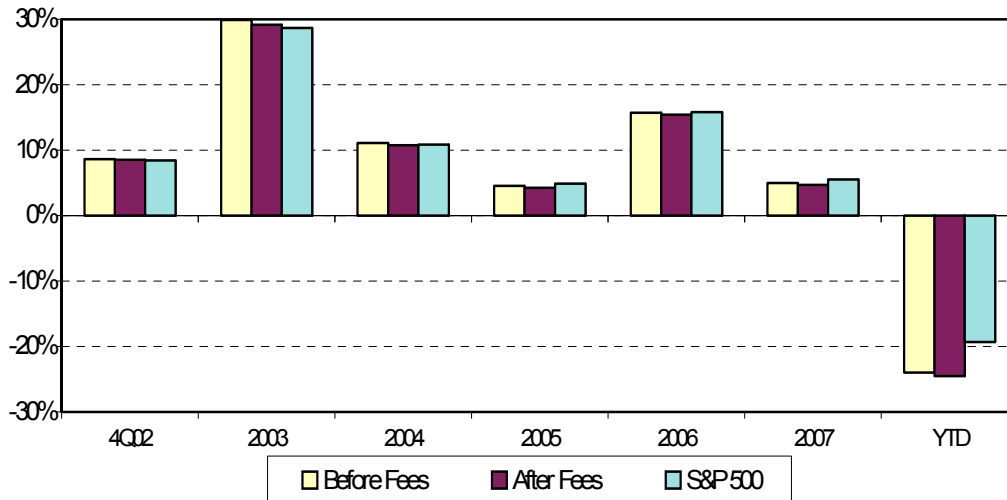
PIMCO StocksPLUS vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

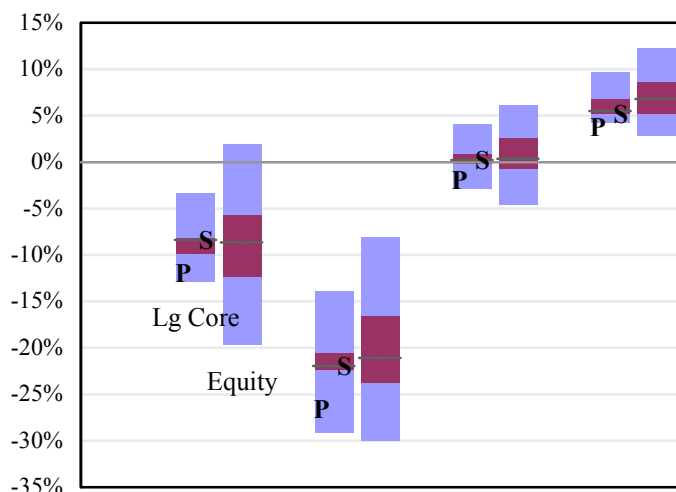


PIMCO vs. S&P 500

Year by Year Performance



PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO Stcks+ (P)	-11.9	-26.6	-1.9	3.8
Rank v. Lg Core	89	92	91	97
Rank v. Equity	71	87	83	90
S&P 500 (S)	-8.4	-22.0	0.2	5.2
Lg Core Median	-8.4	-21.9	0.2	5.5
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	249.1	N/A
Wtd. Avg. Cap (\$Bil)	*	86.58
Beta	*	1.00
Yield (%)	* %	2.44 %
P/E Ratio	*	15.34
Cash (%)	-10.3 %	0.0 %
Number of Holdings	*	499
Turnover Rate (%)	1,333.32	-

Sector	PIMCO	S&P 500
Energy	* %	13.4 %
Materials	*	3.4
Industrials	*	11.1
Cons. Discretionary	*	8.5
Consumer Staples	*	12.2
Health Care	*	13.1
Financials	*	15.9
Info Technology	*	16.0
Telecom Services	*	3.1
Utilities	*	3.6

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

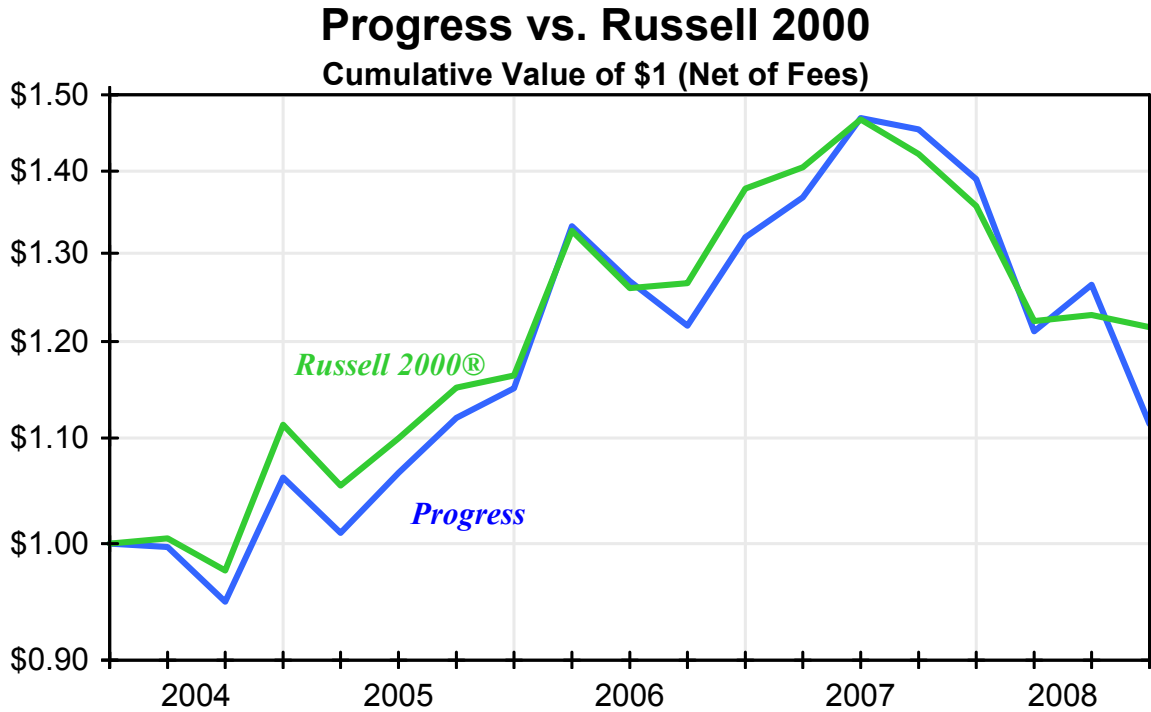
PIMCO's StocksPLUS (futures plus cash) portfolio returned -11.9% for the third quarter, below the -8.4% return of the S&P 500 and ranked in the 89th percentile of large core managers. For the one-year period, PIMCO returned -26.6%, below the -22.0% return of the S&P 500, and ranked in the 92nd percentile. Over the past three and five years, the portfolio has trailed the median large core manager and trailed the return of the S&P 500. The portfolio has not met the objective of exceeding the S&P 500 over the past three or five years.

PIMCO's mix of fixed income strategies trailed the benchmark in the third quarter. Strategies that detracted from returns included duration exposure on the front end of the yield curve implemented via swaps or Eurodollar futures, as interbank lending rates rose. An emphasis on the bonds of financial companies including Lehman Brothers, Wachovia and AIG also hurt performance. Strategies that added value included interest rate exposure outside the US and an emphasis on agency mortgage pass-throughs within the US.

The firm believes that the global economy will be increasingly vulnerable to policy mistakes as government struggle to respond to the current financial crisis. It expects developed economies will operate below potential while emerging economies might fare somewhat better. PIMCO will continue to employ defensive strategies with a focus on high quality assets in an effort to mitigate the impacts of extraordinary economic events on the portfolio. The firm will also maintain a tactically extended duration and curve-steepening bias in the US, Europe and UK as it expects short-term interest rates to decline and these curves to steepen. The firm will also continue to focus on Agency mortgage pass-throughs, which offer relatively high yields and strong credit quality. Finally, PIMCO will maintain a focus on cash, collateral and counterparty risk as the credit crisis persists.

MANAGER COMMENTS – DOMESTIC EQUITY

Progress

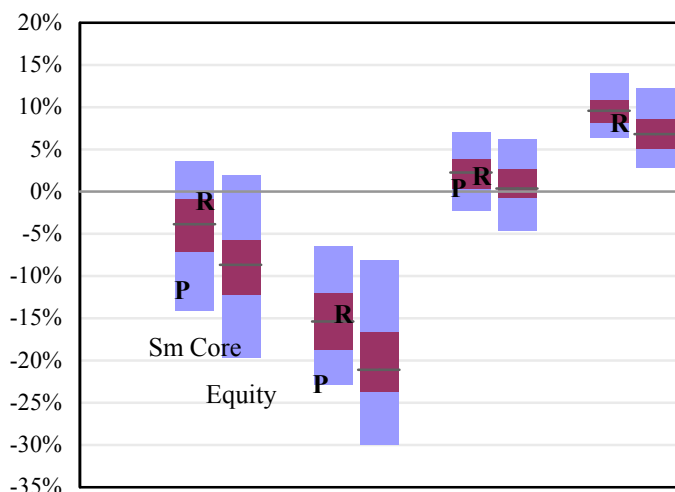


Progress vs. Russell 2000®

Year by Year Performance



Progress



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Progress (P)	-11.7	-22.8	0.5	-
Rank v. Sm Core	91	94	71	-
Rank v. Equity	70	68	48	-
Russell 2000® (R)	-1.1	-14.5	1.8	8.2
Sm Core Median	-3.9	-15.4	2.3	9.6
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Progress	Russell 2000®
Eq Mkt Value (\$Mil)	119.39	N/A
Wtd. Avg. Cap (\$Bil)	1.58	1.06
Beta	1.21	1.18
Yield (%)	1.32 %	1.50 %
P/E Ratio	20.57	29.34
Cash (%)	0.0 %	0.0 %
Number of Holdings	569	1,966
Turnover Rate (%)	3.9	-

Sector	Progress	Russell 2000®
Energy	8.4 %	6.4 %
Materials	6.0	4.0
Industrials	14.6	16.1
Cons. Discretionary	14.4	12.4
Consumer Staples	2.5	3.7
Health Care	16.1	14.4
Financials	13.4	21.6
Info Technology	18.5	16.7
Telecom Services	1.3	1.1
Utilities	4.9	3.5

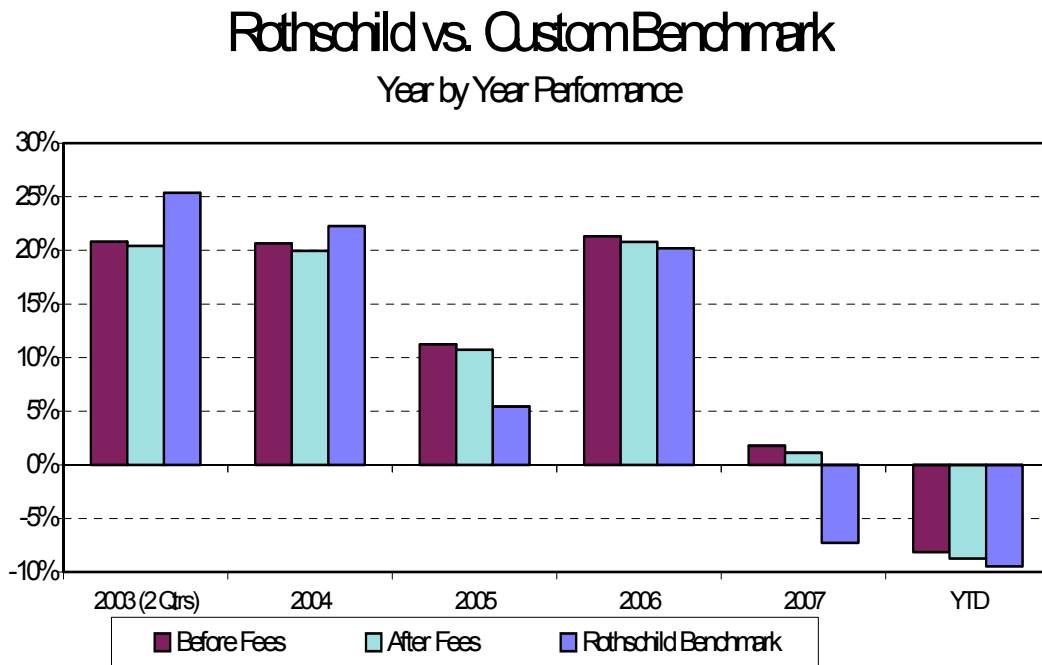
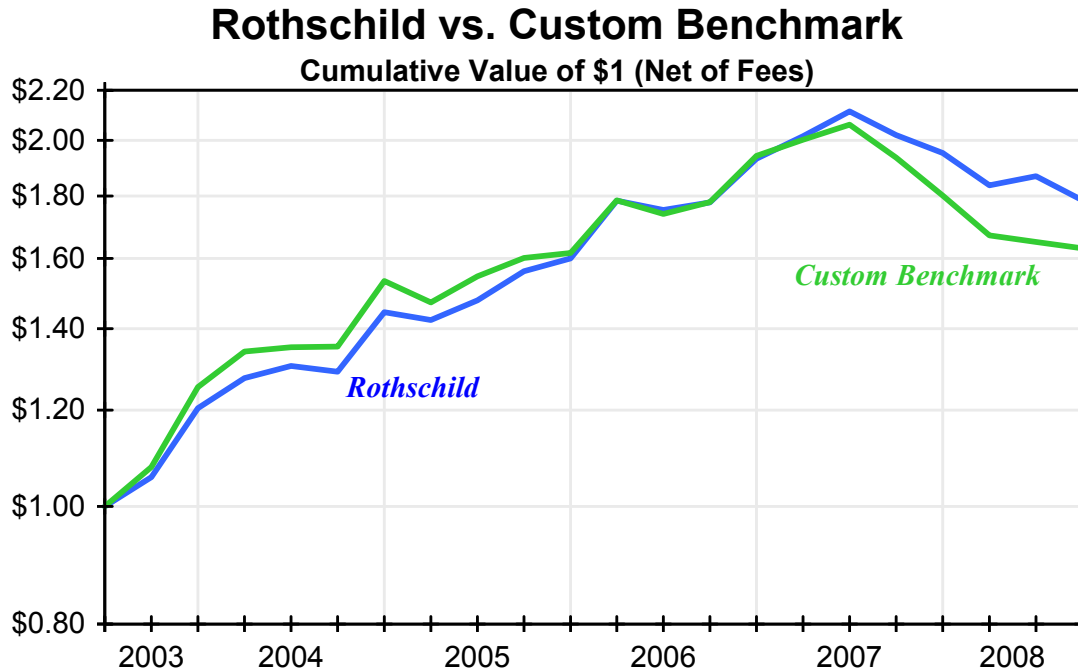
Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned -11.7% for the third quarter, severely underperforming the -1.1% return of the Russell 2000® Index and ranking in the 91st percentile of small core managers. Over the past year, Progress returned -22.8%, below the -14.5% return of the Russell 2000® Index, and ranked in the 94th percentile of small cap equity managers. Over the past three years, Progress has trailed its benchmark and has ranked in the 71st percentile of the small core universe. Progress is not in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.21x, higher than the Russell 2000® Index. The portfolio had a below-market yield and a below-market P/E ratio. It included 569 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the materials, consumer discretionary and energy sectors, while the largest under-weights were in the financials, industrials and consumer staples sectors.

The portfolio's third quarter performance was helped by both stock selection and sector allocation decisions relative to the Russell 2000®. Overweighting the energy sector and underweighting the financials sector helped performance the most. During the quarter, the best performing holdings included Colonial Bancgroup (+80%), Emeritus (+70%) and UAL (+68%). The worst performing holdings included the Photronic Labs (-73%), Anadigics (-71%) and TBS International (-66%).

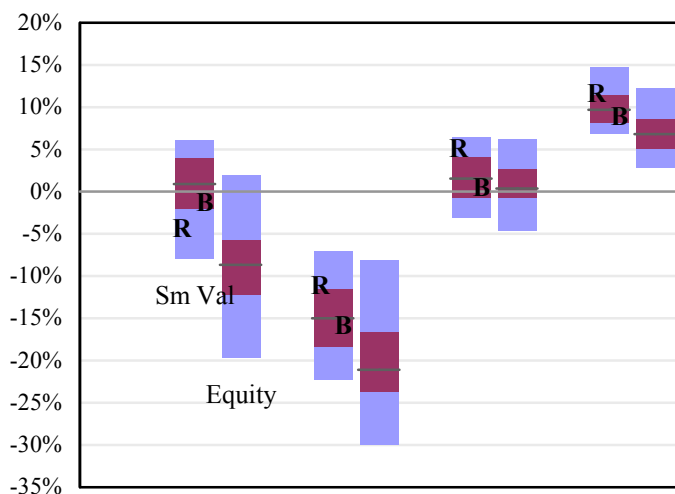
MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild



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

Rothschild



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Rothschild (R)	-4.3	-11.1	5.2	11.7
Rank v. Sm Val	86	19	12	21
Rank v. Equity	19	8	7	6
Custom Bench (B)	-1.2	-15.8	0.6	9.0
Sm Val Median	0.9	-15.0	1.5	9.7
Equity Median	-8.7	-21.1	0.4	6.8

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

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	126.77	N/A
Wtd. Avg. Cap (\$Bil)	2.21	2.11
Beta	0.98	1.09
Yield (%)	1.65 %	2.44 %
P/E Ratio	14.44	20.10
Cash (%)	1.6 %	0.0 %
Number of Holdings	143	1,672
Turnover Rate (%)	85.5	-

Sector	Rothschild	Russell 2500™ Value
Energy	5.8 %	5.0 %
Materials	4.4	7.1
Industrials	17.0	12.0
Cons. Discretionary	10.7	12.5
Consumer Staples	5.1	3.4
Health Care	8.6	5.5
Financials	27.7	33.5
Info Technology	10.5	9.6
Telecom Services	1.1	1.4
Utilities	9.2	10.1

Rothschild's return of -4.3% for the third quarter was below the -1.2% return of the Russell 2500™ Value Index and ranked in the 86th percentile in the universe of small value equity managers. For the one-year period, Rothschild returned -11.1%, better than the custom benchmark return of -15.8%, and ranked in the 19th percentile. Over the past three and five-year periods, Rothschild exceeded its custom benchmark and ranked the 12th and 21st percentiles, respectively. This portfolio is in compliance with the CCCERA performance objectives.

