

QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT  
for

Contra Costa County  
Employees' Retirement  
Association

FOR THE PERIOD ENDING  
*December 31, 2010*

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650 California Street, 17<sup>th</sup> Floor  
San Francisco, CA 94108

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



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## MARKET OVERVIEW

### *Domestic Equity Markets*

During the fourth quarter of 2010 domestic equities were up sharply, continuing the climb of the prior quarter. The S&P 500 returned 10.8% in the fourth quarter. Small cap stocks increased even more, with the Russell 2000® Index up 16.3%.

All ten of the S&P 500 sectors had positive returns during the fourth quarter. The Energy sector had the greatest gain (21.5%), followed by Materials (19.1%), Consumer Discretionary (12.7%), Industrials (11.8%), Financials (11.6%), Information Technology (10.3%), Telecom Services (7.3%), Consumer Staples (6.1%), Healthcare (3.7%), and Utilities (1.1%).

In the quarter, Value stocks trailed Growth-oriented securities in both the large cap and small cap market segments. In domestic large capitalization, the Russell 1000® Value Index returned 10.5%, compared to the Russell 1000® Growth Index return of 11.8%. In small caps, the Russell 2000® Value Index returned 15.4% while the Growth Index returned 17.1%.

### *International Equity Markets*

International equity markets rose significantly during the quarter as fears regarding solvency in the Euro-zone subsided and struggling Euro-zone countries introduced austerity measures. The MSCI EAFE Index returned 6.7%. The weakening dollar enhanced results for US investors as the MSCI EAFE return prior to translation into US\$ was 5.7%. The European portion of EAFE had a return of 4.6%, while the MSCI Pacific Index had a return of 10.7%.

### *Domestic Bond Markets*

The Barclays Capital Aggregate Bond Index returned -1.3% during the quarter. Reversing the trend of last quarter, longer-duration bonds had worse results than shorter-duration bonds. The Barclays Capital Long Government/Credit Index returned -5.6% while the shorter Barclays Capital 1-3 Year Government/Credit Index returned -0.1%. Government issues underperformed credit issues in the quarter. The Barclays Capital Credit Index returned -1.6% compared to -2.6% for the Barclays Capital Treasury Index. The agency mortgage bond sector returned -1.1%. High yield securities rose with the equity markets and the Merrill Lynch High Yield Master II Index returned 3.1%.

### *Real Estate*

The domestic real estate market, as measured by the NCREIF Property Index, was up 5.1% for the fourth quarter of 2010. The FTSE NAREIT Equity Index, which measures the domestic public REIT market, returned 7.4%. Global real estate securities, as measured by the FTSE EPRA/NAREIT Global Developed Markets Index, returned 6.2%.

## KEY POINTS

### *Fourth Quarter, 2010*

- The CCCERA Total Fund returned 6.1% for the fourth quarter, above the 5.4% return of the median total fund and the 5.8% return of the median public fund. CCCERA Total Fund performance has been first quartile over the past year, slightly below median over the past three-four years and well above median over the five through ten-year periods.
- CCCERA domestic equities returned 12.1% in the quarter, better than the 11.6% return of the Russell 3000® Index and the 11.4% return of the median equity manager, ranking in the 41<sup>st</sup> percentile of fixed income managers.
- CCCERA international equities returned 6.1% for the quarter, trailing the 6.7% return of the MSCI EAFE Index and the 7.3% return of the median international equity manager.
- CCCERA global equities returned 8.1% in the quarter, trailing the MSCI ACWI return of 8.7% and ranking in the 54<sup>th</sup> percentile of global equity managers.
- CCCERA fixed income returned 0.0% for the quarter, above the Barclays U.S. Universal return of -1.0% and exceeding the median fixed income manager return of -0.8%.
- CCCERA global fixed income returned -0.6%, better than the -1.3% return of the Barclays Global Aggregate Index. This return ranked in the 38<sup>th</sup> percentile of global fixed income managers.
- CCCERA alternative assets returned 4.3% for the quarter, trailing the target 11.8% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned 5.8% for the quarter. This return exceeded the median real estate manager return of 4.9% and the CCCERA real estate benchmark return of 5.5%.
- The CCCERA opportunistic allocation returned 3.7% in the fourth quarter.
- Total equity was above its target weight of 48% at the end of the fourth quarter. Global fixed income was over target and alternative investments remained below their long-term target. U.S. equities are the “parking place” for assets intended for alternative investments.
- The legacy McKinley portfolio was transitioned to William Blair in late December. The First Eagle and Tradewinds global equity mandates were funded during the first quarter of 2011.



## WATCH LIST

<u>Manager</u>	<u>Since</u>	<u>Reason</u>
Adelante	2/25/2009	Performance
Emerald Advisors	5/28/2008	Performance
Goldman Sachs	9/1/2010	Personnel Changes
GMO	2/24/2010	Performance
INVESCO IREF I, II	2/24/2010	Performance
Nogales Investors	5/28/2008	Performance
PIMCO (StocksPLUS)	5/28/2008	Performance
Progress	11/25/2008	Performance
Rothschild	11/24/2009	Performance

- Adelante lagged in the fourth quarter and but has exceeded the benchmark over the trailing one and two-year periods. Longer-term results generally lag the benchmark, though Adelante has matched over the trailing seven-year period.
- Emerald had a good fourth quarter, and results through the past three years are now above benchmark. The portfolio has lagged the benchmark over the trailing seven-year period. Since inception results continue to lag the benchmark.
- Goldman Sachs was placed on the Watch List due to continuing personnel changes within the fixed income team. Further changes have occurred since that time, most recently with the departure of Gregg Felton and the addition of Kent Wosepka as head of global credit research. Performance, however, has remained competitive.
- GMO had a good fourth quarter and past year, but lagged the benchmark over the trailing two-year period. Longer-term results are above the index.
- Both INVESCO real estate funds performed well over the past year, but they continue to rank poorly in the real estate universe over longer trailing time periods.
- Nogales will remain on the Watch List until the fund is completely wound down.
- PIMCO StocksPLUS had a good fourth quarter and now nearly matches the performance of the benchmark since inception.
- Progress underperformed in the fourth quarter. Longer-term results continue to be negatively impacted by the portfolio's poor performance in the second half of 2008.
- Rothschild had a weak fourth quarter. Intermediate-term results continue to lag the benchmark, though longer term trailing results over the past five and seven years exceed the index.

## SUMMARY

CCCERA's fourth quarter return of 6.1% was above the median total fund and the median public fund. Performance was strong over the past year. CCCERA slightly trailed the median funds over the past three and four-year periods. CCCERA has out-performed both medians over trailing time periods five years and longer.

CCCERA total domestic equities returned 12.1% for the quarter, better than the 11.6% return of the Russell 3000® and the 11.4% return of the median manager. Of CCCERA's domestic equity managers, Emerald has the best absolute return at 17.5%, better than the 17.1% return of the Russell 2000® Growth Index. Progress returned 15.4%, below the 16.3% return of the Russell 2000® Index. Wentworth Hauser returned 14.8%, better than the S&P 500 of 10.8%. Rothschild returned 12.9%, lagging the Rothschild Small/Mid Value benchmark return of 13.9%. PIMCO returned 11.2%, above the S&P 500 return of 10.8%. Robeco Boston Partners returned 10.5%, matching the return of the Russell 1000® Value Index. Intech Enhanced Plus returned 10.2%, trailing the S&P 500 Index. Delaware returned 9.8%, trailing the Russell 1000® Growth Index return of 11.8%. Finally, Intech Large Cap Core returned 9.6%, below 10.8% return of the S&P 500 Index.

CCCERA international equities returned 6.1%, trailing the 6.7% return of the MSCI EAFE Index and the 7.3% return of the median international manager. The GMO Intrinsic Value portfolio returned 6.1%, better than the 5.3% return of the MSCI EAFE Value Index. The legacy McKinley Capital portfolio was transitioned to William Blair late December.

CCCERA total domestic fixed income returned 0.0% for the fourth quarter, better than the -1.0% return of the Barclays Universal Index and the -0.8% return of the median fixed income manager. The Torchlight (formerly ING Clarion) II fund returned 8.0%, better than the ML High Yield II Index return of 3.1% and the high yield fixed income median return of 3.4%. Allianz Global (formerly Nicholas Applegate) returned 3.8%, which was better than 3.1% return of the ML High Yield II Index and exceeded the 3.4% return of the median high yield manager. The workout portfolio returned 2.8%, better than the Barclays Aggregate return of -1.3%. The Torchlight Fund III returned 0.1% in the fourth quarter, trailing the Merrill Lynch High Yield II Index. PIMCO returned -0.8%, better than the Barclays U.S. Aggregate and matching the median. Lord Abbett also returned -0.8%, better than the Barclays U.S. Aggregate and nearly matching the median fixed income manager. Goldman Sachs returned -1.0%, better than the Barclays U.S. Aggregate Index but trailing the median fixed income manager. AFL-CIO returned -1.3% which matched the Barclays U.S. Aggregate but trailed the median fixed income manager.

Lazard Asset Management returned -0.6% in the fourth quarter, which was better than the Barclays Global Aggregate return of -1.3%, and ranked in the 38<sup>th</sup> percentile of global fixed income portfolios.

CCCERA total alternative investments returned 4.3% in the fourth quarter. Nogales returned 13.4%, Adams Street Partners returned 6.8%, Pathway returned 6.4%, Bay Area Equity Fund returned 4.8%, Energy Investor Fund II returned 2.8%, Carpenter Community Bancfund returned 1.2%, Paladin III returned 1.2%, Hancock PT Timber Fund returned 0.3%, Energy Investor Fund returned -0.4% and Energy Investor Fund III returned -2.2%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending September 30, 2010.)

The median real estate manager returned 4.9% for the quarter while CCCERA's total real estate returned 4.4%. Invesco Fund II returned 18.8%, DLJ's RECP II returned 14.8%, Adelante Capital REIT returned 7.0%, DLJ's RECP IV returned 5.6%, Invesco International REIT returned 4.8%, Fidelity III returned 3.2%, Invesco Fund I returned 2.7%, Fidelity II returned 1.2%, DLJ RECP III returned -0.8%, DLJ RECP I returned -4.1%, BlackRock Realty returned -10.5% and the Willows Office Property returned -48.6% (due to an updated appraisal). Also, please refer to the internal rate of return (IRR) table for closed-end funds on page 15, which is the preferred measurement for the individual closed-end debt, real estate and private equity funds.

### **Asset Allocation**

The CCCERA fund at December 31, 2010 was above target in domestic equity at 37.4% compared to the target of 32.7%, international equity (10.5% vs. 10.4%), global equity (5.4% vs. 5.0%) and real estate (11.6% vs. 11.5%). Asset classes below their respective targets included investment grade fixed income (21.3% vs. 23.8%), global fixed income (3.8% vs. 4.0%), high yield (2.9% vs. 3.0%) and alternatives (5.0% vs. 7.0%). Cash was slightly above its target of 0.5%. Assets earmarked for alternative investments were temporarily invested in U.S. equities.

### **Private Investment Commitments**

CCCERA has committed to various private investment vehicles across multiple asset classes. Within domestic fixed income, CCCERA has committed \$85 million to the Torchlight Debt Opportunity Fund II and \$85 million to Torchlight Debt Opportunity Fund III.

Within real estate: \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$100 million to DLJ IV; \$40 million to Prudential SPF-II; \$25 million to the BlackRock Realty Apartment Value Fund III; \$50 million to INVESCO I; \$85 million INVESCO II; \$50 million to Fidelity II; and \$75 million to Fidelity III.

Within private equity: \$180 million to Adams Street Partners; \$30 million to Adams Street Secondary II; \$125 million to Pathway; \$30 million to Pathway 2008; \$15 million to Hancock PT Timber Fund III; \$30 million to Energy Investors USPF I; \$50 million to USPF II; \$65 million to USPF III; \$15 million to Nogales; \$10 million to Bay Area Equity Fund; \$10 million to Bay Area Equity Fund II; \$25 million to Paladin III and \$30 million to Carpenter Community BancFund.

Within the opportunistic allocation, CCCERA has made a \$40 million commitment to Oaktree Private Investment Fund 2009.

## Performance Compared to Investment Performance Objectives

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

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

### Summary of Managers Compliance with Investment Performance Objectives As of December 31, 2010

	Trailing 3 Years			Trailing 5 Years		
	<u>Gross</u> <u>Return</u>	<u>Net Return</u>	<u>Rank</u> <u>Target</u>	<u>Gross</u> <u>Return</u>	<u>Net Return</u>	<u>Rank</u> <u>Target</u>
<b>DOMESTIC EQUITY</b>						
Delaware	No	No	No	No	No	No
Emerald Advisors	Yes	Yes	Yes	Yes	No	No
Intech - Enhanced Plus	No	No	No	Yes	No	No
Intech - Large Core	No	No	No	-	-	-
PIMCO Stocks Plus	Yes	No	Yes	Yes	No	No
Progress	No	No	No	No	No	No
Robeco Boston Partners	Yes	Yes	Yes	Yes	Yes	Yes
Rothschild	No	No	No	Yes	Yes	No
Wentworth, Hauser	Yes	Yes	Yes	Yes	Yes	Yes
Total Domestic Equities	Yes	Yes	No	Yes	Yes	No
<b>INT'L EQUITY</b>						
GMO Intrinsic Value	Yes	Yes	No	Yes	No	No
William Blair	-	-	-	-	-	-
Total Int'l Equities	No	No	No	No	No	No
<b>DOMESTIC FIXED INCOME</b>						
AFL-CIO Housing	Yes	No	Yes	Yes	Yes	Yes
Goldman Sachs	-	-	-	-	-	-
Torchlight II	No	No	No	-	-	-
Torchlight III	-	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-
Allianz Global Investors	Yes	No	Yes	Yes	No	Yes
PIMCO	Yes	Yes	Yes	Yes	Yes	Yes
Workout (GSAM)	-	-	-	-	-	-
Total Domestic Fixed	Yes	No	Yes	Yes	No	Yes
<b>GLOBAL FIXED INCOME</b>						
Lazard Asset Management	Yes	Yes	Yes	-	-	-

**Summary of Managers Compliance with Investment Performance Objectives (cont)  
As of December 31, 2010**

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

**ASSET ALLOCATION**  
**As of December 31, 2010**

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
<b>EQUITY - DOMESTIC</b>				
Delaware Investments	\$ 340,752,724	18.0 %	6.7 %	6.1 %
Emerald	158,200,304	8.4	3.1	2.7
Intech - Enhanced Plus	23,023,677	1.2	0.5	0.4
Intech - Large Core	246,736,451	13.1	4.9	4.6
PIMCO	208,700,245	11.0	4.1	2.4
Progress	152,294,782	8.1	3.0	2.7
Robeco Boston Partners	324,509,892	17.2	6.4	6.1
Rothschild	151,461,016	8.0	3.0	2.7
Wentworth	284,143,680	15.0	5.6	5.0
<b>TOTAL DOMESTIC</b>	<b>\$ 1,889,822,771</b>	<b>70.2 %</b>	<b>37.4 %</b>	<b>32.7 %</b>
<b>INTERNATIONAL EQUITY</b>				
State Street/McKinley	\$ 693,107	0.0 %	0.0 %	0.0 %
William Blair	250,268,830	9.3	5.0	5.2
GMO Intrinsic Value	279,553,810	10.4	5.5	5.2
<b>TOTAL INT'L EQUITY</b>	<b>\$ 530,515,747</b>	<b>19.7 %</b>	<b>10.5 %</b>	<b>10.4 %</b>
<b>GLOBAL EQUITY</b>				
J.P. Morgan	\$ 272,176,429	10.1 %	5.4 %	5.0 %
<b>TOTAL GLOBAL EQUITY</b>	<b>\$ 272,176,429</b>	<b>10.1 %</b>	<b>5.4 %</b>	<b>5.0 %</b>
<b>TOTAL EQUITY</b>	<b>\$ 2,692,514,947</b>	<b>100.0 %</b>	<b>53.3 %</b>	<b>48.1 %</b>
			<i>Range:</i>	<i>45 to 53 %</i>
<b>FIXED INCOME</b>				
AFL-CIO	\$ 151,562,523	11.9 %	3.0 %	3.4 %
Goldman Sachs Core	235,359,834	18.6	4.7	5.4
Torchlight II	43,143,085	3.4	0.9	0.9
Torchlight III	54,052,599	4.3	1.1	1.8
Lord Abbett	235,582,040	18.6	0.0	5.4
PIMCO	332,558,805	26.2	6.6	6.9
Workout (GSAM)	21,913,399	1.7	0.4	0.0
<b>TOTAL US FIXED INCOME</b>	<b>\$ 1,074,172,285</b>	<b>84.7 %</b>	<b>21.3 %</b>	<b>23.8 %</b>
<b>GLOBAL FIXED</b>				
Lazard Asset Mgmt	\$ 194,176,500	15.3 %	3.8 %	4.0 %
<b>TOTAL GLOBAL FIXED</b>	<b>\$ 194,176,500</b>	<b>15.3 %</b>	<b>3.8 %</b>	<b>4.0 %</b>
<b>TOTAL INV GRADE FIXED</b>	<b>\$ 1,268,348,785</b>	<b>100.0 %</b>	<b>25.1 %</b>	<b>27.8 %</b>
			<i>Range:</i>	<i>24 to 34 %</i>
<b>HIGH YIELD</b>				
Allianz Global Investors	\$ 144,376,775	100.0 %	2.9 %	3.0 %
<b>TOTAL HIGH YIELD</b>	<b>\$ 144,376,775</b>	<b>100.0 %</b>	<b>2.9 %</b>	<b>3.0 %</b>
			<i>Range:</i>	<i>1 to 5 %</i>

**ASSET ALLOCATION**  
**As of December 31, 2010**

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
<b>REAL ESTATE</b>				
Adelante Capital	\$ 333,590,268	57.2 %	6.6 %	1.4 %
BlackRock Realty	1,655,286	0.3	0.0	-
DLJ RECP I	167,649	0.0	0.0	-
DLJ RECP II	4,775,785	0.8	0.1	-
DLJ RECP III	40,263,048	6.9	0.8	-
DLJ RECP IV	46,223,467	7.9	0.9	-
Fidelity II	14,296,256	2.5	0.3	-
Fidelity III	20,687,970	3.5	0.4	-
Hearthstone I	70,596	0.0	0.0	-
Hearthstone II	26,494	0.0	0.0	-
Invesco Fund I	25,690,180	4.4	0.5	-
Invesco Fund II	32,810,535	5.6	0.6	-
Invesco International REIT	55,167,015	9.5	1.1	1.0
Willows Office Property	8,000,000	1.4	0.2	-
<b>TOTAL REAL ESTATE</b>	<b>\$ 583,424,549</b>	<b>100.0 %</b>	<b>11.6 %</b>	<b>11.5 %</b>
			<i>Range:</i>	<i>8 to 14 %</i>
<b>ALTERNATIVE INVESTMENTS</b>				
Adams Street Partners	\$ 74,033,849	29.6 %	1.5 %	- %
Bay Area Equity Fund	15,490,034	6.2	0.3	-
Carpenter Bancfund	15,241,257	6.1	0.3	-
Energy Investor Fund	7,278,859	2.9	0.1	-
Energy Investor Fund II	39,343,919	15.7	0.8	-
Energy Investor Fund III	21,508,074	8.6	0.4	-
Nogales	2,637,265	1.1	0.1	-
Paladin III	9,981,406	4.0	0.2	-
Pathway	64,757,051	25.9	1.3	-
Hancock PT Timber	0	0.0	0.0	-
<b>TOTAL ALTERNATIVE</b>	<b>\$ 250,271,714</b>	<b>100.0 %</b>	<b>5.0 %</b>	<b>7.0 %</b>
			<i>Range:</i>	<i>5 to 9 %</i>
<b>OPPORTUNISTIC</b>				
Goldmans Sachs Opps	\$ 68,371,297	2.5 %	1.4 %	1.3 %
Oaktree PIF 2009	14,025,388	0.5	0.3	0.8
<b>TOTAL OPPORTUNISTIC</b>	<b>\$ 82,396,685</b>	<b>3.1 %</b>	<b>1.6 %</b>	<b>2.1 %</b>
<b>CASH</b>				
Custodian Cash	\$ 25,916,984	92.5 %	0.5 %	- %
Treasurer's Fixed	2,105,000	7.5	0.0	-
<b>TOTAL CASH</b>	<b>\$ 28,021,984</b>	<b>100.0 %</b>	<b>0.6 %</b>	<b>0.5 %</b>
			<i>Range:</i>	<i>0 to 1 %</i>
<b>TOTAL ASSETS</b>	<b>\$ 5,049,355,439</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

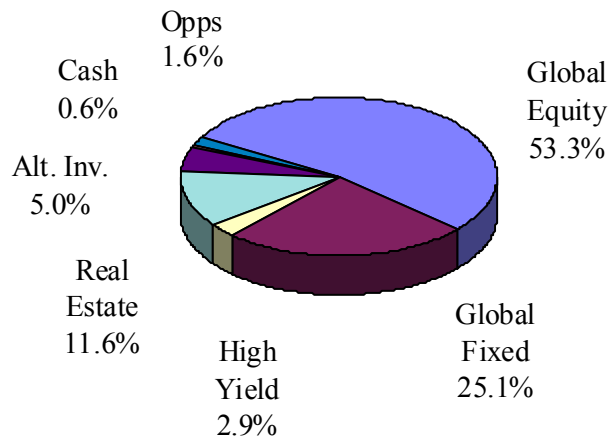
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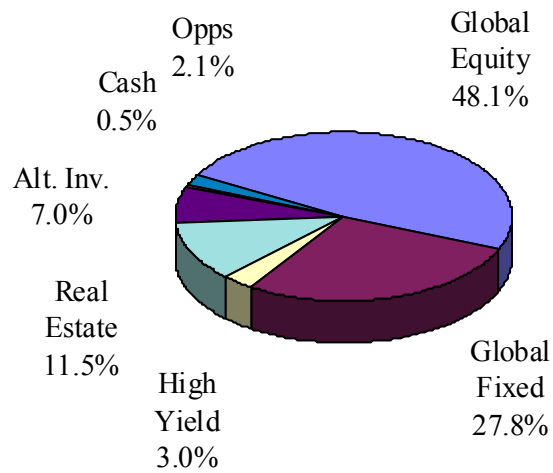
# ASSET ALLOCATION

As of December 31, 2010

## CCCERA Asset Allocation



## Target Asset Allocation



**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

<b>DOMESTIC EQUITY</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>2 Yr</b>	<b>3 Yr</b>	<b>4 Yr</b>	<b>5 Yr</b>	<b>7 Yr</b>	<b>10 Yr</b>
<b>Delaware</b>	<b>9.8 %</b>	<b>14.7 %</b>	<b>28.5 %</b>	<b>-1.7 %</b>	<b>1.9 %</b>	<b>2.2 %</b>	<b>- %</b>	<b>- %</b>
<i>Rank vs Equity</i>	<i>75</i>	<i>70</i>	<i>29</i>	<i>57</i>	<i>43</i>	<i>80</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>81</i>	<i>62</i>	<i>17</i>	<i>51</i>	<i>55</i>	<i>79</i>	<i>-</i>	<i>-</i>
<b>Emerald Advisors</b>	<b>17.5</b>	<b>30.5</b>	<b>31.9</b>	<b>3.4</b>	<b>3.3</b>	<b>5.3</b>	<b>5.8</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>7</i>	<i>7</i>	<i>18</i>	<i>20</i>	<i>29</i>	<i>30</i>	<i>48</i>	<i>-</i>
<i>Rank vs Sm Cap Growth</i>	<i>28</i>	<i>31</i>	<i>42</i>	<i>43</i>	<i>68</i>	<i>71</i>	<i>82</i>	<i>-</i>
<b>Intech - Enhanced Plus</b>	<b>10.2</b>	<b>15.7</b>	<b>20.6</b>	<b>-2.9</b>	<b>-0.4</b>	<b>2.4</b>	<b>5.1</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>71</i>	<i>58</i>	<i>74</i>	<i>74</i>	<i>67</i>	<i>70</i>	<i>62</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>82</i>	<i>33</i>	<i>72</i>	<i>74</i>	<i>41</i>	<i>51</i>	<i>28</i>	<i>-</i>
<b>Intech - Large Core</b>	<b>9.6</b>	<b>15.0</b>	<b>19.7</b>	<b>-3.0</b>	<b>-0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>75</i>	<i>68</i>	<i>79</i>	<i>76</i>	<i>68</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>88</i>	<i>66</i>	<i>82</i>	<i>77</i>	<i>43</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>PIMCO Stocks Plus</b>	<b>11.2</b>	<b>19.2</b>	<b>27.9</b>	<b>-2.6</b>	<b>-0.7</b>	<b>2.4</b>	<b>3.9</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>51</i>	<i>40</i>	<i>31</i>	<i>65</i>	<i>71</i>	<i>70</i>	<i>81</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>29</i>	<i>6</i>	<i>4</i>	<i>40</i>	<i>51</i>	<i>51</i>	<i>66</i>	<i>-</i>
<b>Progress</b>	<b>15.4</b>	<b>25.2</b>	<b>29.3</b>	<b>-1.3</b>	<b>0.5</b>	<b>3.3</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>18</i>	<i>24</i>	<i>26</i>	<i>52</i>	<i>54</i>	<i>53</i>	<i>-</i>	<i>-</i>
<i>Rank vs Small Core</i>	<i>60</i>	<i>66</i>	<i>45</i>	<i>98</i>	<i>81</i>	<i>88</i>	<i>-</i>	<i>-</i>
<b>Robeco Boston Partners</b>	<b>10.5</b>	<b>13.4</b>	<b>20.1</b>	<b>-1.2</b>	<b>0.1</b>	<b>3.9</b>	<b>6.7</b>	<b>5.4</b>
<i>Rank vs Equity</i>	<i>68</i>	<i>78</i>	<i>77</i>	<i>52</i>	<i>59</i>	<i>46</i>	<i>39</i>	<i>40</i>
<i>Rank vs Lg Value</i>	<i>44</i>	<i>60</i>	<i>44</i>	<i>19</i>	<i>22</i>	<i>22</i>	<i>8</i>	<i>26</i>
<b>Rothschild</b>	<b>12.9</b>	<b>21.8</b>	<b>17.7</b>	<b>-0.4</b>	<b>0.2</b>	<b>4.1</b>	<b>7.3</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>35</i>	<i>34</i>	<i>87</i>	<i>46</i>	<i>58</i>	<i>43</i>	<i>32</i>	<i>-</i>
<i>Rank vs Sm Cap Value</i>	<i>94</i>	<i>88</i>	<i>93</i>	<i>92</i>	<i>68</i>	<i>72</i>	<i>66</i>	<i>-</i>
<b>Wentworth, Hauser</b>	<b>14.8</b>	<b>13.5</b>	<b>23.9</b>	<b>0.0</b>	<b>1.6</b>	<b>2.7</b>	<b>5.2</b>	<b>2.6</b>
<i>Rank vs Equity</i>	<i>22</i>	<i>77</i>	<i>51</i>	<i>42</i>	<i>45</i>	<i>64</i>	<i>60</i>	<i>64</i>
<i>Rank vs Lg Core</i>	<i>1</i>	<i>83</i>	<i>15</i>	<i>15</i>	<i>12</i>	<i>37</i>	<i>26</i>	<i>29</i>
<b>Total Domestic Equities</b>	<b>12.1</b>	<b>17.8</b>	<b>24.1</b>	<b>-1.3</b>	<b>0.6</b>	<b>3.1</b>	<b>5.2</b>	<b>2.1</b>
<i>Rank vs Equity</i>	<i>41</i>	<i>45</i>	<i>49</i>	<i>52</i>	<i>53</i>	<i>56</i>	<i>59</i>	<i>70</i>
Median Equity	11.4	17.1	24.0	-0.9	1.2	3.6	5.8	3.9
S&P 500	10.8	15.1	20.6	-2.9	-0.8	2.3	3.9	1.4
Russell 3000®	11.6	16.9	22.5	-2.0	-0.3	2.7	4.5	2.2
Russell 1000® Value	10.5	15.5	17.6	-4.4	-3.4	1.3	4.1	3.3
Russell 1000® Growth	11.8	16.7	26.6	-0.5	2.5	3.8	4.3	0.0
Russell 2000®	16.3	26.9	27.0	2.2	1.3	4.5	6.4	6.3
Rothschild Benchmark	13.9	24.9	26.3	2.7	0.1	3.9	6.5	-
Russell 2000® Growth	17.1	29.1	31.8	2.2	3.4	5.3	6.4	3.8
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	<b>6.1</b>	<b>8.3</b>	<b>13.7</b>	<b>-7.3</b>	<b>-3.1</b>	<b>2.1</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>73</i>	<i>76</i>	<i>91</i>	<i>80</i>	<i>85</i>	<i>90</i>	<i>-</i>	<i>-</i>
<b>William Blair</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total Int'l Equities</b>	<b>6.1</b>	<b>8.3</b>	<b>15.6</b>	<b>-9.3</b>	<b>-3.7</b>	<b>1.8</b>	<b>6.4</b>	<b>4.3</b>
<i>Rank vs Int'l Eq</i>	<i>73</i>	<i>76</i>	<i>87</i>	<i>92</i>	<i>90</i>	<i>92</i>	<i>87</i>	<i>86</i>
Median Int'l Equity	7.3	12.0	23.7	-3.9	0.1	4.9	8.9	6.7
MSCI EAFE Index	6.7	8.2	19.7	-6.6	-2.3	2.9	6.9	3.9
MSCI ACWI ex-US	7.3	11.6	26.0	-4.6	0.4	5.3	9.1	6.0
MSCI EAFE Value Index	5.3	3.3	17.8	-7.9	-4.5	1.7	6.5	4.6
MSCI ACWI ex-US Growth	8.2	14.8	26.4	-4.5	1.4	5.6	8.8	4.7

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

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>GLOBAL EQUITY</b>								
J.P. Morgan Global	8.1 %	-	-	-	-	-	-	-
<i>Rank vs Global Eq</i>	54	-	-	-	-	-	-	-
Total Global Equity	8.1	-	-	-	-	-	-	-
<i>Rank vs Global Eq</i>	54	-	-	-	-	-	-	-
Median Global Equity	8.1	13.7 %	24.5 %	-3.1 %	0.6 %	5.2 %	-	-
MSCI ACWI Index	8.7	12.7	23.2	-4.3	-0.5	3.4	6.1 %	-
MSCI World Index	8.8	12.7	21.4	-4.2	-0.9	3.1	5.7	2.9 %
<b>DOMESTIC FIXED INCOME</b>								
AFL-CIO Housing	-1.3	6.5	6.6	6.3	6.5	6.2	5.5	6.3
<i>Rank vs Fixed Income</i>	76	62	62	43	44	42	38	34
Goldman Sachs	-1.0	7.6	8.7	-	-	-	-	-
<i>Rank vs Fixed Income</i>	61	42	43	-	-	-	-	-
Torchlight II*	8.0	41.9	28.5	-16.6	-14.2	-	-	-
<i>Rank vs High Yield</i>	2	1	61	98	98	-	-	-
Torchlight III*	0.1	12.0	27.5	-	-	-	-	-
<i>Rank vs High Yield</i>	99	89	67	-	-	-	-	-
Lord Abbett	-0.8	8.5	12.0	-	-	-	-	-
<i>Rank vs Fixed Income</i>	52	34	21	-	-	-	-	-
Allianz Global Investors	3.8	15.2	30.2	10.7	8.9	9.1	8.3	8.7
<i>Rank vs High Yield</i>	33	28	48	4	4	4	5	10
PIMCO	-0.8	9.3	12.8	8.4	8.4	7.7	6.7	-
<i>Rank vs Fixed Income</i>	49	27	19	11	9	9	11	-
Workout (GSAM)	2.8	24.4	29.6	-	-	-	-	-
<i>Rank vs Fixed Income</i>	12	1	1	-	-	-	-	-
Total Domestic Fixed	0.0	10.6	14.1	6.2	6.1	6.4	6.0	6.6
<i>Rank vs Fixed Income</i>	28	20	15	45	59	36	23	27
Median Fixed Income	-0.8	7.0	7.9	6.0	6.4	6.0	5.3	6.0
Median High Yield Mgr.	3.4	14.1	30.0	7.7	6.3	7.0	6.9	7.4
Barclays Universal	-1.0	7.2	7.9	6.0	6.1	5.9	5.3	6.0
Barclays Aggregate	-1.3	6.5	6.2	5.9	6.2	5.8	5.1	5.8
Merrill Lynch HY II	3.1	15.2	34.7	10.2	8.1	8.9	8.2	8.6
Merrill Lynch BB/B	2.4	14.5	29.4	8.6	7.1	7.8	7.4	7.8
T-Bills	0.0	0.1	0.2	0.8	1.8	2.4	2.4	2.4
<b>GLOBAL FIXED INCOME</b>								
Lazard Asset Mgmt	-0.6	8.8	10.1	6.5	-	-	-	-
<i>Rank vs. Global Fixed</i>	38	31	45	29	-	-	-	-
Barclays Global Aggregate	-1.3	5.5	6.2	5.8	6.7	6.7	-	-
<b>ALTERNATIVE INVESTMENTS*</b>								
Adams Street**	6.8	16.3	4.0	1.0	7.1	10.2	11.5	3.6
Bay Area Equity Fund**	4.8	42.6	19.5	21.1	30.6	22.1	-	-
Carpenter Bancfund**	1.2	2.3	4.7	-	-	-	-	-
Energy Investor Fund**	-0.4	10.5	45.0	88.9	62.0	50.7	-	-
Energy Investor Fund II**	2.8	4.1	2.2	7.8	8.9	-	-	-
Energy Investor Fund III**	-2.2	-14.5	-2.6	-	-	-	-	-
Nogales**	13.4	28.1	-18.1	-31.2	-20.7	-15.2	-	-
Paladin III**	1.2	9.9	10.0	2.6	-	-	-	-
Pathway**	6.4	15.8	2.7	-0.5	10.3	12.5	16.3	3.9
Hancock PT Timber Fund	0.3	-6.9	-6.3	-0.6	3.0	4.8	5.8	4.3
Total Alternative	4.3	10.5	4.3	3.5	9.1	11.1	14.0	6.2
S&P 500 + 400 bps	11.8	19.6	25.4	1.1	3.2	6.4	8.0	5.5

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>REAL ESTATE*</b>								
<b>Adelante Capital REIT</b>	7.0 %	31.2 %	30.2 %	-2.2 %	-6.1 %	1.5 %	8.0 %	- %
<i>Rank vs REITs</i>	48	11	19	81	84	73	43	-
<b>BlackRock Realty</b>	-10.5	17.1	-25.9	-26.6	-17.9	-10.9	-	-
<i>Rank</i>	98	35	93	92	93	91	-	-
<b>DLJ RECP I**</b>	-4.1	-2.3	-2.7	9.6	15.3	20.1	18.0	14.5
<i>Rank</i>	97	88	31	1	1	1	1	5
<b>DLJ RECP II**</b>	14.8	-7.2	-19.7	-12.5	-2.5	4.2	13.9	13.7
<i>Rank</i>	3	92	87	79	24	18	4	5
<b>DLJ RECP III**</b>	-0.8	-15.0	-15.2	-9.9	-1.2	1.0	-	-
<i>Rank</i>	94	95	83	58	15	41	-	-
<b>DLJ RECP IV**</b>	5.6	-12.5	-36.2	-	-	-	-	-
<i>Rank</i>	40	94	95	-	-	-	-	-
<b>Fidelity II</b>	1.2	10.0	-18.8	-27.3	-20.3	-14.0	-	-
<i>Rank</i>	85	76	87	93	93	94	-	-
<b>Fidelity III</b>	3.2	49.5	-34.4	-27.3	-	-	-	-
<i>Rank</i>	80	1	95	93	-	-	-	-
<b>Invesco Fund I</b>	2.7	32.8	-17.9	-19.7	-13.0	-4.6	-	-
<i>Rank</i>	82	1	86	88	89	89	-	-
<b>Invesco Fund II</b>	18.8	96.4	-27.0	-53.6	-	-	-	-
<i>Rank</i>	1	1	93	99	-	-	-	-
<b>Invesco Int'l REIT</b>	4.8	14.6	26.5	-	-	-	-	-
<i>Rank vs REITs</i>	92	100	66	-	-	-	-	-
<b>Willows Office Property</b>	-48.6	-46.7	-25.3	-16.6	-4.3	-2.1	-1.8	5.5
<i>Rank</i>	100	99	93	84	48	83	94	58
<b>Total Real Estate</b>	4.4	21.0	9.7	-7.5	-6.5	0.5	7.0	9.2
<i>Rank</i>	67	17	24	33	81	45	28	33
Median Real Estate	4.9	16.0	-8.3	-8.9	-4.4	-0.2	5.7	6.2
Real Estate Benchmark	5.5	17.3	6.5	-1.3	0.6	4.5	8.5	9.0
Wilshire REIT	7.9	28.6	28.6	0.2	-4.6	2.4	8.0	10.5
NCREIF Property Index	4.6	13.1	-3.0	-4.2	0.5	3.5	7.3	7.4
NCREIF Index + 300 bps	5.4	16.4	-0.1	-1.3	3.6	6.7	10.5	10.6
NCREIF Index + 500 bps	5.9	18.6	1.9	0.7	5.5	8.6	12.5	12.7
NCREIF Apartment	6.3	18.2	-1.3	-3.3	0.2	2.9	6.8	7.4
NCREIF Apt + 300 bps	7.0	21.6	1.7	-0.4	3.2	6.0	9.9	10.6
<b>OPPORTUNISTIC</b>								
<b>Goldman Sachs</b>	3.5	-	-	-	-	-	-	-
<b>Oaktree PIF 2009</b>	4.7	-	-	-	-	-	-	-
<b>Total Opportunistic</b>	3.7	-	-	-	-	-	-	-
<b>Total Fund</b>	6.1 %	14.0 %	17.9 %	0.7 %	2.3 %	4.8 %	6.8 %	5.7 %
<i>Rank vs. Total Fund</i>	34	22	30	54	54	36	9	15
<i>Rank vs. Public Fund</i>	44	25	21	67	67	43	8	16
Median Total Fund	5.4	12.2	15.7	1.0	2.5	4.4	5.2	4.5
Median Public Fund	5.8	12.2	15.3	1.7	3.0	4.6	5.5	4.9
CPI + 400 bps	1.3	5.6	6.2	5.5	6.2	6.3	6.6	6.9

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

\*\* Performance as of September 30, 2010.