The portfolio had a beta of 0.98x, lower than the index, a below-index yield and a below-index P/E ratio. It included 143 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ were in the industrials, health care and consumer staples sectors, while the largest under-weights were in the financials, materials and consumer discretionary sectors.

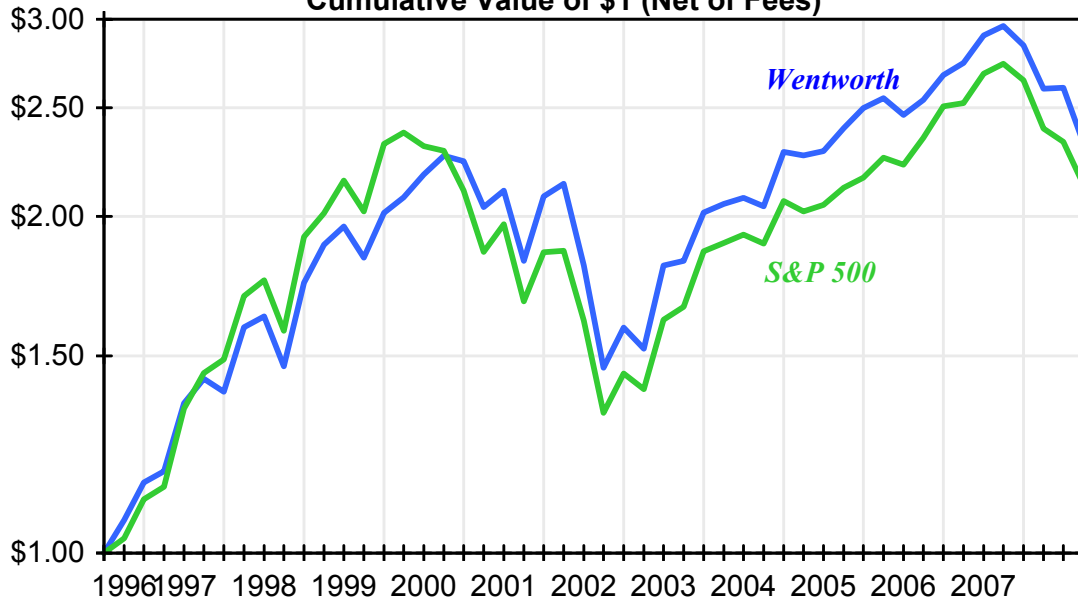
Rothschild's third quarter performance relative to the Russell 2500™ Value index was hurt by both stock selection and sector allocation decisions. Trading decisions had a negative impact on performance. Stock selection in the financials and materials sectors had the largest negative impacts on the portfolio during the third quarter. The best performing portfolio stocks were BancorpSouth (+62%), Center Financial (+51%) and MB Financial (+48%). The worst performing holdings included Olympic Steel (-60%), Commercial Metals (-55%) and Trico Marine Service (-53%).

MANAGER COMMENTS – DOMESTIC EQUITY

Wentworth, Hauser and Violich

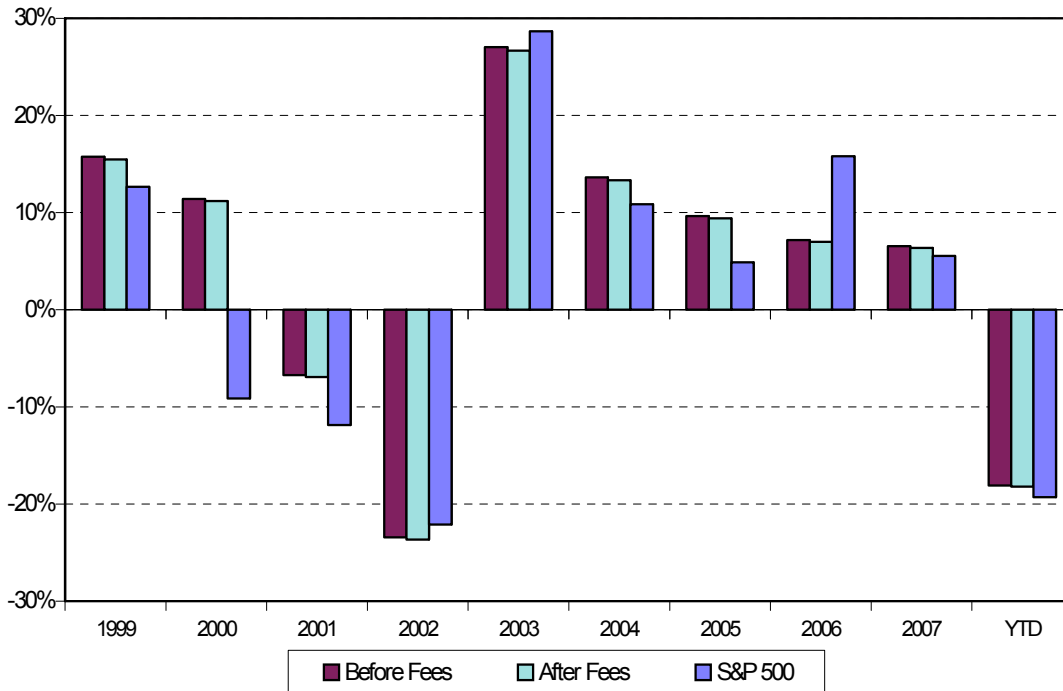
Wentworth, Hauser & Violich vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

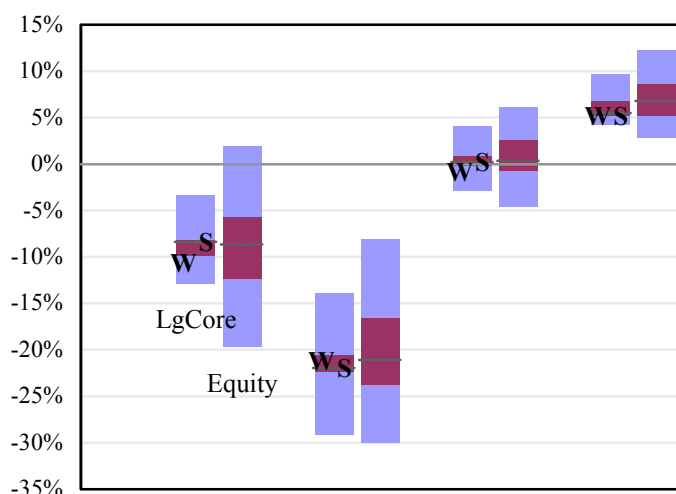


Wentworth vs. S&P 500

Year by Year Performance



Wentworth, Hauser and Violich



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
WHV (W)	-10.7	-21.2	-0.8	5.2
Rank v. Lg Core	79	32	84	69
Rank v. Equity	66	51	75	73
S&P 500 (S)	-8.4	-22.0	0.2	5.2
Lg Core Median	-8.4	-21.9	0.2	5.5
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio

<u>Characteristics</u>	<u>Wentworth</u>	<u>S&P 500</u>
Eq Mkt Value (\$Mil)	215.28	N/A
Wtd. Avg. Cap (\$Bil)	71.32	86.58
Beta	1.06	1.00
Yield (%)	1.63	2.44
P/E Ratio	14.25	15.34
Cash (%)	2.8	0.0
Number of Holdings	35	499
Turnover Rate (%)	52.1	-

<u>Sector</u>	<u>Wentworth</u>	<u>S&P 500</u>
Energy	15.7 %	13.4 %
Materials	0.0	3.4
Industrials	14.1	11.1
Cons. Discretionary	4.0	8.5
Consumer Staples	19.5	12.2
Health Care	15.0	13.1
Financials	8.4	15.9
Info Technology	20.2	16.0
Telecom Services	0.0	3.1
Utilities	3.2	3.6

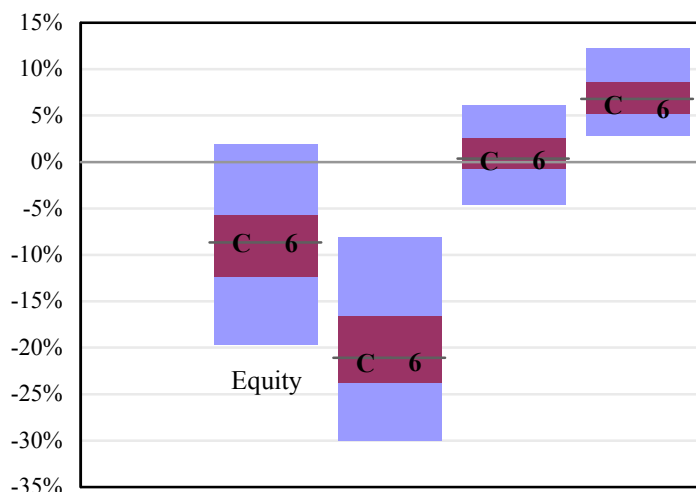
Wentworth's return of -10.7% for the third quarter was below the -8.4% return of the S&P 500 and ranked in the 79th percentile of large core managers. For the one-year period, Wentworth returned -21.2%, better than the -22.0% return of the S&P 500, and ranked in the 32nd percentile. Wentworth has trailed the S&P 500 over the past three years but matched the index over the past five years. Wentworth has ranked below the median of the large core universe over both the three and five-year trailing time periods. Wentworth is in compliance with some of CCCERA performance guidelines.

The portfolio has a near-market beta of 1.06x, a below-market yield and a below-market P/E ratio. The portfolio has 35 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the consumer staples, information technology and industrials sectors, while largest under-weights are in the financials, consumer discretionary and materials sectors.

Wentworth's third quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Stock selection in the industrials sectors was particularly strong. The best performing portfolio stocks included Kraft Foods (+16%), Procter & Gamble (+15%) and Teleflex (+15%) while the worst performing holdings included Weatherford International (-49%), XTO Energy (-32%) and Broadcom (-32%).

This page intentionally left blank.

Total Domestic Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Equity (C)	-8.7	-21.7	0.1	6.2
Rank v. Equity	50	54	63	57
Russell 3000® (6)	-8.7	-21.5	0.3	5.7
Equity Median	-8.7	-21.1	0.4	6.8

Portfolio Characteristics	Total Fund	Russell 3000®
Eq Mkt Value (\$Mil)	1,367.23	N/A
Wtd. Avg. Cap (\$Bil)	55.69	71.10
Beta	1.09	1.04
Yield (%)	1.65 %	2.26 %
P/E Ratio	16.12	16.18
Cash (%)	-0.2 %	0.0 %

Number of Holdings	1,182	2,964
Turnover Rate (%)	201.8	-

Sector	Total Fund	Russell 3000®
Energy	10.6 %	12.3 %
Materials	2.7	3.8
Industrials	11.2	11.8
Cons. Discretionary	9.8	9.4
Consumer Staples	9.1	10.6
Health Care	14.2	13.1
Financials	16.4	16.4
Info Technology	20.9	16.0
Telecom Services	2.0	2.8
Utilities	3.2	3.8

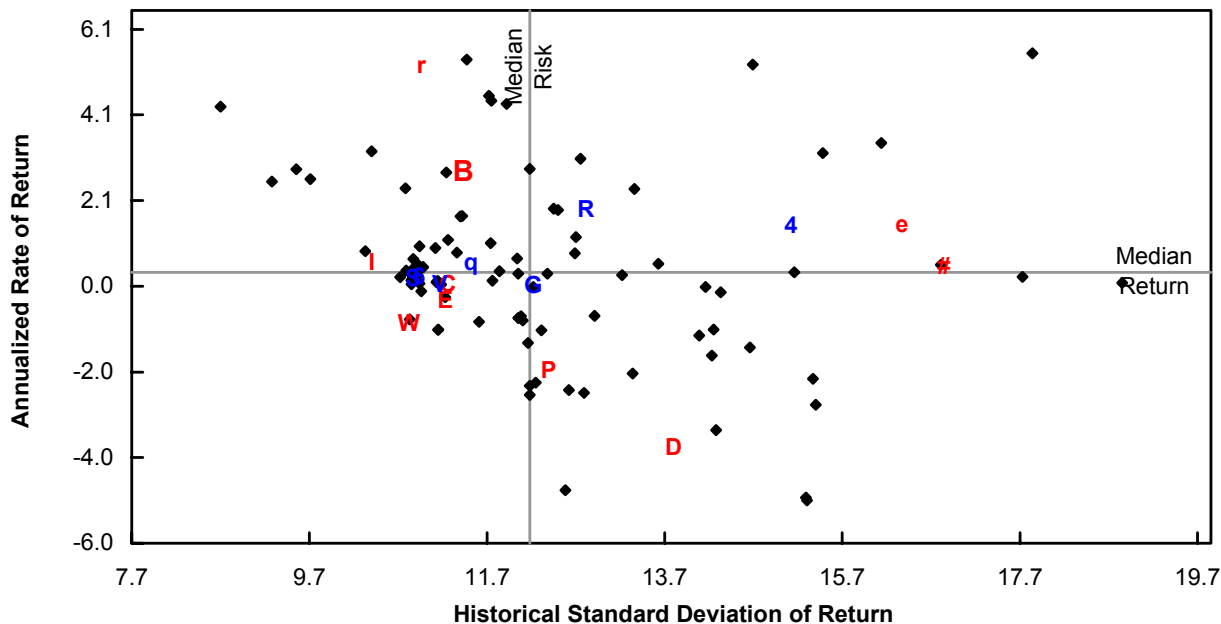
CCCERA total domestic equities returned -8.7% in the third quarter, matching the -8.7% return of the Russell 3000® Index, and ranked in the 50th percentile of all equity managers. For the one-year period, the CCCERA equity return of -21.7% was slightly below the -21.5% return of the Russell 3000® and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

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

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

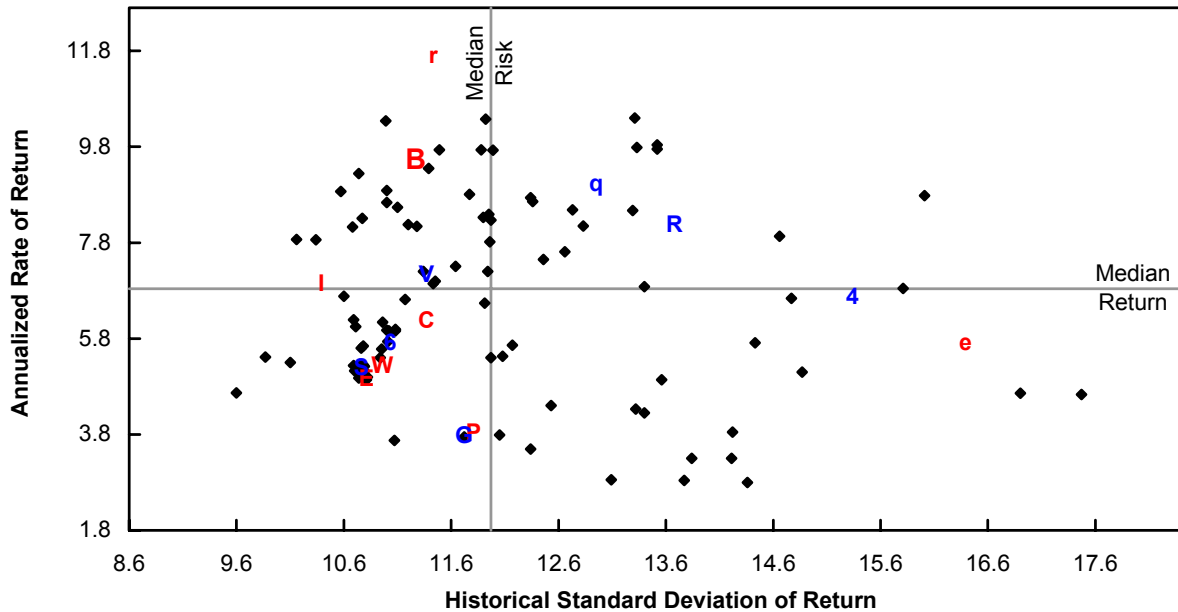
Three Years Ending September 30, 2008



Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners (B)	2.7 %	11.4 %	-0.13
Delaware (D)	-3.7	13.8	-0.58
Emerald (e)	1.5	16.3	-0.17
ING Investment (E)	-0.3	11.2	-0.40
INTECH Enhanced (I)	0.6	10.4	-0.35
PIMCO StocksPLUS (P)	-1.9	12.4	-0.50
Progress (#)	0.5	16.8	-0.22
Rothschild (r)	5.2	10.9	0.09
Wentworth, Hauser (W)	-0.8	10.8	-0.47
Domestic Equitiy (C)	0.1	11.2	-0.37
Russell® 3000 (6)	0.3	10.9	-0.36
S&P 500 (S)	0.2	10.8	-0.37
Russell 1000® Growth (G)	0.1	12.2	-0.34
Russell 1000® Value (V)	0.1	11.1	-0.37
Russell 2000® (R)	1.8	12.8	-0.19
Russell 2000® Growth (4)	1.5	15.1	-0.18
Russell 2500™ Value (q)	0.6	11.5	-0.31
Median Equity Port.	0.4	12.1	-0.31

Domestic Equity Performance and Variability

Five Years Ending September 30, 2008



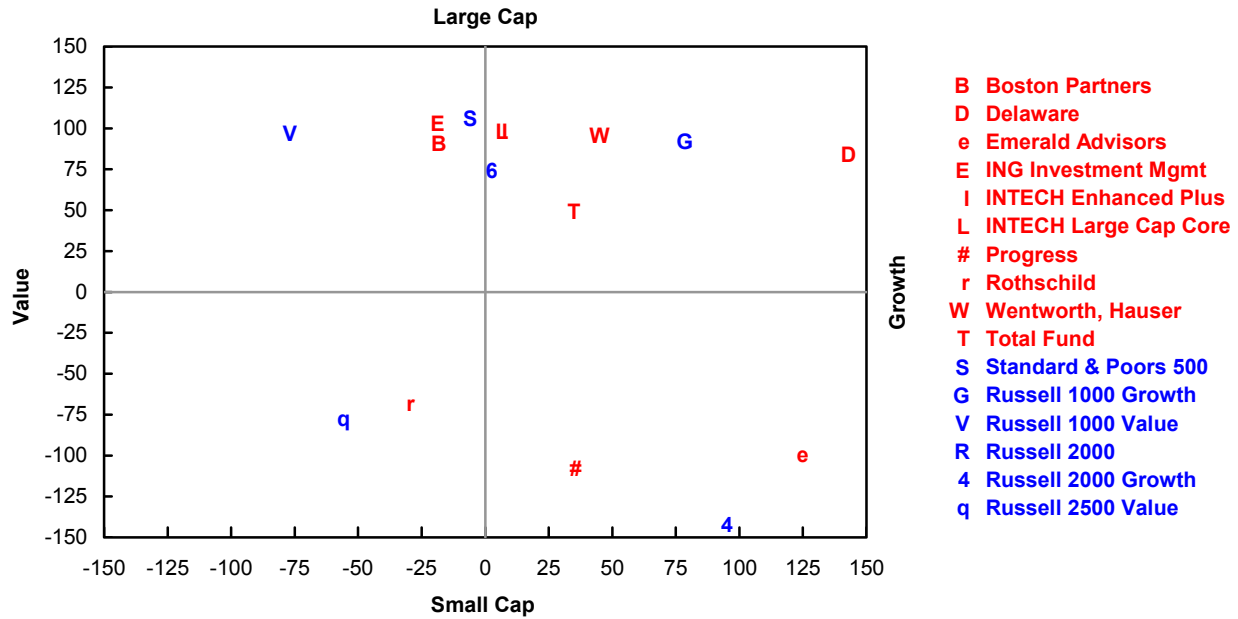
Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners (B)	9.5 %	11.2 %	0.56
Emerald (e)	5.7	16.4	0.15
ING Investment (E)	4.9	10.8	0.16
INTECH Enhanced (I)	6.9	10.4	0.35
PIMCO StocksPLUS (P)	3.8	11.8	0.05
Rothschild (r)	11.7	11.4	0.74
Wentworth, Hauser (W)	5.2	10.9	0.18
Domestic Equity (C)	6.2	11.3	0.26
Russell® 3000 (6)	5.7	11.0	0.22
S&P 500 (S)	5.2	10.7	0.18
Russell 1000® Growth (G)	3.8	11.7	0.04
Russell 1000® Value (V)	7.1	11.3	0.34
Russell 2000® (R)	8.2	13.6	0.36
Russell 2000® Growth (4)	6.6	15.3	0.22
Russell 2500™ Value (q)	9.0	12.9	0.44
Median Equity Port.	6.8	11.9	0.30

This page intentionally left blank.

MANAGER COMMENTS - DOMESTIC EQUITY

Domestic Equity Style Map

As of September 30, 2008



PORTFOLIO PROFILE REPORT

	Russell 3000® 9/30/2008	Combined Equity 9/30/2008	Russell 1000® Value 9/30/2008	Boston 9/30/2008	Russell 1000® Growth 9/30/2008	Delaware 9/30/2008
Equity Market Value (\$000)		1,419,311		292,363		256,809
Beta	1.04	1.09	0.93	0.95	1.12	1.34
Yield	2.26	1.65	3.17	2.03	1.49	0.82
P/E Ratio	16.18	16.12	14.63	14.14	16.60	20.79
Standard Error	1.06	1.62	1.87	1.88	1.96	4.61
R ²	0.97	0.93	0.89	0.89	0.91	0.74
Wtd Cap Size (\$Mil)	71,099	55,692	89,972	73,978	64,907	46,288
Avg Cap Size (\$Mil)	840	3,551	3,761	18,039	4,680	22,663
Number of Holdings	2,964	1,182	662	84	647	27
Economic Sectors						
Energy	12.31	10.64	15.57	13.06	10.16	2.90
Materials	3.79	2.66	3.71	0.82	3.83	2.85
Industrials	11.76	11.18	9.61	6.84	13.10	6.54
Consumer Discretionary	9.39	9.75	8.77	11.26	9.48	9.34
Consumer Staples	10.64	9.08	8.86	6.62	13.62	8.22
Health Care	13.09	14.22	11.76	11.98	14.17	13.48
Financials	16.41	16.37	27.55	30.79	4.52	9.89
Information Technology	15.95	20.88	2.94	14.61	28.63	43.74
Telecom. Services	2.82	2.04	5.20	1.35	0.76	3.04
Utilities	3.84	3.17	6.03	2.65	1.74	0.00

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	9/30/2008	9/30/2008	9/30/2008	9/30/2008	9/30/2008	9/30/2008
Equity Market Value		227,080	21,308	209,552	249,094	215,284
Beta	1.00	1.02	1.01	1.01	1.00	1.06
Yield	2.44	2.38	2.19	2.19	2.44	1.63
P/E Ratio	15.34	13.06	15.67	15.56	15.34	14.25
Standard Error	0.00	1.02	1.18	1.25	0.00	2.41
R ²	1.00	0.97	0.96	0.95	1.00	0.85
Wtd Cap Size (\$Mil)	86,582	89,782	82,644	82,009	86,582	71,319
Avg Cap Size (\$Mil)	9,418	12,435	11,950	12,350	9,418	33,935
Number of Holdings	499	227	385	356	499	35
Economic Sectors						
Energy	13.36	14.47	14.40	14.47	13.36	15.66
Materials	3.37	2.53	3.14	3.45	3.37	0.00
Industrials	11.08	11.74	12.78	13.35	11.08	14.05
Consumer Discretionary	8.48	10.16	10.28	10.38	8.48	3.98
Consumer Staples	12.20	10.21	11.48	11.39	12.20	19.53
Health Care	13.09	11.96	12.73	11.99	13.09	14.97
Financials	15.85	15.88	14.60	13.86	15.85	8.39
Information Technology	15.96	16.80	12.65	12.12	15.96	20.21
Telecom. Services	3.05	3.12	3.39	3.97	3.05	0.00
Utilities	3.56	3.13	4.54	5.02	3.56	3.20

PORTFOLIO PROFILE REPORT

	Russell 2000® 9/30/2008	Progress 9/30/2008	Russell 2500™ Value 9/30/2008	Rothschild 9/30/2008	Russell 2000® Growth 9/30/2008	Emerald 9/30/2008
Equity Market Value		119,389		126,765		126,504
Beta	1.18	1.21	1.09	0.98	1.29	1.23
Yield	1.50	1.32	2.44	1.65	0.62	0.38
P/E Ratio	29.34	20.57	20.10	14.44	43.20	32.14
Standard Error	4.49	3.70	3.63	3.28	5.44	4.49
R ²	0.70	0.79	0.74	0.74	0.66	0.69
Wtd Cap Size (\$Mil)	1,062	1,582	2,107	2,212	1,138	1,665
Avg Cap Size (\$Mil)	460	1,118	612	1,555	464	1,056
Number of Holdings	1,966	569	1,672	143	1,212	115
Economic Sectors						
Energy	6.35	8.35	4.98	5.82	9.07	5.44
Materials	3.97	6.04	7.05	4.37	3.16	5.02
Industrials	16.14	14.58	11.96	17.00	18.52	11.78
Consumer Discretionary	12.41	14.44	12.52	10.69	12.75	9.76
Consumer Staples	3.65	2.51	3.37	5.12	2.91	2.70
Health Care	14.44	16.05	5.52	8.57	24.72	31.61
Financials	21.63	13.36	33.54	27.72	5.28	6.22
Information Technology	16.74	18.48	9.59	10.49	21.61	26.10
Telecom. Services	1.14	1.34	1.40	1.07	1.22	1.38
Utilities	3.53	4.85	10.07	9.15	0.77	0.00

PORTFOLIO PROFILE REPORT

	Russell 3000® 9/30/2008	Combined Equity 9/30/2008	Russell 1000® Value 9/30/2008	Boston 9/30/2008	Russell 1000® Growth 9/30/2008	Delaware 9/30/2008
Beta Sectors						
1 0.0 - 0.9	0.00	33.12	0.00	43.19	0.00	36.16
2 0.9 - 1.1	38.90	34.16	46.59	23.01	31.91	8.67
3 1.1 - 1.3	22.38	18.58	26.00	12.16	20.51	7.38
4 1.3 - 1.5	14.09	14.43	13.91	11.82	14.15	0.00
5 Above 1.5	9.32	23.48	5.31	9.82	12.80	47.79
Yield Sectors						
1 Above 5.0	0.00	28.12	0.00	16.81	0.00	42.44
3 3.0 - 5.0	21.57	30.23	8.93	23.65	27.83	39.99
3 1.5 - 3.0	18.63	31.91	13.27	39.68	24.95	13.93
4 0.0 - 1.5	31.64	26.06	28.60	15.29	37.99	3.64
5 0.0	18.41	11.29	31.25	4.57	7.35	0.00
P/E Sectors						
1 0.0 - 12.0	0.00	23.77	0.00	31.41	0.00	16.02
2 12.0 -20.0	28.78	50.37	38.28	61.46	18.96	25.81
3 20.0 -30.0	47.09	37.11	47.84	4.01	49.32	39.73
4 30.0 - 150.0	16.57	14.36	8.38	2.06	24.00	14.73
5 N/A	5.98	4.04	4.27	1.05	6.12	3.71
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	44.61	0.00	59.74	0.00	62.18
2 10.0 - 20.0	60.43	33.36	66.07	17.57	65.59	12.26
3 5.0 - 10.0	11.01	15.82	11.08	14.73	12.89	20.33
4 1.0 - 5.0	9.27	18.84	9.49	7.63	10.69	5.23
5 0.5 - 1.0	14.80	13.23	13.21	0.33	10.71	0.00
6 0.1 - 0.5	2.66	3.01	0.14	0.00	0.10	0.00
7 0.0 - 0.1	1.81	1.06	0.02	0.00	0.01	0.00
5 Yr Earnings Growth						
1 N/A	0.00	8.61	0.00	5.33	0.00	4.02
2 0.0 -10.0	14.50	26.67	18.23	19.57	8.75	21.66
3 10.0 -20.0	25.82	34.66	32.43	30.89	18.68	22.26
4 Above 20.0	28.34	47.48	16.58	44.21	40.84	52.05

PORTFOLIO PROFILE REPORT

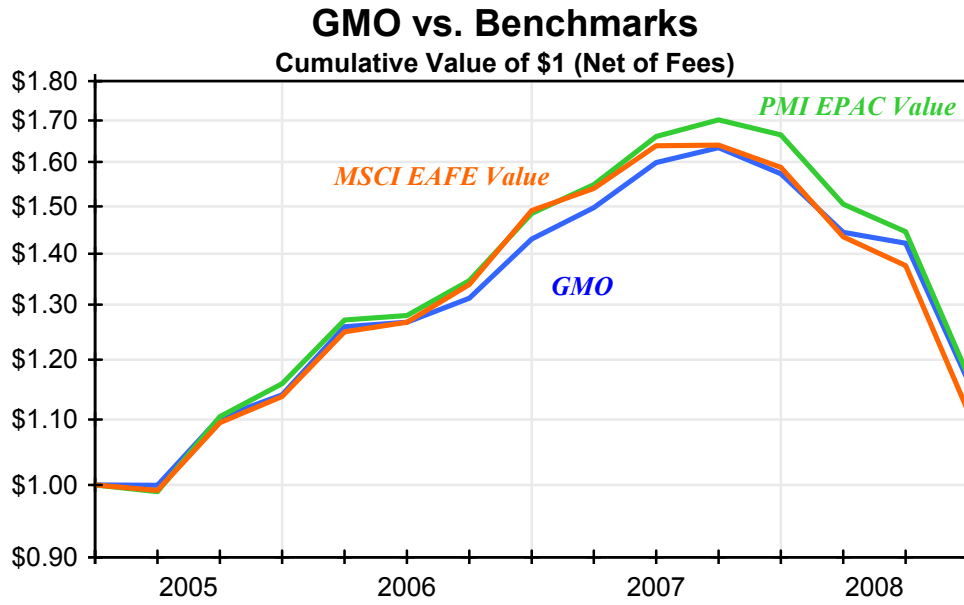
	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	9/30/2008	9/30/2008	9/30/2008	9/30/2008	9/30/2008	9/30/2008
Beta Sectors						
1 0.0 - 0.9	0.00	37.19	40.71	40.85	0.00	0.00
2 0.9 - 1.1	40.46	28.37	24.66	24.36	40.46	39.71
3 1.1 - 1.3	24.32	10.14	13.23	13.46	24.32	12.14
4 1.3 - 1.5	13.83	10.82	7.95	8.29	13.83	18.76
5 Above 1.5	8.60	13.48	13.45	13.04	8.60	9.43
Yield Sectors						
1 Above 5.0	0.00	13.92	15.64	15.43	0.00	0.00
3 3.0 - 5.0	14.35	17.50	22.12	21.87	14.35	24.34
3 1.5 - 3.0	19.10	39.24	37.04	36.80	19.10	18.54
4 0.0 - 1.5	35.80	20.49	17.43	18.63	35.80	45.29
5 0.0	20.39	8.86	7.77	7.27	20.39	11.84
P/E Sectors						
1 0.0 - 12.0	0.00	37.07	28.62	26.86	0.00	0.00
2 12.0 - 20.0	28.00	50.94	48.44	49.31	28.00	26.98
3 20.0 - 30.0	50.84	9.54	17.81	18.37	50.84	55.59
4 30.0 - 150.0	16.31	1.72	4.67	5.02	16.31	11.17
5 N/A	3.50	0.73	0.46	0.44	3.50	6.26
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	66.25	64.58	64.27	0.00	0.00
2 10.0 - 20.0	73.88	14.51	16.79	16.90	73.88	62.50
3 5.0 - 10.0	13.30	13.81	13.08	12.86	13.30	14.25
4 1.0 - 5.0	8.99	5.42	5.51	5.94	8.99	14.18
5 0.5 - 1.0	3.80	0.00	0.04	0.03	3.80	9.06
6 0.1 - 0.5	0.03	0.00	0.00	0.00	0.03	0.00
7 0.0 - 0.1	0.00	0.00	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	0.00	10.22	11.64	12.54	0.00	0.00
2 0.0 - 10.0	13.14	24.97	25.02	25.31	13.14	15.09
3 10.0 - 20.0	25.94	28.05	31.11	30.45	25.94	17.10
4 Above 20.0	28.73	36.76	32.23	31.70	28.73	33.49

PORTFOLIO PROFILE REPORT

	Russell 2000® 9/30/2008	Progress 9/30/2008	Russell 2500TM Value 9/30/2008	Rothschild 9/30/2008	Russell 2000® Growth 9/30/2008	Emerald 9/30/2008
Beta Sectors						
1 0.0 - 0.9	0.00	29.83	0.00	0.00	0.00	28.96
2 0.9 - 1.1	34.58	14.92	41.61	46.74	24.89	8.94
3 1.1 - 1.3	12.47	17.97	15.59	17.56	11.50	19.51
4 1.3 - 1.5	14.71	11.90	14.18	14.77	16.25	14.85
5 Above 1.5	12.46	25.38	9.79	10.95	15.20	27.74
Yield Sectors						
1 Above 5.0	0.00	60.91	0.00	0.00	0.00	79.79
3 3.0 - 5.0	56.51	12.60	33.12	37.71	74.41	12.63
3 1.5 - 3.0	12.73	10.62	13.44	15.89	12.21	5.27
4 0.0 - 1.5	12.67	7.04	19.58	24.76	7.27	0.00
5 0.0	9.42	8.84	20.05	15.84	3.43	2.31
P/E Sectors						
1 0.0 - 12.0	0.00	29.79	0.00	0.00	0.00	17.59
2 12.0 -20.0	31.19	33.91	36.47	32.32	28.80	23.97
3 20.0 -30.0	30.38	16.60	35.59	40.99	24.75	24.39
4 30.0 - 150.0	20.26	16.36	12.72	19.58	23.51	28.10
5 N/A	14.73	3.34	12.65	6.60	18.36	5.94
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	0.00	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	0.06	0.00	0.00	0.00	0.00
3 5.0 - 10.0	0.00	1.80	0.00	0.00	0.00	1.78
4 1.0 - 5.0	0.00	61.41	2.93	1.28	0.00	61.53
5 0.5 - 1.0	46.70	24.22	70.25	75.11	51.57	26.59
6 0.1 - 0.5	31.08	12.13	15.85	12.14	28.30	10.07
7 0.0 - 0.1	21.99	0.39	10.89	11.46	19.85	0.02
5 Yr Earnings Growth						
1 N/A	0.00	22.73	0.00	0.00	0.00	13.58
2 0.0 -10.0	26.04	23.98	28.96	19.30	20.23	25.52
3 10.0 -20.0	28.17	27.10	29.53	27.16	25.87	33.33
4 Above 20.0	25.35	26.19	22.36	34.99	30.51	27.57

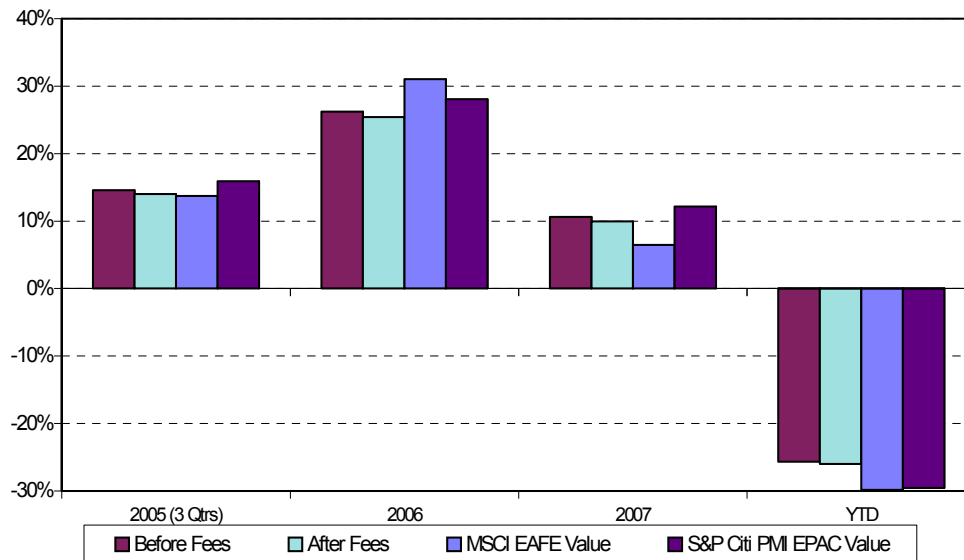
MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

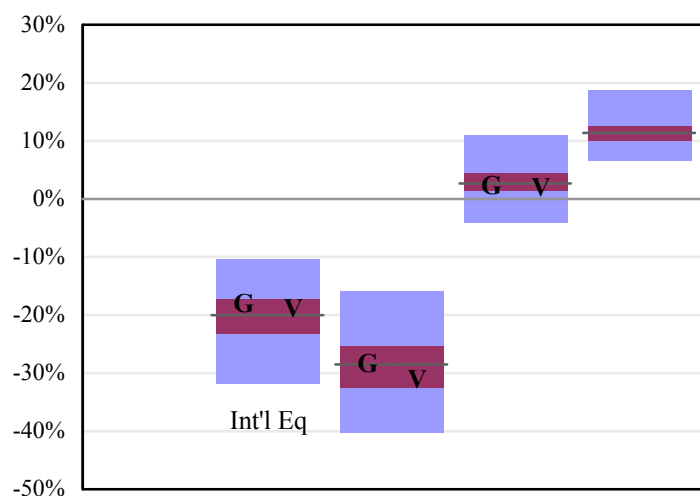


GMO vs. Benchmarks

Year by Year Performance



Grantham, Mayo, van Otterloo & Co



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
GMO (G)	-18.0	-28.3	2.4	-
Rank v. Int'l Equity	31	56	56	-
PMI EPAC Val (V)	-18.9	-31.1	2.0	-
EAFE Value (E)	-19.1	-32.1	0.6	10.6
Int'l Eq Median	-23.3	-32.6	1.4	10.0

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

<u>Over-Weighted Countries</u>	<u>GMO</u>	<u>MSCI EAFE</u>
Japan	26.8 %	22.1 %
United States	3.7	0.0
France	13.3	10.4

<u>Under-Weighted Countries</u>	<u>GMO</u>	<u>MSCI EAFE</u>
Germany	5.0 %	9.0 %
Australia	3.5	6.3
Spain	1.7	4.3

The GMO value international equity portfolio returned -18.0% in the third quarter, better than the -18.9% return of the S&P Citigroup PMI EPAC Value Index, and ranked in the 31st percentile of international equity managers. Over the past year, the portfolio has returned -28.3%, better than the S&P Citigroup PMI EPAC Value Index return of -31.1% but ranking in the 56th percentile. Over the past three years, GMO has returned 2.4%, slightly better than the S&P Citi PMI EPAC Value Index return of 2.0%, and again ranking in the 56th percentile.