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

	Gross of Fees		Net of Fees		Inception
	Fund Level	CCCERA	Fund Level	CCCERA	
	IRR	IRR	IRR	IRR	
<b>FIXED INCOME</b>					
Torchlight II	-19.4%	-18.4%	-21.9%	-20.9%	07/01/06
Torchlight III	24.8%	24.8%	17.4%	14.8%	12/12/08
Oaktree	8.8%	8.8%	3.7%	3.7%	02/18/10
<b>REAL ESTATE</b>					
BlackRock Realty	-9.3%	-7.7%	-10.4%	-9.9%	11/19/04
DLJ RECP II	26.5%	22.3%	23.4%	18.0%	09/24/99
DLJ RECP III	-3.5%	-4.1%	-4.9%	-5.9%	06/23/05
DLJ RECP IV	-23.4%	-15.0%	-27.5%	-19.2%	02/11/08
Fidelity Growth Fund II	-13.7%	-13.8%	-15.2%	-15.2%	03/10/04
Fidelity Growth Fund III	-21.6%	-21.1%	-25.8%	-25.8%	03/30/07
Hearthstone I	n/a	n/a	4.0%	3.7%	06/15/95
Hearthstone II	n/a	n/a	27.2%	26.7%	06/17/98
Invesco Real Estate I	-6.5%	-6.5%	-8.0%	-8.0%	02/01/05
Invesco Real Estate II	-42.5%	-42.6%	-43.7%	-43.8%	11/26/07
<b>ALTERNATIVE INVESTMENTS</b>					
Adams Street Partners <i>(combined)</i>	13.5%	13.5%	10.3%	10.3%	03/18/96
Bay Area Equity Fund	22.2%	22.7%	12.7%	13.0%	06/14/04
Bay Area Equity Fund II*	7.5%	7.5%	-8.0%	-8.0%	12/07/09
Carpenter Bancfund	0.6%	0.6%	-5.4%	-5.1%	01/31/08
EIF US Power Fund I	34.7%	35.9%	29.8%	29.7%	11/26/03
EIF US Power Fund II	10.0%	8.9%	6.5%	5.5%	08/16/05
EIF US Power Fund III	-1.7%	-1.7%	-8.8%	-8.8%	05/30/07
Nogales	-13.0%	-13.9%	-21.8%	-22.4%	02/15/04
Paladin	-4.1%	-4.8%	-4.1%	-4.8%	11/30/07
Pathway <i>(combined)</i>	9.8%	10.0%	5.1%	6.8%	11/09/98
Benchmark <sup>3</sup>	7.5%	n/a	n/a	n/a	
Benchmark <sup>4</sup>	20.0%	n/a	n/a	n/a	
PruTimber	4.5%	4.6%	3.5%	3.6%	12/12/95

Benchmarks:

Pathway

Benchmark<sup>3</sup>

Benchmark<sup>4</sup>

Venture Economics Buyout Pooled IRR - 1999-2010 as of 6/30/10

Venture Economics Venture Capital IRR - 1999-2010 as of 6/30/2010

\* BAEF II returns reflect change in value over investment period

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>DOMESTIC EQUITY</b>								
<b>Robeco Boston Partners</b>	<b>10.4 %</b>	<b>13.0 %</b>	<b>19.8 %</b>	<b>-1.5 %</b>	<b>-0.2 %</b>	<b>3.5 %</b>	<b>6.4 %</b>	<b>5.1 %</b>
<b>Delaware</b>	<b>9.7</b>	<b>14.3</b>	<b>28.0</b>	<b>-2.2</b>	<b>1.4</b>	<b>1.7</b>	<b>-</b>	<b>-</b>
<b>Emerald Advisors</b>	<b>17.3</b>	<b>29.8</b>	<b>31.1</b>	<b>2.7</b>	<b>2.7</b>	<b>4.7</b>	<b>-</b>	<b>-</b>
<b>Intech - Enhanced Plus</b>	<b>10.1</b>	<b>15.3</b>	<b>20.2</b>	<b>-3.2</b>	<b>-0.7</b>	<b>2.1</b>	<b>4.7</b>	<b>-</b>
<b>Intech - Large Core</b>	<b>9.6</b>	<b>14.6</b>	<b>19.3</b>	<b>-3.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PIMCO Stocks Plus</b>	<b>11.1</b>	<b>18.8</b>	<b>27.6</b>	<b>-3.0</b>	<b>-1.1</b>	<b>2.0</b>	<b>3.5</b>	<b>-</b>
<b>Progress</b>	<b>15.2</b>	<b>24.4</b>	<b>28.5</b>	<b>-2.0</b>	<b>-0.2</b>	<b>2.6</b>	<b>-</b>	<b>-</b>
<b>Rothschild</b>	<b>12.7</b>	<b>21.1</b>	<b>16.9</b>	<b>-1.0</b>	<b>-0.5</b>	<b>3.4</b>	<b>-</b>	<b>-</b>
<b>Wentworth, Hauser</b>	<b>14.7</b>	<b>13.3</b>	<b>23.6</b>	<b>-0.2</b>	<b>1.4</b>	<b>2.5</b>	<b>5.0</b>	<b>2.4</b>
<b>Total Domestic Equities</b>	<b>12.0</b>	<b>17.3</b>	<b>23.7</b>	<b>-1.7</b>	<b>0.2</b>	<b>2.7</b>	<b>4.7</b>	<b>1.7</b>
Median Equity	11.4	17.1	24.0	-0.9	1.2	3.6	5.8	3.9
S&P 500	10.8	15.1	20.6	-2.9	-0.8	2.3	3.9	1.4
Russell 3000®	11.6	16.9	22.5	-2.0	-0.3	2.7	4.5	2.2
Russell 1000® Value	10.5	15.5	17.6	-4.4	-3.4	1.3	4.1	3.3
Russell 1000® Growth	11.8	16.7	26.6	-0.5	2.5	3.8	4.3	0.0
Russell 2000®	16.3	26.9	27.0	2.2	1.3	4.5	6.4	6.3
Russell 2500™ Value	13.9	24.9	26.3	2.7	0.1	3.9	6.8	8.5
Russell 2000® Growth	17.1	29.1	31.8	2.2	3.4	5.3	6.4	3.8
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	<b>5.9</b>	<b>7.6</b>	<b>13.0</b>	<b>-7.9</b>	<b>-3.7</b>	<b>1.5</b>	<b>-</b>	<b>-</b>
<b>William Blair</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Int'l Equities</b>	<b>6.0</b>	<b>7.9</b>	<b>15.1</b>	<b>-9.7</b>	<b>-4.2</b>	<b>1.2</b>	<b>6.0</b>	<b>3.8</b>
Median Int'l Equity	7.3	12.0	23.7	-3.9	0.1	4.9	8.9	6.7
MSCI EAFE Index	6.7	8.2	19.7	-6.6	-2.3	2.9	6.9	3.9
MSCI ACWI ex-US	7.3	11.6	26.0	-4.6	0.4	5.3	9.1	6.0
MSCI EAFE Value Index	5.3	3.3	17.8	-7.9	-4.5	1.7	6.5	4.6
MSCI ACWI ex-US Growth	8.2	14.8	26.4	-4.5	1.4	5.6	8.8	4.7
<b>GLOBAL EQUITY</b>								
<b>J.P. Morgan</b>	<b>7.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Global Equities</b>	<b>7.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Median Global Equity	8.1	13.7	24.5	-3.1	0.6	5.2	-	-
MSCI ACWI Index	8.7	12.7	23.2	-4.3	-0.5	3.4	6.1	0.0
MSCI World Index	8.8	12.7	21.4	-4.2	-0.9	3.1	5.7	2.9
<b>DOMESTIC FIXED INCOME</b>								
<b>AFL-CIO Housing</b>	<b>-1.4</b>	<b>6.2</b>	<b>6.2</b>	<b>5.9</b>	<b>6.1</b>	<b>5.8</b>	<b>5.1</b>	<b>5.9</b>
<b>Goldman Sachs</b>	<b>-1.1</b>	<b>7.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Torchlight II</b>	<b>7.6</b>	<b>36.5</b>	<b>22.9</b>	<b>-19.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Torchlight III</b>	<b>-4.7</b>	<b>-2.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lord Abbett</b>	<b>-0.9</b>	<b>8.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allianz Global Investors</b>	<b>3.7</b>	<b>14.8</b>	<b>29.7</b>	<b>10.2</b>	<b>8.4</b>	<b>8.6</b>	<b>7.8</b>	<b>8.2</b>
<b>PIMCO</b>	<b>-0.8</b>	<b>9.0</b>	<b>12.5</b>	<b>8.1</b>	<b>8.1</b>	<b>7.4</b>	<b>6.4</b>	<b>-</b>
<b>Workout (GSAM)</b>	<b>2.8</b>	<b>24.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Domestic Fixed</b>	<b>-0.1</b>	<b>9.9</b>	<b>13.5</b>	<b>5.6</b>	<b>5.6</b>	<b>5.9</b>	<b>5.5</b>	<b>6.2</b>
Median Fixed Income	-0.8	7.0	7.9	6.0	6.4	6.0	5.3	6.0
Median High Yield Mgr.	3.4	14.1	30.0	7.7	6.3	7.0	6.9	7.4
Barclays Universal	-1.0	7.2	7.9	6.0	6.1	5.9	5.3	6.0
Barclays Aggregate	-1.3	6.5	6.2	5.9	6.2	5.8	5.1	5.8
Merrill Lynch HY II	3.1	15.2	34.7	10.2	8.1	8.9	8.2	8.6
Merrill Lynch BB/B	2.4	14.5	29.4	8.6	7.1	7.8	7.4	7.8
T-Bills	0.0	0.1	0.2	0.8	1.8	2.4	2.4	2.4
<b>GLOBAL FIXED INCOME</b>								
<b>Lazard Asset Mgmt</b>	<b>-0.7</b>	<b>8.5</b>	<b>9.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Barclays Global Aggregate	-1.3	5.5	0.0	0.0	6.7	6.7	-	-

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

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>3 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>
<b>ALTERNATIVE INVESTMENTS*</b>								
Adams Street**	6.2 %	13.7 %	1.7 %	-1.0 %	5.0 %	8.0 %	9.2 %	1.5 %
Bay Area Equity Fund**	4.8	40.4	17.2	18.4	26.7	17.3	-	-
Carpenter Bancfund**	0.4	-1.8	-6.1	-	-	-	-	-
Energy Investor Fund**	-0.8	6.6	40.1	81.0	53.6	43.7	-	-
Energy Investor Fund II**	2.2	1.8	-0.1	5.3	6.0	-	-	-
Energy Investor Fund III**	-3.5	-19.2	-8.2	-	-	-	-	-
Nogales**	12.2	20.8	-45.4	-48.8	-36.8	-29.7	-	-
Paladin III	-0.1	3.9	4.0	-2.9	-	-	-	-
Pathway**	5.8	12.9	0.2	-2.8	7.9	1.1	13.7	1.3
Hancock PT Timber Fund	0.3	-7.4	-7.0	-1.4	2.2	3.9	4.9	3.4
<b>Total Alternative</b>	<b>3.7</b>	<b>7.4</b>	<b>1.0</b>	<b>0.3</b>	<b>6.0</b>	<b>8.2</b>	<b>10.7</b>	<b>3.4</b>
S&P 500 + 400 bps	11.8	19.6	25.4	1.1	3.2	6.4	8.0	5.5
<b>REAL ESTATE*</b>								
Adelante Capital REIT	6.9	30.6	29.6	-2.7	-6.6	0.9	7.5	-
BlackRock Realty	-10.7	15.8	-26.9	-26.9	-18.5	-11.9	-	-
DLJ RECP I**	-4.1	-2.3	-2.7	6.8	12.9	18.0	16.1	12.9
DLJ RECP II**	14.4	-8.4	-21.0	-13.3	-3.4	3.3	12.7	12.0
DLJ RECP III**	-1.1	-16.3	-16.2	-10.6	-1.9	0.2	-	-
DLJ RECP IV**	4.9	-16.6	-36.9	-	-	-	-	-
Fidelity II	0.6	7.7	-20.5	-28.8	-21.2	-15.3	-	-
Fidelity III	2.2	37.0	-40.8	-36.0	-	-	-	-
Invesco Fund I	2.4	30.8	-19.2	-20.9	-14.4	-6.2	-	-
Invesco Fund II	18.3	91.0	-29.2	-55.3	-	-	-	-
Invesco Int'l REIT	4.6	13.9	25.7	-	-	-	-	-
Willows Office Property	-48.6	-46.7	-25.3	-16.6	-4.3	-2.1	-1.8	5.5
<b>Total Real Estate</b>	<b>4.2</b>	<b>19.8</b>	<b>8.6</b>	<b>-8.4</b>	<b>-7.4</b>	<b>-0.5</b>	<b>6.0</b>	<b>8.1</b>
Median Real Estate	4.9	16.0	-8.3	-8.9	-4.4	-0.2	5.7	6.2
Real Estate Benchmark	5.5	17.3	6.5	-1.3	0.6	4.5	8.5	9.0
Wilshire REIT	7.9	28.6	28.6	0.2	-4.6	2.4	8.0	10.5
NCREIF Property Index	4.6	13.1	-3.0	-4.2	0.5	3.5	7.3	7.4
NCREIF Index + 300 bps	5.4	16.4	-0.1	-1.3	3.6	6.7	10.5	10.6
NCREIF Index + 500 bps	5.9	18.6	1.9	0.7	5.5	8.6	12.5	12.7
NCREIF Apartment	6.3	18.2	-1.3	-3.3	0.2	2.9	6.8	7.4
NCREIF Apt + 300 bps	7.0	21.6	1.7	-0.4	3.2	6.0	9.9	10.6
<b>CCCERA Total Fund</b>	<b>6.0 %</b>	<b>13.3 %</b>	<b>17.1 %</b>	<b>0.1 %</b>	<b>1.7</b>	<b>4.2 %</b>	<b>6.3 %</b>	<b>5.2 %</b>
CPI + 400 bps	1.3	5.6	6.2	5.5	6.2	6.3	6.6	6.9

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

\*\* Performance as of September 30, 2010.

**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

<b>DOMESTIC EQUITY</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Delaware</b>	<b>14.7 %</b>	<b>43.9 %</b>	<b>-42.6 %</b>	<b>13.6 %</b>	<b>3.2 %</b>	-	-
<i>Rank vs Equity</i>	70	10	81	15	91	-	-
<i>Rank vs Lg Growth</i>	62	11	76	33	74	-	-
<b>Emerald Advisors</b>	<b>30.5</b>	<b>33.2</b>	<b>-36.5</b>	<b>3.2</b>	<b>13.8</b>	<b>10.1 %</b>	<b>4.1 %</b>
<i>Rank vs Equity</i>	7	36	41	64	56	25	93
<i>Rank vs Sm Cap Growth</i>	31	54	35	48	39	20	86
<b>Intech - Enhanced Plus</b>	<b>15.7</b>	<b>25.7</b>	<b>-37.0</b>	<b>7.4</b>	<b>14.4</b>	<b>8.9</b>	<b>15.3</b>
<i>Rank vs Equity</i>	58	70	48	36	54	34	37
<i>Rank vs Lg Core</i>	33	75	53	79	80	14	7
<b>Intech - Large Cap Core</b>	<b>15.0</b>	<b>24.6</b>	<b>-36.2</b>	<b>7.0</b>	-	-	-
<i>Rank vs Equity</i>	68	75	37	38	-	-	-
<i>Rank vs Lg Core</i>	66	85	27	-	-	-	-
<b>PIMCO Stocks Plus</b>	<b>19.2</b>	<b>37.3</b>	<b>-43.5</b>	<b>5.0</b>	<b>15.7</b>	<b>4.6</b>	<b>11.1</b>
<i>Rank vs Equity</i>	40	23	85	56	43	75	62
<i>Rank vs Lg Core</i>	6	6	97	68	64	78	15
<b>Progress</b>	<b>25.2</b>	<b>33.5</b>	<b>-42.5</b>	<b>6.1</b>	<b>15.4</b>	<b>9.1</b>	-
<i>Rank vs Equity</i>	24	36	81	42	46	32	-
<i>Rank vs Sm Core</i>	66	40	91	17	46	36	-
<b>Robeco Boston Partners</b>	<b>13.4</b>	<b>27.3</b>	<b>-33.2</b>	<b>4.3</b>	<b>20.2</b>	<b>12.0</b>	<b>16.6</b>
<i>Rank vs Equity</i>	78	57	22	60	12	14	31
<i>Rank vs Lg Value</i>	60	27	16	24	36	14	32
<b>Rothschild</b>	<b>21.8</b>	<b>13.7</b>	<b>-28.6</b>	<b>1.8</b>	<b>21.3</b>	<b>11.2</b>	<b>20.7</b>
<i>Rank vs Equity</i>	34	94	11	70	9	18	15
<i>Rank vs Sm Cap Value</i>	88	97	28	31	19	23	39
<b>Wentworth, Hauser</b>	<b>13.5</b>	<b>35.2</b>	<b>-34.8</b>	<b>6.6</b>	<b>7.2</b>	<b>9.6</b>	<b>13.6</b>
<i>Rank vs Equity</i>	77	30	29	40	83	28	46
<i>Rank vs Lg Core</i>	83	8	16	36	98	9	15
<b>Total Domestic Equities</b>	<b>17.8</b>	<b>30.8</b>	<b>-37.5</b>	<b>6.5</b>	<b>13.5</b>	<b>8.8</b>	<b>13.0</b>
<i>Rank vs Equity</i>	45	43	55	40	60	35	49
Median Equity	17.1	29.0	-37.0	5.5	15.0	6.5	12.9
S&P 500	15.1	26.5	-37.0	5.5	15.8	4.9	10.9
Russell 3000®	16.9	28.3	-37.3	5.1	15.7	6.1	12.0
Russell 1000® Value	15.5	19.7	-36.9	-0.2	22.2	7.0	16.5
Russell 1000® Growth	16.7	37.2	-38.4	11.8	9.1	5.3	6.3
Russell 2000®	26.9	27.2	-33.8	-1.6	18.4	4.6	18.3
Rothschild Benchmark	24.9	27.7	-32.0	-7.3	20.2	5.5	22.3
Russell 2000® Growth	29.1	34.5	-38.5	7.1	13.4	4.2	14.3
<b>INT'L EQUITY</b>							
<b>GMO</b>	<b>8.3</b>	<b>19.3</b>	<b>-38.4</b>	<b>10.6</b>	<b>26.2</b>	-	-
<i>Rank vs Int'l Eq</i>	76	92	18	60	44	-	-
<b>William Blair</b>	-	-	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	-	-	-	-	-	-	-
<b>Total Int'l Equities</b>	<b>8.3</b>	<b>23.3</b>	<b>-44.1</b>	<b>15.3</b>	<b>26.6</b>	<b>20.0</b>	<b>18.1</b>
<i>Rank vs Int'l Eq</i>	76	83	55	36	41	32	68
Median Int'l Equity	12.0	36.1	-43.4	11.9	25.9	15.9	19.9
MSCI EAFE Index	8.2	32.5	-43.1	11.6	26.9	14.0	20.7
MSCI ACWI ex-US	11.6	42.1	-45.2	17.1	27.2	17.1	21.4
MSCI EAFE Value Index	3.3	34.3	-43.7	6.5	31.1	14.4	24.9
MSCI ACWI ex-US Growth	14.8	39.2	-45.4	21.4	24.0	17.1	17.1



**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>DOMESTIC FIXED INCOME</b>							
AFL-CIO Housing	6.5 %	6.7 %	5.7 %	7.1 %	5.1 %	3.0 %	4.6 %
<i>Rank vs Fixed Income</i>	62	61	25	34	28	25	41
Goldman Sachs Core	7.6	9.8	-	-	-	-	-
<i>Rank vs Fixed Income</i>	42	39	-	-	-	-	-
Torchlight II	41.9	16.4	-64.9	-6.6	-	-	-
<i>Rank vs Fixed Income</i>	1	97	99	100	-	-	-
Torchlight III	12.0	45.2	-	-	-	-	-
<i>Rank vs Fixed Income</i>	89	60	-	-	-	-	-
Lord Abbett	8.5	15.6	-	-	-	-	-
<i>Rank vs Fixed Income</i>	34	11	-	-	-	-	-
Allianz Global Investors	15.2	47.1	-20.0	7.1	10.2	3.8	9.1
<i>Rank vs. High Yield</i>	28	52	14	34	32	15	66
PIMCO	9.3	16.4	0.0	8.4	4.8	3.4	5.6
<i>Rank vs Fixed Income</i>	27	9	73	13	37	18	20
Workout (GSAM)	24.4	35.1	-	-	-	-	-
<i>Rank vs Fixed Income</i>	1	1	-	-	-	-	-
Total Domestic Fixed	10.6	17.8	-8.1	5.8	7.5	3.7	6.3
<i>Rank vs Fixed Income</i>	20	6	92	62	11	14	16
Median Fixed Income	7.0	8.3	3.9	6.5	4.5	2.5	4.4
Median High Yield Mgr.	14.1	47.3	-24.9	6.5	9.0	2.5	9.8
Barclays Universal	7.2	8.6	2.4	6.5	5.0	2.7	5.0
Barclays Aggregate	6.5	5.9	5.2	7.0	4.3	2.4	4.3
ML High Yield II	15.2	57.5	-26.2	2.1	11.7	2.7	10.8
T-Bills	0.1	0.2	2.1	5.0	4.8	3.1	1.3
<b>Global Fixed Income</b>							
Lazard Asset Mgmt	8.8	11.3	-0.4	-	-	-	-
<i>Rank vs. Global Fixed</i>	31	54	31	-	-	-	-
Barclays Global Aggregate	5.5	6.9	4.8	-	-	-	-
<b>ALTERNATIVE INVESTMENTS</b>							
Adams Street**	16.3	-6.9	-4.9	27.9	23.5	17.0	13.0
Bay Area Equity Fund**	42.6	0.2	24.4	63.6	-6.5	1.9	-
Carpenter Bancfund	2.3	7.1	-	-	-	-	-
Energy Investor Fund**	10.5	90.3	220.5	2.2	12.7	84.2	-
Energy Investor Fund II**	4.1	0.4	19.7	12.5	-	-	-
Energy Investor Fund III**	-14.5	11.0	108.9	-	-	-	-
Nogales**	28.1	-47.7	-51.4	21.2	11.0	13.1	-
Paladin III**	9.9	10.1	-10.9	-	-	-	-
Pathway**	15.8	-9.0	-6.6	50.4	21.4	42.5	12.2
Hancock PT Timber Fund	-6.9	-5.8	11.9	14.7	12.1	9.8	6.9
Total Alternative	10.5	-1.5	1.8	28.0	19.2	33.3	11.4
S&P 500 + 400 bps	19.6	31.4	-34.4	9.7	19.8	8.9	14.9

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

\*\* Performance as of September 30, 2010.

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**YEAR BY YEAR PERFORMANCE STATISTICS**  
**Performance through Fourth Quarter, 2010**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>REAL ESTATE</b>							
Adelante Capital REIT	31.2 %	29.3 %	-44.8 %	-16.9 %	38.2 %	16.7 %	36.9 %
<i>Rank</i>	11	48	65	55	13	4	11
BlackRock Realty	17.1	-53.1	-28.2	14.8	23.8	28.7	-
<i>Rank</i>	35	100	80	44	27	11	-
DLJ RECP I**	-2.3	-3.1	39.0	34.2	41.2	14.2	11.8
<i>Rank</i>	88	27	1	2	6	62	54
DLJ RECP II**	-7.2	-30.5	4.0	34.8	35.7	51.3	33.8
<i>Rank</i>	92	74	12	1	17	4	19
DLJ RECP III**	-15.0	-15.4	1.7	30.5	10.2	-	-
<i>Rank</i>	95	32	16	2	79	-	-
DLJ RECP IV**	-12.5	-53.5	-	-	-	-	-
<i>Rank</i>	94	100	-	-	-	-	-
Fidelity II	10.0	-40.0	-41.9	5.0	16.5	16.1	-
<i>Rank</i>	76	93	93	74	45	51	-
Fidelity III	49.5	-71.2	-10.7	-	-	-	-
<i>Rank</i>	1	100	58	-	-	-	-
Invesco Fund I	32.8	-49.2	-23.2	10.4	38.1	-	-
<i>Rank</i>	1	98	78	63	10	-	-
Invesco Fund II	96.4	-72.8	-81.3	-	-	-	-
<i>Rank</i>	1	100	100	-	-	-	-
Invesco Intl REIT	15	40	-	-	-	-	-
<i>Rank</i>	100	8	-	-	-	-	-
Willows Office Property	-46.7	4.9	3.7	44.5	7.4	7.5	-8.9
<i>Rank</i>	99	24	13	1	87	80	96
<b>Total Real Estate</b>	<b>21.0</b>	<b>-0.5</b>	<b>-34.2</b>	<b>-3.0</b>	<b>33.8</b>	<b>20.4</b>	<b>30.4</b>
<i>Rank</i>	17	26	83	82	20	29	23
Median Real Estate	16.0	-28.7	-10.4	13.9	15.6	16.7	12.3
Real Estate Benchmark	17.3	-3.3	-15.2	6.3	-	-	-
DJ Wilshire REIT Index	28.6	28.6	-39.2	-17.6	36.0	13.8	33.1
NCREIF Property Index	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5
<b>CCCERA Total Fund</b>	<b>14.0</b>	<b>21.9</b>	<b>-26.5</b>	<b>7.3</b>	<b>15.3</b>	<b>10.8</b>	<b>13.38</b>
<i>Rank vs. Total Fund</i>	22	32	68	45	13	5	15
<i>Rank vs. Public Fund</i>	25	26	74	42	11	2	8
Median Total Fund	12.2	18.4	-23.0	7.1	12.0	6.1	10.4
Median Public Fund	12.2	18.1	-22.9	6.9	11.9	6.0	10.0
CPI + 400 bps	5.6	6.9	4.2	8.3	6.6	7.6	7.4

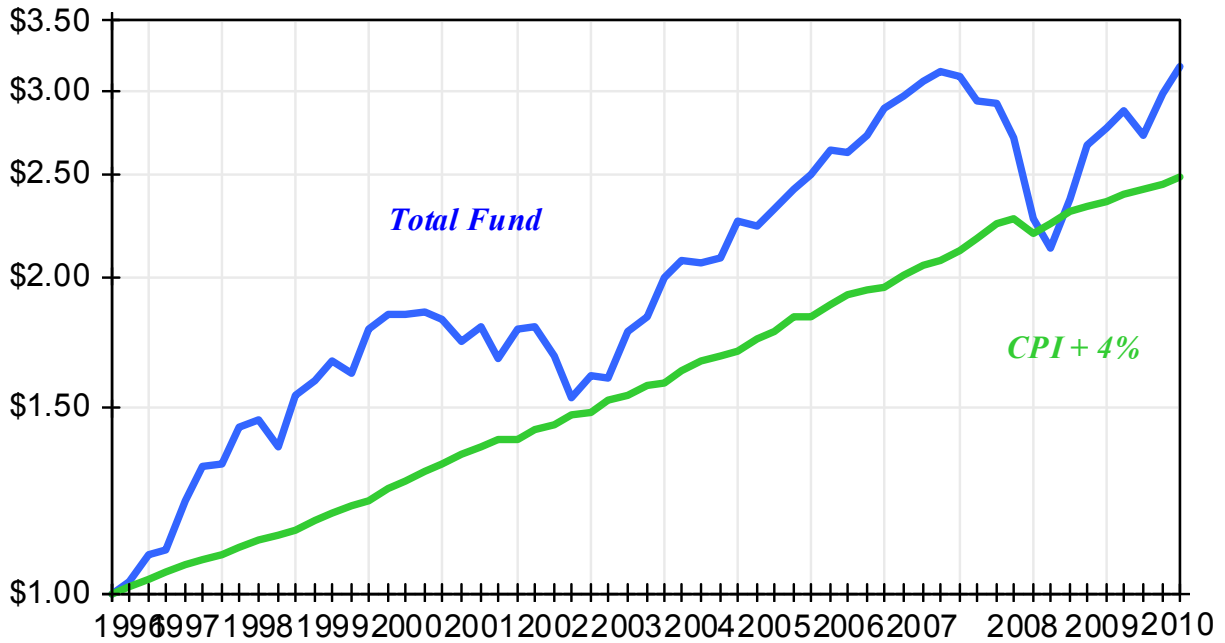
\*\* Performance as of September 30, 2010.