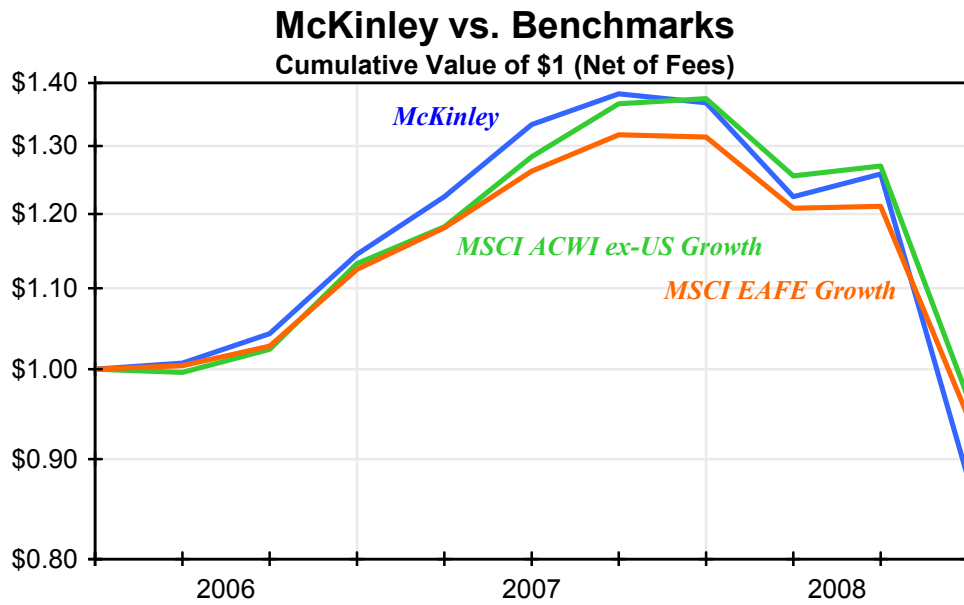
The portfolio's largest country over-weights were in Japan, United States and France, while the largest under-weights were in Germany, Australia and Spain.

Stock selection decisions detracted from third quarter relative returns compared to EAFE while country selection decisions were positive in aggregate. Exposure to Canada had the most negative stock selection impact on performance. Trading decisions had a large positive impact on third quarter performance.

GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) delivered mixed results in the third quarter. Stocks ranked highly by intrinsic value outperformed strongly, primarily from the additional high quality focus. Those stocks chosen by quality-adjusted value outperformed slightly, while stocks selected for their strong momentum characteristics underperformed significantly. The best performing positions included GlaxoSmithKline, AstraZeneca and Sanofi-Aventis. Stocks that detracted from third quarter results included Total and ENI.

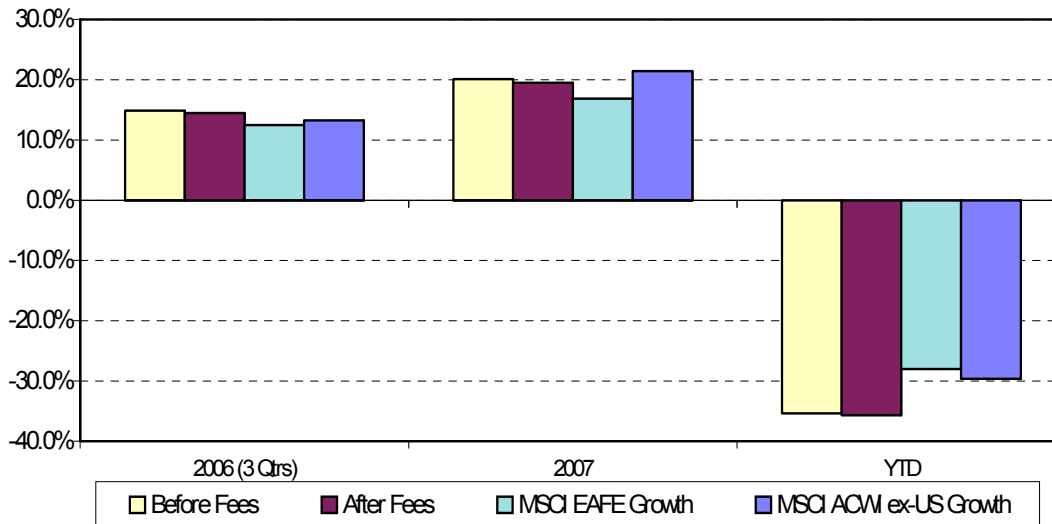
MANAGER COMMENTS – INTERNATIONAL EQUITY

McKinley Capital

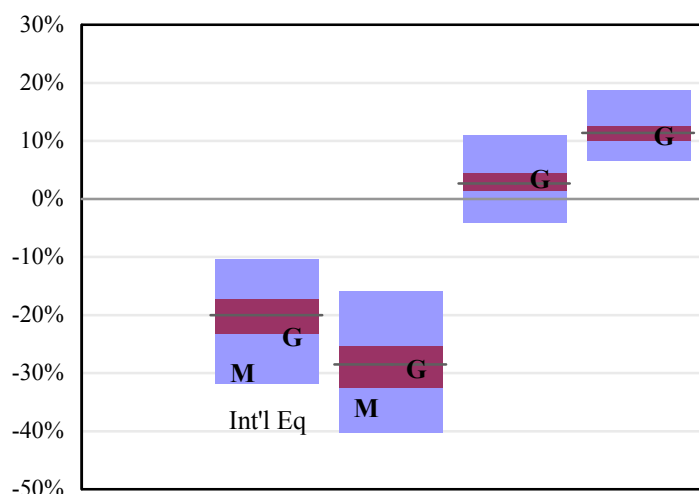


McKinley vs. Benchmarks

Year by Year Performance



McKinley Capital



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
McKinley (M)	-29.9	-36.0	-	-
Rank v. Intl Eq	93	89	-	-
ACWI xUS Gro (G)	-23.8	-29.2	3.5	10.9
EAFE Growth (E)	-21.9	-28.2	2.5	9.6
Int'l Eq Median	-23.3	-32.6	1.4	10.0

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

Over-Weighted Countries	McKinley Capital	MSCI EAFE
Switzerland	16.5 %	7.8 %
United States	7.4	0.0
Germany	12.6	9.0

Under-Weighted Countries	McKinley Capital	MSCI EAFE
Japan	11.7 %	22.1 %
United Kingdom	14.1	21.7
France	4.2	10.4

The McKinley Capital portfolio returned -29.9% in the third quarter, below the -23.8% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 93rd percentile of international equity managers. Over the past year, McKinley returned -36.0%, below the -29.2% return of the MSCI ACWI ex-US Growth Index, and ranked in the 89th percentile of international equity managers.

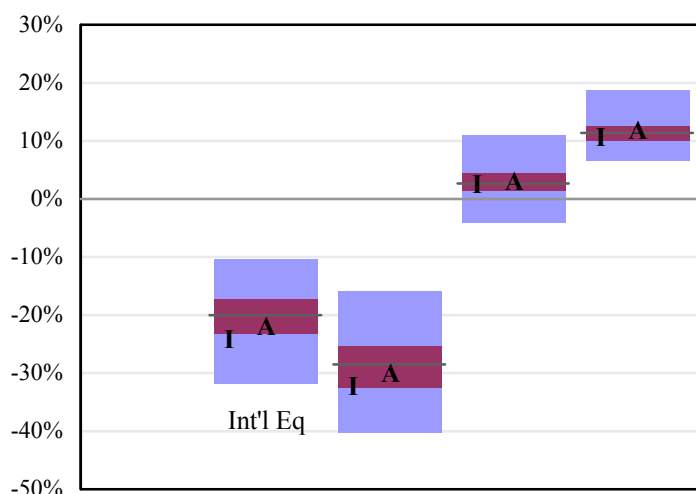
The portfolio's largest country over-weights were in Switzerland, the United States and Germany, while the largest under-weights were in Japan, the United Kingdom and France.

Stock selection decisions accounted for the bulk of third quarter underperformance relative to the MSCI EAFE Index. Stock selection was particularly weak in Canada, the United Kingdom and Russia. Active trading had a negative impact on third quarter returns.

Holdings in Rakuten (Japan), Suez (France), and China Life Insurance Co. Ltd. (China) positively impacted third quarter performance while holdings in ArcelorMittal SA (France), Japan Steel Works Ltd. (Japan), and BHP Billiton PLC (United Kingdom) negatively impacted performance. During the third quarter McKinley's exposure to risk factors such as growth and, particularly, momentum, contributed to relative underperformance. Within the third quarter, the majority of the underperformance came in September.

This page intentionally left blank.

Total International Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Int'l Eq (I)	-24.1	-32.2	2.6	10.7
Rank v. Intl Eq	79	73	54	60
ACWI xUS (A)	-21.8	-30.0	3.1	11.8
EAFE (E)	-20.5	-30.1	1.6	10.2
Int'l Eq Median	-23.3	-32.6	1.4	10.0

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

Over-Weighted Countries	Total International	MSCI EAFE
United States	5.5 %	0.0 %
Switzerland	11.0	7.8
Hong Kong	3.8	2.0

Under-Weighted Countries	Total International	MSCI EAFE
United Kingdom	17.4 %	21.7 %
Japan	19.6	22.1
Australia	4.0	6.3

The total international equity composite returned -24.1% in the third quarter, below the -20.5% return of the MSCI EAFE Index. This return ranked in the 79th percentile of international equity managers. Over the past year, total international equity segment returned -32.2%, below the -30.1% return of the MSCI EAFE Index, and ranked in the 73rd percentile of international equity managers. Over the past three and five years the total international equity composite has exceeded the return of the MSCI EAFE Index and has ranked near median in the international equity universe.

The composite's largest country over-weights were in the United States, Switzerland and Hong Kong, while the largest under-weights were in the United Kingdom, Japan and Australia.

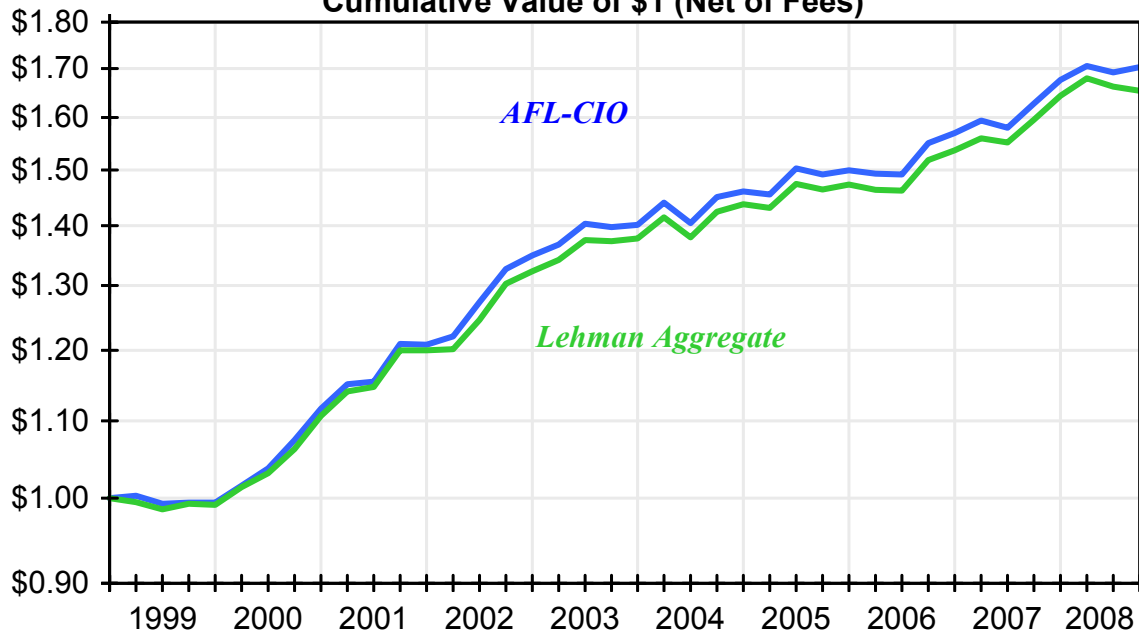
Stock selection in aggregate detracted from third quarter performance compared to EAFE while country allocation decisions were positive. Stock selection was particularly weak in Canada, the United Kingdom and Japan. Active trading had a small positive impact on third quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

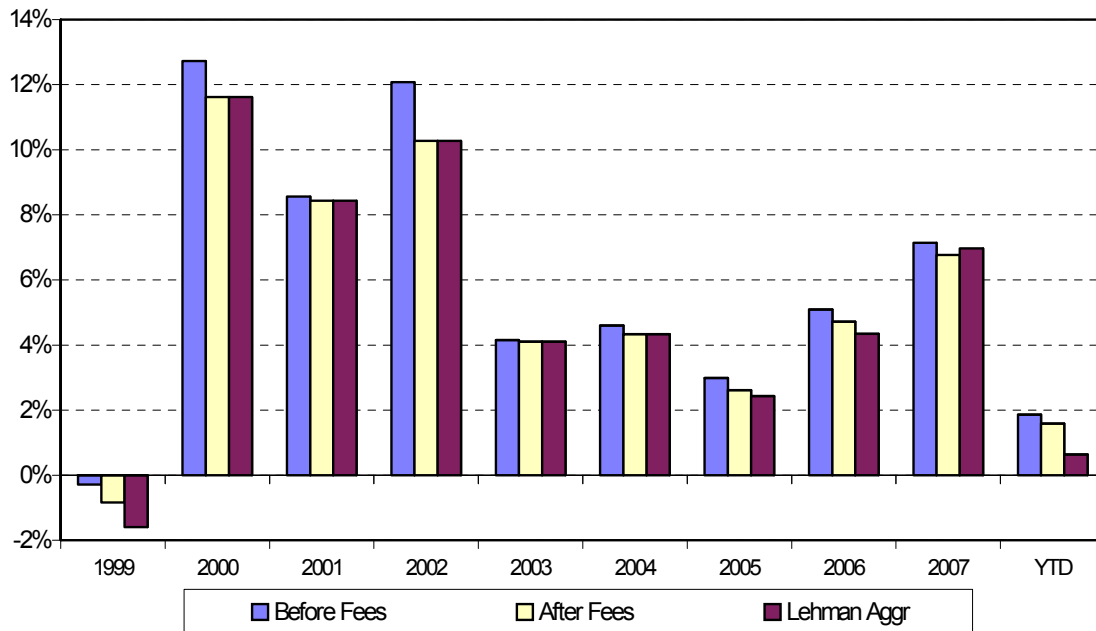
AFL-CIO vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

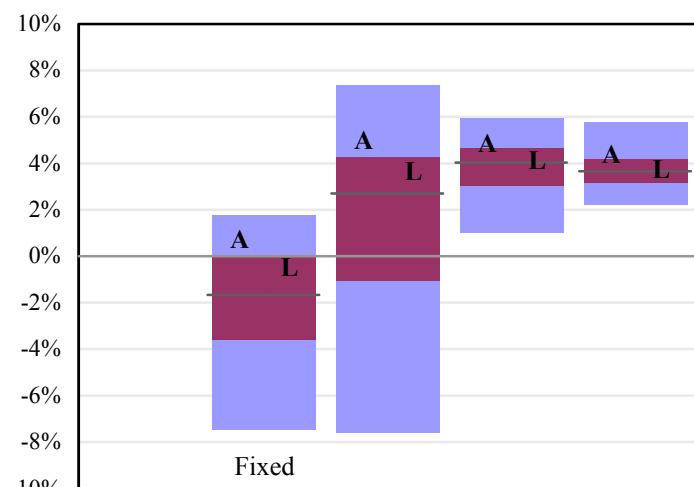


AFL-CIO vs. Lehman Aggregate

Year by Year Performance



AFL-CIO Housing Investment Trust



	Qtr	1 Year	3 Years	5 Years
AFL-CIO (A)	0.7	5.0	4.9	4.4
Rank v. Fixed	16	18	18	17
LB Agg (L)	-0.5	3.7	4.2	3.8
Fixed Median	-1.7	2.7	4.0	3.7

Portfolio Characteristics	AFL CIO	Lehman Aggregate
Mkt Value (\$Mil)	168.4	n/a
Yield to Maturity (%)	5.7 %	5.3 %
Duration (yrs)	4.6	4.5
Avg. Quality	AGY	AA+

Sectors	AFL CIO	Lehman Aggregate
Treasury/Agency	5 %	37 %
Single-Family MBS	33	40
Multi-Family MBS	56	0
Corporates	0	18
High Yield	0	0
ABS/CMBS	3	5
Other	0	0
Cash	3	0

AFL-CIO returned 0.7% in the third quarter, better than the -0.5% return of the Lehman Aggregate. The portfolio ranked in the 16th percentile of fixed income managers. For the past year, AFL-CIO returned 5.0%, which was better than the 3.7% return of the Lehman Aggregate and ranked in the 18th percentile. Over the past three and five years, AFL-CIO has exceeded the Lehman Aggregate and the median, meeting performance objectives.

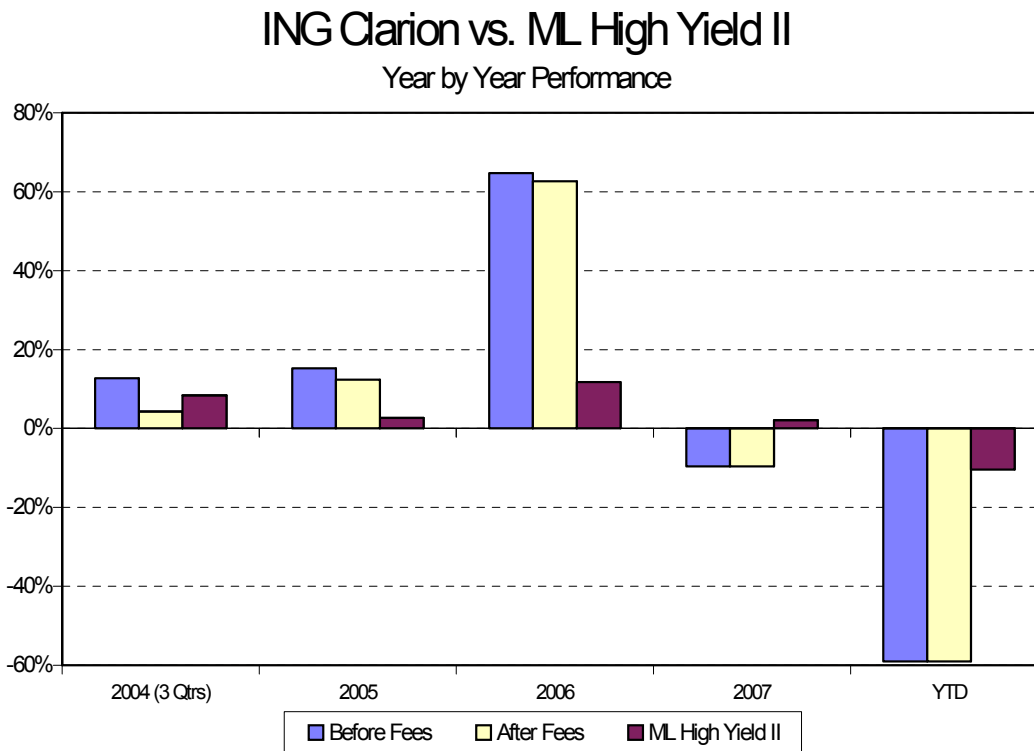
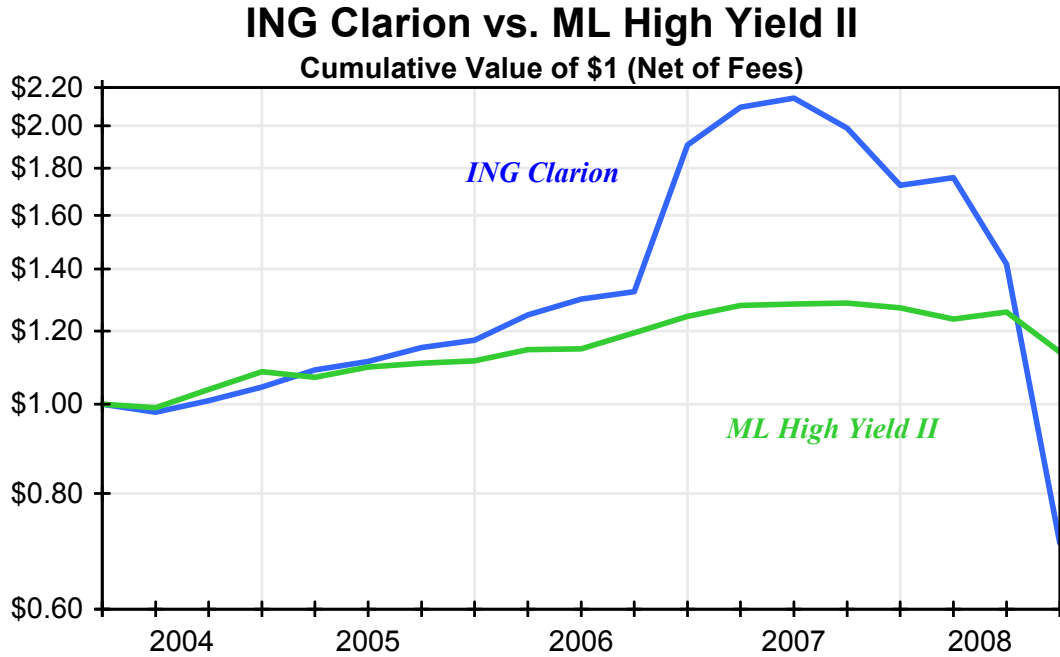
At the end of the third quarter, the AFL-CIO Housing Investment Trust had 5% in US Treasury notes, 33% of the portfolio allocated to single-family mortgage backed securities, 56% allocated to multi-family mortgage back securities, 3% to private-label commercial mortgage backed securities and 3% to short-term securities. The AFL-CIO portfolio duration at the end of the third quarter was 4.6 years and the current yield of the portfolio was 5.7%.

The HIT specializes in multifamily MBS with government/GSE credit quality that have prepayment protection and yield premiums over comparable Treasuries. This strategy has allowed the HIT to generate superior risk-adjusted returns over the long run. The HIT did not invest in multifamily project investments when yields were low as a result of too much money seeking deals. Now, due to the lack of liquidity, spreads on multifamily MBS are trading near their historic wide levels. These wide spreads present the HIT's investors with opportunities for attractive returns.

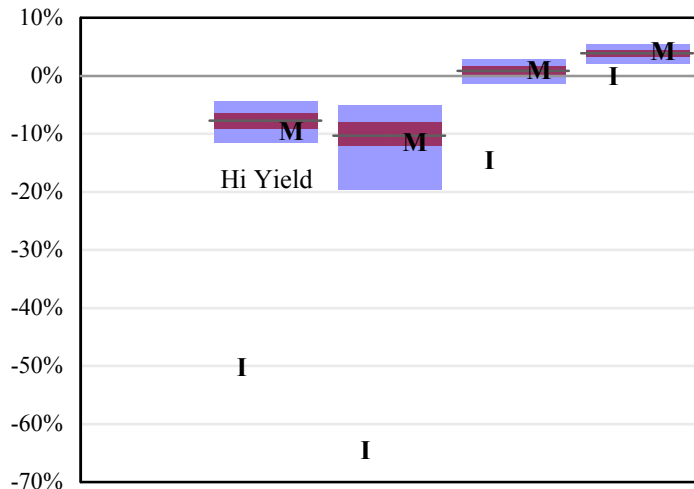
The HIT expects slow growth and liquidity issues to challenge the economy and the financial markets for an extended period. The HIT expects increased opportunities to invest in FHA projects at relatively wide spreads into 2009 and beyond. HIT believes that FHA and GNMA multifamily investments provide relative value over other investment grade securities, and they represent an investment type for which the HIT possesses over 40 years of experience.

MANAGER COMMENTS – FIXED INCOME

ING Clarion



ING Clarion



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion (I)	-50.1	-64.4	-14.5	-
Rank v. Hi Yield	100	99	99	-
ML HY II (M)	-9.5	-11.5	1.0	4.3
Hi Yield Median	-7.7	-10.3	0.9	3.9

Portfolio Characteristics	ING Clarion	ML High Yield II
Mkt Value (\$Mil)	0.3	n/a
Yield to Maturity (%)	n/a %	12.4 %
Duration (yrs)	n/a	4.2
Avg. Quality	n/a	B

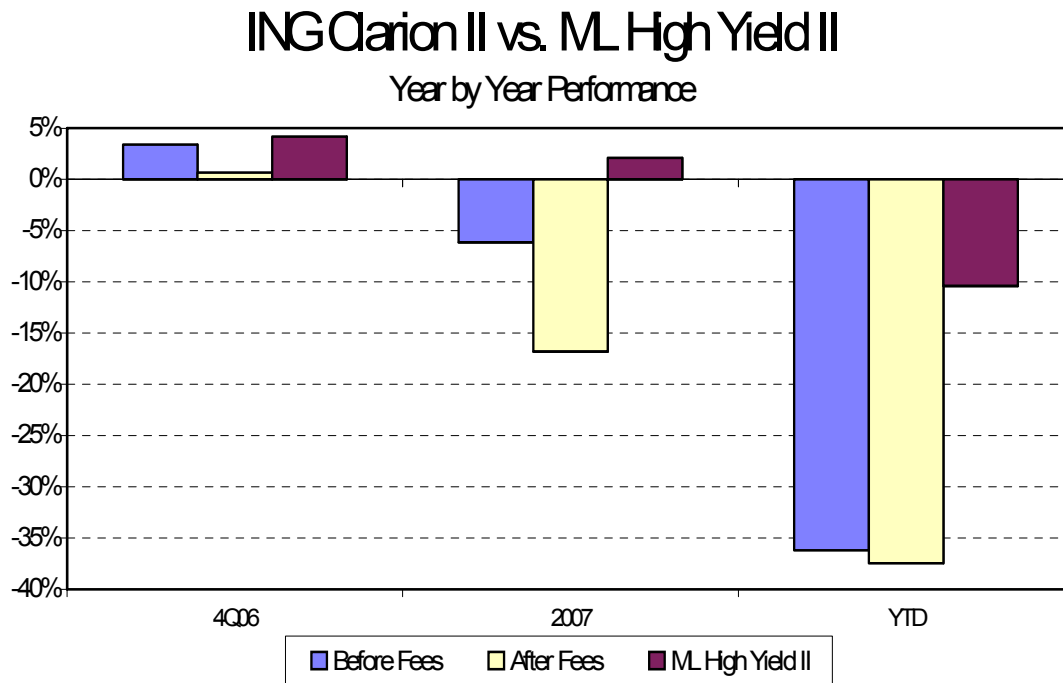
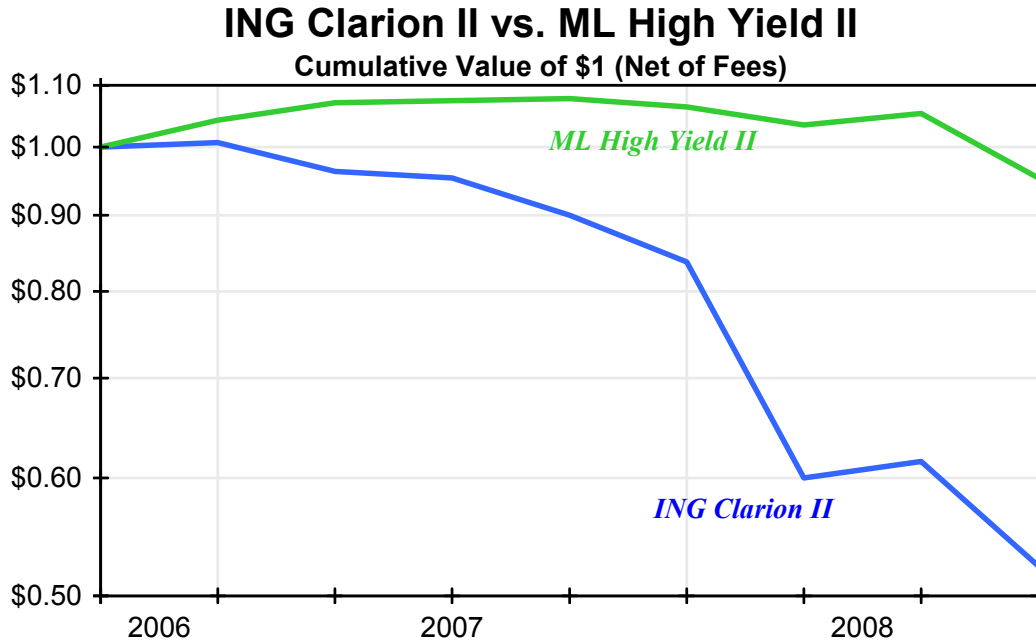
Quality Distribution	ING Clarion	ML High Yield II
A	n/a %	0 %
BBB	n/a	0
BB	n/a	41
B	n/a	41
CCC	n/a	18
Not Rated	n/a	0
Cash	n/a	0

Currently, this fund is nearly liquidated (less than \$300,000 left), with very high returns locked in. The annualized IRR on this fund since its inception to September 30 has been 31.2% (see page 13). In the third quarter, ING Clarion returned -50.1%. This return was well below the Merrill Lynch High Yield Master II Index return of -9.5% and ranked in the 100th percentile of high yield portfolios. Over the past year, the portfolio has returned -64.4%, again well below the ML High Yield II return of -11.5%, and ranked in the 99th percentile. Over the past three years, the portfolio has returned -14.5%, well below the ML High Yield II return of 1.0% and ranked in the 99th percentile. Despite the poor time-weighted results noted above, this has been an extremely successful long term investment.

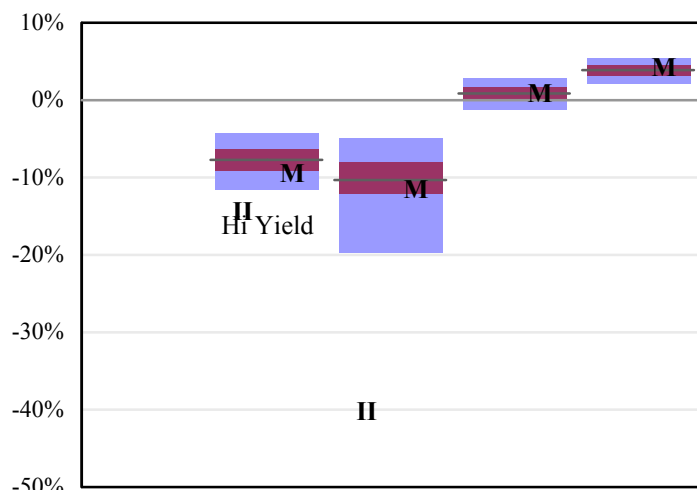
The fund continues to hold a small, residual interest in Ansonia CDO 2006-1. CCCERA's portion of this interest was valued at \$299,548.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II



ING Clarion II



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion II (II)	-14.4	-40.1	-	-
Rank v. Hi Yield	97	99	-	-
ML HY II (M)	-9.5	-11.5	1.0	4.3
Hi Yield Median	-7.7	-10.3	0.9	3.9

Portfolio Characteristics	ING Clarion II	ML High Yield II
Mkt Value (\$Mil)	71.4	n/a
Yield to Maturity (%)	21.2 %	12.4 %
Duration (yrs)	3.1	4.2
Avg. Quality	BBB+	B

Quality Distribution	ING Clarion II	ML High Yield II
AAA	21 %	0 %
AA	1	0
A	2	0
BBB	36	0
BB	3	41
B	3	41
CCC	0	18
Not Rated	22	0
Cash	13	0

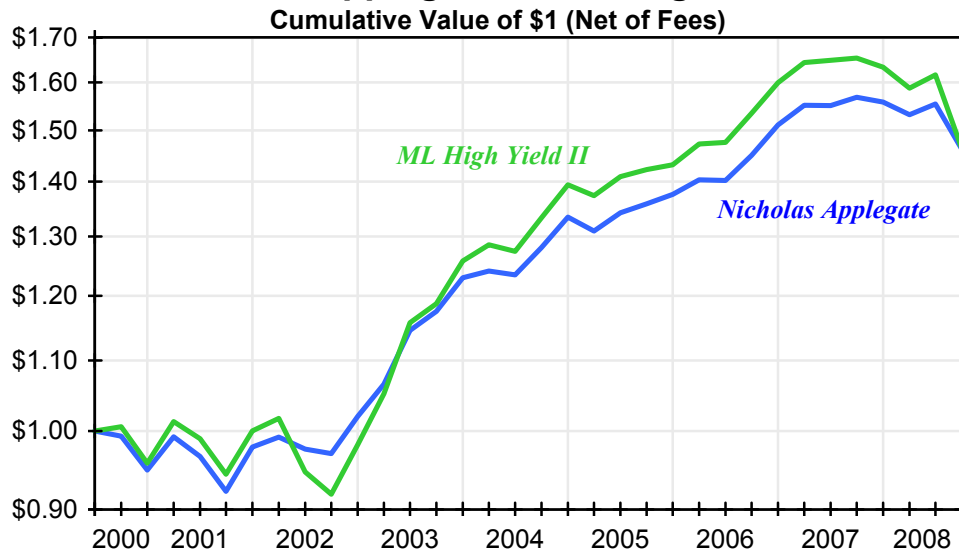
CCCERA funded the ING Clarion Debt Opportunity Fund II (ING Clarion II) on September 28, 2006 as a follow on to the very successful ING Clarion Fund that was substantially liquidated in 2006. ING Clarion II returned -14.4% for the third quarter, which was below the Merrill Lynch High Yield Master II return of -9.5%, and ranked in the 97th percentile in the universe of high yield portfolios. Over the past year, the fund has returned -40.1%, well below the index return of -11.5%, and ranked in the 99th percentile. While the time-weighted results thus far look poor, ING Clarion continues to believe that the fund is well positioned for a strong return over the coming years.

ING Clarion invests in mortgages purchased at a significant discount. As of September 30, 2008, Fund II has made a total of 75 investments with an acquisition value of \$624.3 million. The portfolio consists of 60.3% CMBS investment grade, 14.3% non-investment grade CMBS, 9.1% mezzanine loans, 4.3% B-notes and 0.7% CRE CDO bonds (based on acquisition value).