# TOTAL FUND PERFORMANCE

## Total Fund

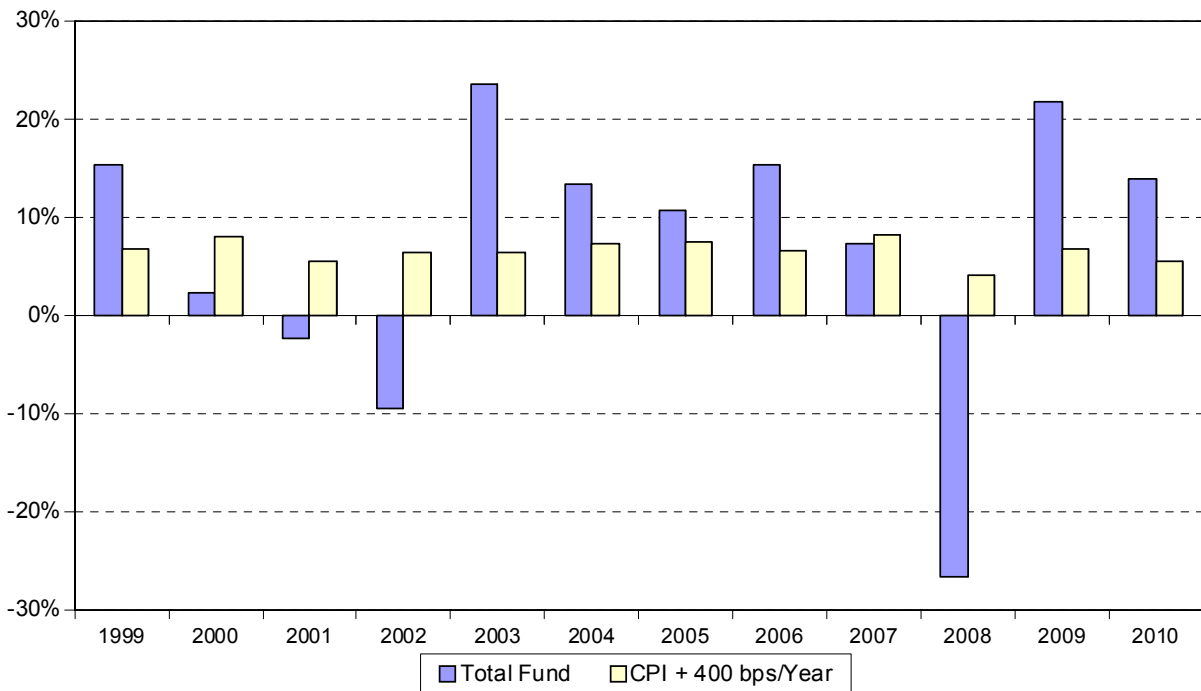
### Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

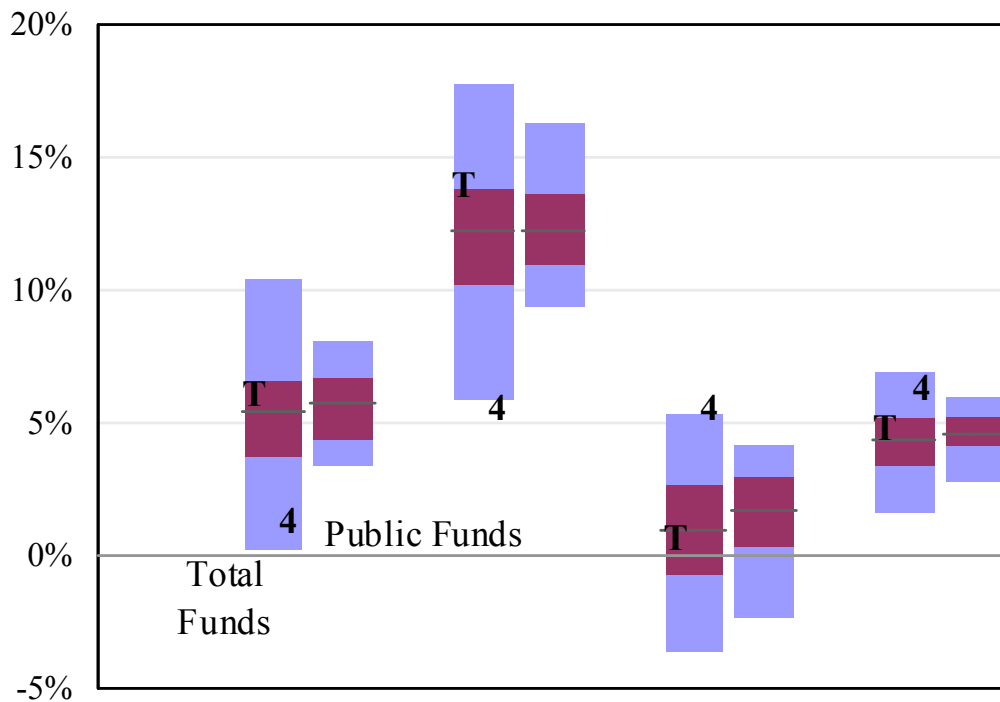


### Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



## Total Fund



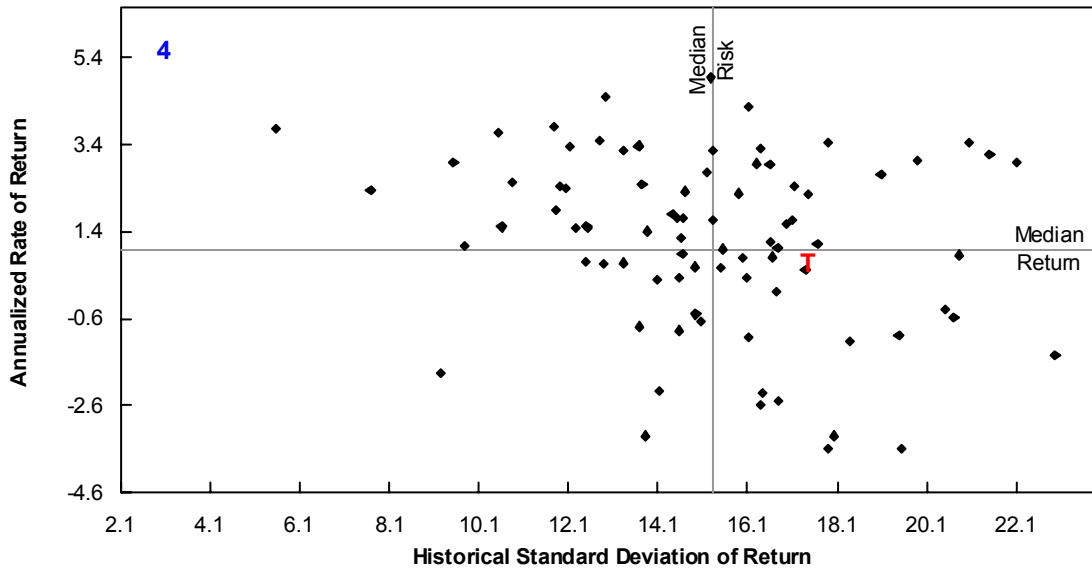
	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fund (T)	6.1	14.0	0.7	4.8
<i>Rank v. Total Fd</i>	34	22	54	36
<i>Rank v. Public Fd</i>	44	25	67	43
CPI + 4% (4)	1.3	5.6	5.5	6.3
Total Fund Median	5.4	12.2	1.0	3.4
Total Public Median	5.8	12.2	1.7	4.6

CCCERA Total Fund returned 6.1% in the fourth quarter, above the 5.4% return of the median total fund and the 5.8% return of the median total public fund. For the one-year period, the Total Fund returned 14.0%, better than the 12.2% for the median total fund and 12.2% for the median public fund. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past five years. However, the CCCERA Total Fund did not exceed the CPI plus 400 basis points over the past five years.

# TOTAL FUND PERFORMANCE

## Performance and Variability

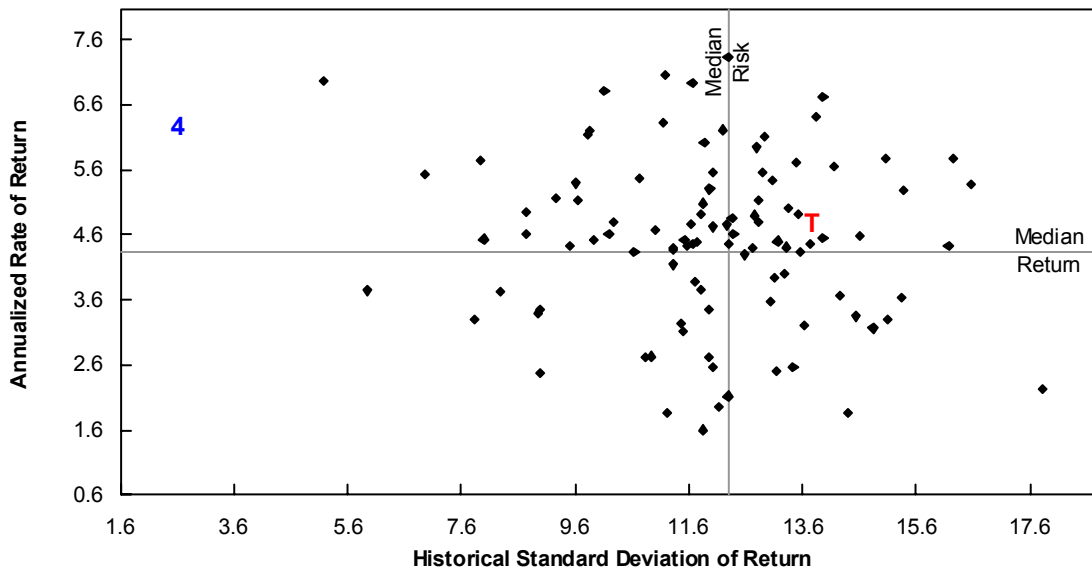
*Three Years Ending December 31, 2010*



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	0.7 %	17.5 %	-0.01
CPI + 4% ( <b>4</b> )	5.5	3.1	1.52
Median Fund	1.0	15.3	0.01

## Performance and Variability

*Five Years Ending December 31, 2010*



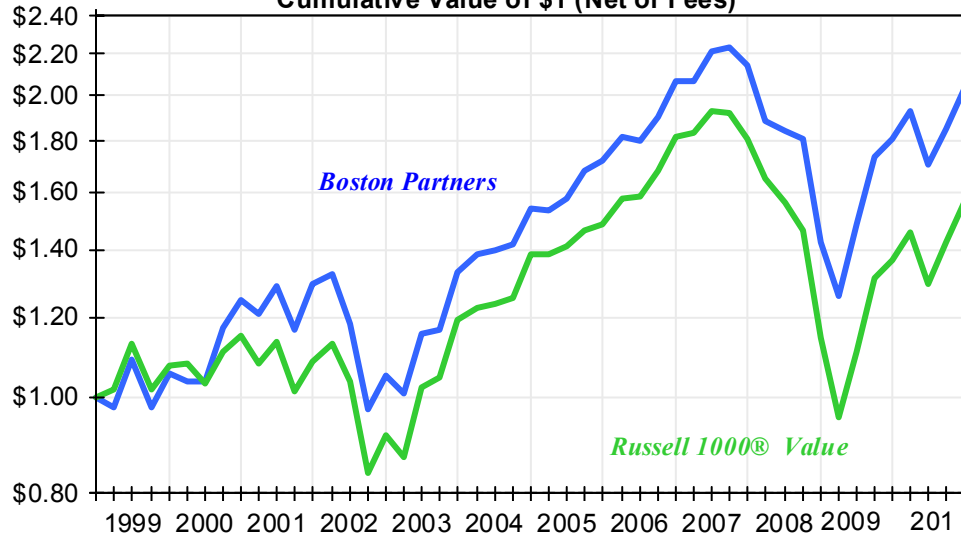
	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	4.8 %	17.5 %	0.14
CPI + 4% ( <b>4</b> )	6.3	3.1	1.24
Median Fund	4.4	15.3	0.13

MANAGER COMMENTS – DOMESTIC EQUITY

Robeco Boston Partners

**Boston Partners. vs. Russell 1000 Value**

Cumulative Value of \$1 (Net of Fees)



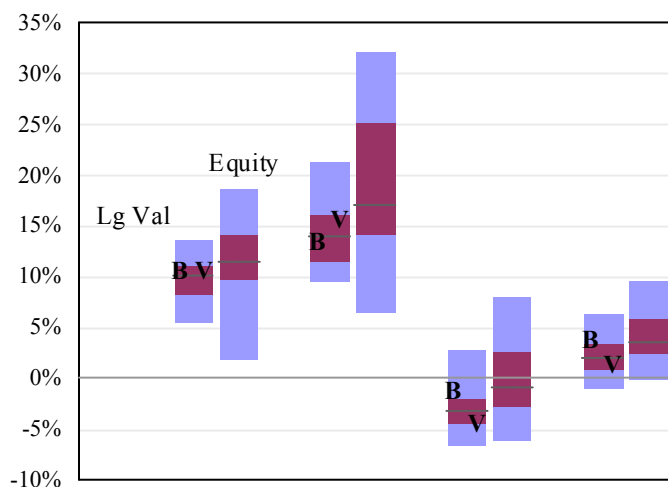
**Robeco Boston vs. Russell 1000® Value**

Year by Year Performance





## Robeco Boston Partners



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Boston (B)	10.5	13.4	-1.2	3.9
Rank v. Lg Value	44	60	19	22
Rank v. Equity	68	78	52	46
Rus 1000 Val (V)	10.5	15.5	-4.4	1.3
Lg Val Median	10.2	13.9	-3.2	0.8
Equity Median	11.4	17.1	-0.9	3.6

<b>Portfolio Characteristics</b>	<b>Robeco Boston Partners</b>	<b>Russell 1000® Value</b>
Eq Mkt Value (\$Mil)	317.7	N/A
Wtd. Avg. Cap (\$Bil)	75.7	71.1
Beta	1.05	1.03
Yield (%)	1.50	2.16
P/E Ratio	14.60	17.11
Cash (%)	2.0	0.0
Number of Holdings	85	668
Turnover Rate (%)	68.0	-

<b>Sector</b>	<b>Robeco Boston Partners</b>	<b>Russell 1000® Value</b>
Energy	11.4 %	12.4 %
Materials	2.6	3.1
Industrials	8.6	9.1
Cons. Discretionary	15.0	7.6
Consumer Staples	3.8	9.7
Health Care	13.2	12.4
Financials	26.2	27.4
Info Technology	17.2	6.5
Telecom Services	0.5	5.1
Utilities	1.5	6.8

Robeco Boston Partners' fourth quarter return of 10.5% matched the 10.5% return of the Russell 1000® Value Index and ranked in the 44<sup>th</sup> percentile of large value managers. For the one-year period, Boston Partners returned 13.4%, lower than the 15.5% return of the Russell 1000® Value Index. Over both the three and five-year periods, Robeco 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.

At the end of the quarter, the portfolio had a lower P/E ratio than the index and held 85 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest positive economic sector over-weights were in the information technology, consumer discretionary and health care sectors, while the largest under-weights were in the consumer staples, utilities and telecom services sectors.

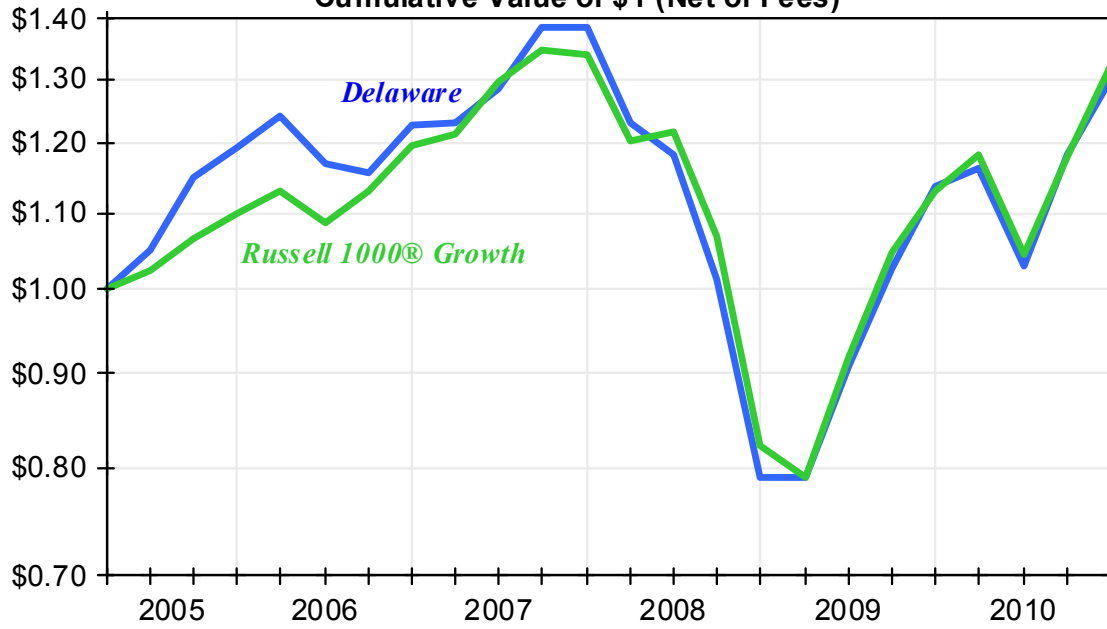
Robeco Boston Partners' fourth quarter performance relative to the Russell 1000® Value Index was hurt by stock selection decisions but helped by sector allocation decisions. Stock selection was weakest in the energy sector. Top performing holdings included Raymond James Financial (+30%), Canadian Natural Resources (+29%) and Oshkosh Truck (+28%), while the worst performing holdings included Barclays plc (-12%), Abbott Labs (-8%) and Berkshire Hathaway (-3%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Delaware

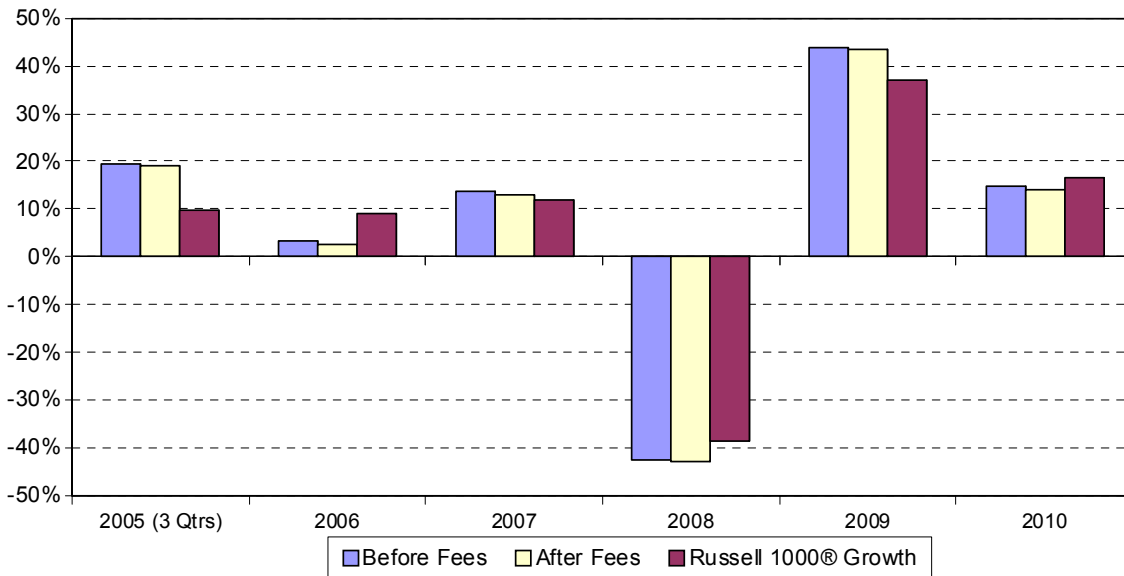
### Delaware vs. Russell 1000 Growth

Cumulative Value of \$1 (Net of Fees)

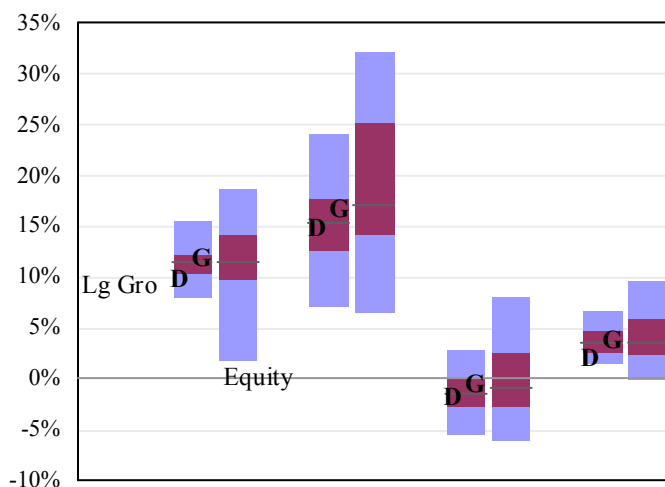


### Delaware vs. Russell 1000® Growth

Year by Year Performance



## Delaware



	Qtr	1 Year	3 Years	5 Years
Delaware (D)	9.8	14.7	-1.7	2.2
Rank v. Lg Gro	81	62	51	79
Rank v. Equity	75	70	57	80
Ru 1000 Gro (G)	11.8	16.7	-0.5	3.8
Lg Gro Median	11.5	15.4	-1.5	3.5
Equity Median	11.4	17.1	-0.9	3.6

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	339.31	N/A
Wtd. Avg. Cap (\$Bil)	53.95	85.3
Beta	0.88	1.01
Yield (%)	0.62	1.41
P/E Ratio	24.97	18.84
Cash (%)	0.4	0.0
Number of Holdings	28	627
Turnover Rate (%)	32.3	-

Sector	Delaware	Russell 1000® Growth
Energy	3.8 %	10.9 %
Materials	3.1	5.3
Industrials	3.2	13.3
Cons. Discretionary	17.2	14.7
Consumer Staples	4.9	9.4
Health Care	14.4	9.9
Financials	9.5	4.8
Info Technology	39.6	30.9
Telecom Services	4.2	0.9
Utilities	0.0	0.1

Delaware's return of 9.8% for the fourth quarter trailed the 11.8% return of the Russell 1000® Growth Index, and ranked in the 81<sup>st</sup> percentile in the universe of large growth equity managers.

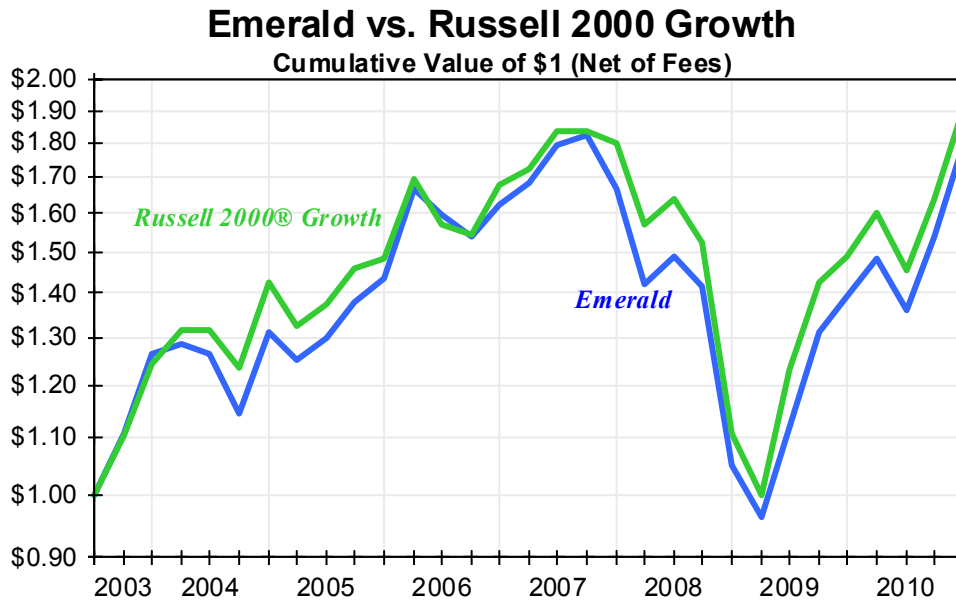
Over the past year, the portfolio returned 14.7%, trailing the Russell 1000® Growth Index return of 16.7%, and ranked in the 62<sup>nd</sup> percentile of large growth equity managers. Since inception performance approximately matches the Russell 1000® Growth Index, net of fees. Delaware is in compliance with some of CCCERA's performance objectives.

The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 28 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 health care sectors, while the largest under-weights were in the industrials, energy and consumer staples sectors.

Delaware's fourth quarter performance relative to the Russell 1000® Growth Index was hurt by both stock selection and sector allocation decisions. Stock selection was weakest in the consumer discretionary and energy sectors. The top performing holdings included Polycom (+43%), CME Group (+24%) and Expeditors Intl (+19%). The worst performing holdings included Apollo Group (-23%), Visa (-5%) and EOG Resources (-2%).

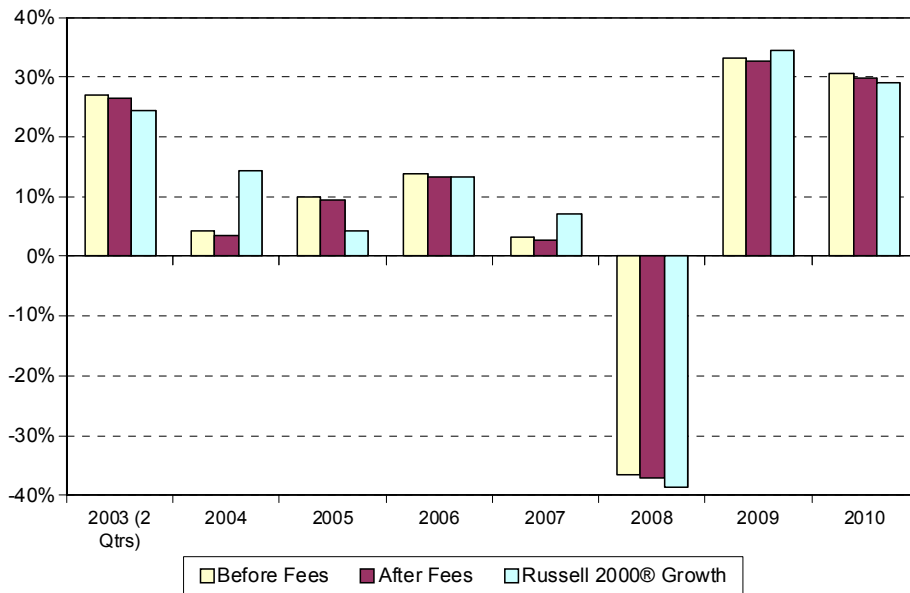
# MANAGER COMMENTS – DOMESTIC EQUITY

## Emerald

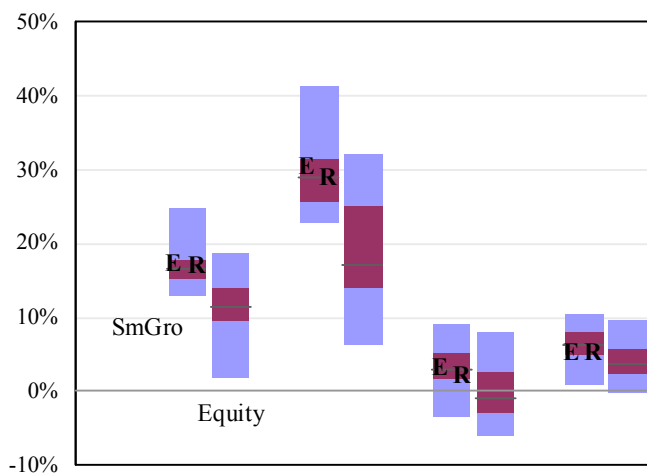


### Emerald vs. Russell 2000® Growth

Year by Year Performance



## Emerald



	Qtr	1 Year	3 Years	5 Years
Emerald (E)	17.5	30.5	3.4	5.3
Rank v. Sm Gro	28	31	43	71
Rank v. Equity	7	7	20	30
Ru 2000 Gro (R)	17.1	29.1	2.2	5.3
Sm Gro Median	16.6	29.0	3.1	6.3
Equity Median	11.4	17.1	-0.9	3.6

Portfolio Characteristics	Emerald	Russell 2000® Growth
Eq Mkt Value (\$Mil)	156.99	N/A
Wtd. Avg. Cap (\$Bil)	1.63	1.38
Beta	1.28	1.27
Yield (%)	0.20	0.47
P/E Ratio	45.85	40.18
Cash (%)	0.8	0.0
Number of Holdings	118	1,269
Turnover Rate (%)	84.7	-

Sector	Emerald	Russell 2000® Growth
Energy	6.3 %	5.1 %
Materials	5.1	5.0
Industrials	15.2	17.7
Cons. Discretionary	18.8	16.9
Consumer Staples	1.8	3.1
Health Care	14.8	18.9
Financials	6.6	4.9
Info Technology	31.5	27.1
Telecom Services	0.0	1.3
Utilities	0.0	0.1

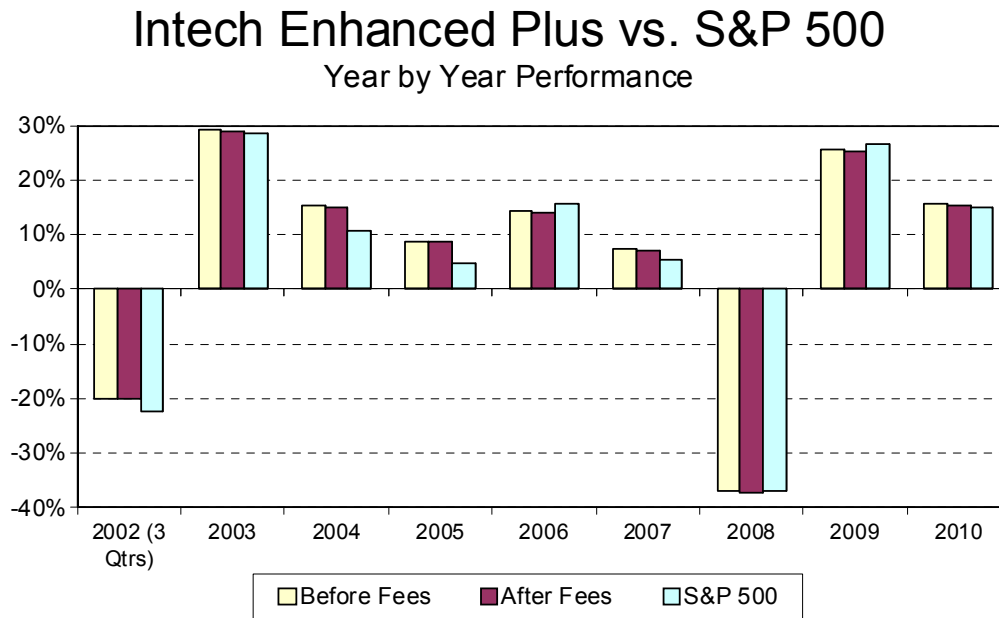
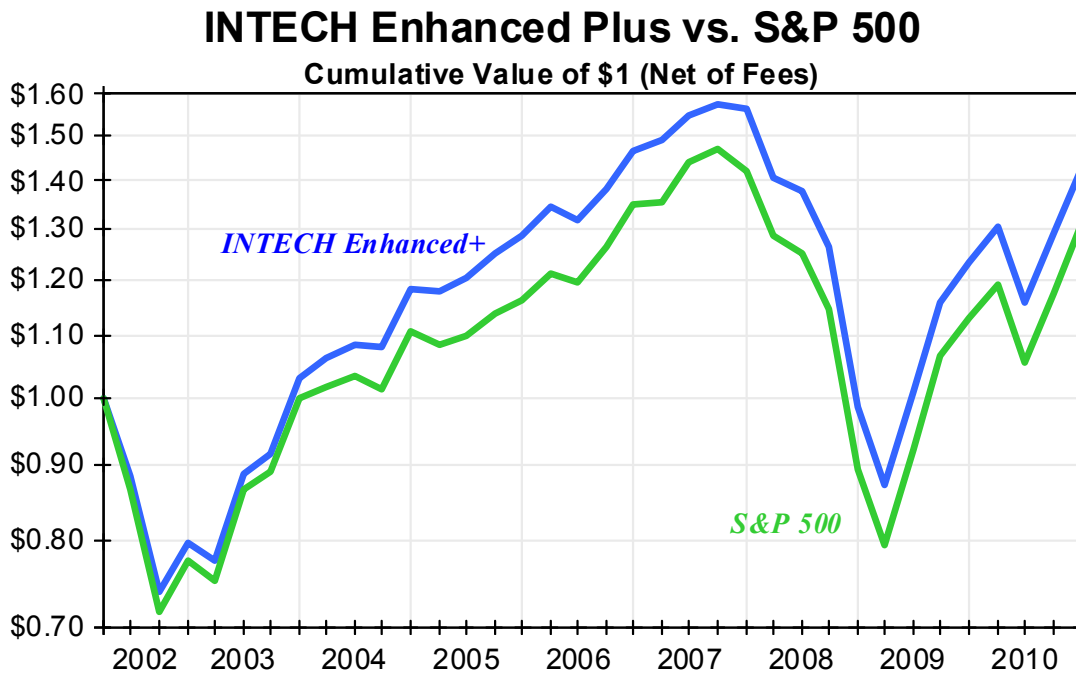
Emerald's return of 17.5% for the fourth quarter was better than the 17.1% return of the Russell 2000® Growth index and ranked in the 28<sup>th</sup> percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 30.5%, better than the 29.1% return of the Russell 2000® Growth, and ranked in the 31<sup>st</sup> percentile in the universe of small growth equity managers. Over the past five years Emerald has returned 5.3%, matching the index return of 5.3% but ranking well below the small growth median. Emerald is in compliance with some of CCCERA's performance objectives.

The portfolio has a below-index yield but a higher P/E ratio. It includes 118 stocks, concentrated in the small capitalization sectors. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the information technology, consumer discretionary and financials sectors. The largest under-weights are in the health care, industrials and telecom sectors.

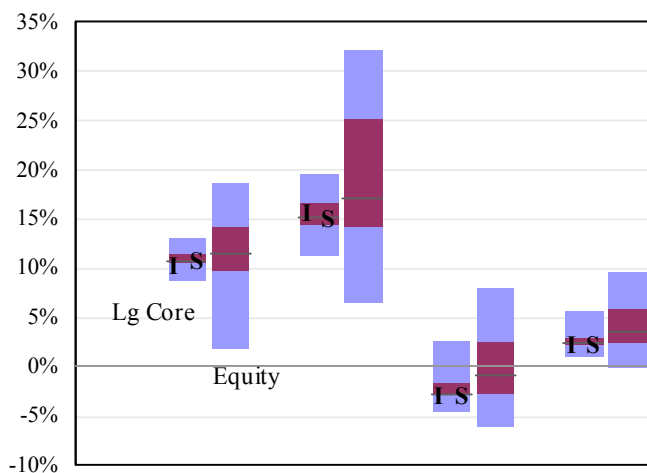
Emerald's fourth quarter performance relative to the Russell 2000® Growth Index was hurt by stock selection decisions but helped slightly by sector allocation decisions. Active trading added significantly to performance. The top performing holdings included Cost Plus (+134%), Kodiak Oil & Gas (+95%) and Northern Oil & Gas (+61%). The worst performing holdings included Thoratec (-23%), Mindspeed Technologies (-21%) and Maidenform Brands (-18%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Intech - Enhanced Plus



## Intech - Enhanced Plus



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
INTECH Enh+ (I)	10.2	15.7	-2.9	2.4
Rank v. Lg Core	82	33	74	51
Rank v. Equity	71	58	74	70
S&P 500 (S)	10.8	15.1	-2.9	2.3
Lg Core Median	10.8	15.1	-2.8	2.4
Equity Median	11.4	17.1	-0.9	3.6

<b>Portfolio Characteristics</b>	<b>Intech - Enhanced Plus</b>	<b>S&amp;P 500</b>
Eq Mkt Value (\$Mil)	22.91	N/A
Wtd. Avg. Cap (\$Bil)	74.87	88.86
Beta	0.95	1.00
Yield (%)	1.94 %	1.86 %
P/E Ratio	17.52	17.45
Cash (%)	0.4 %	0.0 %
Number of Holdings	351	500
Turnover Rate (%)	91.7	-

<b>Sector</b>	<b>Intech - Enhanced Plus</b>	<b>S&amp;P 500</b>
Energy	9.4 %	12.0 %
Materials	3.9	3.7
Industrials	13.1	10.9
Cons. Discretionary	12.7	10.6
Consumer Staples	10.9	10.6
Health Care	10.8	10.8
Financials	11.5	16.0
Info Technology	17.7	19.1
Telecom Services	3.9	3.1
Utilities	6.1	3.3

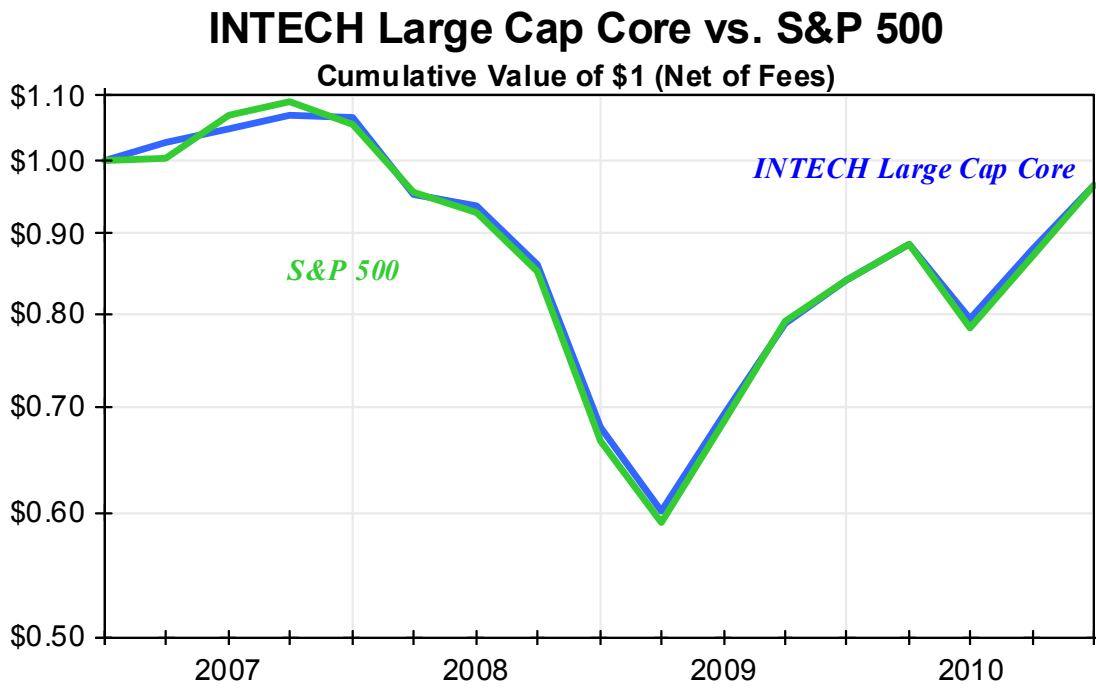
Intech's Enhanced Plus return of 10.2% for the fourth quarter trailed the 10.8% return of the S&P 500, and ranked in the 82<sup>nd</sup> percentile in the universe of large core equity managers. For the one-year period, Intech returned 15.7%, exceeding the 15.1% return of the S&P 500, and ranked in the 33<sup>rd</sup> percentile. Over the past five years, Intech returned 2.4%, slightly better than the 2.3% return of the S&P 500, and ranked in the 51<sup>st</sup> percentile of large core equity managers. Intech Enhanced Plus is in compliance with some of CCCERA's performance objectives.

The portfolio has a below-market beta of 0.95x, a slightly higher yield and a marginally higher P/E ratio. The portfolio has 351 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the utilities, industrials and consumer discretionary sectors, while largest under-weights were in the financials, energy, and information technology sectors.

The portfolio's fourth quarter performance relative to the S&P 500 was helped by stock selection decisions but hindered by sector allocation decisions. Stock selection was strongest in the consumer staples sector. Trading decisions slightly hurt fourth quarter performance. The best performing portfolio stocks included National Oilwell (+51%), Freeport-McMoran (+42%) and CF Industrial Holdings (+42%), while the worst performing holdings during the quarter included Lexmark (-22%), Best Buy (-15%) and Titanium Metals (-14%).

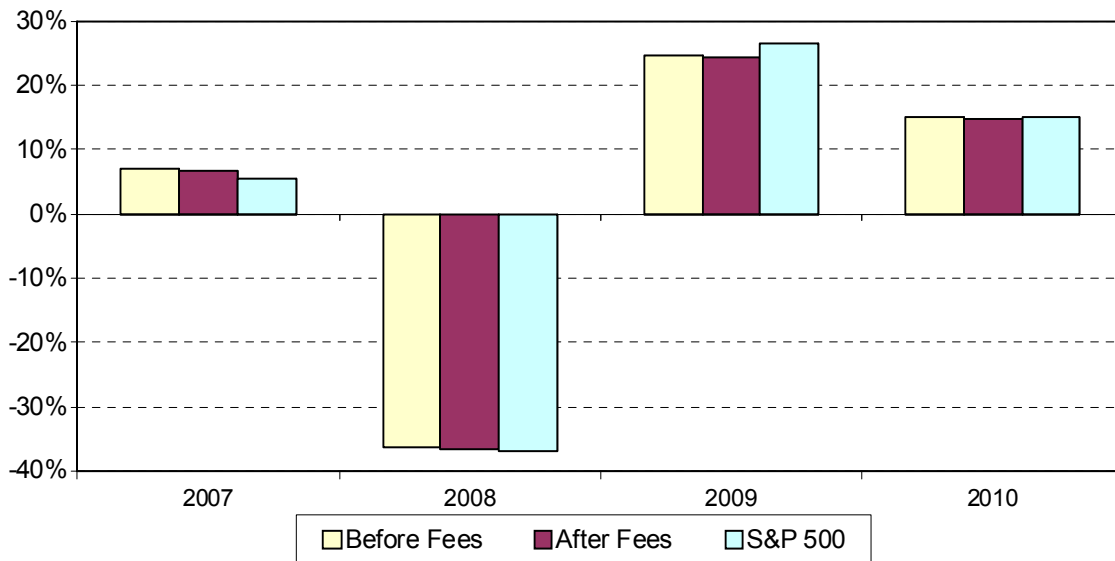
**MANAGER COMMENTS – DOMESTIC EQUITY**

**Intech - Large Cap Core**



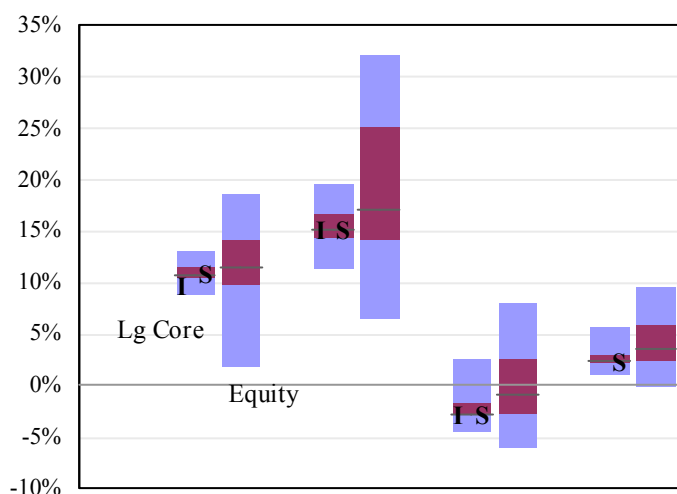
### Intech Large Cap Core vs. S&P 500

Year by Year Performance





## Intech - Large Cap Core



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Intech Lg Cap (I)	9.6	15.0	-3.0	-
Rank v. Lg Core	88	66	77	-
Rank v. Equity	75	68	76	-
S&P 500 (S)	10.8	15.1	-2.9	2.3
Lg Core Median	10.8	15.1	-2.8	2.4
Equity Median	11.4	17.1	-0.9	3.6

<b>Portfolio Characteristics</b>	<b>Intech - Large Cap</b>	<b>S&amp;P 500</b>
Eq Mkt Value (\$Mil)	245.25	N/A
Wtd. Avg. Cap (\$Bil)	58.45	88.86
Beta	0.94	1.00
Yield (%)	1.93 %	1.86 %
P/E Ratio	18.26	17.45
Cash (%)	0.5 %	0.0 %
Number of Holdings	286	500
Turnover Rate (%)	134.3	-

<b>Sector</b>	<b>Intech - Large Cap</b>	<b>S&amp;P 500</b>
Energy	7.6 %	12.0 %
Materials	4.9	3.7
Industrials	15.3	10.9
Cons. Discretionary	14.9	10.6
Consumer Staples	10.4	10.6
Health Care	10.7	10.8
Financials	9.6	16.0
Info Technology	15.3	19.1
Telecom Services	3.5	3.1
Utilities	7.9	3.3

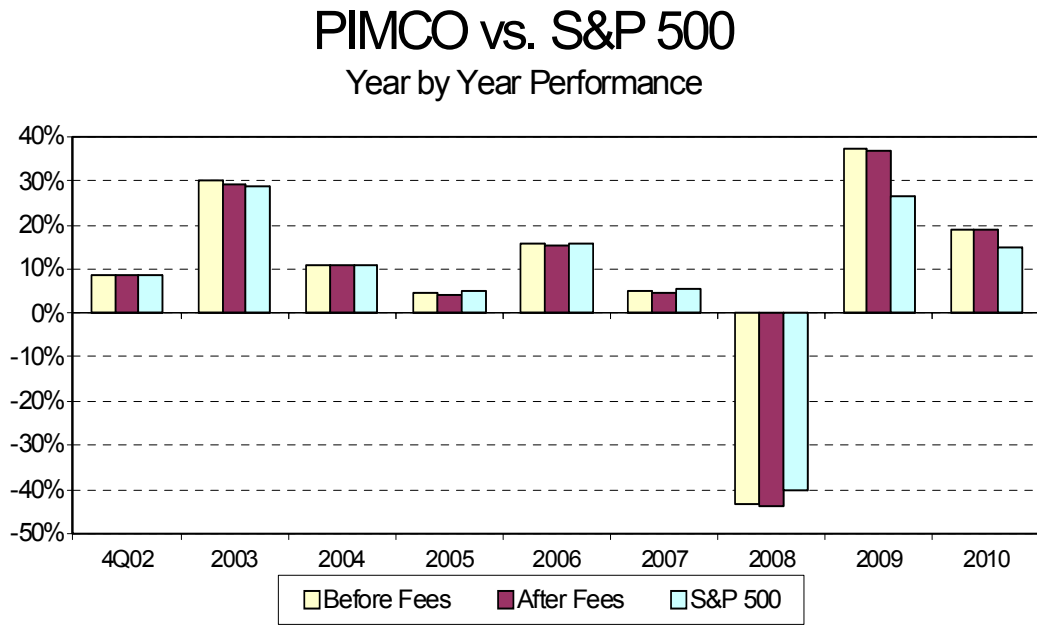
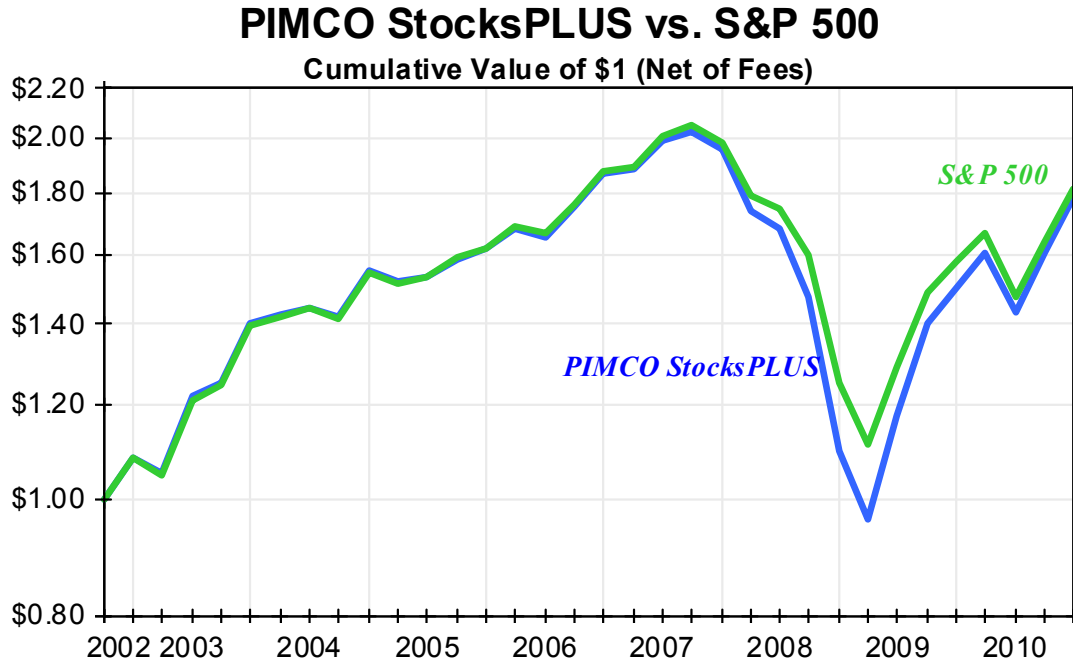
Intech's Large Cap Core (the larger, more aggressive Intech portfolio) had a return of 9.6% for the fourth quarter, which trailed the 10.8% return of the S&P 500 and ranked in the 88<sup>th</sup> percentile in the universe of large core equity managers. Over the past three years, the portfolio has returned -3.0%, trailing the S&P 500 return of -2.9%, and ranked in the 77<sup>th</sup> percentile of large core equity managers. The Large Cap Core account is not in compliance with CCCERA's performance objectives.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a beta of 0.94x, an above-market yield and an above-market P/E ratio. The portfolio has 286 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the utilities, industrials and consumer discretionary sectors, while largest under-weights were in the financials, energy and information technology sectors.

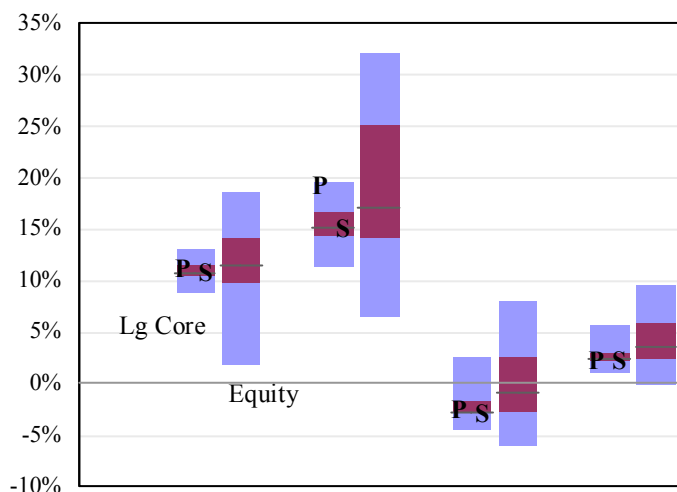
The portfolio's fourth quarter performance relative to the S&P 500 was helped by stock selection but hurt more significantly by sector allocation decisions. An underweight allocation to the Energy sector and an overweight allocation to the Health Care sector were the most detrimental positions during the quarter. The best performing portfolio stocks included Freeport-McMoran (+42%), CF Industrial Holdings (+42%) and Ford Motor (+37%), while the worst performing holdings during the quarter included Lexmark (-22%), Titanium Metals (-14%) and First Solar (-12%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO



## PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO Stock+ (P)	11.2	19.2	-2.6	2.4
Rank v. Lg Core	29	6	40	51
Rank v. Equity	51	40	65	70
S&P 500 (S)	10.8	15.1	-2.9	2.3
Lg Core Median	10.8	15.1	-2.8	2.4
Equity Median	11.4	17.1	-0.9	3.6

### Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	134.9	N/A
Wtd. Avg. Cap (\$Bil)	*	88.86
Beta	*	1.00
Yield (%)	* %	1.86 %
P/E Ratio	*	17.45
Cash (%)	19.6 %	0.0 %
Number of Holdings	*	500
Turnover Rate (%)	1,606.0	-

### Sector

	PIMCO	S&P 500
Energy	* %	12.0 %
Materials	*	3.7
Industrials	*	10.9
Cons. Discretionary	*	10.6
Consumer Staples	*	10.6
Health Care	*	10.8
Financials	*	16.0
Info Technology	*	19.1
Telecom Services	*	3.1
Utilities	*	3.3

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

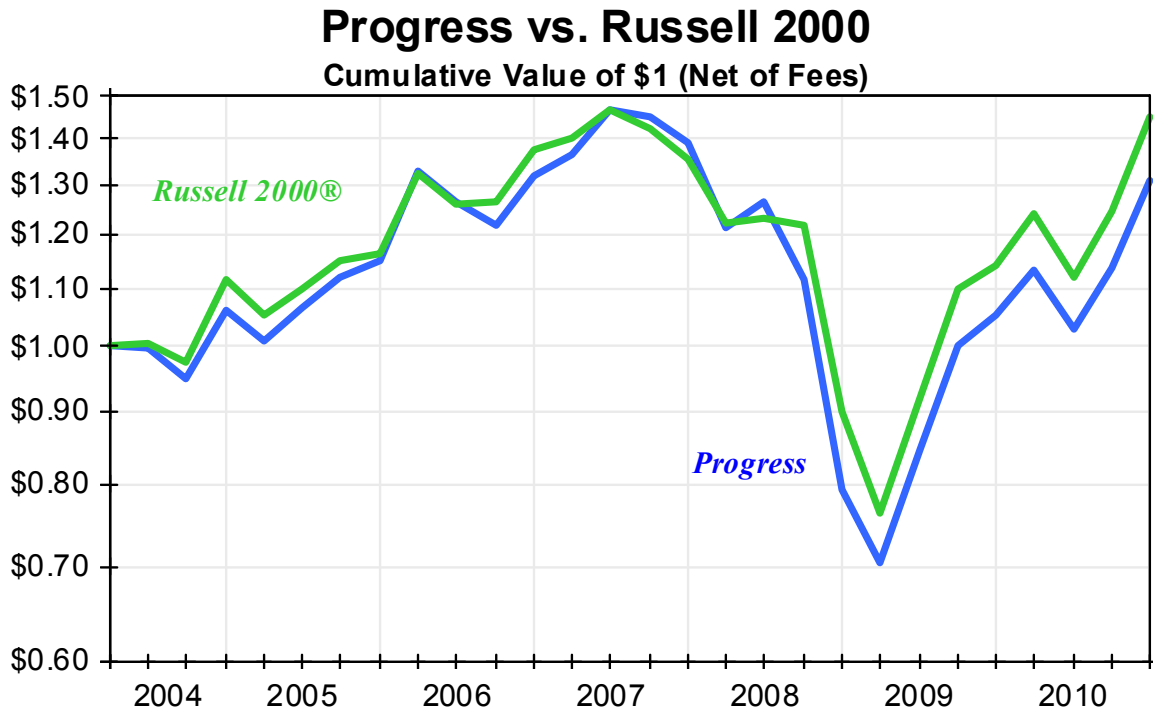
PIMCO's StocksPLUS (futures plus cash) portfolio returned 11.2% for the fourth quarter, better than the 10.8% return of the S&P 500, and ranked in the 29<sup>th</sup> percentile of large core managers. For the one-year period, PIMCO returned 19.2%, better than the 15.1% return of the S&P 500, and ranked in the 6<sup>th</sup> percentile. Over the past three and five years, the portfolio has slightly exceeded the S&P 500 and ranked near the median large core manager. The portfolio is in compliance with some of the CCCERA performance guidelines.

Strategies that boosted PIMCO's fourth quarter returns included exposure to both Agency and non-Agency mortgages, an emphasis on the bonds of financial companies and an allocation to emerging markets. A strategy that detracted from fourth quarter results was a positive duration and broad yield curve exposure as interest rates rose.

PIMCO will continue to focus on high quality, income producing assets that are leveraged to an expected cyclical upswing in 2011. There will be an emphasis on Agency mortgages and to a lesser extent on non-Agency MBS and CMBS. The emerging market allocation is expected to become more significant in 2011.

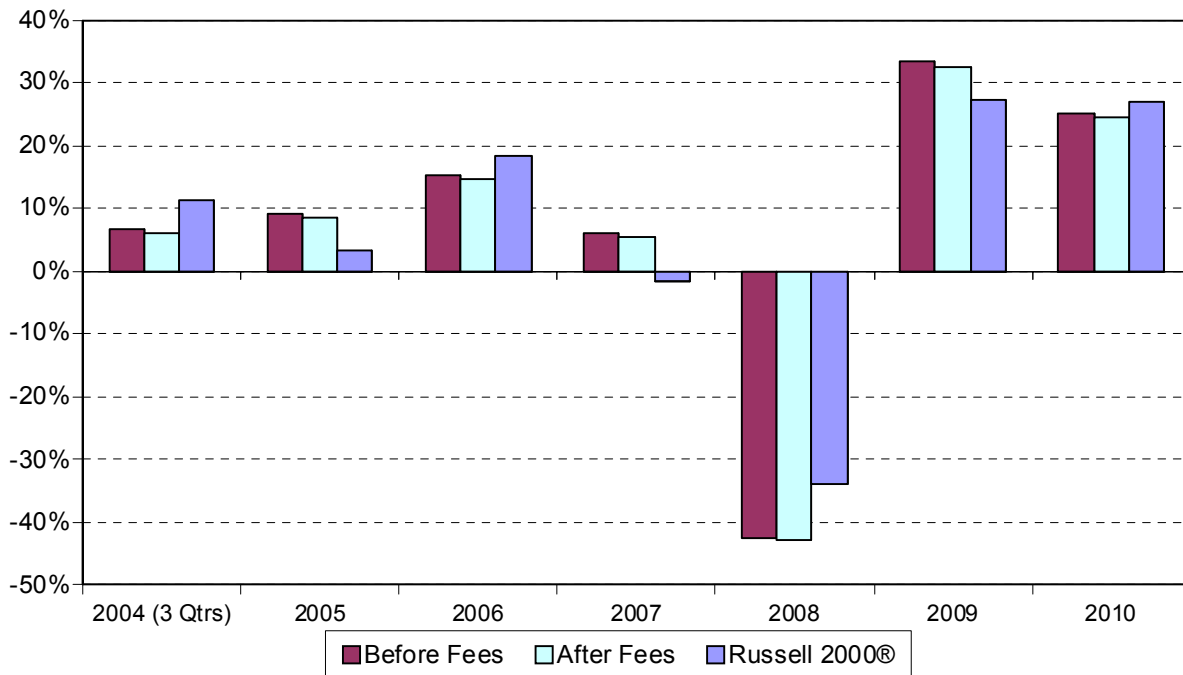
# MANAGER COMMENTS – DOMESTIC EQUITY

## Progress

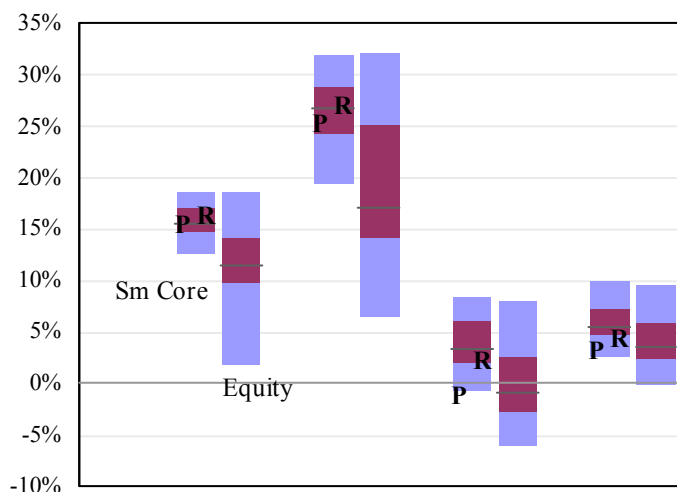


### Progress vs. Russell 2000®

Year by Year Performance



## Progress



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Progress (P)	15.4	25.2	-1.3	3.3
Rank v. Sm Core	60	66	98	88
Rank v. Equity	18	24	52	53
Russell 2000® (R)	16.3	26.9	2.2	4.5
Sm Core Median	15.6	26.7	3.4	5.5
Equity Median	11.4	17.1	-0.9	3.6

<b>Portfolio Characteristics</b>	<b>Progress</b>	<b>Russell 2000®</b>
Eq Mkt Value (\$Mil)	149.80	N/A
Wtd. Avg. Cap (\$Bil)	2.23	1.26
Beta	1.26	1.26
Yield (%)	0.99 %	1.11 %
P/E Ratio	31.95	38.92
Cash (%)	0.0 %	0.0 %
Number of Holdings	380	1,973
Turnover Rate (%)	9.7	-

<b>Sector</b>	<b>Progress</b>	<b>Russell 2000®</b>
Energy	9.0 %	6.4 %
Materials	6.4	5.6
Industrials	16.4	16.2
Cons. Discretionary	11.9	13.4
Consumer Staples	4.6	3.0
Health Care	10.6	12.4
Financials	19.0	20.6
Info Technology	19.9	18.4
Telecom Services	0.4	1.0
Utilities	2.0	3.0

Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned 15.4% for the fourth quarter, trailing the 16.3% return of the Russell 2000® Index and ranked in the 60<sup>th</sup> percentile of small core managers. Over the past year, Progress returned 25.2%, trailing the 26.9% return of the Russell 2000® Index, and ranked in the 66<sup>th</sup> percentile of small cap equity managers. Over the past five years, Progress has trailed its benchmark and ranked in the 88<sup>th</sup> percentile of the small core universe. Progress is not in compliance with CCCERA performance objectives.

The portfolio had an index-matching beta of 1.26, and a below-index P/E ratio. It included 380 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the energy, consumer staples and information technology sectors, while the largest under-weights were in the health care, financials and consumer discretionary sectors.

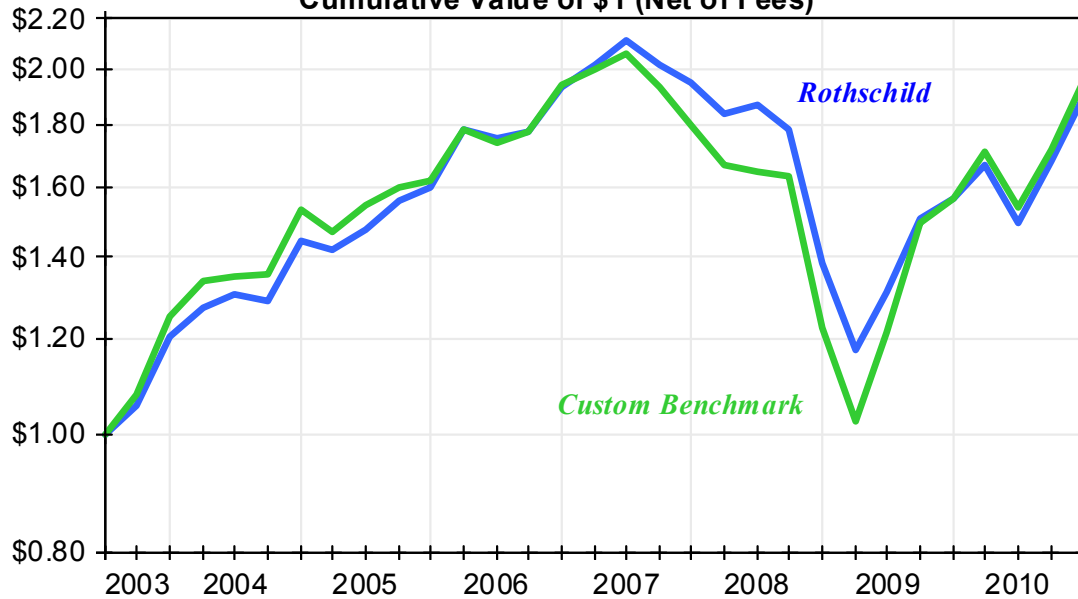
The portfolio's fourth quarter performance was hurt by stock selection but helped to a lesser degree by sector allocation decisions relative to the Russell 2000®. During the quarter, the best performing holdings included Broadsoft (+176%), Intermune (+1637%) and Approach Resources (+107%). The worst performing holdings included Newpark Resources (-27%), Sonus Networks (-24%) and Cytokinetics (-21%).

**MANAGER COMMENTS – DOMESTIC EQUITY**

**Rothschild**

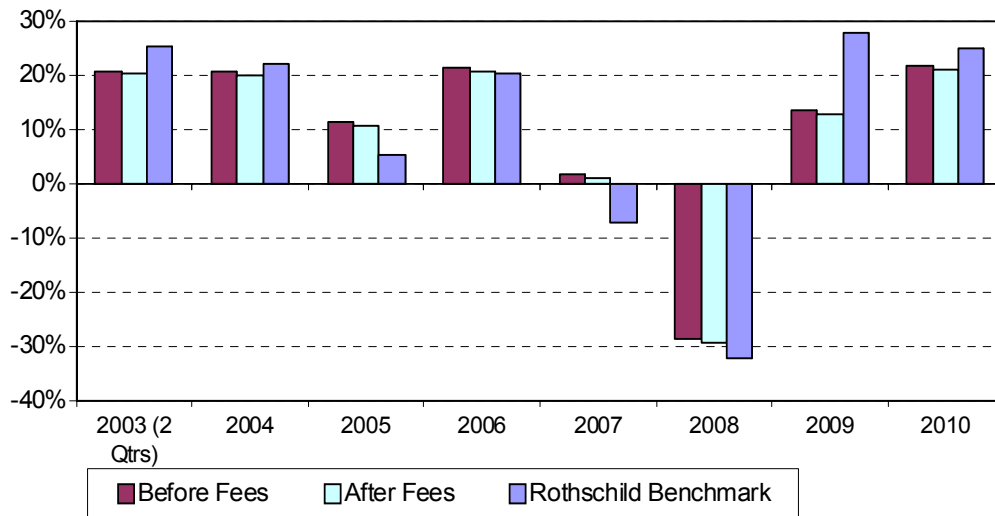
**Rothschild vs. Custom Benchmark**

Cumulative Value of \$1 (Net of Fees)



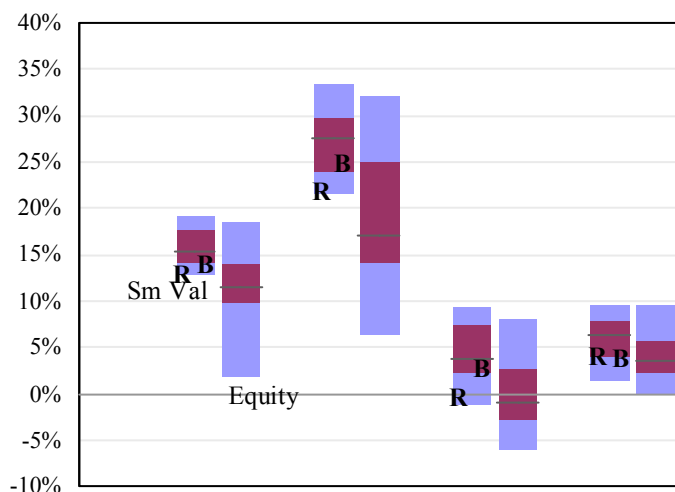
**Rothschild vs. Custom Benchmark**

Year by Year Performance



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

## Rothschild



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Rothschild (R)	12.9	21.8	-0.4	4.1
Rank v. Sm Val	94	88	92	72
Rank v. Equity	35	34	46	43
Custom Bench (B)	13.9	24.9	2.7	3.9
Sm Val Median	15.4	27.5	3.9	6.3
Equity Median	11.4	17.1	-0.9	3.6

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

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	149.67	N/A
Wtd. Avg. Cap (\$Bil)	2.71	2.63
Beta	1.20	1.21
Yield (%)	1.50 %	1.84 %
P/E Ratio	17.26	27.55
Cash (%)	1.1 %	0.0 %
Number of Holdings	132	1,645
Turnover Rate (%)	78.1	-

Sector	Rothschild	Russell 2500™ Value
Energy	9.2 %	8.8 %
Materials	6.9	7.4
Industrials	12.3	12.3
Cons. Discretionary	7.2	9.6
Consumer Staples	3.1	3.5
Health Care	9.8	5.9
Financials	31.7	32.2
Info Technology	11.4	8.7
Telecom Services	1.0	1.2
Utilities	7.6	10.3

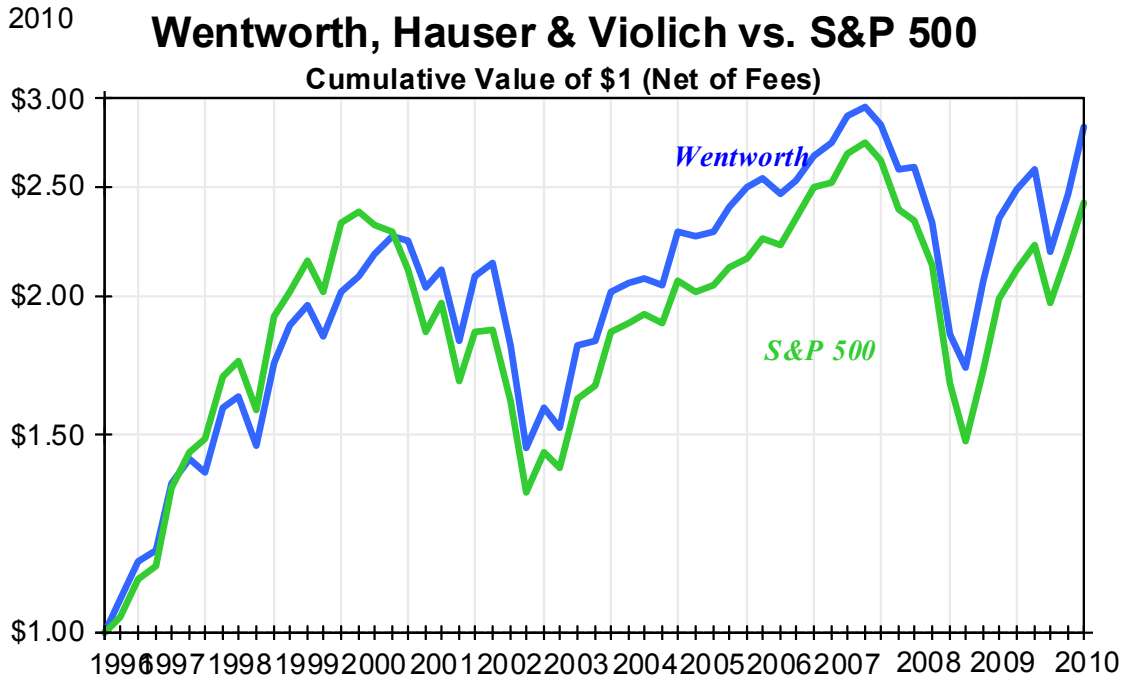
Rothschild's return of 12.9% for the fourth quarter trailed the 13.9% return of the Russell 2500™ Value Index and ranked in the 94<sup>th</sup> percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 21.8%, again below the index return of 24.9%, and ranked in the 88<sup>th</sup> percentile. Over the past five years, Rothschild exceeded the index but ranked in the 72<sup>nd</sup> percentile. This portfolio is in compliance with some of the CCCERA performance objectives.

The portfolio had a beta of 1.20x, a below-index yield and a below-index P/E ratio. It included 132 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ Value Index were in the health care, information technology and energy sectors, while the largest under-weights were in the utilities, consumer discretionary and materials sectors.

Rothschild's fourth quarter performance relative to the Russell 2500™ Value index was hurt by stock selection while sector allocation decisions were positive. Trading decisions had a negative impact on performance. Stock selection in the information technology sector had the largest negative impact on the portfolio during the fourth quarter. The best performing portfolio stocks were Atmel Corp (+55%), Stone Energy (+51%) and AAR Corp. (+47%). The worst performing holdings included Lexmark (-22%), Jones Group (-21%) and Big Lots (-8%).