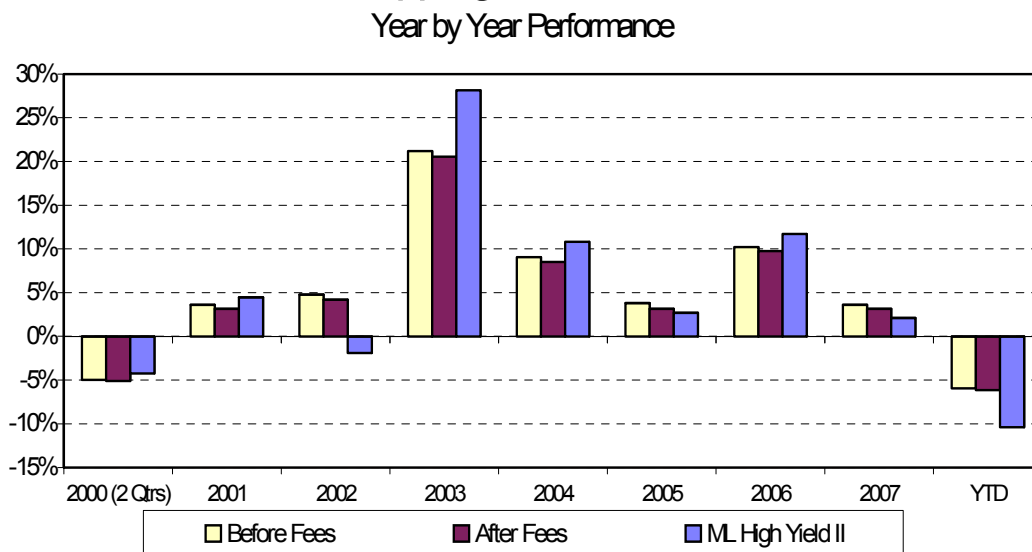
MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate

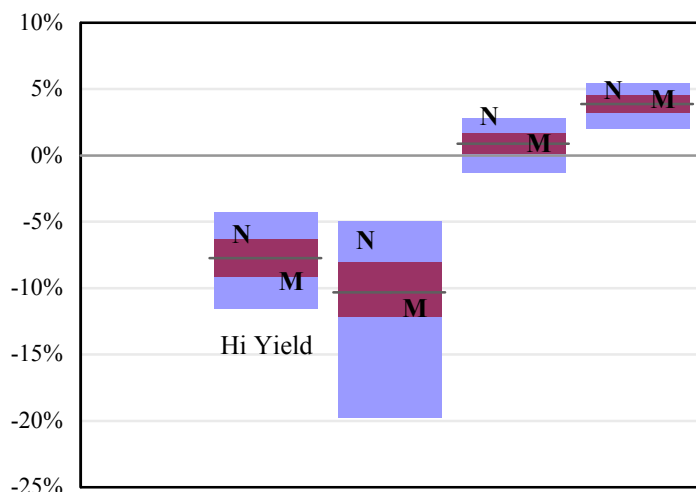
Nicholas Applegate vs. ML High Yield II



Nicholas Applegate vs. Benchmarks



Nicholas Applegate



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Nich. Appl. (N)	-5.9	-6.4	2.9	5.0
Rank v. Hi Yield	19	9	3	14
ML HY II (M)	-9.5	-11.5	1.0	4.3
ML BB/B (B)	-8.7	-9.9	1.3	4.3
Hi Yield Median	-7.7	-10.3	0.9	3.9

Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	139.5	n/a
Yield to Maturity (%)	10.9 %	12.4 %
Duration (yrs)	4.2	4.2
Avg. Quality	BB	B

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	5	0
BB	28	41
B	63	41
CCC	3	18

Nicholas Applegate's high yield fixed income portfolio returned -5.9% for the third quarter, better than the -9.5% return of the Merrill Lynch High Yield II Index, and ranked in the 19th percentile of high yield managers. Nicholas Applegate returned -6.4% over the past year compared to -11.5% for the ML High Yield II Index and -10.3% for the median. For the five-year period, Nicholas Applegate's return of 5.0% was better than the 4.3% return of the ML High Yield II Index and ranked in the 14th percentile.

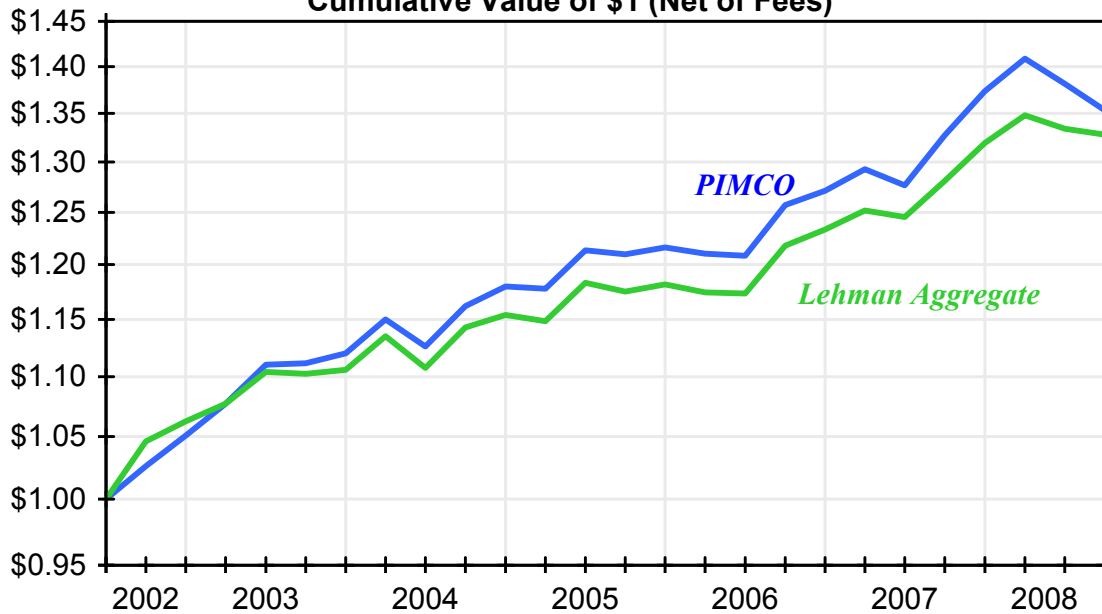
As of September 30, 2008, the Nicholas Applegate high yield portfolio was allocated 5% to BBB rated securities compared to 0% for the ML High Yield II Index, 28% to BB rated issues to 41% for the Index, 63% to B rated issues to 41% in the Index and 3% to CCC rated securities to 18% for the Index. The portfolio's September 30, 2008 duration was 4.2 years, in line with the 4.2 year duration of the ML High Yield II Index.

The firm's underweighting of lower quality issuers was the primary driver of relative out-performance in the third quarter. Avoiding the financial sector, credit default swaps and bank loans also helped performance. Positive performers included Itron Inc, PNA Group Inc. and AMR Holdco Inc. Itron improved its credit profile by completing an equity offering. PNA completed the tender for all of its outstanding issues. AMR benefited from the investor bias towards the Healthcare industry. Negative performers included GMAC, Neiman Marcus Group and Sandridge Energy Inc. GMAC and Neiman Marcus were caught up in the turmoil surrounding the automotive and retail industries. Sandridge traded down on the weakness of oil prices. There were no forced sales due to market conditions or credit quality changes during the quarter. There were four upgrades and eight downgrades in the portfolio during the third quarter. The downgrades were the result of sweeping rating agency changes in the Auto and Consumer issuers. High yield spreads have widened to 1,100 bp over comparable Treasuries (nearly at the all time high of 1,120 bp in 2002). The yield in the market is just under 14%.

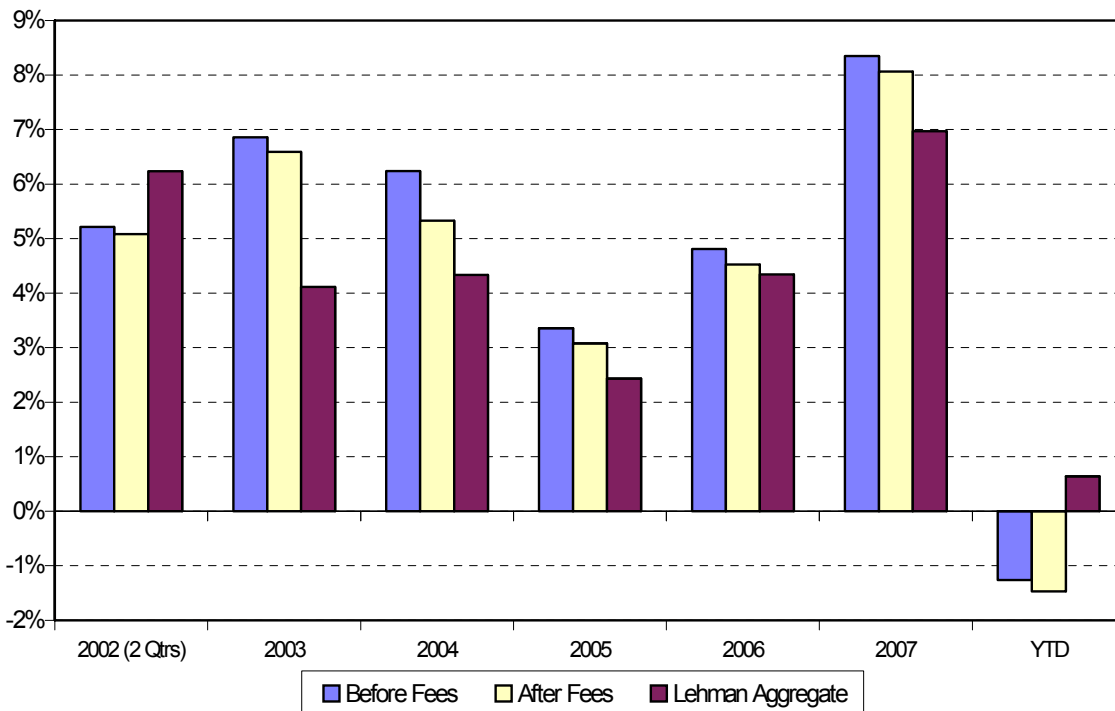
MANAGER COMMENTS – FIXED INCOME

PIMCO

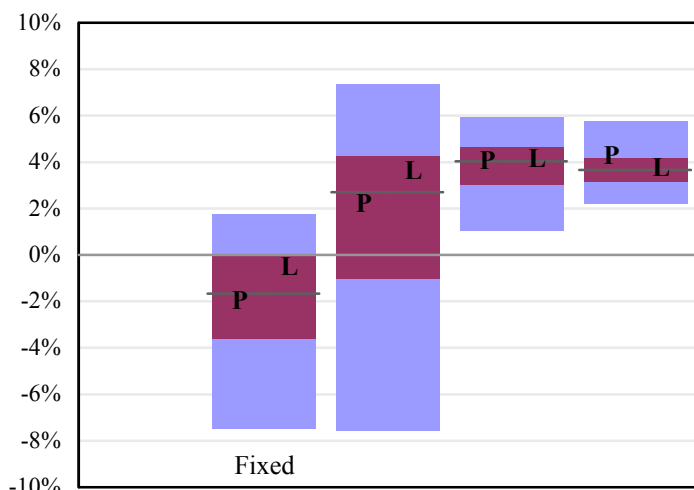
PIMCO vs. Lehman Aggregate
Cumulative Value of \$1 (Net of Fees)



PIMCO vs. Lehman Aggregate
Year by Year Performance



PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO (P)	-2.0	2.3	4.1	4.3
Rank v. Fixed	53	54	48	22
LB Agg (L)	-0.5	3.7	4.2	3.8
LB Uni (U)	-1.2	2.3	3.9	3.9
Fixed Median	-3.6	-1.1	3.0	3.2

Portfolio Characteristics	PIMCO	Lehman Aggregate
Mkt Value (\$Mil)	479.3	n/a
Yield to Maturity (%)	5.9 %	5.3 %
Duration (yrs)	5.1	4.5
Avg. Quality	AA+	AA+

Sectors	PIMCO	Lehman Aggregate
Treasury/Agency	13 %	37 %
Mortgages	55	40
Corporates	16	18
High Yield	2	0
Asset-Backed	0	5
CMBS	0	0
International	7	0
Emerging Markets	2	0
Other	1	0
Cash	4	0

PIMCO's return of -2.0% for the third quarter was lower than the -0.5% return of the Lehman Aggregate and ranked in the 53rd percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 2.3% trailed the 3.7% return of the Lehman Aggregate and ranked in the 54th percentile. Over the past five years, the portfolio has returned 4.3%, above the Lehman Aggregate return of 3.8%, and ranked in the 22nd percentile.

At the end of the third quarter, PIMCO remained overweight relative to the Lehman Aggregate in the mortgage sector. PIMCO also had significant exposure to non-index sectors, including non-US sovereign debt, emerging markets and high yield. PIMCO remained underweight in the US government and corporate debt sectors. The duration of the PIMCO fixed income portfolio at the end of the third quarter was 5.1 years, up from last quarter's 4.6 year duration and longer than the benchmark. The portfolio continues to have a yield advantage over the index.

Third quarter performance was hurt by an overweight to the bonds of financial companies and modest holdings of municipal securities. Strategies that helped third quarter results included an overweight to duration as yields fell worldwide, a focus on short maturities as the US, UK and European yield curves steepened and holdings of Agency mortgage pass-throughs, which constituted PIMCO's largest sector overweight.

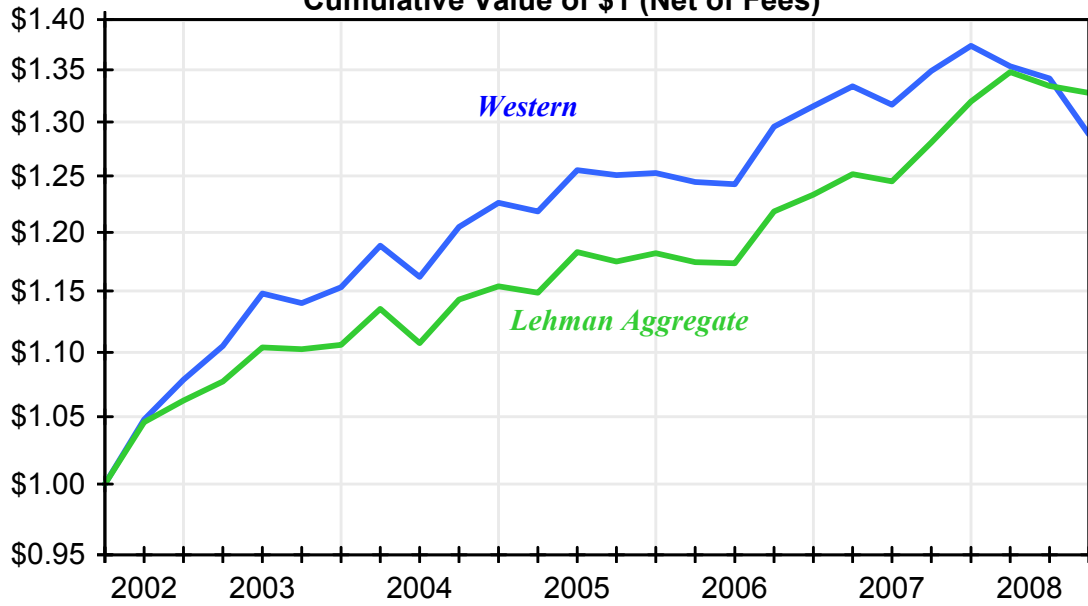
Looking forward, PIMCO plans to continue to employ defensive strategies and remain neutral to slightly overweight duration.

MANAGER COMMENTS – FIXED INCOME

Western Asset Management

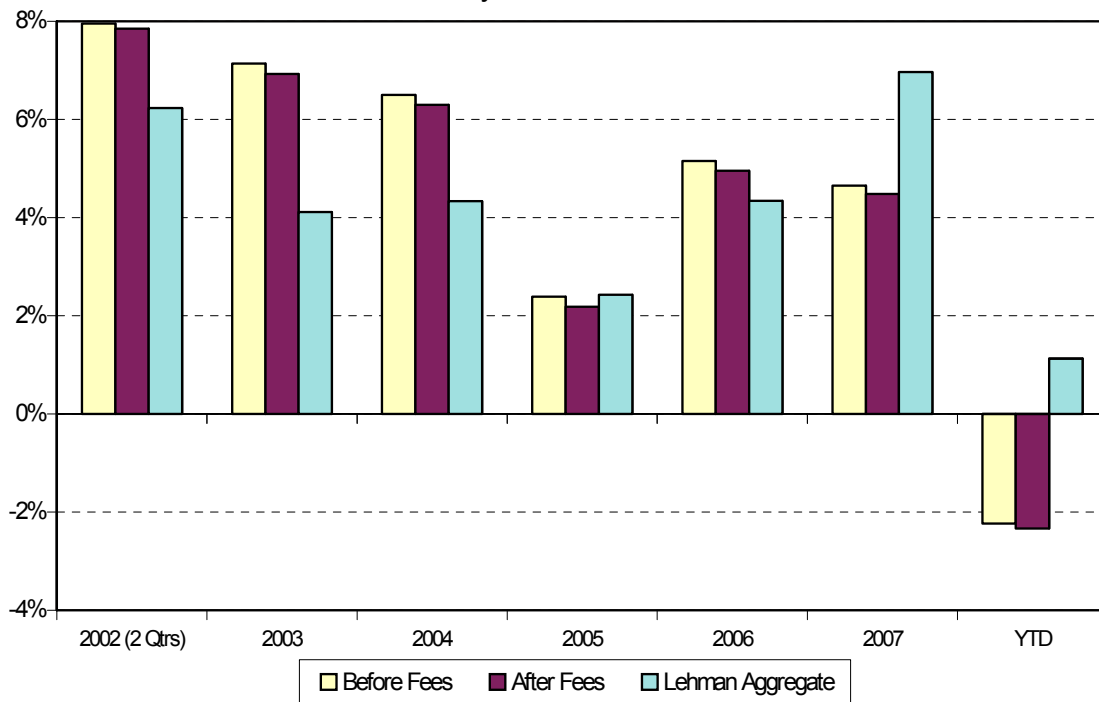
Western vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