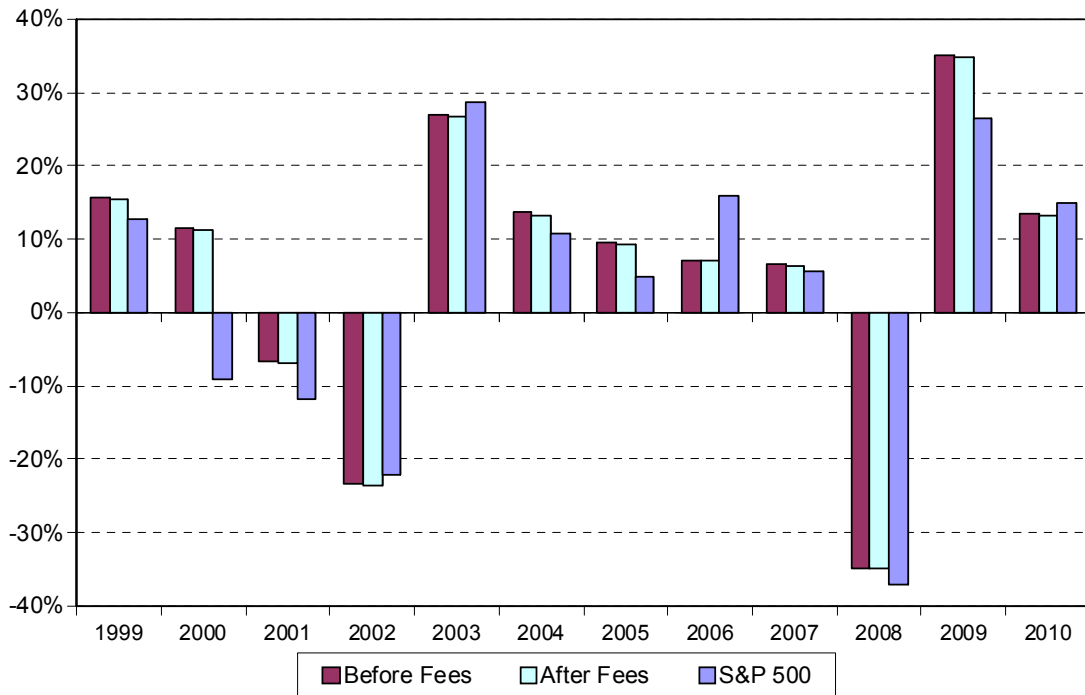
# MANAGER COMMENTS – DOMESTIC EQUITY

Wentworth, Hauser and Violich



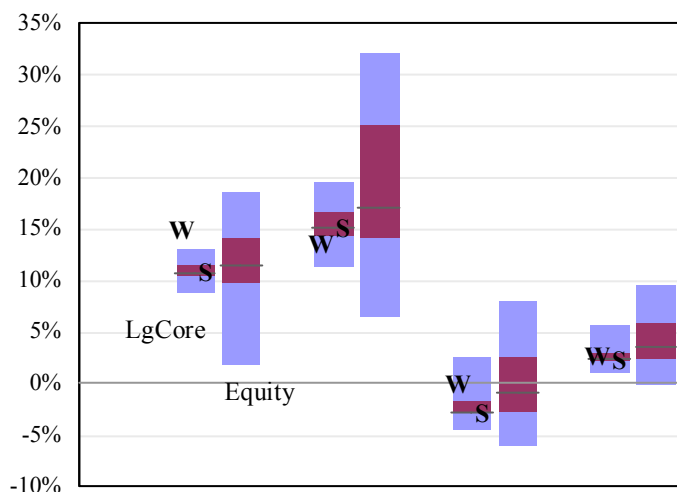
## Wentworth vs. S&P 500

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)	14.8	13.5	0.0	2.7
Rank v. Lg Core	1	83	15	37
Rank v. Equity	22	77	42	64
S&P 500 (S)	10.8	15.1	-2.9	2.3
Lg Core Medium	10.8	15.1	-2.8	2.4
Equity Median	11.4	17.1	-0.9	3.6

### Portfolio

<u>Characteristics</u>	<u>Wentworth</u>	<u>S&amp;P 500</u>
Eq Mkt Value (\$Mil)	281.71	N/A
Wtd. Avg. Cap (\$Bil)	66.81	88.86
Beta	1.06	1.00
Yield (%)	1.10	1.86
P/E Ratio	19.78	17.45
Cash (%)	0.8	0.0

Number of Holdings	33	500
Turnover Rate (%)	55.4	-

<u>Sector</u>	<u>Wentworth</u>	<u>S&amp;P 500</u>
Energy	19.4 %	12.0 %
Materials	7.3	3.7
Industrials	14.2	10.9
Cons. Discretionary	9.4	10.6
Consumer Staples	7.2	10.6
Health Care	10.2	10.8
Financials	13.9	16.0
Info Technology	18.3	19.1
Telecom Services	0.0	3.1
Utilities	0.0	3.3

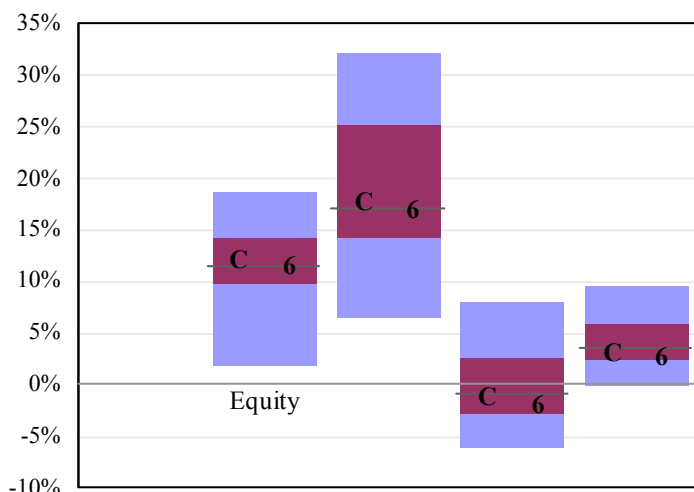
Wentworth's return of 14.8% for the fourth quarter was above the 10.8% return of the S&P 500 and ranked in the 1<sup>st</sup> percentile of large core managers. For the one-year period, Wentworth returned 13.5%, below the 15.1% return of the S&P 500, and ranked in the 83<sup>rd</sup> percentile. Wentworth has exceeded the S&P 500 over the past three and five years. Wentworth ranked above median in the large core universe over the trailing three and five-year periods. Wentworth is in compliance with CCCERA performance guidelines.

The portfolio has an above-market beta of 1.06x, a below-market yield and an above-market P/E ratio. The portfolio has 33 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the energy, materials and industrials sectors, while largest under-weights are in the consumer staples, utilities and telecom services sectors.

Wentworth's fourth quarter performance relative to the S&P 500 was helped by both stock selection and sector allocation decisions. Stock selection in the industrials, materials and financials sectors was particularly strong. The best performing portfolio stocks included National Oilwell (+51%), Freeport-McMoran (+42%), and Baker Hughes (+35%) while the worst performing holdings included Cisco Systems (-8%), Pepsi Co (-1%) and Teva Pharmaceuticals (-1%).

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## Total Domestic Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Equity (C)	12.1	17.8	-1.3	3.1
Rank v. Equity	41	45	52	56
Russell 3000® (6)	11.6	16.9	-2.0	2.7
Equity Median	11.4	17.1	-0.9	3.6

<b>Portfolio Characteristics</b>	<b>Total Fund</b>	<b>Russell 3000®</b>
Eq Mkt Value (\$Mil)	1,798.19	N/A
Wtd. Avg. Cap (\$Bil)	51.44	71.88
Beta	1.03	1.04
Yield (%)	1.17 %	1.73 %
P/E Ratio	19.78	18.77
Cash (%)	3.2 %	0.0 %
Number of Holdings	960	2,951
Turnover Rate (%)	208.5	-

<b>Sector</b>	<b>Total Fund</b>	<b>Russell 3000®</b>
Energy	9.8 %	11.2 %
Materials	4.7	4.3
Industrials	10.6	11.6
Cons. Discretionary	14.0	11.3
Consumer Staples	5.6	9.0
Health Care	12.3	11.2
Financials	15.8	16.4
Info Technology	23.0	18.7
Telecom Services	1.8	2.8
Utilities	2.4	3.4

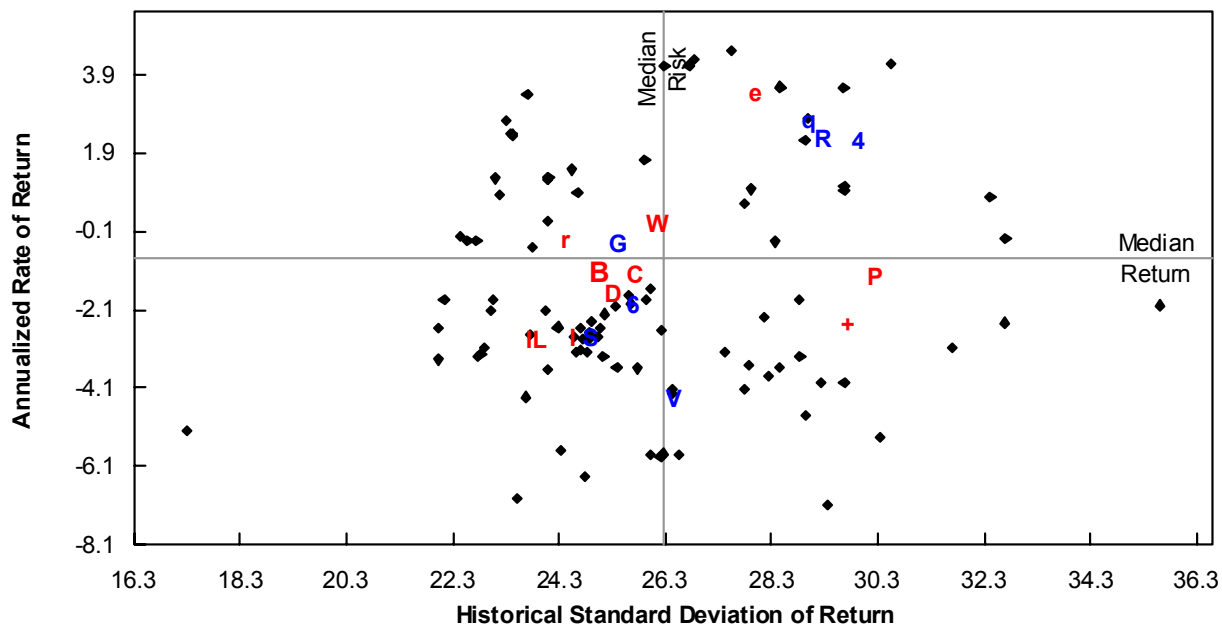
CCCERA total domestic equities returned 12.1% in the fourth quarter, which was better than the 11.6% return of the Russell 3000® Index and ranked in the 41<sup>st</sup> percentile of all equity managers. For the one-year period, the CCCERA equity return of 17.8% was again better than the 16.9% return of the Russell 3000® and ranked in the 45<sup>th</sup> percentile. Over the past three years, CCCERA domestic equities exceeded the Russell 3000® index but trailed the median manager. Over the past five years the domestic equities exceeded the Russell 3000®, but again trailed the median.

The combined domestic equity portfolio has a beta of 1.03x, a below-index yield and an above-index P/E ratio. The portfolio is broadly diversified with positions in 960 stocks. The combined portfolio's largest economic sector over-weights are in the information technology, consumer discretionary and health care sectors, while the largest under-weights are in the consumer staples, energy and utilities sectors.

# MANAGER COMMENTS – DOMESTIC EQUITY

## Domestic Equity Performance and Variability

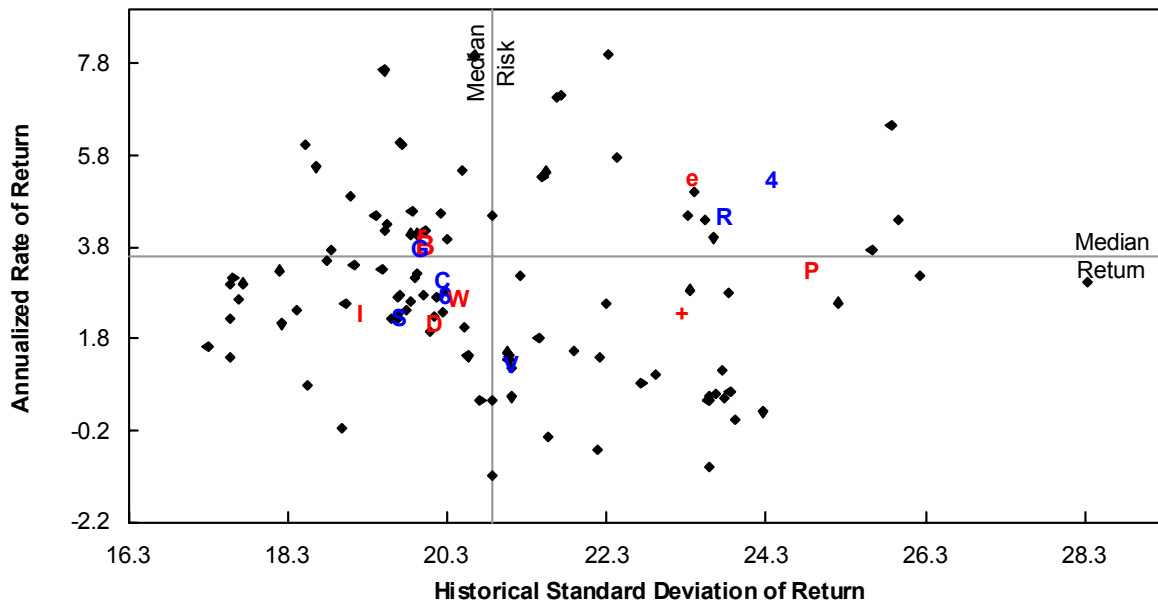
Three Years Ending December 31, 2010



Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	-1.2 %	25.1 %	-0.08
Delaware ( <b>D</b> )	-1.7	25.4	-0.10
Emerald ( <b>e</b> )	3.4	28.0	0.09
INTECH Enhanced ( <b>I</b> )	-2.9	24.6	-0.15
INTECH Large Core ( <b>IL</b> )	-3.0	23.9	-0.16
PIMCO StocksPLUS ( <b>+</b> )	-2.6	29.8	-0.11
Progress ( <b>P</b> )	-1.3	30.3	-0.07
Rothschild ( <b>r</b> )	-0.4	24.5	-0.05
Wentworth, Hauser ( <b>W</b> )	0.0	26.2	-0.03
Domestic Equitiy ( <b>C</b> )	-1.3	25.8	-0.08
Russell® 3000 ( <b>6</b> )	-2.0	25.7	-0.11
S&P 500 ( <b>S</b> )	-2.9	24.9	-0.15
Russell 1000® Growth ( <b>G</b> )	-0.5	25.5	-0.05
Russell 1000® Value ( <b>V</b> )	-4.4	26.5	-0.20
Russell 2000® ( <b>R</b> )	2.2	29.3	0.05
Russell 2000® Growth ( <b>4</b> )	2.2	30.0	0.05
Russell 2500™ Value ( <b>q</b> )	2.7	29.0	0.07
Median Equity Port.	-0.9	26.3	-0.06

## Domestic Equity Performance and Variability

*Five Years Ending December 31, 2010*



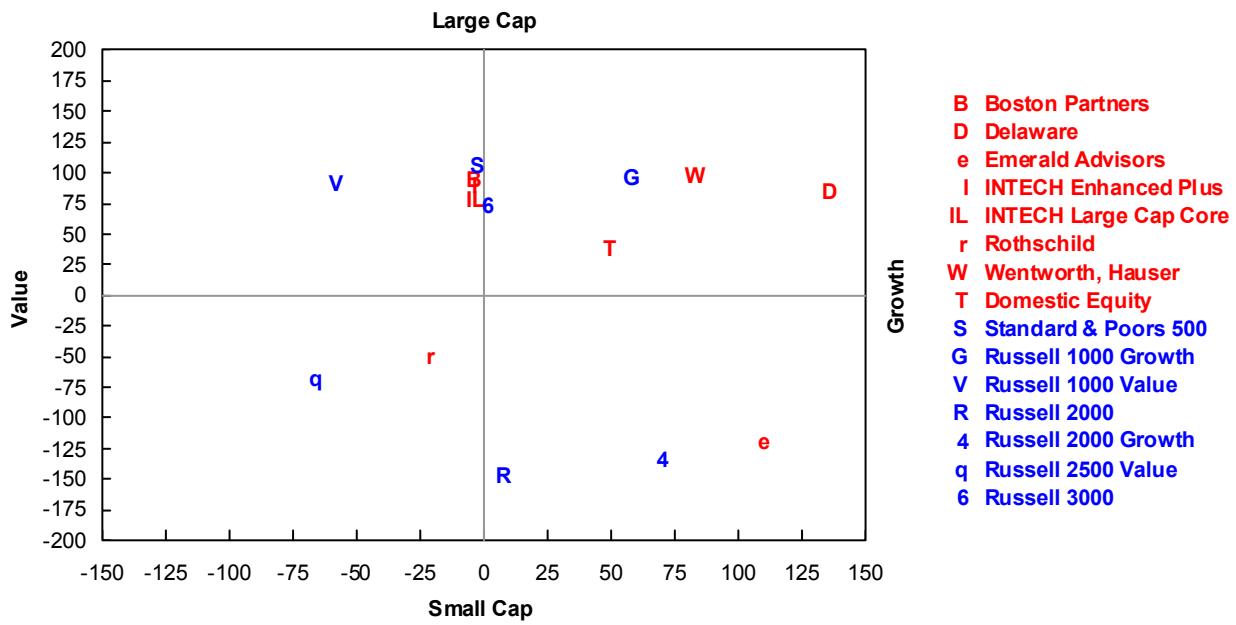
Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	3.9 %	20.0 %	0.07
Delaware ( <b>D</b> )	2.2	20.1	-0.01
Emerald ( <b>e</b> )	5.3	23.3	0.13
INTECH Enhanced ( <b>I</b> )	2.4	19.2	0.00
PIMCO StocksPLUS ( <b>+</b> )	2.4	23.2	0.00
Progress ( <b>P</b> )	3.3	24.8	0.04
Rothschild ( <b>r</b> )	4.1	20.0	0.08
Wentworth, Hauser ( <b>W</b> )	2.7	20.4	0.01
Domestic Equity ( <b>C</b> )	3.1	20.2	0.03
Russell® 3000 ( <b>6</b> )	2.7	20.2	0.02
S&P 500 ( <b>S</b> )	2.3	19.7	-0.01
Russell 1000® Growth ( <b>G</b> )	3.8	19.9	0.07
Russell 1000® Value ( <b>V</b> )	1.3	21.1	-0.05
Russell 2000® ( <b>R</b> )	4.5	23.7	0.09
Russell 2000® Growth ( <b>4</b> )	5.3	24.3	0.12
Russell 2500™ Value ( <b>q</b> )	3.9	23.4	0.06
Median Equity Port.	3.6	20.8	0.06

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# MANAGER COMMENTS - DOMESTIC EQUITY

## Domestic Equity Style Map

As of December 31, 2010



## PORTFOLIO PROFILE REPORT

	<b>Russell 3000® 12/31/2010</b>	<b>Combined Equity 12/31/2010</b>	<b>Russell 1000® Value 12/31/2010</b>	<b>Boston 12/31/2010</b>	<b>Russell 1000® Growth 12/31/2010</b>	<b>Delaware 12/31/2010</b>
Equity Market Value (\$000)		1,798,194		317,678		339,306
Beta	1.04	1.03	1.03	1.05	1.01	0.88
Yield	1.73	1.17	2.16	1.50	1.41	0.62
P/E Ratio	18.77	19.78	17.11	14.60	18.84	24.97
Standard Error	1.78	2.10	2.18	2.68	2.30	3.87
R <sup>2</sup>	0.97	0.96	0.95	0.94	0.95	0.85
Wtd Cap Size (\$Mil)	71,883	51,441	71,126	75,672	85,309	53,950
Avg Cap Size (\$Mil)	990	9,633	4,794	18,756	6,020	21,561
Number of Holdings	2,951	960	668	85	627	28
<b>Economic Sectors</b>						
Energy	11.20	9.78	12.41	11.40	10.87	3.81
Materials	4.29	4.68	3.08	2.59	5.26	3.14
Industrials	11.63	10.62	9.12	8.57	13.31	3.21
Consumer Discretionary	11.34	14.01	7.58	15.01	14.69	17.18
Consumer Staples	9.02	5.58	9.73	3.80	9.40	4.94
Health Care	11.23	12.28	12.35	13.22	9.92	14.38
Financials	16.40	15.78	27.36	26.21	4.77	9.52
Information Technology	18.71	23.03	6.52	17.23	30.86	39.59
Telecom. Services	2.81	1.78	5.10	0.51	0.85	4.24
Utilities	3.38	2.44	6.76	1.48	0.08	0.00



## PORTFOLIO PROFILE REPORT

	<b>S&amp;P 500</b>	<b>Intech</b>	<b>Intech</b>	<b>PIMCO+</b>	<b>Wentworth</b>
	<b>Cap Wtd</b>	<b>Enhanced</b>	<b>Large Cap</b>	<b>(S&amp;P 500)</b>	<b>Wentworth</b>
	<b>12/31/2010</b>	<b>12/31/2010</b>	<b>12/31/2010</b>	<b>12/31/2010</b>	<b>12/31/2010</b>
Equity Market Value		22,911	245,255	134,874	281,706
Beta	1.00	0.95	0.94	1.00	1.06
Yield	1.86	1.94	1.93	1.86	1.10
P/E Ratio	17.45	17.52	18.26	17.45	19.78
Standard Error	0.00	1.46	1.95	0.00	3.43
R <sup>2</sup>	1.00	0.98	0.96	1.00	0.91
Wtd Cap Size (\$Mil)	88,856	74,869	58,446	88,856	66,811
Avg Cap Size (\$Mil)	11,156	12,791	11,878	11,156	35,202
Number of Holdings	500	351	286	500	33
<b>Economic Sectors</b>					
Energy	11.96	9.44	7.63	11.96	19.38
Materials	3.72	3.92	4.94	3.72	7.34
Industrials	10.88	13.06	15.28	10.88	14.21
Consumer Discretionary	10.57	12.69	14.89	10.57	9.40
Consumer Staples	10.57	10.87	10.35	10.57	7.21
Health Care	10.84	10.83	10.66	10.84	10.21
Financials	15.97	11.53	9.56	15.97	13.91
Information Technology	19.13	17.68	15.31	19.13	18.34
Telecom. Services	3.09	3.91	3.48	3.09	0.00
Utilities	3.28	6.06	7.91	3.28	0.00

## PORTFOLIO PROFILE REPORT

	<b>Russell 2000® 12/31/2010</b>	<b>Progress 12/31/2010</b>	<b>Russell 2500™ Value 12/31/2010</b>	<b>Rothschild 12/31/2010</b>	<b>Russell 2000® Growth 12/31/2010</b>	<b>Emerald 12/31/2010</b>
Equity Market Value		149,798		149,672		156,994
Beta	1.26	1.26	1.21	1.20	1.27	1.28
Yield	1.11	0.99	1.84	1.50	0.47	0.20
P/E Ratio	38.92	31.95	27.55	17.26	40.18	45.85
Standard Error	5.64	4.95	5.07	5.06	5.83	6.39
R <sup>2</sup>	0.85	0.88	0.85	0.86	0.85	0.84
Wtd Cap Size (\$Mil)	1,258	2,227	2,632	2,705	1,382	1,630
Avg Cap Size (\$Mil)	521	1,232	682	2,155	563	1,232
Number of Holdings	1,973	380	1,645	132	1,269	118
<b>Economic Sectors</b>						
Energy	6.41	8.95	8.81	9.15	5.05	6.25
Materials	5.61	6.39	7.43	6.89	4.95	5.12
Industrials	16.17	16.38	12.33	12.26	17.74	15.22
Consumer Discretionary	13.44	11.88	9.64	7.15	16.91	18.81
Consumer Staples	3.00	4.57	3.49	3.06	3.11	1.82
Health Care	12.41	10.64	5.94	9.76	18.90	14.77
Financials	20.56	18.96	32.20	31.69	4.93	6.55
Information Technology	18.38	19.88	8.69	11.37	27.06	31.45
Telecom. Services	0.98	0.36	1.15	1.04	1.30	0.00
Utilities	3.04	1.98	10.33	7.63	0.06	0.00

## PORTFOLIO PROFILE REPORT

	<b>Russell 3000® 12/31/2010</b>	<b>Combined Equity 12/31/2010</b>	<b>Russell 1000® Value 12/31/2010</b>	<b>Boston 12/31/2010</b>	<b>Russell 1000® Growth 12/31/2010</b>	<b>Delaware 12/31/2010</b>
<b>Beta Sectors</b>						
1 0.0 - 0.9	42.21	38.82	44.65	33.17	41.78	54.19
2 0.9 - 1.1	17.74	21.24	17.53	29.99	18.91	24.68
3 1.1 - 1.3	14.97	15.94	10.11	13.21	19.93	17.95
4 1.3 - 1.5	9.63	9.57	11.20	9.29	7.49	0.00
5 Above 1.5	15.44	14.43	16.51	14.34	11.89	3.18
<b>Yield Sectors</b>						
1 Above 5.0	25.75	35.80	15.49	14.97	29.75	46.31
3 3.0 - 5.0	24.05	27.79	28.71	33.96	20.98	34.66
3 1.5 - 3.0	29.50	25.78	23.57	38.26	38.79	19.03
4 0.0 - 1.5	15.70	8.85	23.02	12.81	9.71	0.00
5 0.0	5.00	1.77	9.22	0.00	0.76	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	21.50	17.61	33.35	27.10	8.51	7.24
2 12.0 -20.0	44.10	38.20	46.17	57.05	45.48	22.41
3 20.0 -30.0	21.28	26.82	11.30	12.49	31.46	48.60
4 30.0 - 150.0	10.56	14.29	6.16	3.36	12.81	17.53
5 N/A	2.56	3.07	3.02	0.00	1.75	4.22
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	59.03	45.37	61.61	62.92	67.11	60.97
2 10.0 - 20.0	13.25	13.74	16.00	13.86	12.95	23.41
3 5.0 - 10.0	10.37	14.25	10.51	11.66	12.03	13.40
4 1.0 - 5.0	13.71	19.83	11.86	11.56	7.91	2.22
5 0.5 - 1.0	2.20	5.07	0.02	0.00	0.00	0.00
6 0.1 - 0.5	1.43	1.70	0.01	0.00	0.00	0.00
7 0.0 - 0.1	0.01	0.04	0.00	0.00	0.00	0.00
<b>5 Yr Earnings Growth</b>						
1 N/A	36.79	33.26	47.77	43.55	23.44	12.40
2 0.0 -10.0	32.95	29.60	31.59	25.71	35.77	31.88
3 10.0 -20.0	17.91	21.65	14.01	22.49	22.30	26.02
4 Above 20.0	12.34	15.50	6.63	8.25	18.49	29.70

## PORTFOLIO PROFILE REPORT

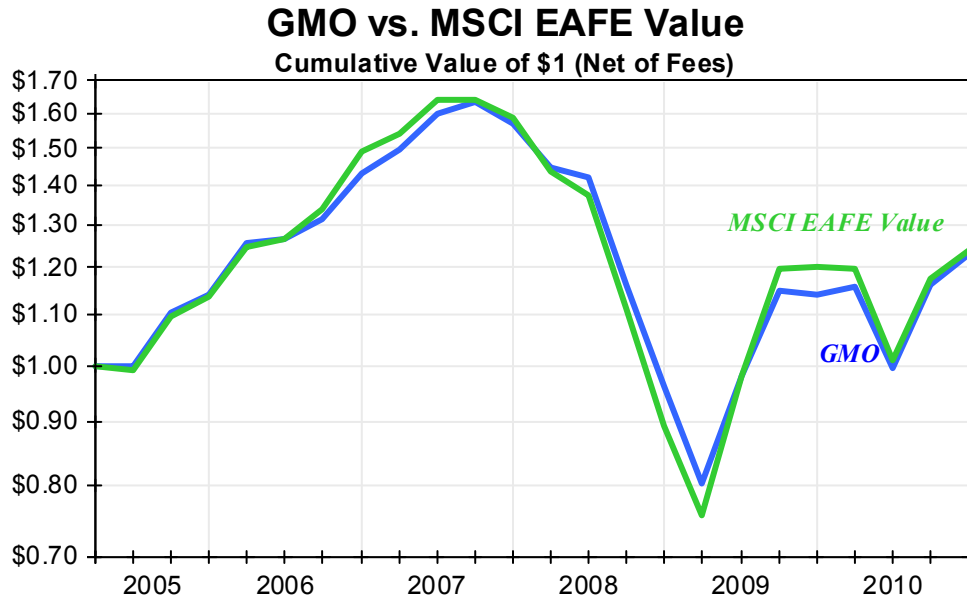
	<b>S&amp;P 500 Cap Wtd 12/31/2010</b>	<b>Intech Enhanced 12/31/2010</b>	<b>Intech Large Cap 12/31/2010</b>	<b>PIMCO+ (S&amp;P 500) 12/31/2010</b>	<b>Wentworth 12/31/2010</b>
<b>Beta Sectors</b>					
1 0.0 - 0.9	44.35	50.25	53.22	44.35	28.37
2 0.9 - 1.1	18.67	17.77	15.29	18.67	26.71
3 1.1 - 1.3	15.22	14.31	13.86	15.22	21.14
4 1.3 - 1.5	8.78	6.51	6.54	8.78	12.36
5 Above 1.5	12.96	11.17	11.08	12.96	11.41
<b>Yield Sectors</b>					
1 Above 5.0	19.38	18.83	20.41	19.38	24.98
3 3.0 - 5.0	25.25	23.84	23.50	25.25	37.75
3 1.5 - 3.0	33.11	33.18	31.36	33.11	34.83
4 0.0 - 1.5	17.19	19.54	20.86	17.19	2.45
5 0.0	5.06	4.61	3.86	5.06	0.00
<b>P/E Sectors</b>					
1 0.0 - 12.0	20.98	20.32	20.15	20.98	3.88
2 12.0 -20.0	47.65	44.71	40.89	47.65	49.31
3 20.0 -30.0	21.54	22.08	22.94	21.54	33.93
4 30.0 - 150.0	7.76	10.09	12.19	7.76	12.88
5 N/A	2.07	2.79	3.84	2.07	0.00
<b>Capitalization Sectors</b>					
1 Above 20.0 (\$Bil)	72.80	53.38	43.17	72.80	68.43
2 10.0 - 20.0	15.83	21.84	28.61	15.83	8.88
3 5.0 - 10.0	8.97	20.06	23.41	8.97	22.69
4 1.0 - 5.0	2.40	4.72	4.81	2.40	0.00
5 0.5 - 1.0	0.00	0.00	0.00	0.00	0.00
6 0.1 - 0.5	0.00	0.00	0.00	0.00	0.00
7 0.0 - 0.1	0.00	0.00	0.00	0.00	0.00
<b>5 Yr Earnings Growth</b>					
1 N/A	34.94	30.54	29.95	34.94	27.06
2 0.0 -10.0	35.24	35.96	34.19	35.24	31.48
3 10.0 -20.0	17.92	21.94	23.43	17.92	25.05
4 Above 20.0	11.90	11.56	12.42	11.90	16.41

## PORTFOLIO PROFILE REPORT

	<b>Russell 2000® 12/31/2010</b>	<b>Progress 12/31/2010</b>	<b>Russell 2500™ Value 12/31/2010</b>	<b>Rothschild 12/31/2010</b>	<b>Russell 2000® Growth 12/31/2010</b>	<b>Emerald 12/31/2010</b>
<b>Beta Sectors</b>						
1 0.0 - 0.9	31.12	28.54	34.24	34.14	29.04	21.15
2 0.9 - 1.1	12.34	13.66	14.24	13.43	11.57	12.93
3 1.1 - 1.3	13.80	11.96	11.04	16.03	14.69	15.55
4 1.3 - 1.5	13.11	14.89	11.70	12.38	15.35	23.96
5 Above 1.5	29.64	30.95	28.78	24.03	29.35	26.40
<b>Yield Sectors</b>						
1 Above 5.0	60.22	61.75	38.76	41.07	73.15	85.51
3 3.0 - 5.0	15.42	14.96	18.68	21.69	15.28	10.16
3 1.5 - 3.0	10.45	12.75	16.35	17.01	7.63	3.62
4 0.0 - 1.5	8.63	5.94	16.63	15.30	2.89	0.54
5 0.0	5.28	4.60	9.58	4.92	1.06	0.18
<b>P/E Sectors</b>						
1 0.0 - 12.0	29.79	26.43	30.65	26.91	24.54	20.97
2 12.0 -20.0	24.69	28.52	32.61	37.38	20.87	10.99
3 20.0 -30.0	18.69	18.49	15.38	18.32	22.33	23.35
4 30.0 - 150.0	22.19	21.69	17.55	15.92	26.70	32.81
5 N/A	4.65	4.87	3.81	1.46	5.56	11.87
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	0.00	0.00	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	1.44	0.00	0.00	0.00	0.00
3 5.0 - 10.0	0.38	10.24	9.70	9.23	0.73	4.12
4 1.0 - 5.0	56.11	55.89	70.35	78.74	60.18	60.30
5 0.5 - 1.0	26.27	23.21	11.25	10.08	25.41	26.26
6 0.1 - 0.5	17.10	8.68	8.67	1.95	13.46	9.32
7 0.0 - 0.1	0.15	0.54	0.03	0.00	0.21	0.00
<b>5 Yr Earnings Growth</b>						
1 N/A	50.30	46.36	53.76	50.48	41.13	43.82
2 0.0 -10.0	24.61	28.32	26.27	23.41	26.08	23.34
3 10.0 -20.0	15.19	13.75	11.36	15.96	20.41	17.70
4 Above 20.0	9.90	11.58	8.61	10.15	12.38	15.13

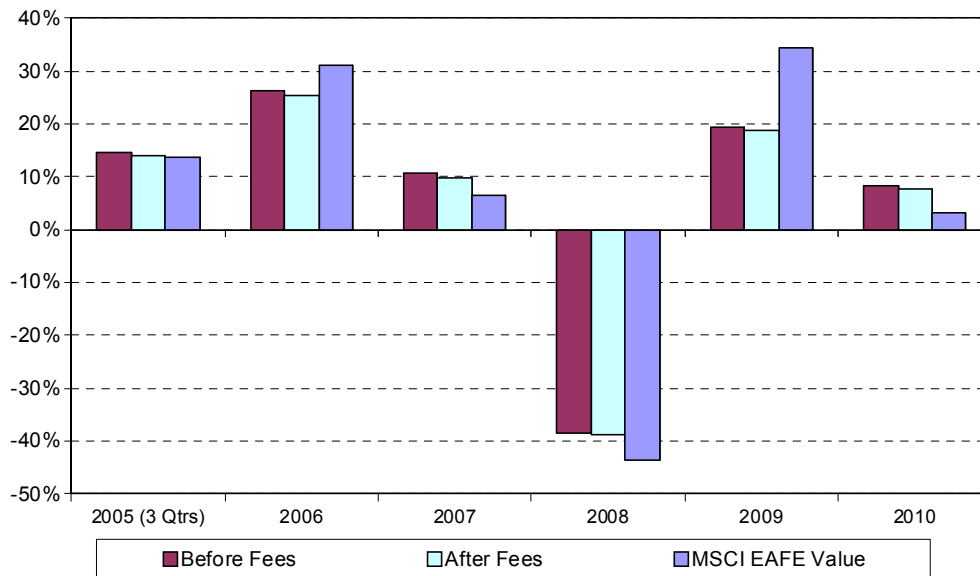
# MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

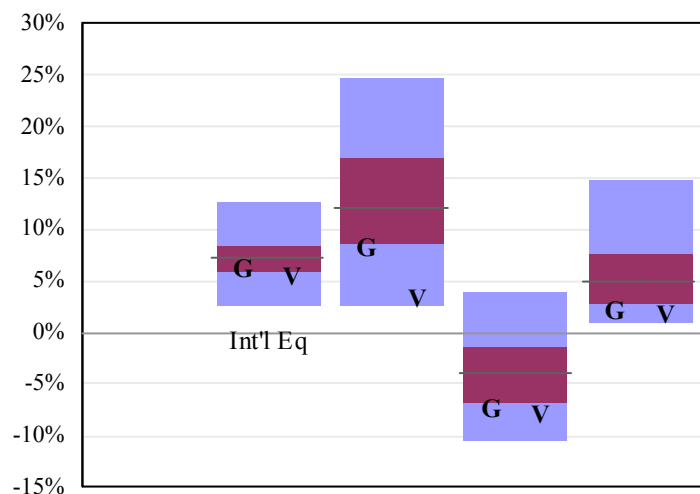


### GMO vs. MSCI EAFE Value

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)	6.1	8.3	-7.3	2.1
Rank v. Int'l Equity	73	91	80	90
EAFE Value (V)	5.3	3.3	-7.9	1.7
Int'l Eq Median	7.3	12.0	-3.8	5.0

<b>Portfolio Characteristics</b>	<b>GMO</b>	<b>MSCI EAFE</b>
IEq Mkt Value (\$Mil)	266.9	N/A
Cash	0.0 %	0.0 %

<b>Over-Weighted Countries</b>	<b>GMO</b>	<b>MSCI EAFE</b>
Italy	6.6 %	2.5 %
Japan	25.5	22.1
Canada	3.0	0.0

<b>Under-Weighted Countries</b>	<b>GMO</b>	<b>MSCI EAFE</b>
Australia	3.5 %	8.8 %
Germany	5.3	8.2
Switzerland	5.5	8.0

The GMO value international equity portfolio returned 6.1% in the fourth quarter, better than the 5.3% return of the MSCI EAFE Value Index, but ranked in the 73<sup>rd</sup> percentile of international equity managers. Over the past year, the portfolio has returned 8.3%, well above the 3.3% return of the EAFE Value Index, but ranked in the 91<sup>st</sup> percentile. Over the past five years, GMO has returned 2.1%, above the 1.7% return of the EAFE Value Index, but ranked in the 90<sup>th</sup> percentile. GMO is in compliance with some of the CCCERA guidelines.

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

Stock selection decisions contributed to fourth quarter results while country allocation decisions were modestly negative relative to EAFE. Stock selection in Germany and Singapore had the most positive impact on performance. Trading decisions had a negative impact on fourth quarter performance.

GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) had mixed results in the quarter. Stocks selected for their strong momentum characteristics outperformed significantly. Both the intrinsic value and quality adjusted value components underperformed.

Individual stock positions that added significant value included overweights in Magna International and Porsche, along with an underweight position in Telefonica. Detractors included AstraZeneca, Sanofi-Aventis and Enel.

## **MANAGER COMMENTS – INTERNATIONAL EQUITY**

### **William Blair**

*William Blair will have a full quarter of performance history in the first quarter 2011 report.*



## William Blair

*William Blair will have a full quarter of performance history in the First Quarter 2011 report.*

<b>Portfolio Characteristics</b>	<b>William Blair</b>	<b>MSCI EAFE</b>
IEq Mkt Value (\$Mil)	237.9	N/A
Cash	0.0 %	0.0 %

<b>Over-Weighted Countries</b>	<b>William Blair</b>	<b>MSCI EAFE</b>
Brazil	5.6 %	0.0 %
Canada	4.5	0.0
Indonesia	3.8	0.0

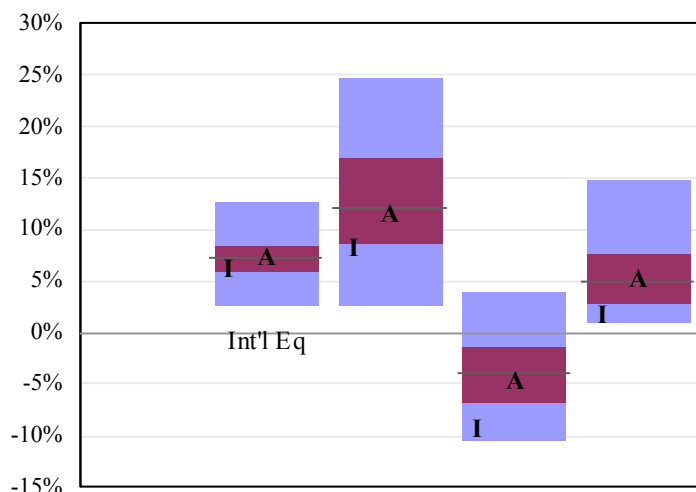
<b>Under-Weighted Countries</b>	<b>William Blair</b>	<b>MSCI EAFE</b>
Australia	0.0 %	8.8 %
Japan	14.9	22.1
Germany	4.0	8.2

The new William Blair account was funded in late December. We will begin tracking performance as of January 2011 and we will present this data in the First Quarter 2011 report.

The portfolio's largest country over-weights relative to MSCI EAFE were in Brazil, Canada and Indonesia, while the largest under-weights were in the Australia, Japan and Germany.

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## Total International Equity



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Int'l Eq (I)	6.1	8.3	-9.3	1.8
Rank v. Intl Eq	73	76	92	92
ACWI xUS (A)	7.3	11.6	-4.6	5.3
EAFE (E)	6.7	8.2	-6.6	2.9
Int'l Eq Median	7.3	12.0	-3.8	5.0

<b>Portfolio Characteristics</b>	<b>Total International</b>	<b>MSCI EAFE</b>
IEq Mkt Value (\$Mil)	504.8	N/A
Cash	0.4 %	0.0 %

<b>Over-Weighted Countries</b>	<b>Total International</b>	<b>MSCI EAFE</b>
Canada	3.7 %	0.0 %
Brazil	2.6	0.0
Indonesia	1.8	0.0

<b>Under-Weighted Countries</b>	<b>Total International</b>	<b>MSCI EAFE</b>
Australia	1.9 %	8.8 %
Germany	4.7	8.2
United Kingdom	19.5	21.2

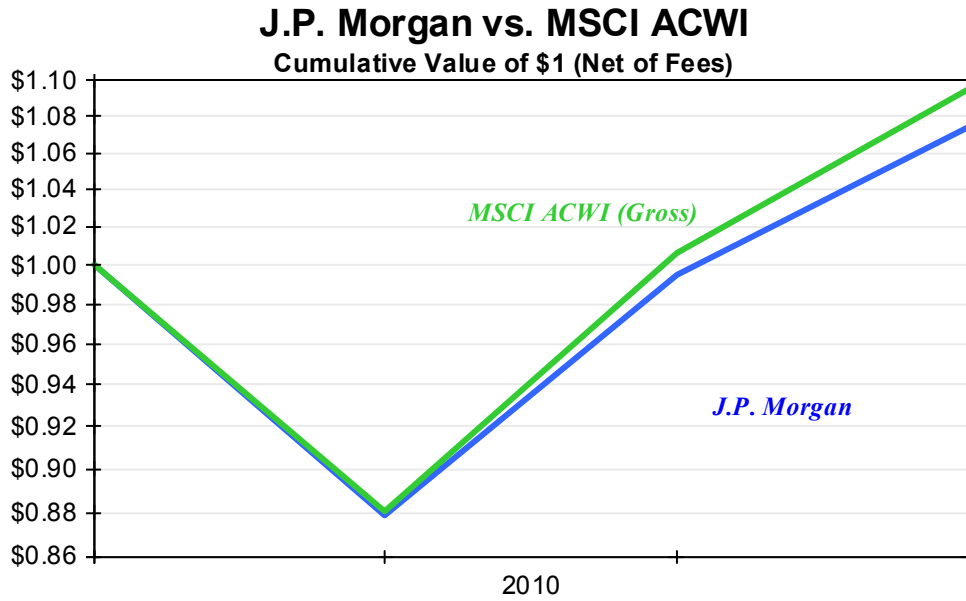
The total international equity composite returned 6.1% in the fourth quarter, trailing the 6.7% return of the MSCI EAFE Index. This return ranked in the 73<sup>rd</sup> percentile of international equity managers. Over the past year, the total international equity composite returned 8.3%, better than the 8.2% return of the MSCI EAFE Index, but ranked in the 76<sup>th</sup> percentile of international equity managers. Over the past five years the total international equity composite trailed the return of the MSCI EAFE Index and ranked below median in the international equity universe.

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

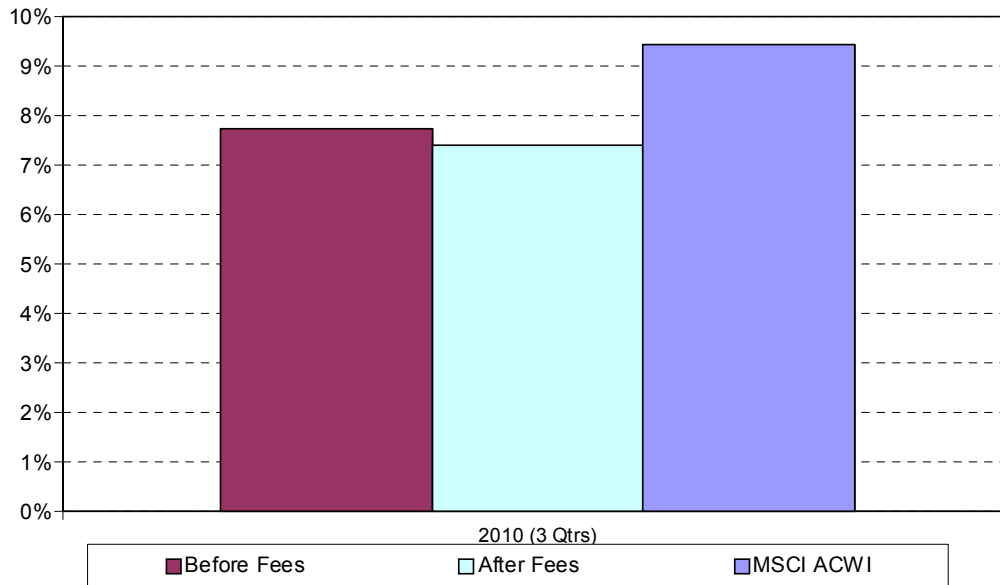
Stock selection decisions boosted overall international equity results in the fourth quarter while country allocation decisions had a small negative impact on fourth quarter performance compared to EAFE. Active trading had a large negative impact on fourth quarter returns.

**MANAGER COMMENTS – GLOBAL EQUITY**

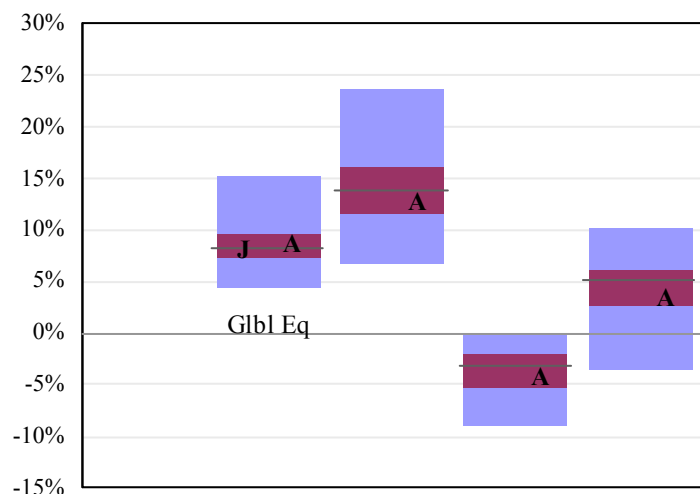
**J.P. Morgan Global Opportunities**



**J.P. Morgan vs. MSCI ACWI (Gross)**  
Year by Year Performance



## J.P. Morgan Global Opportunities



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
J.P. Morgan (J)	8.1	-	-	-
Rank v. Gbl Equity	54	-	-	-
MSCI ACWI (A)	8.7	12.7	-4.3	3.4
Gbl Eq Median	8.1	13.7	-3.1	5.2

<b>Portfolio Characteristics</b>	<b>J.P. Morgan</b>	<b>MSCI ACWI</b>
Eq Mkt Value (\$Mil)	251.9	N/A
Cash	0.0 %	0.0 %

<b>Over-Weighted Countries</b>	<b>J.P. Morgan</b>	<b>MSCI ACWI</b>
United Kingdom	14.9 %	8.3 %
France	6.7	3.7
Netherlands	3.8	1.1

<b>Under-Weighted Countries</b>	<b>J.P. Morgan</b>	<b>MSCI ACWI</b>
Japan	7.4 %	8.7 %
Switzerland	2.0	3.3
Sweden	0.0	1.3

The J.P. Morgan global equity portfolio returned 8.1% in the fourth quarter, trailing the 8.7% return of the MSCI ACWI benchmark, and ranked in the 54<sup>th</sup> percentile of global equity managers.

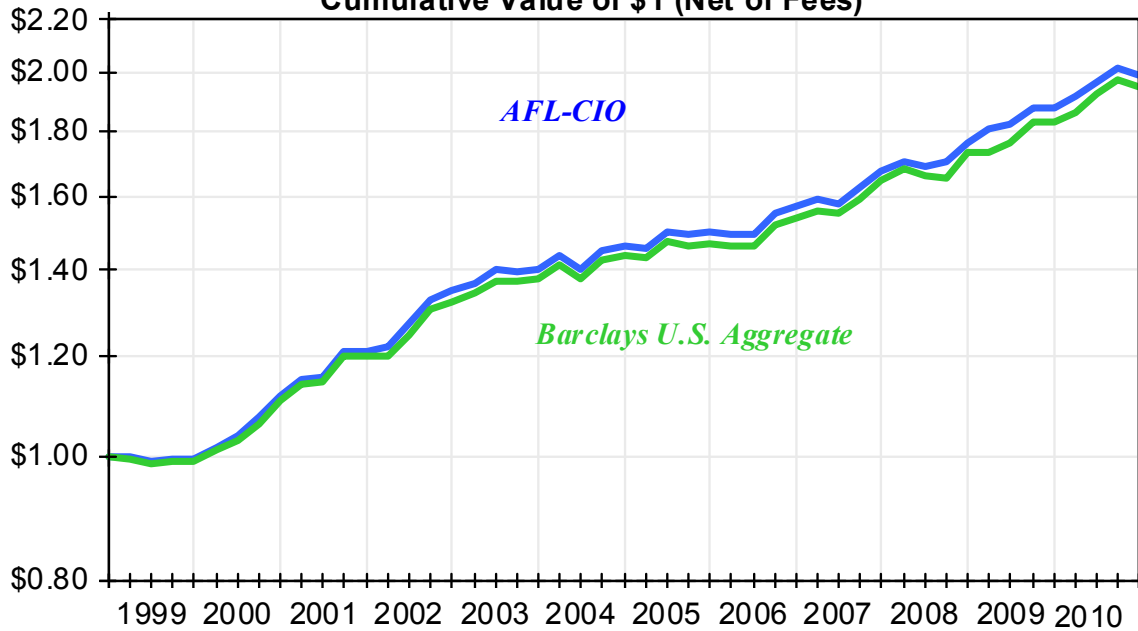
The portfolio's largest country over-weights were in the United Kingdom, France and Germany, while the largest under-weights were in the United States, Canada and Australia.

**MANAGER COMMENTS – FIXED INCOME**

**AFL-CIO Housing Investment Trust**

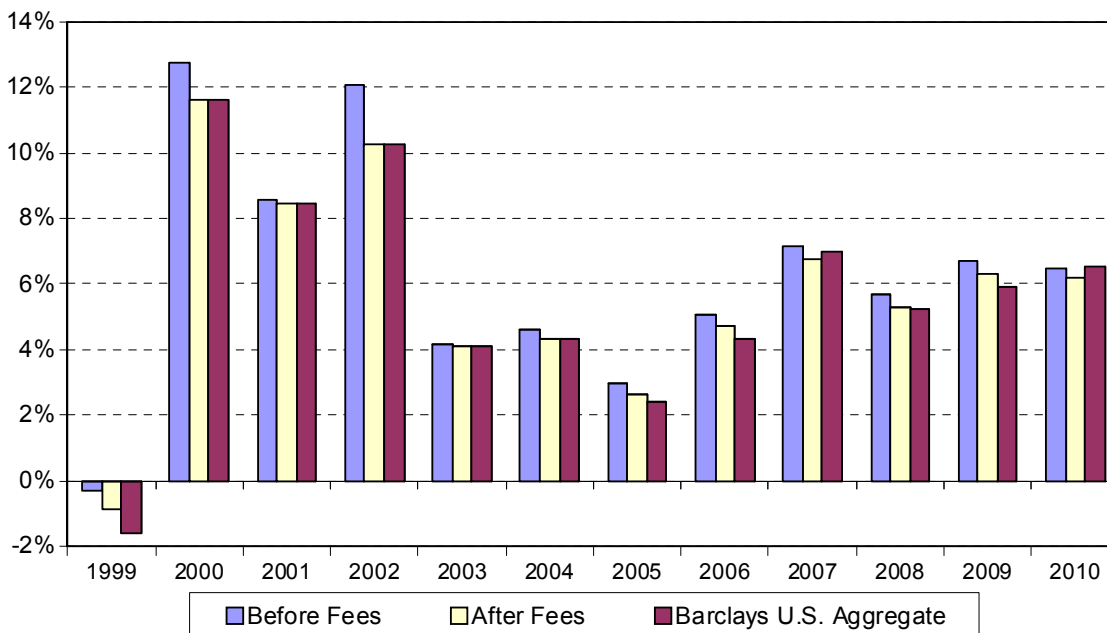
**AFL-CIO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

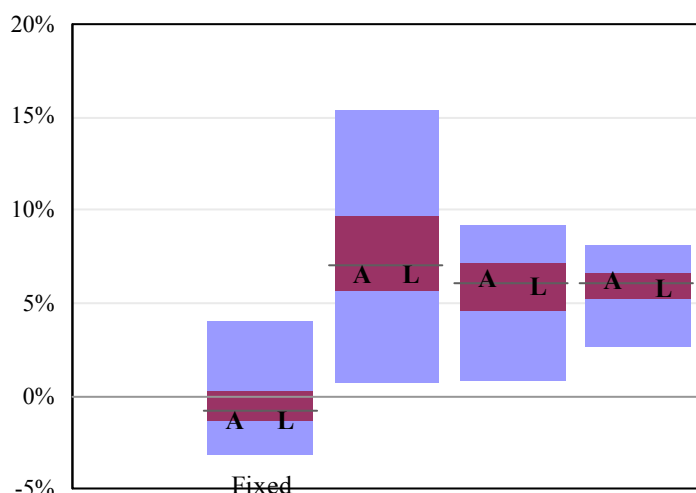


**AFL-CIO vs. Barclays U.S. Aggregate**

Year by Year Performance



## AFL-CIO Housing Investment Trust



	Qtr	1 Year	3 Years	5 Years
AFL-CIO (A)	-1.3	6.5	6.3	6.2
Rank v. Fixed	76	62	43	42
BC Agg (L)	-1.3	6.5	5.9	5.8
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	AFL CIO	Barclays Aggregate
Mkt Value (\$Mil)	155.3	n/a
Yield to Maturity (%)	4.6 %	3.0 %
Duration (yrs)	4.6	5.0
Avg. Quality	AGY	AA1/AA2

Sectors	AFL CIO	Barclays Aggregate
Treasury/Agency	3 %	46 %
Single-Family MBS	23	33
Multi-Family MBS	67	0
Corporates	0	19
High Yield	0	0
ABS/CMBS	0	3
Other	0	0
Cash	6	0

The AFL-CIO Housing Investment Trust (HIT) returned -1.3% in the fourth quarter, matching the -1.3% return of the Barclays U.S. Aggregate. The portfolio ranked in the 76<sup>th</sup> percentile of fixed income managers. For the past year, AFL-CIO returned 6.5%, which also matched the return of the Barclays U.S. Aggregate and ranked in the 62<sup>nd</sup> percentile. Over the past three and five years, AFL-CIO has exceeded the Barclays U.S. Aggregate and the median, meeting performance objectives.

At the end of the fourth quarter, the AFL-CIO Housing Investment Trust had 3% in US Treasury notes, 29% allocated to single-family mortgage backed securities, 67% allocated to multi-family mortgage backed securities and 6% to short-term securities. The AFL-CIO portfolio duration at the end of the fourth quarter was 4.6 years and the current yield of the portfolio was 4.6%.

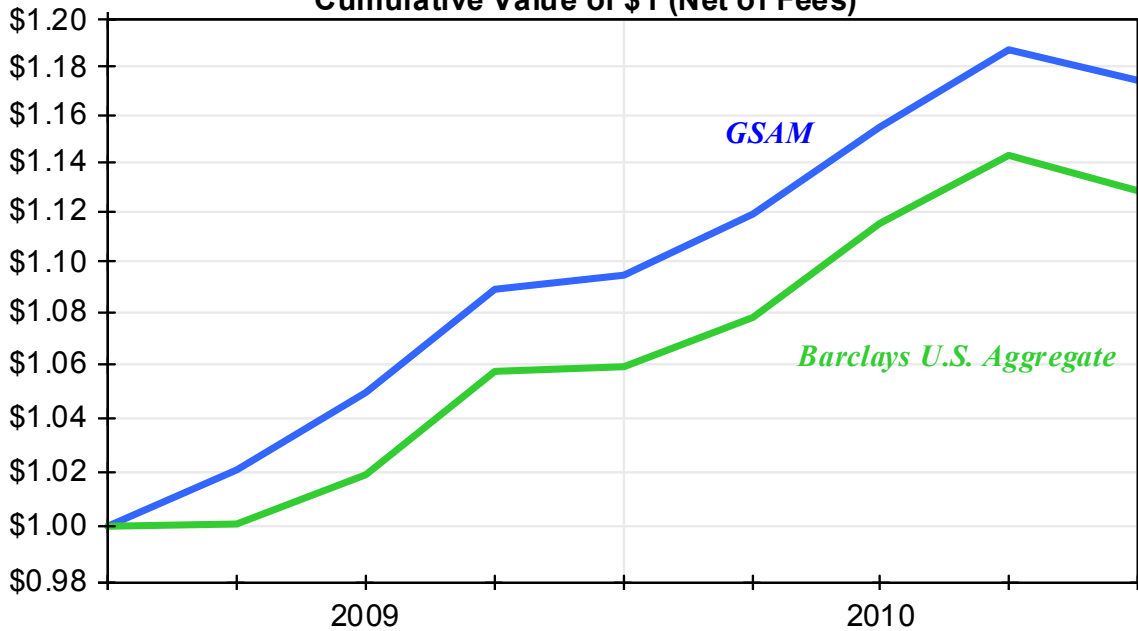
The HIT's fourth quarter results were helped by the portfolio's persistent yield advantage over the Barclays Aggregate Index, a structural overweight to spread assets and a slightly shorter duration as rates rose. The lack of corporate bond exposure hurt fourth quarter results, as did the high quality bias of the portfolio.

MANAGER COMMENTS – FIXED INCOME

Goldman Sachs – Core Plus

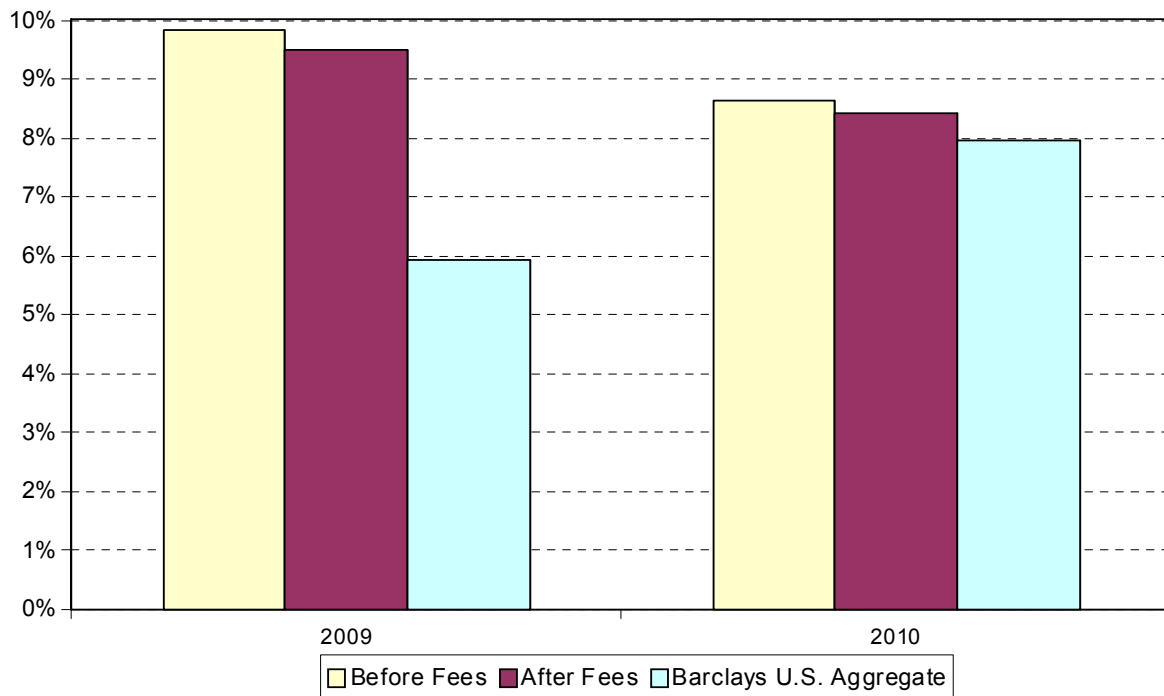
**GSAM vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)



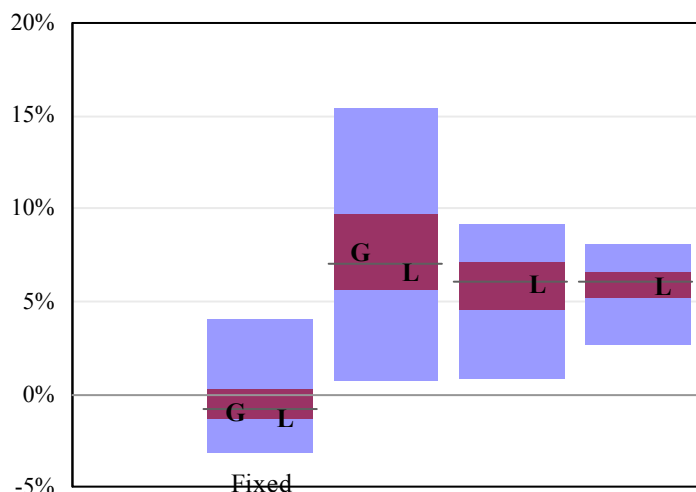
**GSAM vs. Barclays U.S. Aggregate**

Year by Year Performance





## Goldman Sachs – Core Plus



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
GSAM (G)	-1.0	7.6	-	-
Rank v. Fixed	61	42	-	-
BC Agg (L)	-1.3	6.5	5.9	5.8
BC Uni (U)	2.9	8.9	7.3	6.3
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	Goldman Sachs	Barclays Aggregate
Mkt Value (\$Mil)	239.5	n/a
Yield to Maturity (%)	3.5 %	3.0 %
Duration (yrs)	5.0	5.0
Avg. Quality	AA+	AA1/AA2

Sectors	Goldman Sachs	Barclays Aggregate
Treasury/Agency	18 %	46 %
Mortgages	48	33
Corporates	14	19
High Yield	3	0
Asset-Backed	2	3
CMBS	0	0
International	6	0
Emerging Markets	5	0
Other	6	0
Cash	-3	0

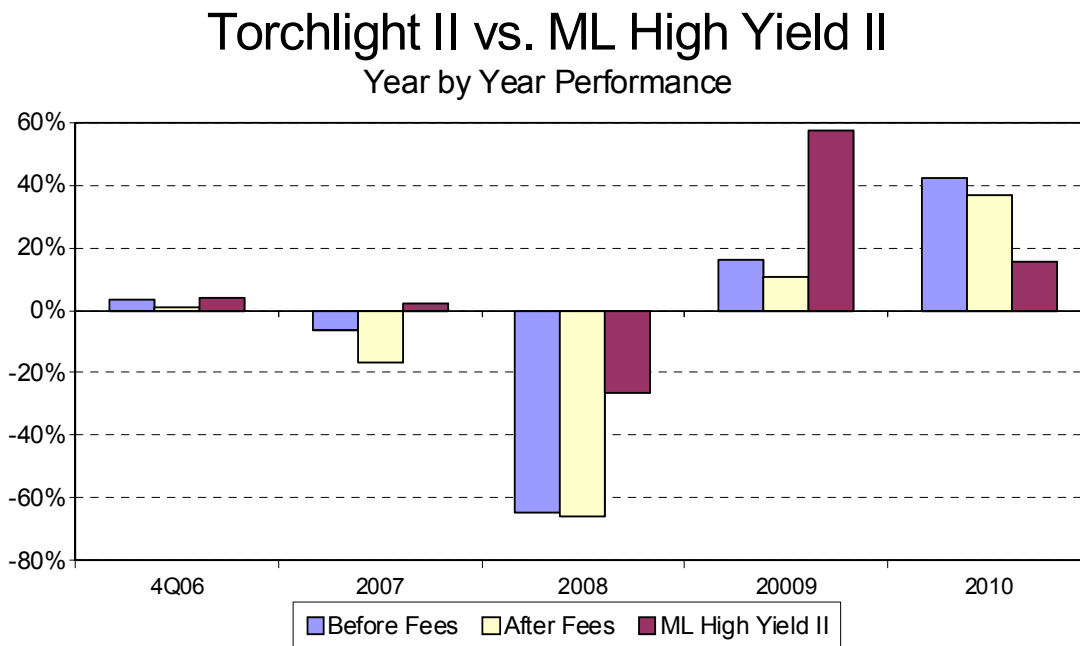
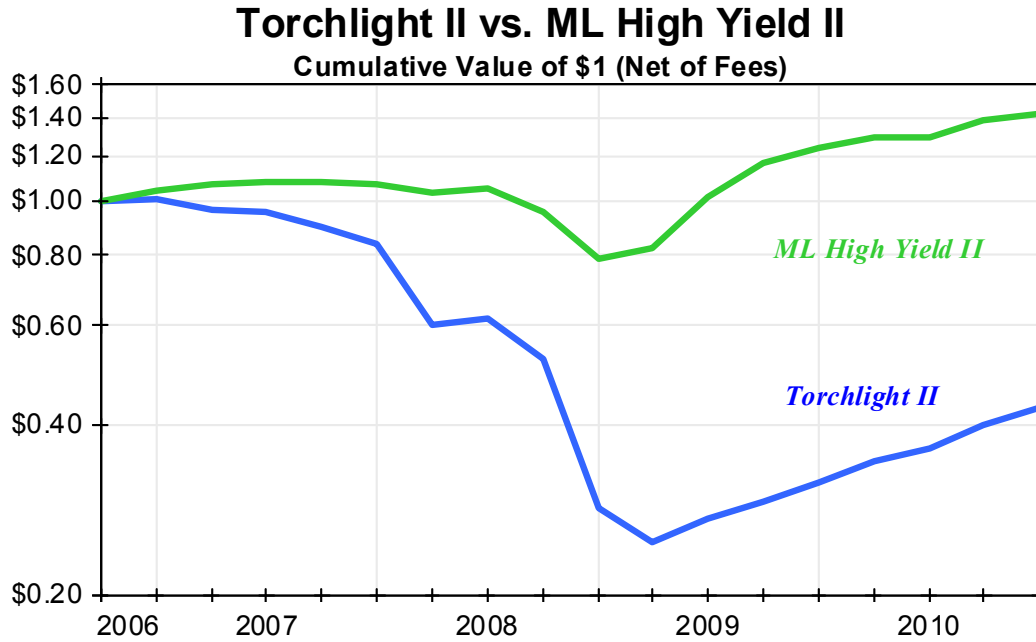
The Goldman Sachs core plus portfolio returned -1.0% in the fourth quarter, better than the -1.3% return of the Barclays U.S. Aggregate Index, but ranked in the 61<sup>st</sup> percentile of fixed income managers. Over the past year, GSAM returned 7.6%, above the 6.5% return of the Barclays U.S. Aggregate Index, and ranked in the 42<sup>nd</sup> percentile.

At the end of the fourth quarter, Goldman Sachs was overweight relative to the Barclays U.S. Aggregate in MBS and the non-index sectors, including high yield and emerging market debt. Goldman Sachs was underweight in the government and investment-grade corporate debt sectors. The duration of the Goldman fixed income portfolio at the end of the fourth quarter was 5.0 years, which matched the benchmark. The portfolio continues to have a small yield advantage over the index.

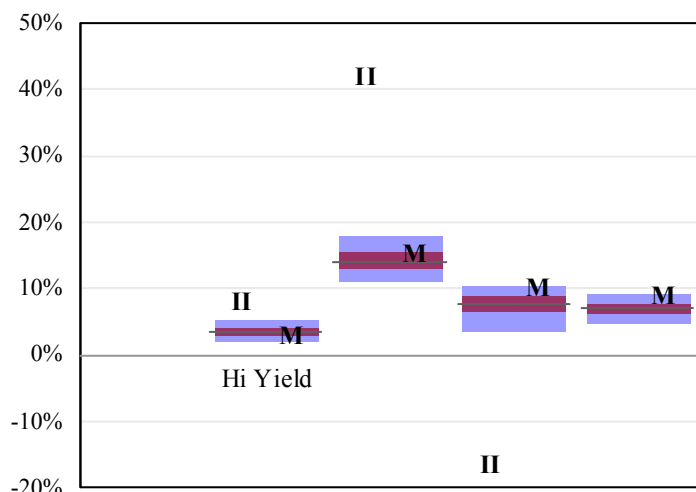
Cross-sector positioning was the biggest driver of excess returns over the quarter. This was due mainly to the portfolio's exposure to non-agency mortgage-backed securities. An overweight bias to agency MBS also contributed. The portfolio's exposure to CMBS was the only significant detractor, though the impact was modest.