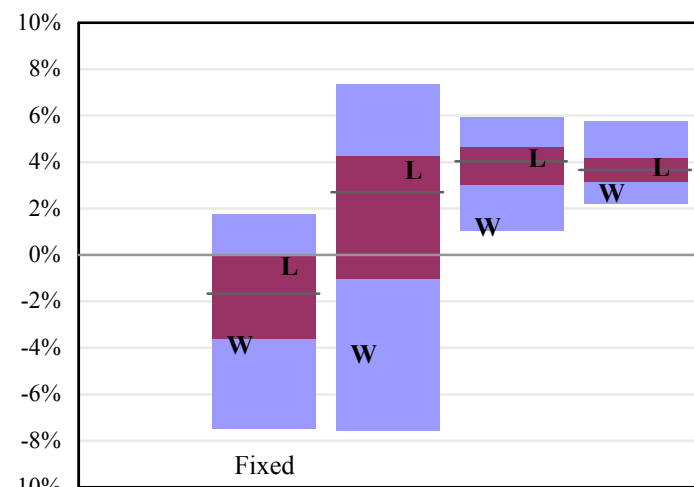


Western Asset vs. Lehman Aggregate

Year by Year Performance



Western Asset Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Western (W)	-3.9	-4.3	1.2	2.7
Rank v. Fixed	76	84	93	87
LB Agg (L)	-0.5	3.7	4.2	3.8
LB Uni (U)	-1.2	2.3	3.9	3.9
Fixed Median	-3.6	-1.1	3.0	3.2

Portfolio Characteristics	Western Asset	Lehman Aggregate
Mkt Value (\$Mil)	458.6	n/a
Yield to Maturity (%)	5.3 %	5.3 %
Duration (yrs)	2.7	4.5
Avg. Quality	AA+	AA+

Sectors	Western Asset	Lehman Aggregate
Treasury/Agency	8 %	37 %
Mortgages	35	40
Corporates	2	18
High Yield	0	0
Asset-Backed	0	5
CMBS	0	0
International	17	0
Emerging Markets	0	0
Other	2	0
Cash	36	0

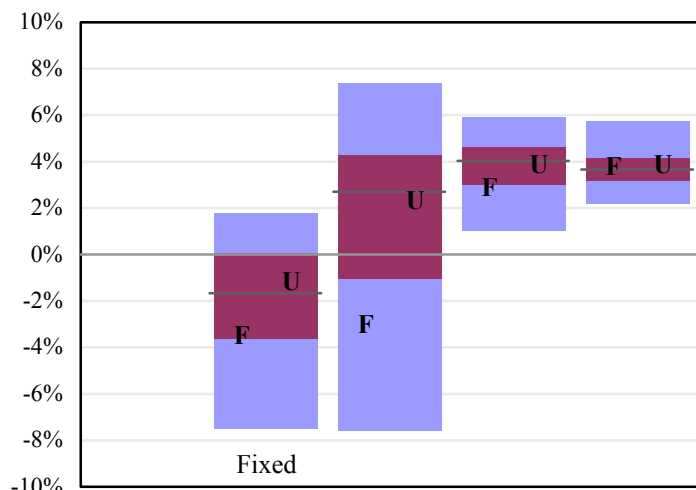
The Board voted earlier this year to terminate Western and distribute the assets to Goldman Sachs and Lord Abbett. This transition began in September and continued into October. Western Asset Management's return of -3.9% for the third quarter was below the -0.5% return of the Lehman Aggregate and ranked in the 76th percentile in the universe of fixed income managers. For the one-year period, Western's return of -4.3% substantially trailed the 3.7% return of the Lehman Aggregate and ranked in the 84th percentile. Over the past five years, Western returned 2.7%, below the Lehman Aggregate return of 3.8%, and ranked in the 87th percentile.

As assets began to be liquidated in advance of transferring control to Goldman Sachs and Lord Abbett, there was a significant buildup of cash (36%).

This page was intentionally left blank.

MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fixed (F)	-3.5	-3.0	2.9	3.8
Rank v. Fixed	73	80	76	41
LB Uni (U)	-1.2	2.3	3.9	3.9
LB Agg (L)	-0.5	3.7	4.2	3.8
Fixed Median	-3.6	-1.1	3.0	3.2

Portfolio Characteristics	Total Fixed	Lehman Universal
Mkt Value (\$Mil)	1,317.5	n/a
Yield to Maturity (%)	7.0 %	6.0 %
Duration (yrs)	4.0	4.3
Avg. Quality	AA	AA

Sectors	Total Fixed	Lehman Universal
Treasury/Agency	8 %	32 %
Mortgages	44	36
Corporates	7	16
High Yield	12	4
Asset-Backed	0	5
CMBS	0	0
International	8	2
Emerging Markets	1	1
Other	1	3
Cash	15	0

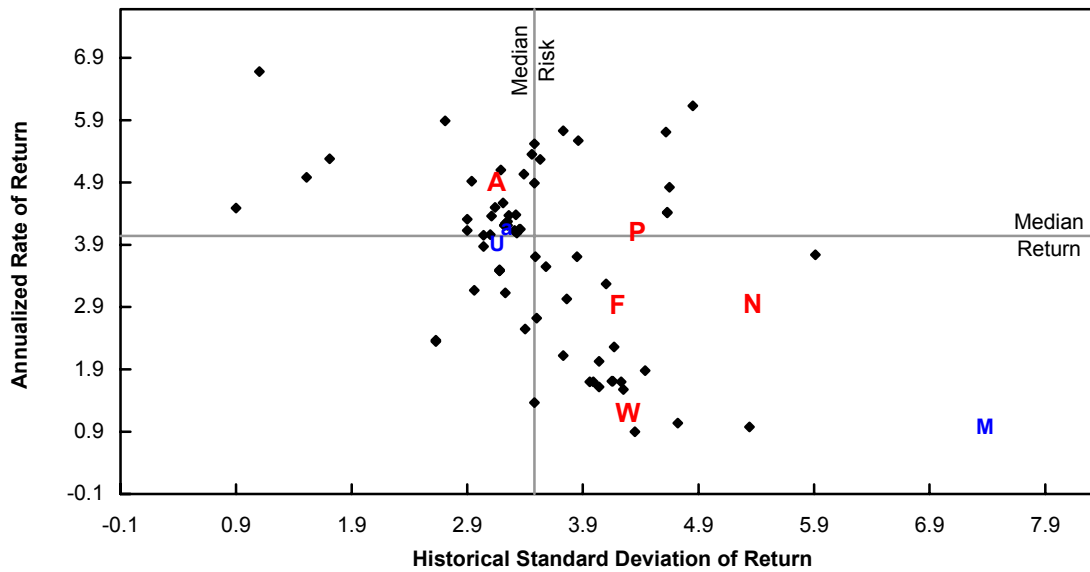
CCCERA total fixed income returned -3.5% in the third quarter, which was below the -1.2% return of the Lehman Universal and the -0.5% return of the Lehman Aggregate, ranking in the 73rd percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned -3.0%, below the 2.3% return of the Lehman Universal and the 3.7% return of the Lehman Aggregate. The CCCERA total fixed income returns trailed the Lehman Universal and the median fixed income manager over the three-year period but exceeded the median over the five-year period.

At the end of the third quarter, the aggregate fixed income position was underweight relative to the Lehman Universal in the US government and corporate debt sectors. These underweights were offset by larger positions in mortgages and high yield debt. The duration of the total fixed income portfolio at the end of the third quarter was 4.0 years, shorter than the 4.3 year duration of the index.

MANAGER COMMENTS – FIXED INCOME

Domestic Fixed Income Performance and Variability

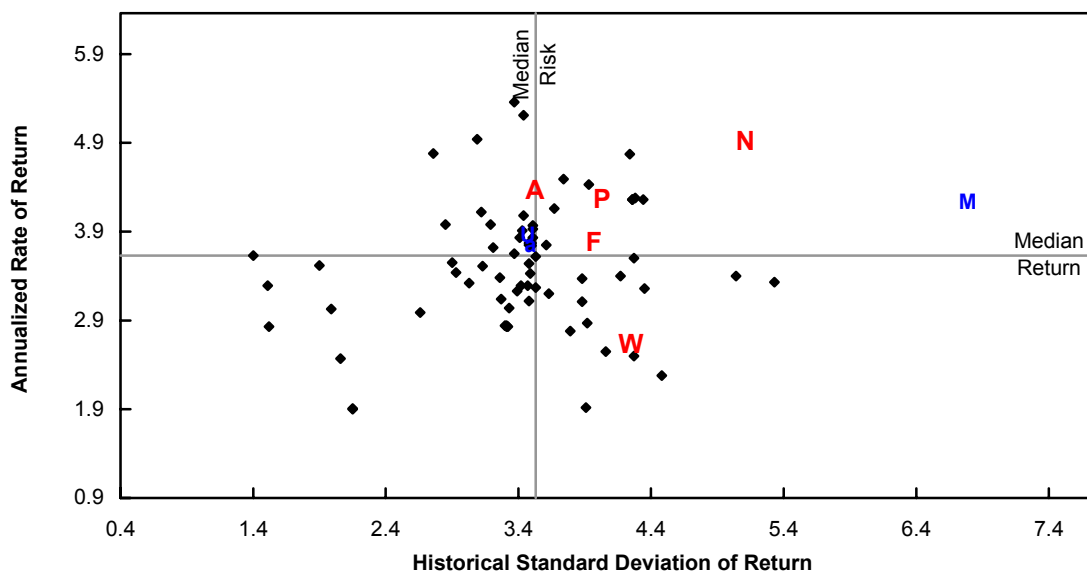
Three Years Ending September 30, 2008



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO (A)	4.9 %	3.2 %	0.22
Nicholas Applegate (N)	2.9	5.4	-0.23
PIMCO (P)	4.1	4.4	-0.02
Western (W)	1.2	4.3	-0.70
Total Fixed (F)	2.9	4.2	-0.30
Lehman Aggregate (a)	4.2	3.3	-0.02
ML High Yield II (2)	1.0	7.4	-0.44
Lehman Universal (U)	3.9	3.2	-0.09
Median Bond Portfolio	4.0	3.5	-0.05

Domestic Fixed Income Performance and Variability

Five Years Ending September 30, 2008

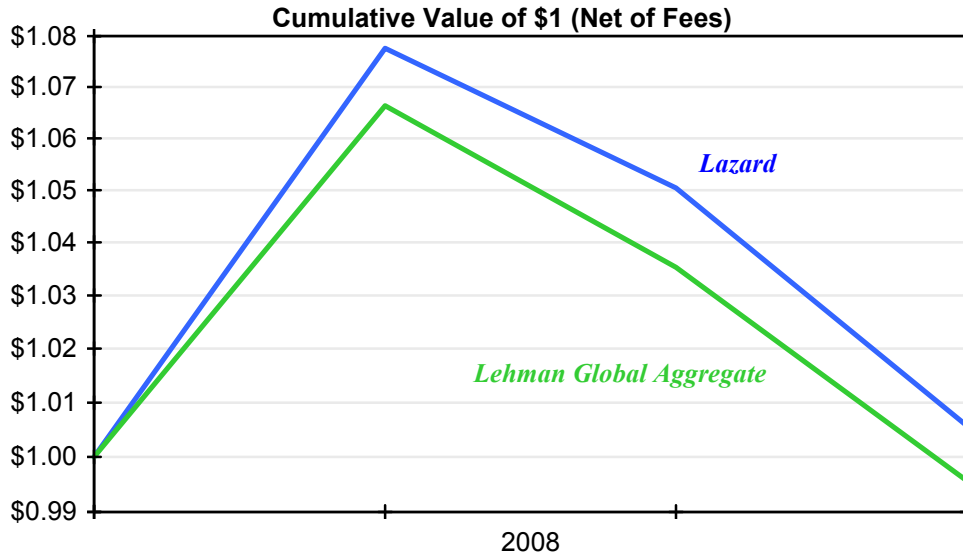


	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO (A)	4.4 %	3.5 %	0.32
Nicholas Applegate (N)	5.0	5.1	0.33
PIMCO (P)	4.3	4.1	0.26
Western (W)	2.7	4.3	-0.14
Total Fixed (F)	3.8	4.0	0.14
Lehman Aggregate (a)	3.8	3.5	0.15
ML High Yield II (2)	4.3	6.8	0.15
Lehman Universal (U)	3.9	3.5	0.18
Median Bond Portfolio	3.7	3.6	0.12

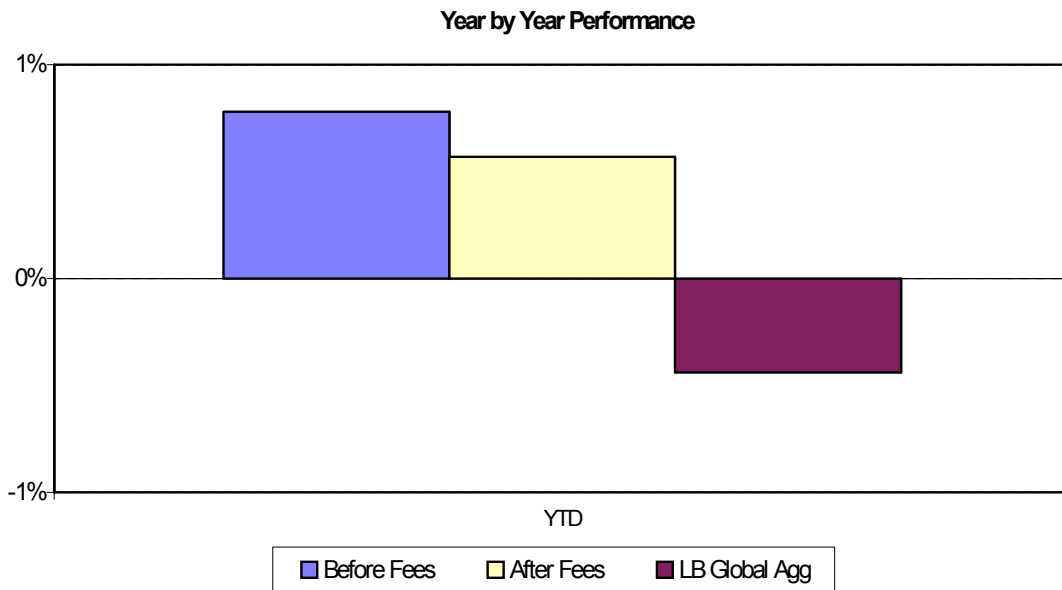
MANAGER COMMENTS – GLOBAL FIXED INCOME

Lazard Asset Management

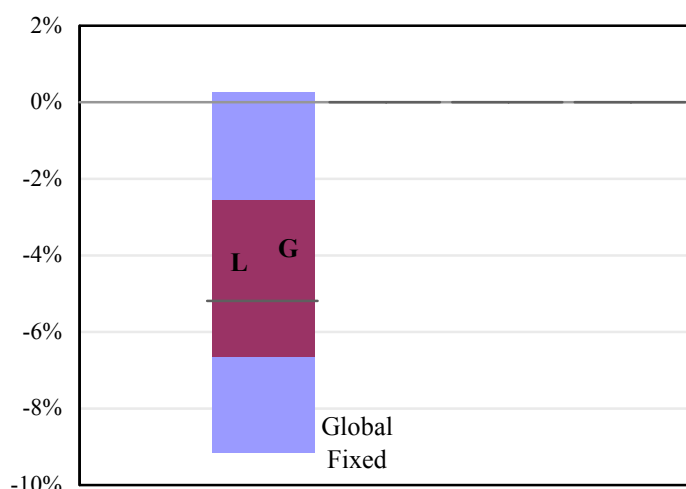
Lazard vs. Lehman Global Aggregate



Lazard vs. Lehman Global Aggregate



Lazard Asset Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Lazard (L)	-4.2	-	-	-
Rank v. Glob FI	36	-	-	-
LB Global (G)	-3.8	-	-	-
GI Fixed Median	-5.2	-	-	-

<u>Portfolio Characteristics</u>	<u>Lazard Asset Mgmt</u>	<u>Lehman Global Aggregate</u>
Mkt Value (\$Mil)	190.3	n/a
Yield to Maturity (%)	5.4 %	4.7 %
Duration (yrs)	4.4	5.3
Avg. Quality	AA+	AA+

<u>Sectors</u>	<u>Lazard Asset Mgmt</u>	<u>Lehman Global Aggregate</u>
Treasury/Sovereign	44 %	56 %
Agency/Supranational	20	11
Corporate	13	16
High Yield	2	0
Emerging Markets/Other	17	2
Mortgage	5	15

Lazard Asset Management returned -4.2% in the third quarter. This return lagged the -3.8% return of the Lehman Global Aggregate but ranked in the 36th percentile in the universe of global fixed income managers.

Lazard's portfolio was underweight to treasuries/sovereign and mortgage securities and overweight to agency/supranational and emerging markets. The duration of the Lazard Asset Management portfolio at the end of the third quarter was 4.4 years, shorter than the 5.3 year duration of the index. The portfolio has a higher yield than the index.

Absolute returns were negatively impacted by the stronger dollar, but offset somewhat by the bond market rally and Lazard's defensive credit positioning. The overweight position in European, Polish, Scandinavian, Australian, and Mexican bonds as well as an underweight exposure to Japanese bonds helped performance. Yield curve positioning and duration management also helped, as Lazard took advantage of the bull-flattening in euro-denominated bonds to take profit on long-maturity issues and reposition for more of a steepening bias. Currency management in select markets such as the euro, pound sterling, Mexican peso, and South Korean won helped returns. However, currency exposure in select emerging markets detracted from performance.

Lazard plans to remain defensive with its credit exposure and monitor spread product for future investment opportunities. The team is finding opportunities, however, with highly-rated securities. They have continued to adjust the portfolio's currency exposure and have taken profits on short U.S. dollar positioning against several currencies, especially the euro.

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management \$275,965,610

Adelante Capital Management returned -2.4% for the third quarter, below the 4.8% return of the Dow Jones Wilshire REIT Index, and ranked in the 56th percentile of the REIT mutual fund universe. For the past year, Adelante returned -19.3%, trailing the REIT index return of -12.5% and ranking in the 60th percentile. The portfolio has performed similarly to the benchmark over longer time periods. Despite a weak 2007, Adelante has returned 13.5% per year for the past five years and ranked in the 26th percentile.

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

BlackRock Realty \$30,516,046

BlackRock Realty Apartment Value Fund III (AVF III) reported a third quarter total return of -5.4%. Over the one-year period, BlackRock has returned -3.7%. CCCERA has an 18.7% interest in the AVF III.

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

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

DLJ Real Estate Capital Partners \$265,822

DLJ Real Estate Capital Partners (RECP) reported a return of 2.0% in the quarter ending June 30, 2008. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 31.3%. CCCERA has a 3.8% ownership interest in RECP.