MANAGER COMMENTS – FIXED INCOME

Torchlight II



## Torchlight II



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Torchlight II (II)	8.0	41.9	-16.6	-
Rank v. Hi Yield	2	1	98	-
ML HY II (M)	3.1	15.2	10.2	8.9
Hi Yield Median	3.4	14.1	7.7	7.0

Portfolio Characteristics	Torchlight II	ML High Yield II
Mkt Value (\$Mil)	41.5	n/a
Yield to Maturity (%)	24.8 %	7.6 %
Duration (yrs)	5.9	4.4
Avg. Quality	A-	B1

Quality Distribution	Torchlight II	ML High Yield II
AAA	31 %	0 %
AA	9	0
A	16	0
BBB	23	0
BB	0	42
B	15	41
CCC	0	16
Not Rated	0	0
Other	8	0

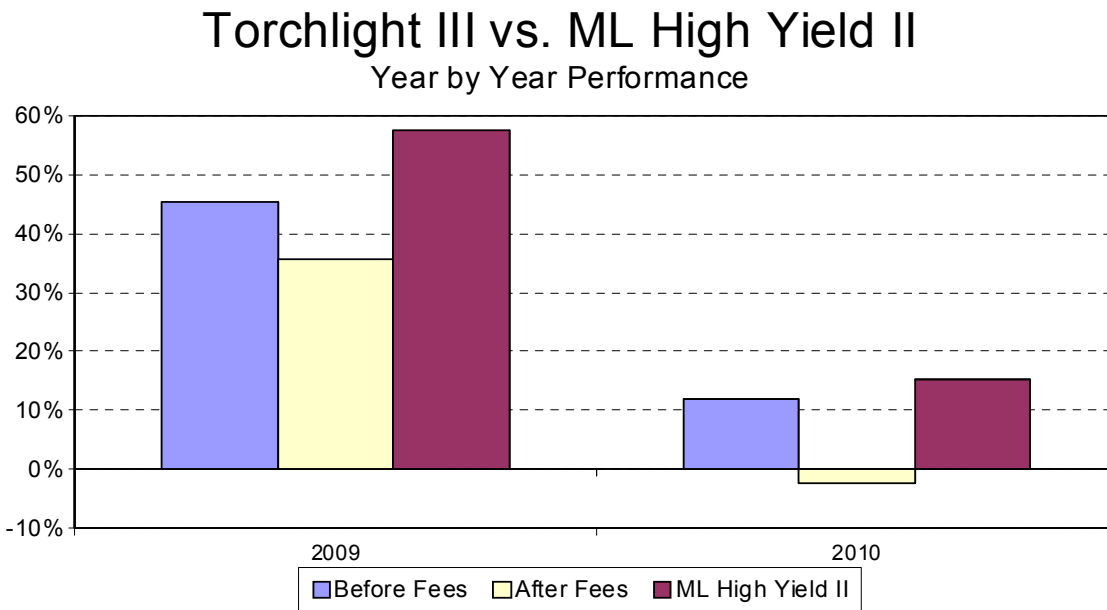
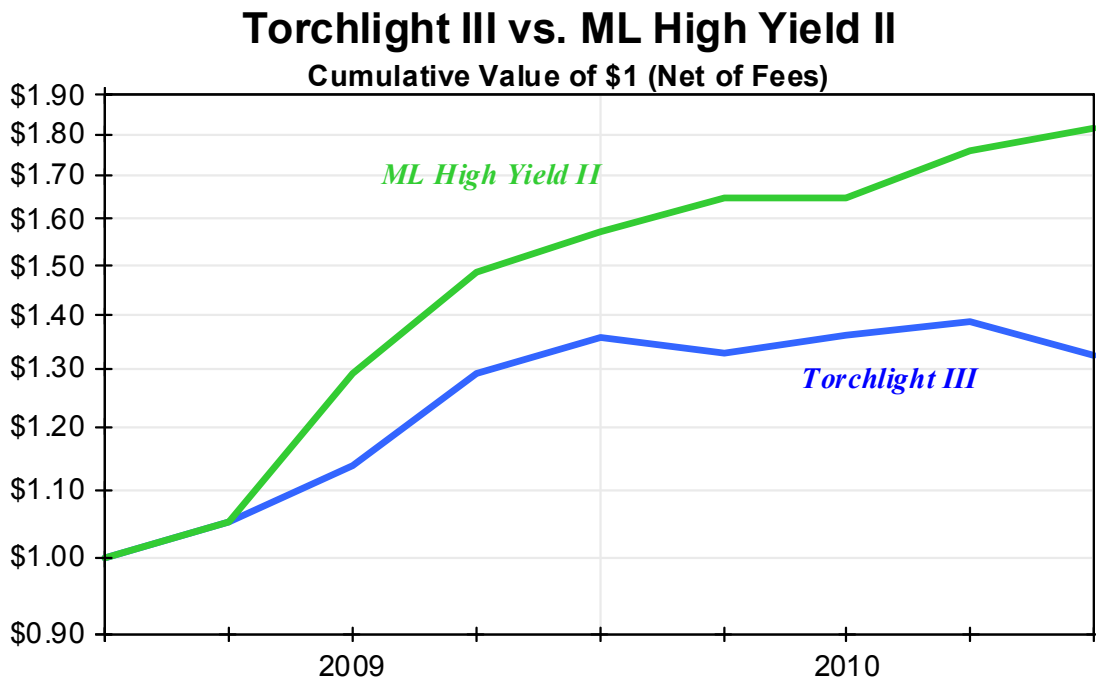
Torchlight II returned 8.0% for the fourth quarter. This return was much better than the Merrill Lynch High Yield Master II return of 3.1% and ranked in the 2<sup>nd</sup> percentile in the universe of high yield portfolios. Over the past three years, the fund has returned -16.6%, well below the index return of 10.2%, and ranked in the 98<sup>th</sup> percentile. The time-weighted results thus far look poor.

Fund II has called all capital commitments and made investments in 44 deals with an amortized cost of \$694.7 million. Fund II has a current NAV of \$246.8 mm and has made \$131.2 mm in distributions since inception. Some of the lower-rated positions in the portfolio have experienced further credit deterioration. Bonds in 11 CMBS deals and two CDO deals (accounting for 1/3 of committed capital) have ceased to cashflow. In addition, bonds in six CMBS deals and one CDO deal are experiencing partial interest shortfalls.

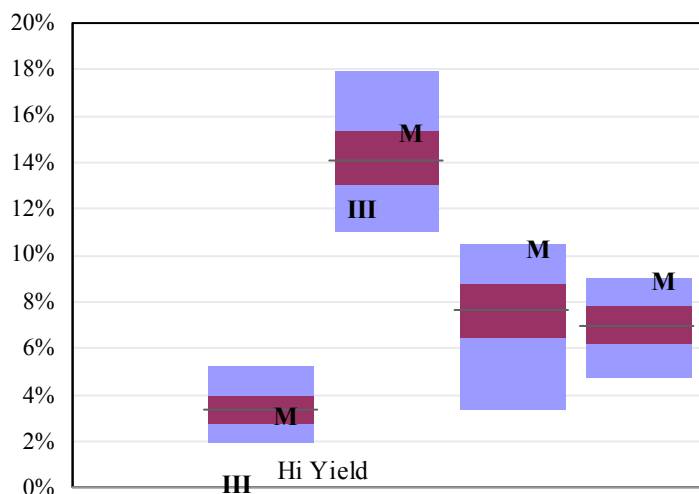
The portfolio consists of 72.9% investment grade CMBS, 14.5% non-investment grade CMBS, 10.7% mezzanine loans and B-notes and 1.9% CRE CDO bonds (based on acquisition value).

**MANAGER COMMENTS – FIXED INCOME**

**Torchlight III**



## Torchlight III



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Torchlight III (III)	0.1	12.0	-	-
Rank v. Hi Yield	99	89	-	-
ML HY II (M)	3.1	15.2	10.2	8.9
Hi Yield Median	3.4	14.1	7.7	7.0

Portfolio Characteristics	Torchlight III	ML High Yield II
Mkt Value (\$Mil)	28.2	n/a
Yield to Maturity (%)	8.6 %	7.6 %
Duration (yrs)	2.8	4.4
Avg. Quality	A-	B1

Quality Distribution	Torchlight III	ML High Yield II
AAA	60 %	0 %
AA	3	0
A	7	0
BBB	13	0
BB	0	42
B	2	41
CCC	0	16
Not Rated	15	0
Cash	0	0

In the fourth quarter, Fund III returned 0.1%, trailing the 3.1% return of the Merrill Lynch High Yield II Index. This return ranked in the 99<sup>th</sup> percentile of high yield managers. Over the past year, the fund has returned 12.0%, trailing the index return of 15.2% and ranked in the 89<sup>th</sup> percentile.

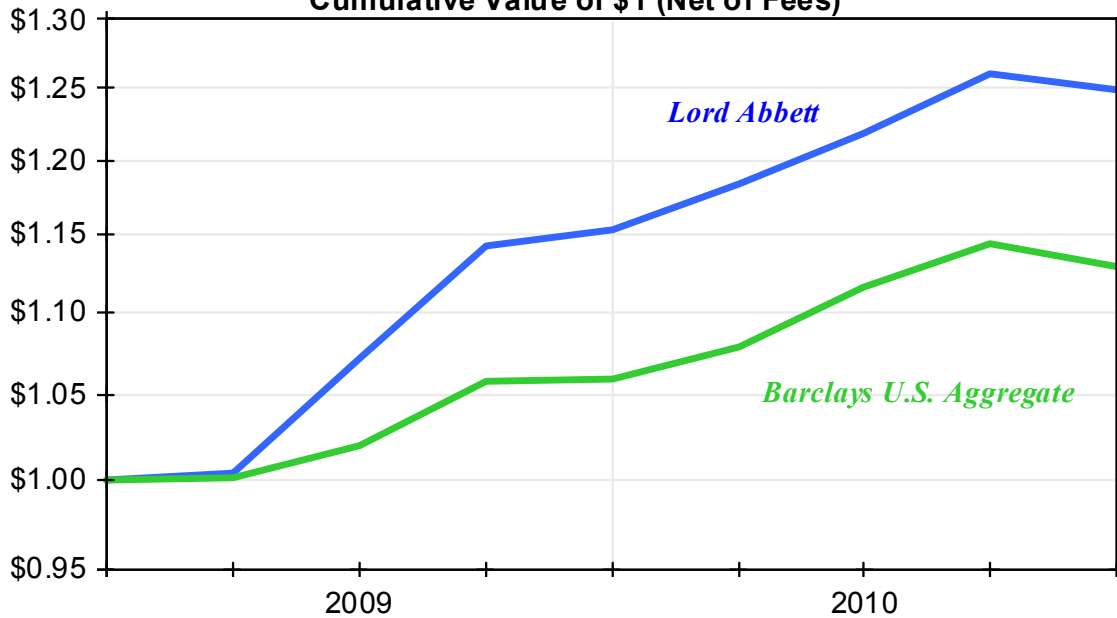
As of December 31, 2010, Fund III has called down 68.4% of committed capital and acquired a portfolio of 70 investments with an amortized cost of \$388.35 million. The breakdown of the current investments is 21.8% Super Senior, 31.4% interest-only CMBS, 22.0% securitized loans and mezzanine CMBS, 20.8% credit CMBS and 4.0% CDOs (based on acquisition values). The nominal yield to maturity on the portfolio (including cash) was 6.6% at quarter-end.

**MANAGER COMMENTS – FIXED INCOME**

**Lord Abbett**

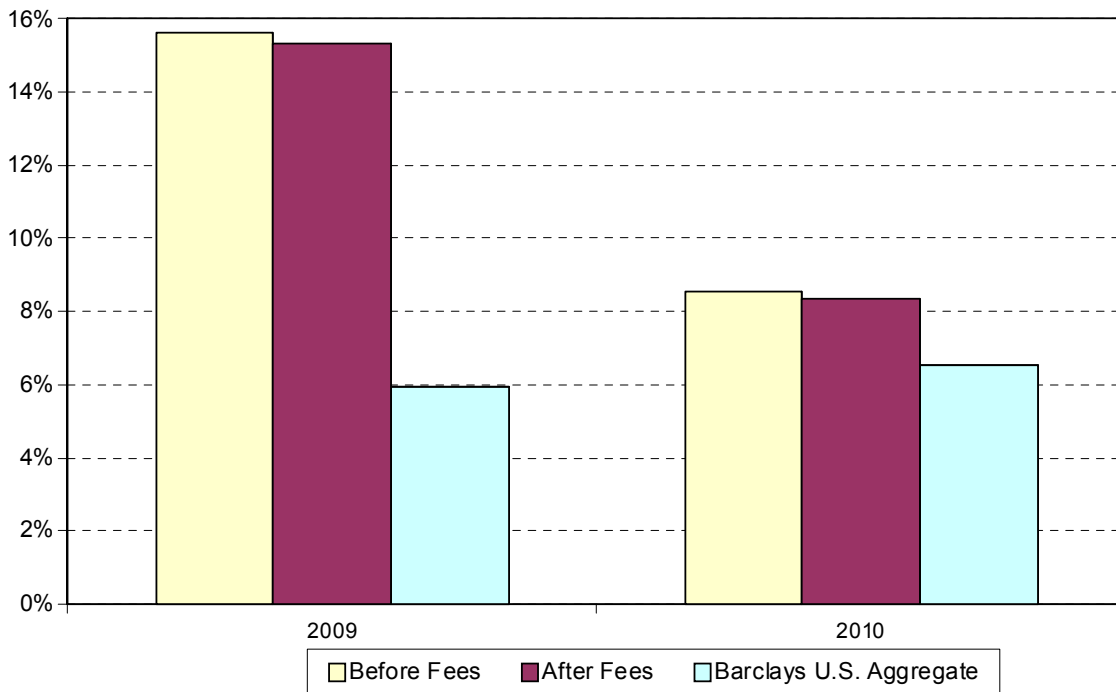
**Lord Abbett vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

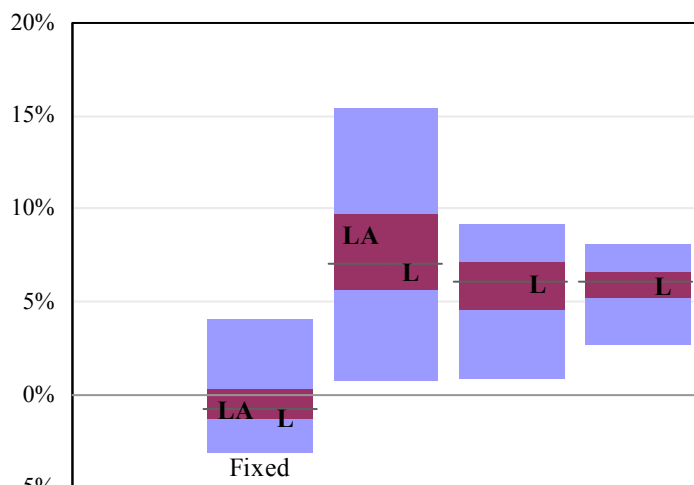


**Lord Abbett vs. Barclays U.S. Aggregate**

Year by Year Performance



## Lord Abbett



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Lord Abbett (LA)	-0.8	8.5	-	-
Rank v. Fixed	52	34	-	-
BC Agg (L)	-1.3	6.5	5.9	5.8
BC Uni (U)	2.9	8.9	7.3	6.3
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	Lord Abbett	Barclays Aggregate
Mkt Value (\$Mil)	240.4	n/a
Yield to Maturity (%)	4.0 %	3.0 %
Duration (yrs)	4.7	5.0
Avg. Quality	AA+	AA1/AA2

Sectors	Lord Abbett	Barclays Aggregate
Treasury/Agency	13 %	46 %
Mortgages	25	33
Corporates	22	19
High Yield	12	0
Asset-Backed	10	3
CMBS	17	0
International	5	0
Emerging Markets	0	0
Other	3	0
Cash	-8	0

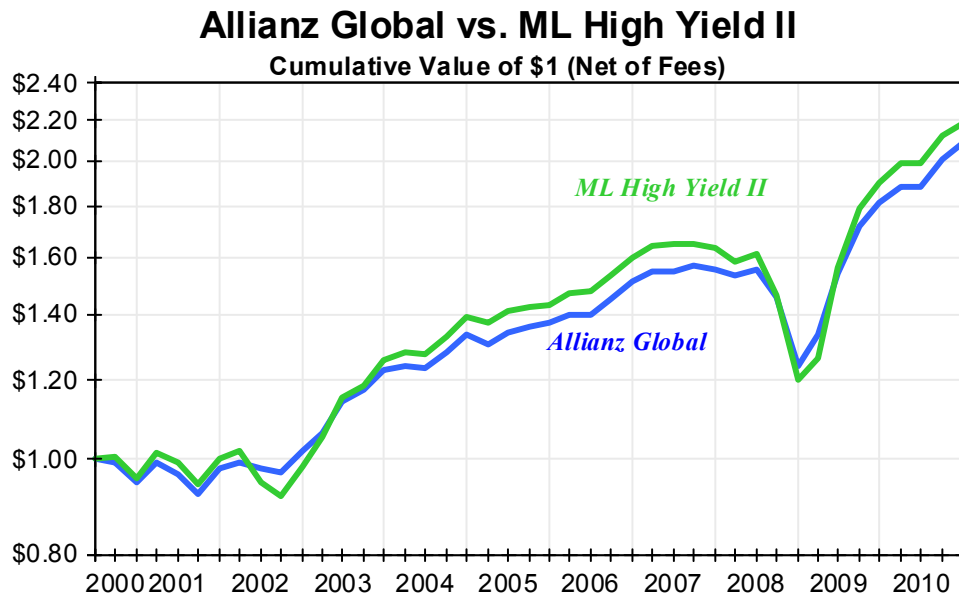
During the fourth quarter, Lord Abbett returned -0.8%, better than the -1.3% return of the Barclays U.S. Aggregate, but ranked in the 52<sup>nd</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 8.5%, well above the Barclays U.S. Aggregate return of 6.5%, and ranked in the 34<sup>th</sup> percentile.

At the end of the fourth quarter, Lord Abbett was overweight relative to the Barclays U.S. Aggregate in the high yield, ABS and CMBS sectors. Lord Abbett was underweight in the US government and mortgage sectors. The duration of the fixed income portfolio at the end of the fourth quarter was 4.7 years, slightly shorter than the benchmark. The portfolio has a yield advantage over the index, due primarily to the CMBS overweight in the portfolio.

The portfolio's overweight to commercial mortgage-backed securities (CMBS) was the single largest contributor to fourth quarter performance. The portfolio's exposure to BBB-rated securities also helped. The underweight to fixed-rate Agency MBS was the single largest detractor from fourth quarter results.

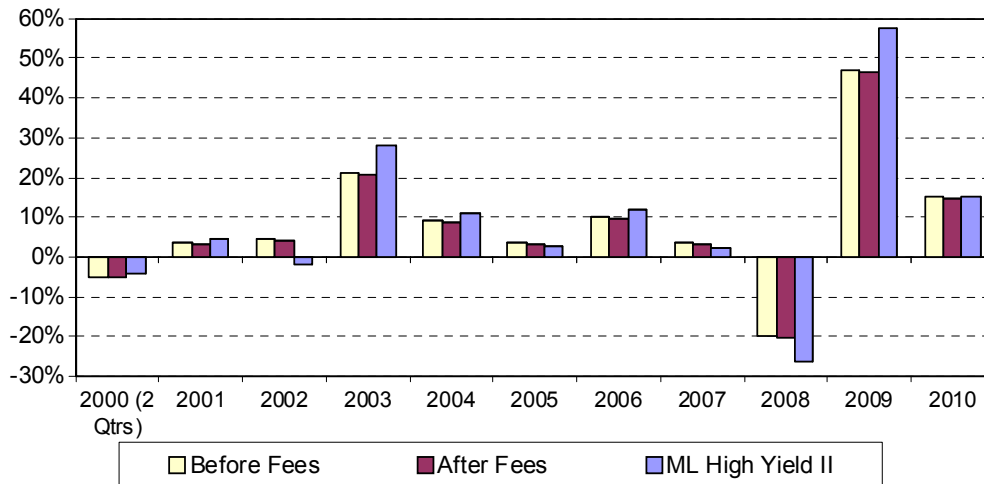
**MANAGER COMMENTS – FIXED INCOME**

**Allianz Global Investors (formerly Nicholas Applegate)**



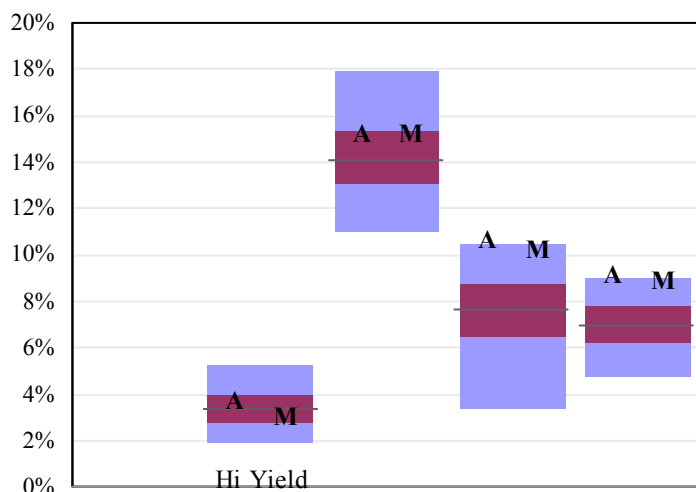
### Allianz Global vs. ML High Yield II

Year by Year Performance





## Allianz Global Investors (formerly Nicholas Applegate)



Portfolio Characteristics	Allianz Global	ML High Yield II
Mkt Value (\$Mil)	142.4	n/a
Yield to Maturity (%)	7.4 %	7.6 %
Duration (yrs)	3.6	4.4
Avg. Quality	BB	B1

Quality Distribution	Allianz Global	ML High Yield II
A	0 %	0 %
BBB	3	0
BB	25	42
B	63	41
CCC	9	16

	Qtr	1 Year	3 Years	5 Years
Allianz Gblb (A)	3.8	15.2	10.7	9.1
Rank v. Hi Yield	33	28	4	4
ML HY II (M)	3.1	15.2	10.2	8.9
ML BB/B (B)	2.4	14.5	8.6	7.8
Hi Yield Median	3.4	14.1	7.7	7.0

Allianz Global's high yield fixed income portfolio returned 3.8% for the fourth quarter, which was better than the 3.1% return of the Merrill Lynch High Yield II Index, and ranked in the 33<sup>rd</sup> percentile of high yield managers. Allianz Global returned 15.2% over the past year compared to 15.2% for the ML High Yield II Index and 14.1% for the median. For the five-year period, Allianz Global's return of 9.1% was slightly better than the 8.9% return of the ML High Yield II Index and ranked in the 4<sup>th</sup> percentile.

As of December 31, 2010, the Allianz Global high yield portfolio was allocated 3% to BBB rated securities compared to 0% for the ML High Yield II Index, 25% to BB rated issues to 42% for the Index, 63% to B rated issues to 41% in the Index and 9% to CCC rated securities compared to 16% for the Index. The portfolio's December 31, 2010 duration was 3.6 years, shorter than the 4.4 year duration of the ML High Yield II Index.

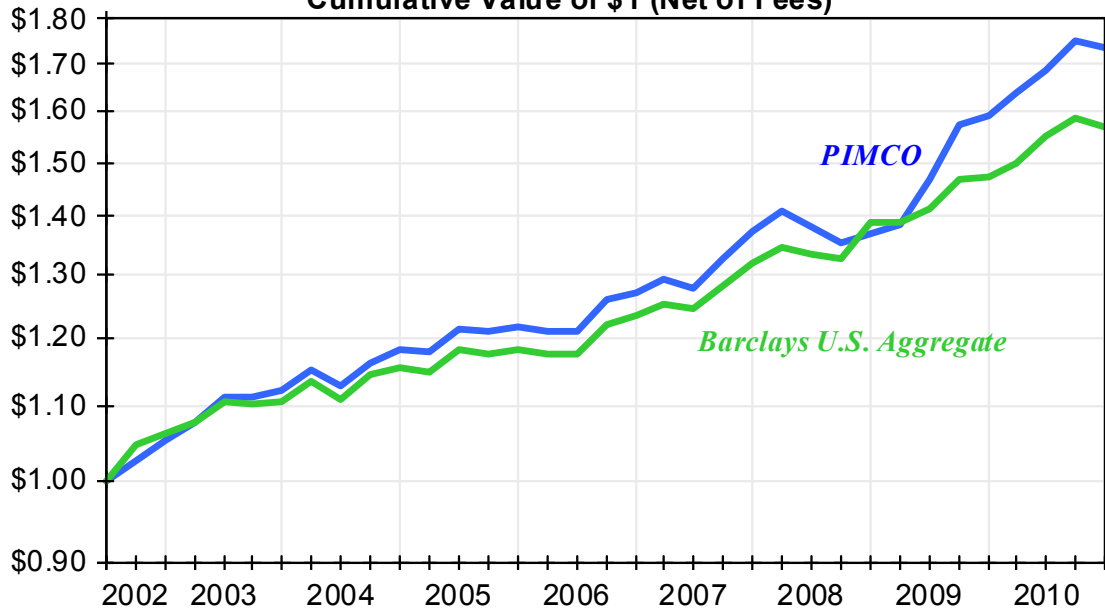
Several industries in the portfolio generated positive performance in the quarter. Among the best were Energy, Utilities and Chemicals. Within Energy, El Paso Corp. was tendered at a premium. Also, new issue buys in Energy, including Concho Resources and Energy XXI Gulf Coast, added to performance. While underweight the Utilities industry, the portfolio was helped by a positive move in Edison Mission Energy. In Chemicals, both Hexion US and Huntsman International were higher, as the cyclical recovery in the space continued. There were few negative performers, and no negative returns per any one industry.

MANAGER COMMENTS – FIXED INCOME

PIMCO

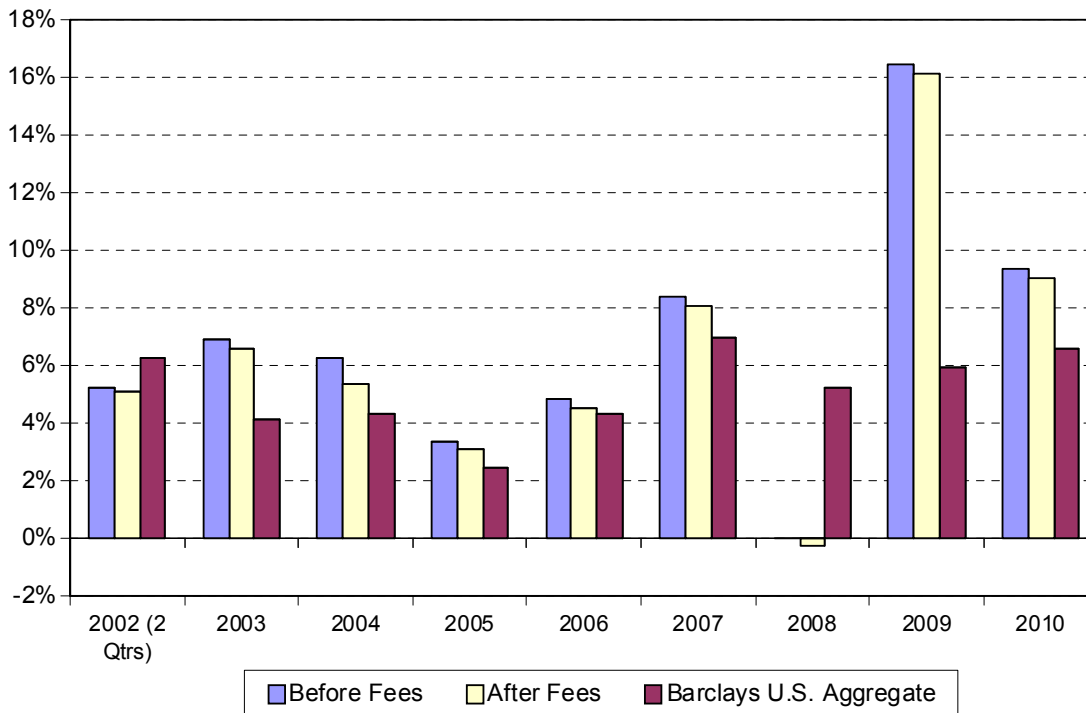
**PIMCO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

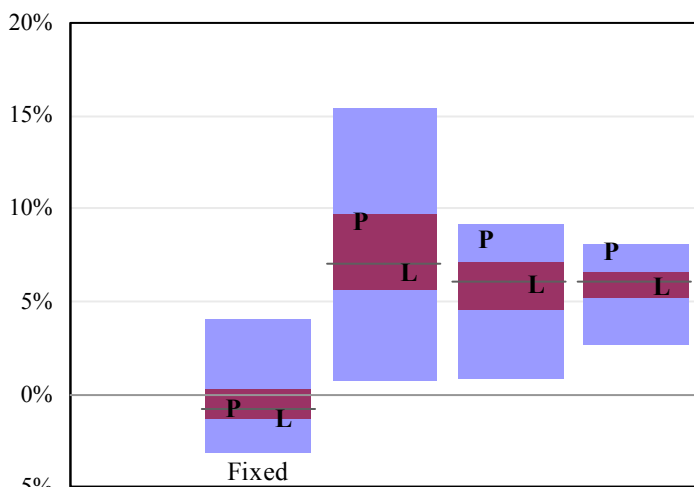


**PIMCO vs. Barclays U.S. Aggregate**

Year by Year Performance



## PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO (P)	-0.8	9.3	8.4	7.7
Rank v. Fixed	49	27	11	9
BC Agg (L)	-1.3	6.5	5.9	5.8
BC Uni (U)	2.9	8.9	7.3	6.3
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	PIMCO	Barclays Aggregate
Mkt Value (\$Mil)	357.1	n/a
Yield to Maturity (%)	4.7 %	3.0 %
Duration (yrs)	5.3	5.0
Avg. Quality	AA	AA1/AA2

Sectors	PIMCO	Barclays Aggregate
Treasury/Agency	22 %	46 %
Mortgages	37	33
Corporates	15	19
High Yield	2	0
Asset-Backed	3	3
CMBS	1	0
International	4	0
Emerging Markets	6	0
Other	6	0
Cash	5	0

PIMCO's return of -0.8% for the fourth quarter was better than the -1.3% return of the Barclays U.S. Aggregate and ranked in the 49<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 9.3% was better than the 6.5% return of the Barclays U.S. Aggregate and ranked in the 27<sup>th</sup> percentile. Over the past five years, the portfolio has returned 7.7%, better than the Barclays U.S. Aggregate return of 5.8%, and ranked in the 9<sup>th</sup> percentile.

At the end of the fourth quarter, PIMCO continues to hold underweight position in government and investment-grade corporate issues. PIMCO moved to an overweight position in MBS and also had significant exposure to non-index sectors, including non-US sovereign debt, emerging markets and high yield. The duration of the PIMCO fixed income portfolio at the end of the fourth quarter was 5.3 years, longer than the benchmark. The portfolio continues to have a yield advantage over the index.

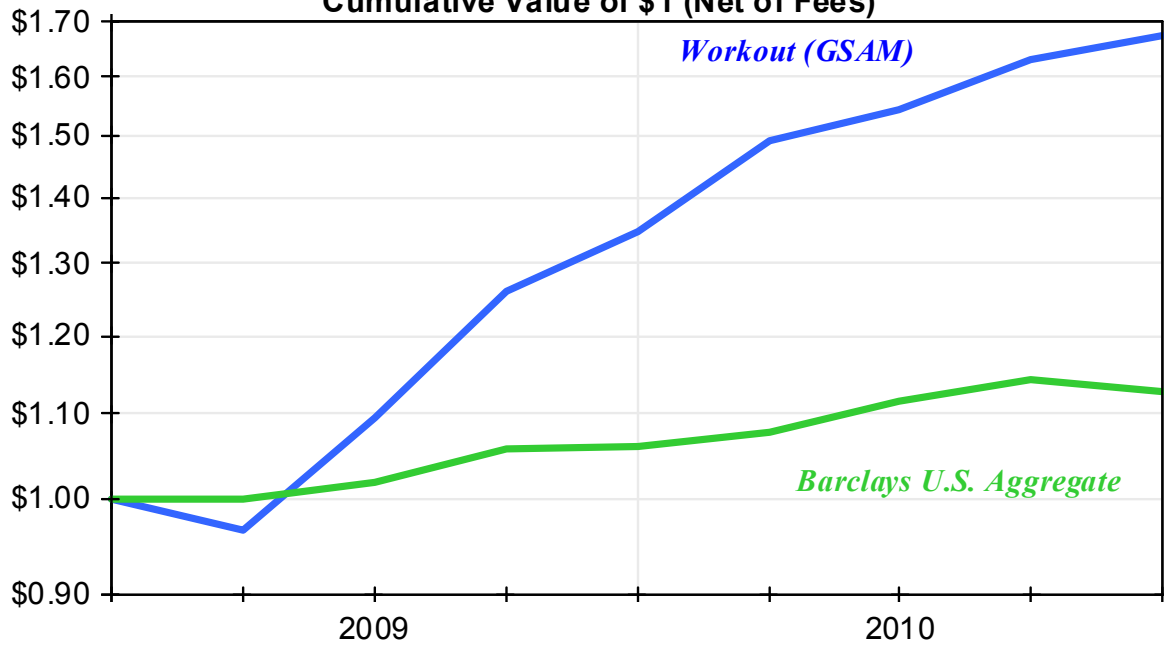
PIMCO's performance was helped by several strategies: an overweight to Agency mortgages, an overweight to the bonds of financial companies, holdings of real return bonds and an emerging market allocation. Strategies that negatively impact fourth quarter performance included an overweight to duration as interest rates rose, a yield curve position with exposure to money market futures and exposure to Build America Bonds (BABs), which were hurt by uncertainty about the extension of this program.