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

DLJ Real Estate Capital Partners II
\$8,671,436

DLJ Real Estate Capital Partners II (RECP II) reported a return of -1.3% in the quarter ending June 30, 2008. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP II has returned 18.0%. CCCERA has a 3.4% ownership interest in RECP II.

As of June 30, the portfolio consisted of 38.3% retail, hotels accounted for 28.3%, land development made up 13.5%, residential accounted for 12.7%, sub-performing loans made up 3.9%, 2.0% was office properties and “other” made up 1.3%. The properties were diversified nationally with 13.7% in the Pacific, 28.4% in the Mountain region, 12.6% in the Northeast, 17.1% international, and 28.3% listed as “Various U.S.”.

The RECP II Fund acquired 51 investments with total capital committed of \$984 million. RECP II’s investment activities were completed in 2004 and the focus since has been on the management, positioning and realization of the portfolio. Some 43 of the properties have been sold; eight remain to be partially or fully realized. The Fund has received substantial proceeds as partial realizations on its remaining portfolio. These partial proceeds, together with the fully realized transaction, have allowed the Fund to distribute \$1.9 billion, representing 189% of the capital invested by the Fund.

The Fund continues to expect that there will be significant realization during the next year.

DLJ Real Estate Capital Partners III
\$66,153,742

DLJ Real Estate Capital Partners III (RECP III) reported a return of 9.9% in the quarter ending June 30, 2008. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned 20.6%. CCCERA has a 6.7% ownership interest in RECP III.

As of June 30, 2008 the portfolio consisted of 34% hotel properties, 16% residential, 16% mixed-use development, 11% industrial, 10% vacation home development, 6% public securities, 3% land development, 2% other and 2% retail. The properties were diversified globally with 47% non-US and 53% US.

The Fund is fully invested in 49 investments; committing \$1.1 billion of equity. There have been 11 realizations to date, generating a 72% gross IRR and a 2.0x multiple.

DLJ Real Estate Capital Partners IV
\$11,260,649

DLJ Real Estate Capital Partners IV (RECP IV) reported a return of -3.4% in the quarter ending June 30, 2008. (Performance lags by one quarter due to financial reporting constraints.)

As of June 30, 2008 the portfolio consisted of 27% CMBS REIT, 27% mixed-use development, 13% CMBS, 11% hotel properties, 8% office development, 7% residential development company, 4% industrial, 4% commercial land development and 1% air rights. The properties were diversified globally with 32% non-US and 68% US.

The Fund has made 17 investments to date with permanent equity commitment of approximately

\$445 million. The current distress in global capital markets is presenting attractive real estate investment opportunities.

Fidelity Investments US Growth Fund II
\$37,804,604

Fidelity Investments returned -9.9% for the third quarter of 2008. For the one-year period, Fidelity had a total return of -10.1%.

Since inception through June 30, the fund has made 52 investments. Thirteen have been fully realized, with a realized gross CCCERA IRR of 6.8%; the remaining 39 are projected to realize a 12% IRR. The portfolio consists of 30% apartment properties, office space accounted for 3%, retail accounted for 5%, for sale housing accounted for 24%, hotels accounted for 6%, self storage made up 1%, entitled land made up 9%, student housing accounted for 16%, industrial accounted for 2% and golf courses made up the remaining 1% of the portfolio. The properties were diversified regionally with 21% in the Pacific, 6% in the Northeast, 16% in the Mideast, 22% in the Southeast, 10% in the Midwest, 19% in the Mountain region and 5% in the Southwest.

Fidelity Investments US Growth Fund III
\$17,671,362

Fidelity US Growth Fund III reported a return of -0.4% for the third quarter of 2008. Over the past year, the Fund has returned -7.4%.

Since inception through June 30, the fund has made 6 investments. The portfolio consists of 15% mixed use developments, 48% student housing and 36% apartment properties. The properties were diversified regionally with 15% in the Southwest, 14% in the Southeast, 22% in the West and 48% distributed across multiple regions.

Hearthstone I & II
\$57,000 & \$-29,000

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

Invesco Real Estate Fund I
\$37,544,953

Invesco Real Estate Fund I (“IREF”) reported a third quarter total return of 1.4%. Over the past year, Invesco Real Estate Fund I returned 7.9%. CCCERA has a 15.4% interest in the Real Estate Fund I.

As of the third quarter, the portfolio consisted of 11 investments. Property type distribution was 12% retail, 20% industrial properties, 5% office, 55% multi-family and 8% other. The properties were diversified regionally with 20% in the West, 8% in the South, 12% in the Midwest and 12% in the East. 49% was invested in high yield CMBS issues.

The Fund has committed 103% of its equity capital. Since inception, IREF I has made fifteen investments, eleven of which are currently held in the portfolio and four of which have been sold at disposition pricing in excess of the Fund's overall return target. The Fund is now in its operating and redemption phase.

Invesco Real Estate Fund II
\$3,436,835

Invesco Real Estate Fund II returned -22.2% during the third quarter. The fund had its final closing on June 30, 2008 totaling \$456.9 million from 22 investors. The Fund has closed on nine transactions nationwide, representing \$165 million of equity or 36% of fund capital commitments. The investments are distributed nationwide with 40% in the Pacific, 16% Southeast, 14% Mideast and 28% Northeast.

Prudential Strategic Performance Fund II
\$3,719,298

For the third quarter, the Prudential Strategic Performance Fund-II (SPF-II) returned -1.0%. Over the one year period, the fund returned 49.7%. CCCERA accounts for 16.2% of SPF-II.

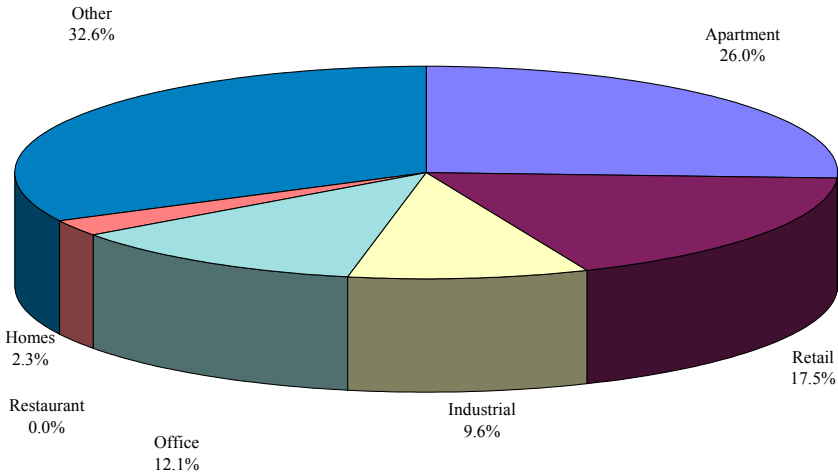
As of September 30, the portfolio was invested in one remaining property: the Monroe Center, a residential property in Hoboken, NJ. SPF-II did not declare a dividend for the third quarter 2008 because the remaining investment is in default. Since inception, SPF-II has paid dividends of approximately \$241.0 million, or 117.3% of the total capital called from investors.

This page intentionally left blank.

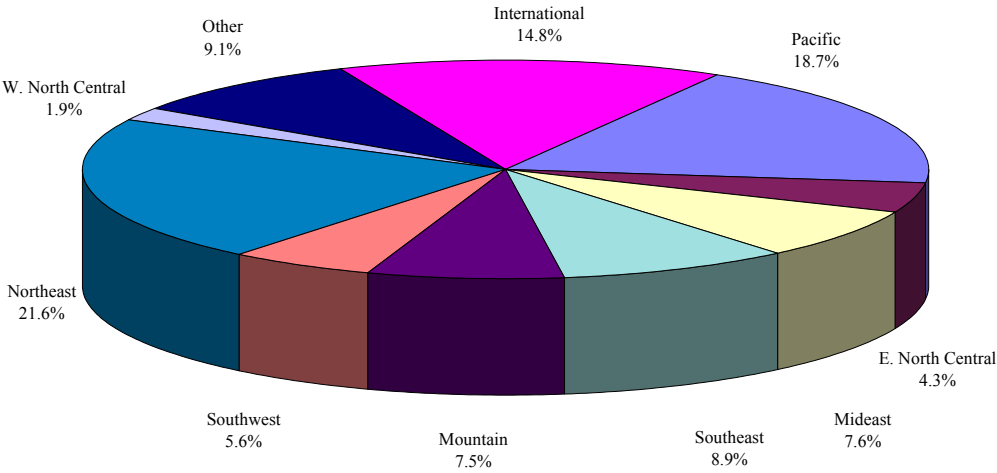
MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification

Diversification by Property Type



Diversification by Geographic Region



This page intentionally left blank.

MANAGER COMMENTS - ALTERNATIVE INVESTMENTS

Adams Street Partners

\$56,903,023

Adams Street reported a second quarter return of -1.1% for the CCCERA's investments. For the one-year period, Adams Street has returned 3.0%. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) The portfolio continues in acquisition mode.

The Adam's domestic portfolio (86% of the portfolio) is comprised of 34.8% venture capital funds, 11.6% special situations, 6.0% in mezzanine funds, 3.7% in restructuring/distressed debt and 44.0% in buyout funds. The Non-US program (14% of the portfolio) was allocated 26.2% to venture capital, 12.1% special situations, 2.3% mezzanine debt, 1.9% restructuring/distressed debt and 57.6% buyouts. Geographically, 85.7% of the commitment is in the U.S. and 14.3% non-US.

Bay Area Equity Fund

\$9,481,070

Bay Area Equity Fund reported a second quarter return of 1.2% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 32.9%. CCCERA has a 12.5% ownership interest in the Fund.

As of March 31, 2008, the Bay Area Equity Fund has 18 investments in private companies in the 10-county Bay Area, all of which are located in or near low- to middle-income neighborhoods. Currently, the Fund has invested \$59.5 million.

Carpenter Community BancFund

\$1,155,149

Carpenter reported a second quarter return of 7.6% (Performance lags by one quarter due to financial reporting constraints). Carpenter was funded during the first quarter of 2008.

Energy Investors - US Power Fund I

\$7,675,960

The Energy Investors Fund Group (EIF) reported a second quarter return for this fund, which is in liquidation mode, of -10.1%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF reports a total return of 164.0%. CCCERA has a 12.0% ownership interest in Fund I.

The Fund received approximately \$15.3 million in project cash distributions during the second quarter, comprised of \$7.3 million from Neptune, \$2.0 million from Glen Park, \$1.8 million from Black River Generation, \$1.7 million from Mustang, \$1.1 million from Crockett Cogeneration, \$0.7 million from Hamakua and \$0.6 million from Astoria.

Energy Investors - US Power Fund II
\$41,305,763

Energy Investors reported a second quarter return of 3.2% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 20.4%. CCCERA has a 19.7% ownership interest in USPF-II.

During the second quarter of 2008, the Fund distributed \$5.5 million to its investors, bringing total distributions to \$59.4 million. The second quarter distribution represents the successful closing of the construction financing for the Kleen Energy project. The proceeds received from Kleen included the repayment of development loans, interest on those loans and development fees.

During the quarter, the Fund made two follow-on investments totaling approximately \$2.8 million, in Russell and Hot Sulphur Springs.

Energy Investors - US Power Fund III
\$16,816,954

During the second quarter, the fund reported a return of 3.6%. Also during the second quarter, the fund invested \$61 million in Kansas City Landfill Gas and closed on \$1.0 billion in construction financings for the Kleen Energy project. Additionally, the fund received cash distributions of \$139 million and distributed \$40 million in to fund partners.

Nogales Investors Fund I
\$6,023,248

The Nogales Investors Fund I returned 1.7% in the quarter ended June 30. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned -50.2%. CCCERA makes up 16.3% of the Fund.

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

Paladin Fund III
\$4,776,852

Paladin Fund III returned 0.3% for the quarter ended June 30, 2008. As of June 30, 2008, Paladin Fund III had made eight investments. The fund investments include Adapx, Unitrends, Quantalife, Initiate Systems, Digital Bridge Communications, Renewable Energy Products, Luminus and Royalty Pharma. These four investments total \$20.8 million.

Pathway Private Equity Fund
\$51,491,802

The Pathway Private Equity Fund (PPEF) reported a second quarter return of -0.3%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF returned 4.5%. PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments.

During the third quarter, PPEF made one new commitment of \$4.0 million, increasing the total commitments to \$118.9 million across 39 private equity partnerships. Through June 30, 2008, the partnership has made distributions to \$37.8 million, which represents 55% of the Fund's total contribution.

PT Timber Fund III
\$7,829,315

The PT Timber Fund III reported a third quarter return of 6.0%. For the one-year period, John Hancock reports a total return of 14.5%. CCCERA makes up 16.3% of Fund III.

As of the end of the third quarter, PT-3's timberland portfolio is comprised of three properties: Covington in Alabama and Florida; Bonifay in Florida; and Choctaw in Mississippi.

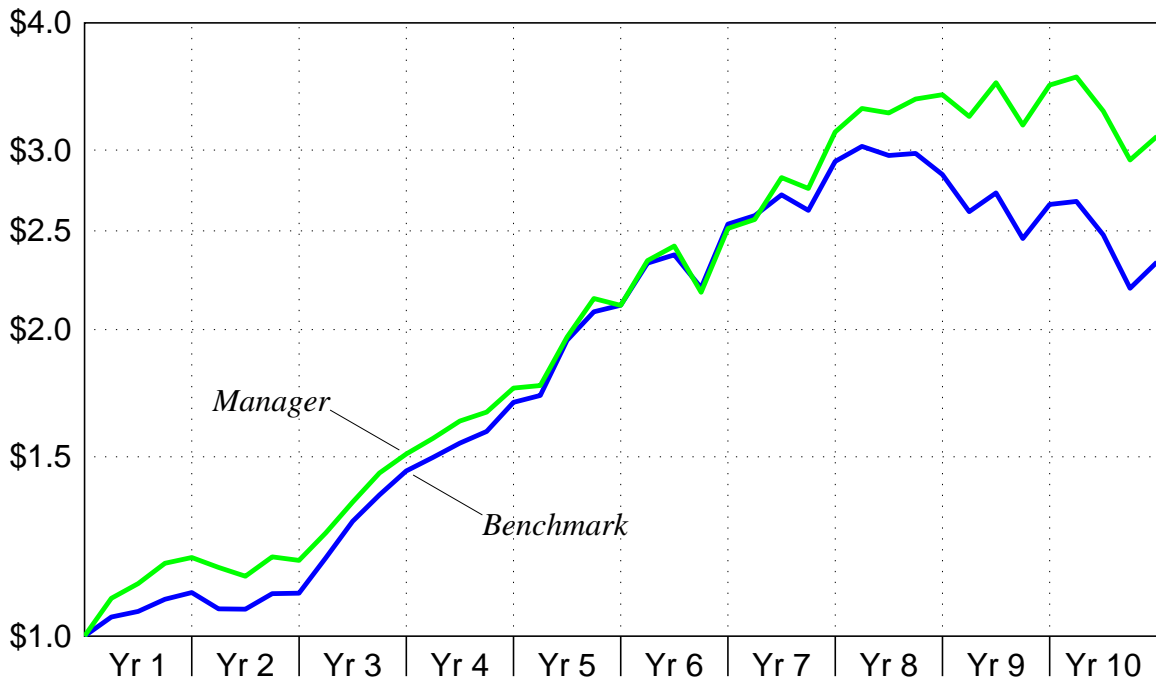
The Hamakua property in Hawaii was sold in late August. This sale represented nearly ¼ of the fund's assets. The associated distribution to CCCERA was approximately \$3 million. Additionally, the Alexander Plantation property was sold on September 10, 2008.

APPENDIX – EXAMPLE CHARTS

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

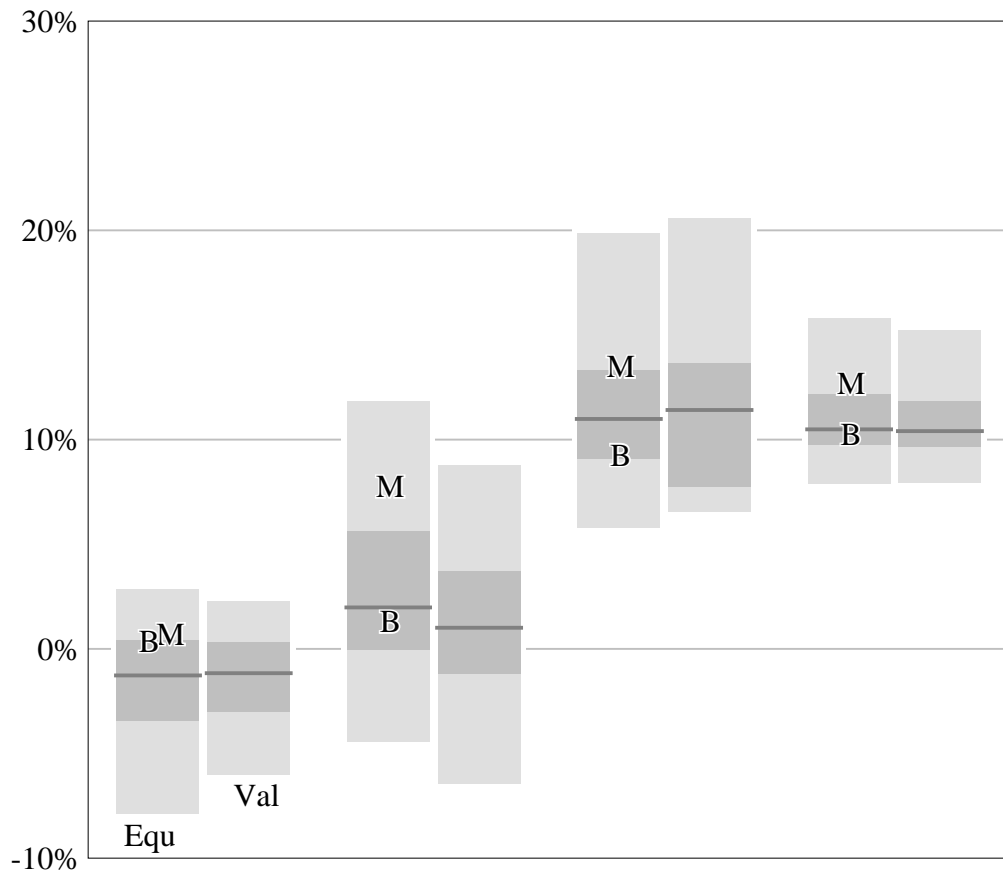


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter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

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

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

How to Read The Floating Bar Chart:



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

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

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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