**MANAGER COMMENTS – FIXED INCOME**

**Workout Portfolio - Managed by Goldman Sachs**

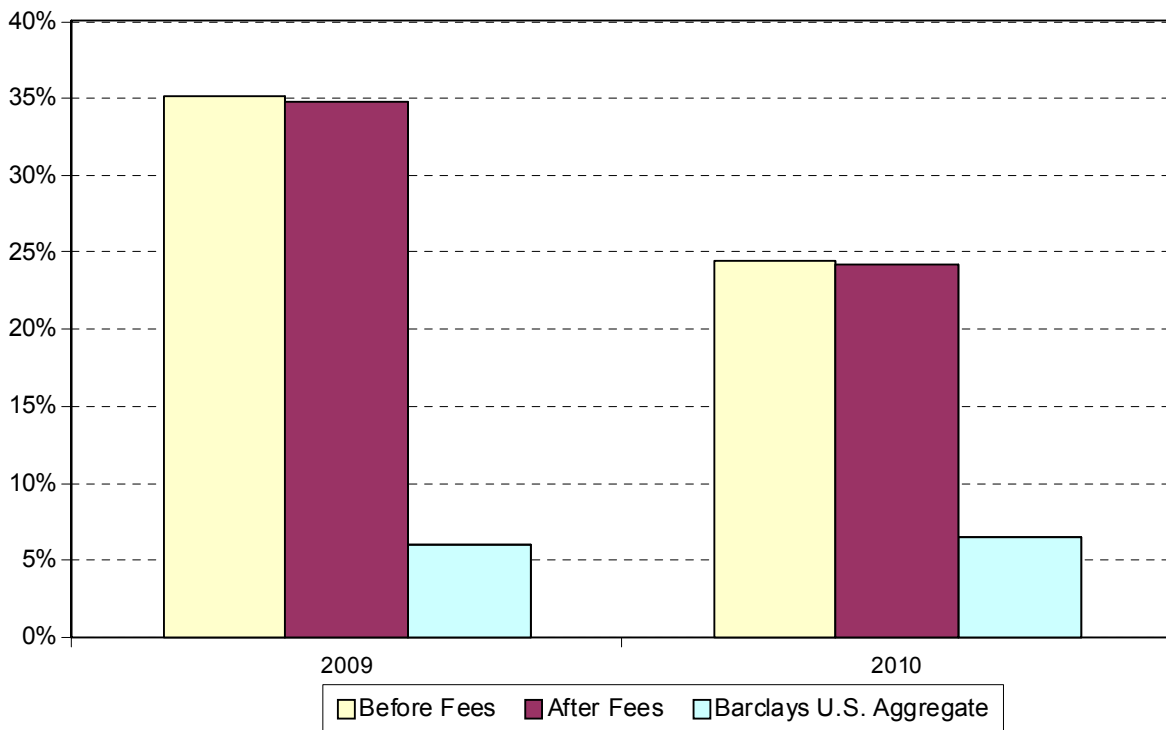
**Workout vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

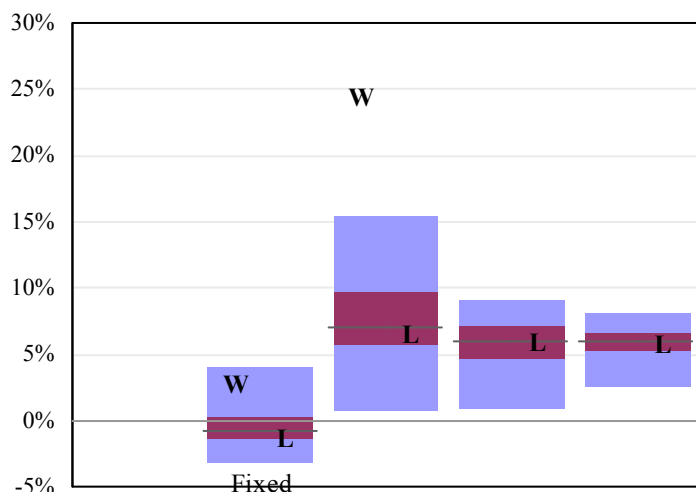


**Workout vs. Barclays U.S. Aggregate**

Year by Year Performance



## Workout Portfolio – Managed by Goldman Sachs



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Workout (W)	2.8	24.4	-	-
Rank v. Fixed	12	1	-	-
BC Agg (L)	-1.3	6.5	5.9	5.8
BC Uni (U)	2.9	8.9	7.3	6.3
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	Workout (GSAM)	Barclays Aggregate
Mkt Value (\$Mil)	26.4	n/a
Yield to Maturity (%)	5.8 %	3.0 %
Duration (yrs)	1.4	5.0
Avg. Quality	A+	AA1/AA2

Sectors	Workout (GSAM)	Barclays Aggregate
Treasury/Agency	0 %	46 %
Mortgages	55	33
Corporates	16	19
High Yield	0	0
Asset-Backed	0	3
CMBS	0	0
International	0	0
Emerging Markets	0	0
Other	25	0
Cash	5	0

The workout (legacy WAMCO) portfolio is comprised primarily of mortgage-backed securities.

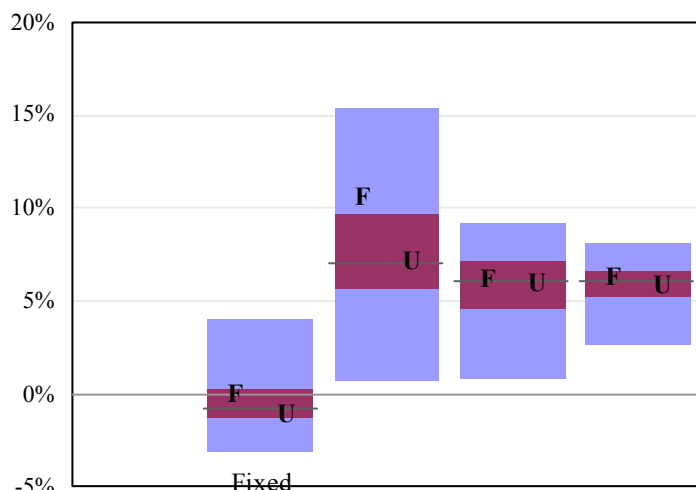
During the fourth quarter, this legacy portfolio returned 2.8%, much better than the Barclays U.S. Aggregate return of the -1.3%, and ranked in the 12<sup>th</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 24.4%, far above the 6.5% return of the index.

Approximately \$5.1 million was liquidated from the workout portfolio during the fourth quarter.

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## MANAGER COMMENTS – FIXED INCOME

### Total Domestic Fixed Income



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fixed (F)	0.0	10.6	6.2	6.4
Rank v. Fixed	28	20	45	36
BC Uni (U)	-1.0	7.2	6.0	5.9
BC Agg (L)	-1.3	6.5	5.9	5.8
Fixed Median	-0.8	7.0	6.0	6.0

Portfolio Characteristics	Total Fixed	Barclays Universal
Mkt Value (\$Mil)	1,218.5	n/a
Yield to Maturity (%)	5.6 %	3.0 %
Duration (yrs)	4.7	4.3
Avg. Quality	AA	AA1/AA2

Sectors	Total Fixed	Barclays Universal
Treasury/Agency	12 %	44 %
Mortgages	37	40
Corporates	12	16
High Yield	16	0
Asset-Backed	3	0
CMBS	12	0
International	3	0
Emerging Markets	3	0
Other	4	0
Cash	-1	0

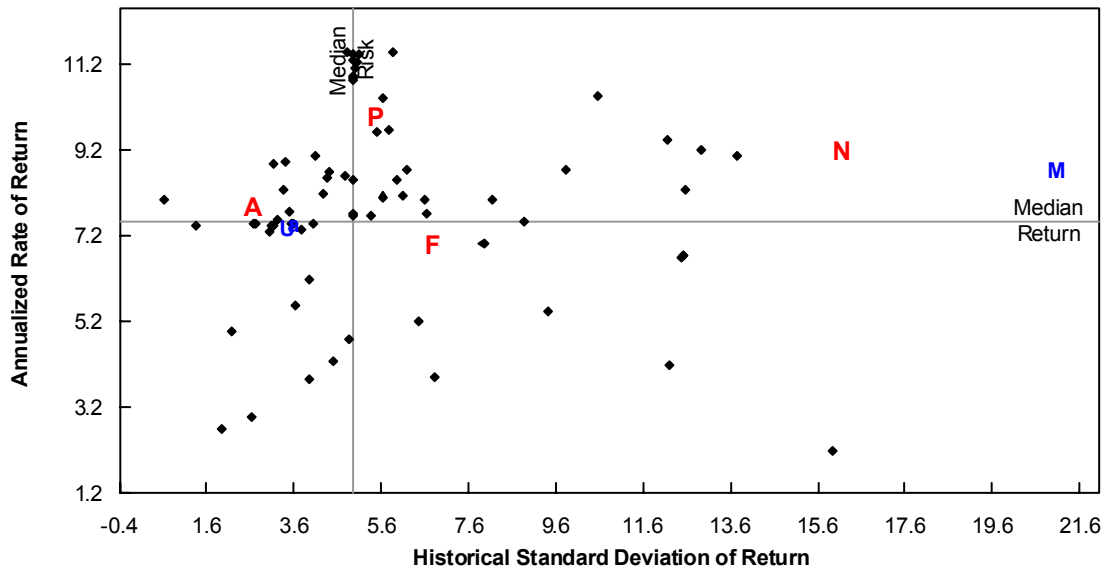
CCCERA total fixed income returned 0.0% in the fourth quarter, which was better than the -1.0% return of the Barclays Universal and the -1.3% return of the Barclays U.S. Aggregate, ranking in the 28<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 10.6%, better than the 7.2% return of the Barclays Universal and the 6.5% return of the Barclays U.S. Aggregate. The CCCERA total fixed income returns exceeded the Barclays Universal Index and the median fixed income manager over the past three and five-year periods.

At the end of the fourth quarter, the aggregate fixed income position was underweight relative to the Barclays Universal in the US government, mortgages and investment grade corporate debt sectors. These underweight positions were primarily offset by larger positions high yield and CMBS debt. The duration of the total fixed income portfolio at the end of the fourth quarter was 4.7 years, longer than the 4.3 year duration of the index.

# MANAGER COMMENTS – FIXED INCOME

## Domestic Fixed Income Performance and Variability

*Three Years Ending December 31, 2010*

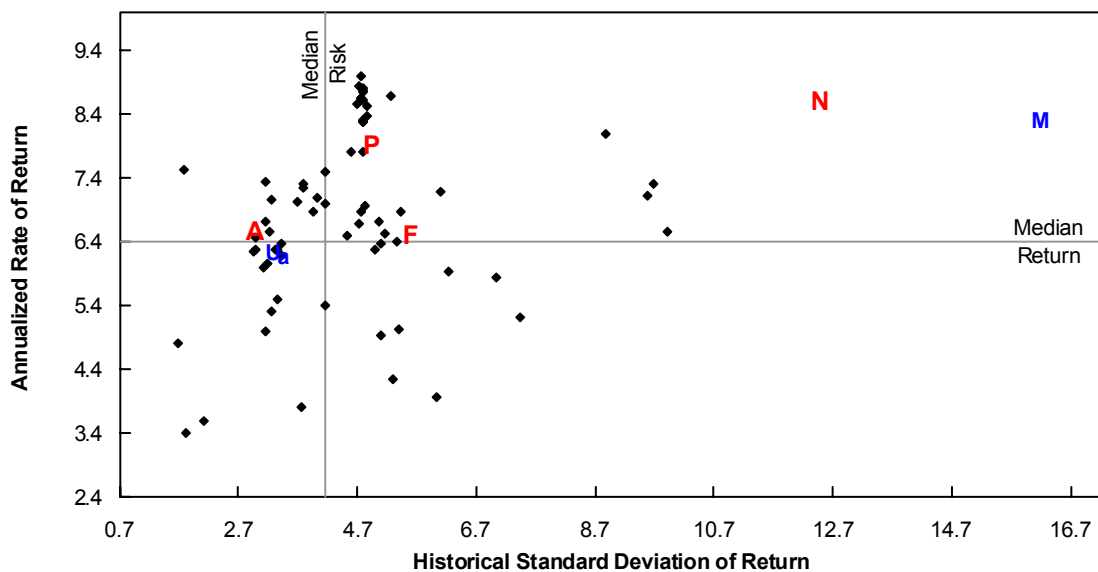


Domestic Bond Managers	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
AFL-CIO ( <b>A</b> )	7.8 %	2.7 %	2.50
Nicholas Applegate ( <b>N</b> )	9.1	16.2	0.49
PIMCO ( <b>P</b> )	9.9	5.4	1.61
Total Fixed ( <b>F</b> )	6.9	6.8	0.86
Barclays Aggregate ( <b>a</b> )	7.4	3.6	1.76
ML High Yield II ( <b>M</b> )	8.7	21.1	0.36
Barclays] Universal ( <b>U</b> )	7.3	3.4	1.81
Median Bond Portfolio	7.5	4.9	1.29



## Domestic Fixed Income Performance and Variability

*Five Years Ending December 31, 2010*

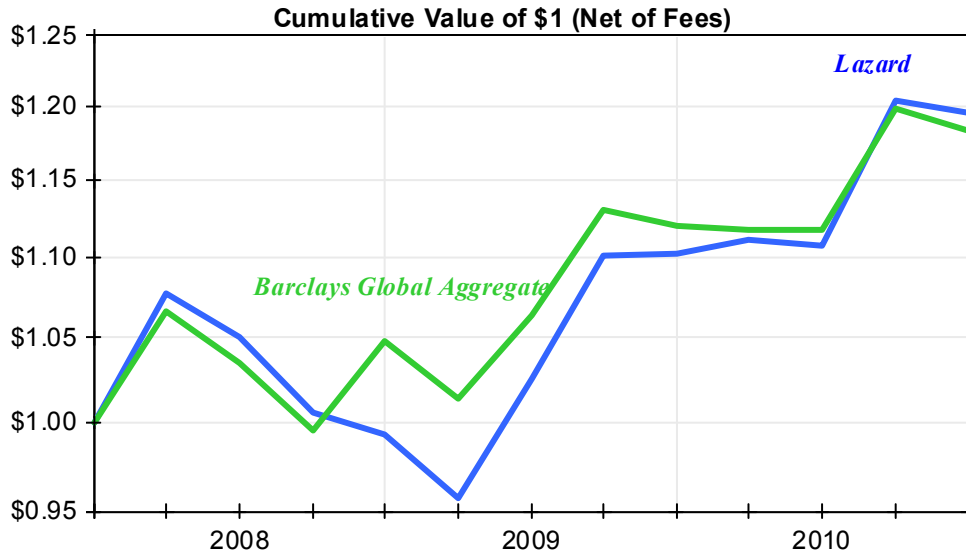


	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO ( <b>A</b> )	6.6 %	3.0 %	1.35
Nicholas Applegate ( <b>N</b> )	8.7	12.5	0.49
PIMCO ( <b>P</b> )	7.9	4.9	1.09
Total Fixed ( <b>F</b> )	6.6	5.6	0.71
Barclays Aggregate ( <b>a</b> )	6.2	3.4	1.06
ML High Yield II ( <b>M</b> )	8.3	16.2	0.35
Barclays Universal ( <b>U</b> )	6.3	3.3	1.12
Median Bond Portfolio	6.4	4.1	0.93

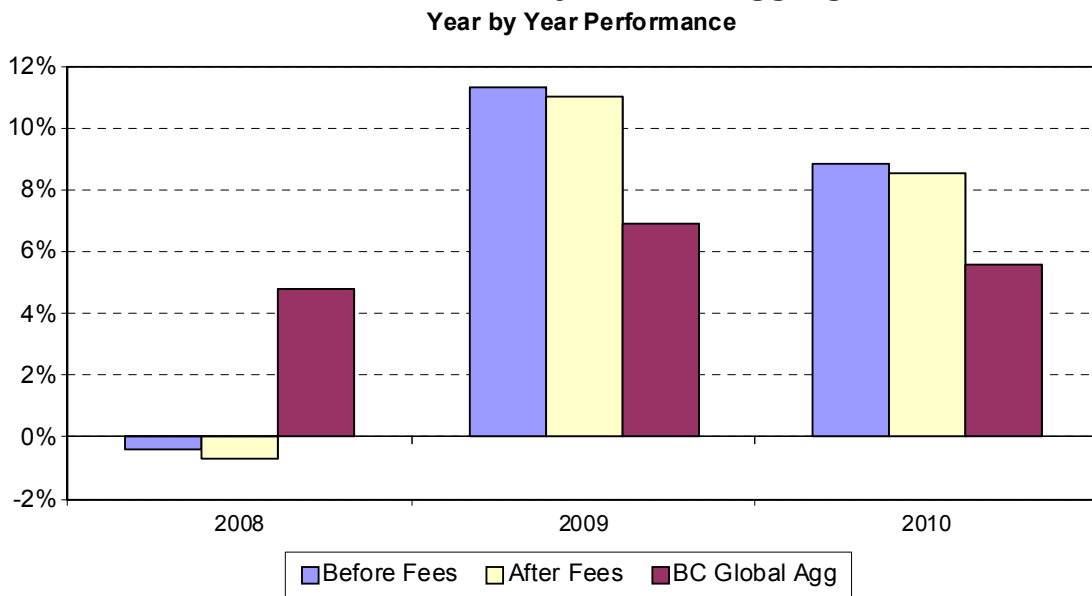
**MANAGER COMMENTS – GLOBAL FIXED INCOME**

**Lazard Asset Management**

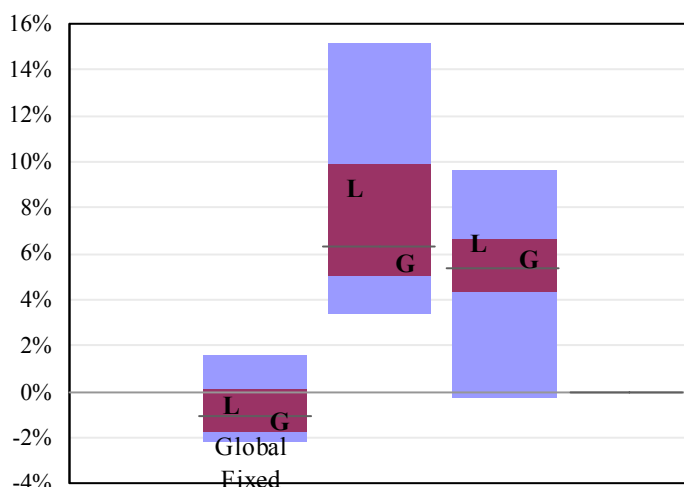
**Lazard vs. Barclays Global Aggregate**



**Lazard vs. Barclays Global Aggregate**



## Lazard Asset Management



	Qtr	1 Year	3 Years	5 Years
Lazard (L)	-0.6	8.8	6.5	-
Rank v. Glob FI	38	31	29	-
BC Global (G)	-1.3	5.5	5.8	6.7
GI Fixed Median	-1.1	6.4	5.4	-

Portfolio Characteristics	Lazard Asset Mgmt	Barclays Global Aggregate
Mkt Value (\$Mil)	196.2	n/a
Yield to Maturity (%)	3.7 %	2.7 %
Duration (yrs)	5.0	5.7
Avg. Quality	AA-	AA

Sectors	Lazard Asset Mgmt	Barclays Global Aggregate
Treasury/Sovereign	37 %	56 %
Agency/Supranational	27	11
Sovereign External Debt	0	0
Corporate	16	16
High Yield	3	0
Emerging Markets	13	0
Mortgage	0	17
Other	4	0

Lazard Asset Management returned -0.6% in the fourth quarter. This return was better than the -1.3% return of the Barclays Global Aggregate Index and ranked in the 38<sup>th</sup> percentile in the universe of global fixed income managers. Over the past year, Lazard has returned 8.8%, better than the Barclays Global Aggregate return of 5.5% and ranking in the 51<sup>st</sup> percentile. Over the past three years, the portfolio has returned 6.5%, above the 5.8% return of the Barclays Global Aggregate index and ranking in the 29<sup>th</sup> percentile. Lazard is in compliance with CCCERA performance guidelines.

Lazard's portfolio was underweight to treasuries/sovereign and mortgage securities and overweight to agency/supranational and emerging markets and other securities. The duration of the Lazard Asset Management portfolio at the end of the fourth quarter was 5.0 years, shorter than the index. The portfolio has a moderately higher yield than the index.

Absolute and relative results were positive during the quarter. Strategies that drove relative results included country allocation decisions (overweight faster-growing economies and underweight to the U.S., Italy, Spain, Greece, Ireland and Portugal), defensive duration management and sector selection (underweight to government issues, overweight to spread sectors).

## **MANAGER COMMENTS – REAL ESTATE**

### **Adelante Capital Management \$333,590,268**

Adelante Capital Management returned 7.2% for the fourth quarter, below the 7.9% return of the Dow Jones Wilshire REIT Index, but ranked in the 48<sup>th</sup> percentile of the REIT mutual fund universe. For the past year, Adelante returned 31.2%, above the REIT index return of 28.6% and ranking in the 11<sup>th</sup> percentile.

As of December 31, 2010, the portfolio consisted of 35 public REITs. Office properties comprised 12.8% of the underlying portfolio, apartments made up 19.6%, retail represented 23.2%, industrial was 8.2%, 6.2% was diversified/specialty, storage represented 6.4%, healthcare accounted for 10.1%, hotels accounted for 8.1%, manufactured homes made up 1.6% and 3.7% was cash.

### **BlackRock Realty \$1,655,286**

BlackRock Realty Apartment Value Fund III (AVF III) returned -10.5% in the fourth quarter. Over the one-year period, BlackRock has returned 17.1%. CCCERA has an 18.5% interest in the AVF III.

### **DLJ Real Estate Capital Partners \$167,649**

DLJ Real Estate Capital Partners (RECP) returned -4.1% in the quarter ending September 30, 2010. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 2.3%. CCCERA has a 3.8% ownership interest in RECP.

During the 3<sup>rd</sup> quarter, the Fund fully realized the final portions of its last two remaining investments, Gleannloch Farms and D'Andrea Ranch. With these two realizations, DLJ is planning to dissolve the Fund and make a final liquidation distribution to investors. DLJ expects these events to occur either in December 2010 or early in 2011.

The Fund has generated profits of \$420 million on an aggregate investment of \$632 million, representing an investment multiple of 1.7x and an aggregate gross IRR of 17.0%.

### **DLJ Real Estate Capital Partners II \$4,775,785**

DLJ Real Estate Capital Partners II (RECP II) reported a return of 14.8% in the quarter ending September 30, 2010. Over the one-year period, RECP II has returned -7.2%. CCCERA has a 3.4% ownership interest in RECP II.

As of June 30, 2010, the portfolio consisted of 45% retail, hotels accounted for 18%, land development made up 20%, residential accounted for 9%, 1% made up office properties and 8% in "other". The properties were diversified geographically with 87% domestic and 13% international.

The RECP II Fund acquired 51 investments with total capital committed of \$1 billion. RECP II's

investment activities were completed in 2004 and the focus since has been on the management, positioning and realization of the portfolio. A total 45 of the properties have been sold, while six remain to be partially or fully realized, generating profits of \$1.0 billion, a 34% gross IRR and 2.3x investment multiple. The Fund has received substantial proceeds from partial realizations on its remaining portfolio. These partial proceeds, together with the fully realized transactions, have allowed the Fund to distribute \$1.9 billion, representing 192% of the capital invested by the Fund. Based on actual cash flows and the remaining book value, the overall gross IRR for RECP is 28%.

**DLJ Real Estate Capital Partners III**  
**\$40,263,048**

DLJ Real Estate Capital Partners III (RECP III) reported a return of -0.8% in the third quarter. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned -15.0%. CCCERA has a 7.0% ownership interest in RECP III.

As of June 30, 2010 the portfolio consisted of 43% hotel properties, 24% industrial/ logistics, 13% mixed-use development, 7% vacation home development, 9% residential, 3% retail and 1% other. The properties were diversified globally with 51% non-US and 49% US.

The Fund is fully invested in 49 investments; having committed \$1.3 billion of equity. There have been 24 realizations to date, generating profits of \$150 million, a 29% gross IRR and a 1.4x multiple.

**DLJ Real Estate Capital Partners IV**  
**\$46,223,467**

DLJ Real Estate Capital Partners IV (RECP IV) returned 5.6% in the quarter ending September 30, 2010. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund has returned -12.5%.

As of September 30, 2010 the portfolio consisted of 29% office properties, 18% senior and mezzanine loans, 8% mixed use development, 6% townhouse, 5% development and construction companies, 3% public securities, 3% hotel properties, 3% CMBS and loans, 2% industrial, 14% land, 1% commercial land development, 0% “other” investments, 9% private securities in a public company. The properties were diversified globally with 24% non-US and 76% US.

To date, the Fund has completed 24 investments, investing approximately \$904 million of equity. To date, the Fund realized seven investments and fully reserved for two investments. In total, these nine investments generated proceeds of approximately \$165 million versus invested capital of \$258 million, reflecting the severe market downturn in late 2008. DLJ is proactively working to position the overall portfolio to benefit as the real estate markets start to recover. RECP IV invested approximately \$459 million since March 2009 and is managing that portfolio to maximize the capital available for reinvestment. Approximately \$140 million in capital remains to be invested.

**Fidelity Investments US Growth Fund II**  
**\$14,296,256**

Fidelity Investments returned 1.2% for the fourth quarter of 2010. For the one-year period, Fidelity had a total return of 10.0%.

During the quarter the fund wrote up the fair market value of seven assets, including AgeSong Bayside Park by \$1.8 million and Santa Monica Medical Office Building by \$1.1 million. The Fund wrote down Midtown 24 by \$3.9 million.

Since inception through December 31, 2010, the fund has fully realized 28 investments, with a realized gross CCCERA IRR of -11.5%. The remaining 21 projects are projected to realize an -6.8% IRR, bringing the overall fund to a projected IRR of -8.0%.

The portfolio consists of 9% apartment properties, 18% for sale housing, 13% senior housing, 9% retail, 12% office, 30% student housing and 9% other. The properties were diversified regionally with 33% in the Pacific, 10% in the Southeast, 10% in the Mountain region, 3% in the Southwest and 45% in the East North Central.

**Fidelity Investments US Growth Fund III**  
**\$20,687,970**

Fidelity US Growth Fund III reported a return of 3.2% for the fourth quarter of 2010. Over the past year, the Fund has returned 49.5%, driven by appreciation.

Seven of FREG III's assets were written up during the fourth quarter. The Fund's investment in the Sheraton Gateway Hotel at LAX was written up by \$2.2 million, Pioneer Meadows by \$1.9 million, Greenhaven Apartments by \$1.5 million and Jefferson at Hollywood by \$1.2 million. The Fund's investment in Pacific Station was written down by \$2.2 million.

Since inception through December 31, 2010, the fund has realized 2 investments and has 16 unrealized investments. 48% of the fund remains uncommitted. Committed capital consists of 9% student housing, 3% retail, 13% office, 11% apartments, 3% industrial, 8% hotels, 3% senior housing and 2% entitled land.

**Hearthstone I & II**  
**\$70,596 & \$26,494**

As of December 31, 2010, Contra Costa County Employee's Retirement Association's commitment to HMSHP and MSII were nearly liquidated. The remaining balances represent residual accrued income positions.

**Invesco Real Estate Fund I**  
**\$25,690,180**

Invesco Real Estate Fund I ("IREF") reported a fourth quarter total return of 2.7%. Over the past year, Invesco Real Estate Fund I returned 32.8%. CCCERA has a 15.6% interest in the Real Estate Fund I.

The Fund has committed 103% of its equity capital. Since inception, IREF I has made fifteen investments, eight currently held in the portfolio and seven which were sold at disposition

pricing in excess of the Fund's overall return target. Approximately one-third of the Fund's investments have been sold or transferred to senior lenders. The remaining investments held are carried at 93% of cost, at a mark-to-market basis.

As of the fourth quarter, the portfolio consisted of 8 investments. Property type distribution was 9% retail, 19% industrial properties, 6% office and 66% multi-family. The properties were diversified regionally with 25% in the West, 54% in the South, 10% in the Midwest and 11% in the East.

On December 31, 2010, Invesco acquired the Asia and Japan fund and asset management business of AIG Global Real Estate Investment Corp. (AIGGRE). The acquisition of AIGGRE will enable Invesco Real Estate to accelerate the growth of its Asia initiatives while fulfilling its original strategic vision of one global real estate company.

### **Invesco Real Estate Fund II** **\$32,810,535**

Invesco Real Estate Fund II returned 18.8% during the fourth quarter. Contra Costa contributed an additional \$18 million during the fourth quarter. Over the past year, the fund has returned 96.4%, largely driven from appreciation in the net asset value of its investments. The largest appreciation this quarter was in the value of Lincoln. The net asset value increased 55% over the second quarter. CCCERA has an 18.7% ownership stake in the fund.

During the fourth quarter, two assets were purchased in New York, 100-104 Fifth Avenue (office building) and Highland Park Apartments (multi-family apartments). The Fund has approximately \$65 million of equity remaining for future acquisitions. This likely translates to three new acquisitions for the Fund prior to its June 2012 Investment Period expiration.

The Fund's investments are distributed nationwide with 26% in the West, 9% South and 65% East. The portfolio is weighted by gross asset value by property type with 23% industrial, 24% office, 48% multi-family, 4% retail and 1% land/CMBS investments.

### **Invesco International REIT** **\$55,167,015**

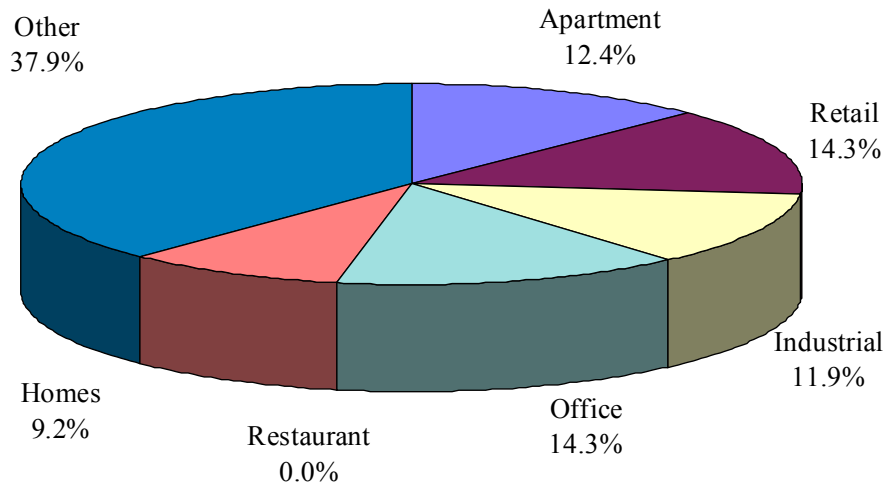
The Invesco International REIT portfolio returned 4.8% in the fourth quarter. This return was above the FTSE EPRA/NAREIT Global ex-US benchmark return of 4.5%. Over the past year, the portfolio returned 14.7%, lagging the index return of 21.0%.

During the fourth quarter, Invesco Global Real Estate Securities added Hui 'Sabrina' Ren to the investment team as a securities analyst. As a senior securities analyst, her duties include performing quantitative and fundamental research on real estate securities, with a focus on Asian companies and markets. Ms. Ren brings 10 years of investment experience covering Asia, including both developed markets (Japan, Hong Kong & Singapore) and emerging markets (China, Malaysia, the Philippines, etc.).

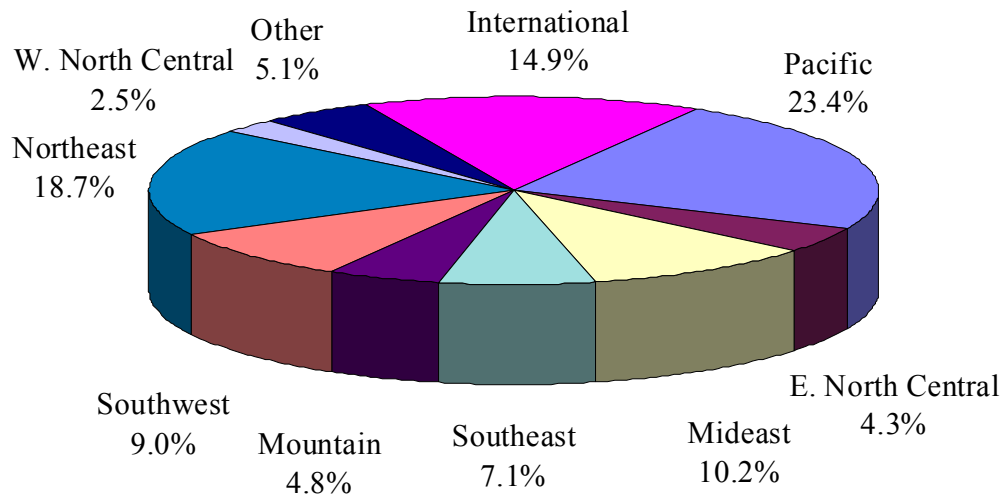
# MANAGER COMMENTS – REAL ESTATE<sup>1</sup>

## Total Real Estate Diversification

### Diversification by Property Type



### Diversification by Geographic Region



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



## **MANAGER COMMENTS - ALTERNATIVE INVESTMENTS**

### **Adams Street Partners**

**\$45,442,131**

Adams Street had a third quarter gross return of 7.0% for the CCCERA's investments. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) For the one-year period, Adams Street returned 15.5%. The portfolio continues in acquisition mode.

The Adams Street domestic portfolio is comprised of 44.4% venture capital funds, 12.7% special situations, 3.1% in mezzanine funds, 1.9% in restructuring/ distressed debt and 37.8% in buyout funds. The Non-US program was allocated 25.9% to venture capital, 10.8% special situations, 1.8% mezzanine debt, 1.5% restructuring/distressed debt and 60.0% buyouts.

### **Bay Area Equity Fund**

**\$15,490,034**

Bay Area Equity Fund had a second quarter gross return of 4.8% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 42.6%, largely driven by appreciation. CCCERA has a 13.3% ownership interest in the Fund.

As of June 30, 2010, 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 \$62.7 million, with \$12.6 million in recyclable capital.

### **Carpenter Community BancFund**

**\$15,241,257**

Carpenter had a second quarter gross return of 1.2% (Performance lags by one quarter due to financial reporting constraints). Over the past year, Carpenter has returned 2.3%.

As of September 30, 2010 the fund had completed six investments. Over the past year, the assets of the Fund's control banks grew 25% to \$1.7 billion. Business loans expanded 26%. Total deposits increased 29%, led by a 44% rise in interest-free checking accounts. Quarterly aggregate earnings climbed from a \$2.9 million loss in the third quarter of 2009 to a \$5.4 million profit in the third quarter of 2010.

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

**\$7,278,859**

The Energy Investors Fund Group (EIF) had a third quarter gross return for this fund, which is in liquidation mode, of -0.4%. (Performance lags by one quarter due to financial reporting

constraints.) For the one-year period, EIF had a total return of 10.5%. CCCERA has a 9.6% ownership interest in Fund I.

EIF has made considerable progress on the sale of the Fund's equity interest in Black River Generation, and expect to execute a purchase and sale agreement for that investment shortly. In addition, EIF continues to explore avenues to liquidate the Fund's remaining development project investments, Loring and Sea Breaze.

**Energy Investors - US Power Fund II**  
**\$39,343,919**

Energy Investors had a third quarter gross return of 2.8% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 4.1%. CCCERA has a 19.1% ownership interest in USPF-II.

**Energy Investors - US Power Fund III**  
**\$21,508,074**

During the second quarter, the fund had a gross return of -2.2%. Over the past year, the fund has returned 10.5%. CCCERA has a 6.9% ownership interest in USPF-III.

In September, the Fund made a \$7 million cash distribution, bringing year-to-date cash distributions to \$19 million. Since its inception, the Fund has distributed \$127.3 million to its Partners. Also, the Fund issued a \$150 million capital call, which was funded in early October. The capital will be allocated to the EIF Renewable Energy refinancing (\$77 million), and construction equity draws from the Astoria II (\$60 million) and Kleen Energy (\$8 million) projects.

The Fund's investment portfolio increased by approximately \$38 million in the third quarter, from \$775 million to \$813 million. Most of this increase was attributable to equity fundings for Kleen Energy (\$15.7 million) and Astoria II (\$17.3 million).

**Nogales Investors Fund I**  
**\$2,637,265**

The Nogales Investors Fund I returned 13.4% in the quarter ended September 30, 2010. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned 28.1%. CCCERA makes up 15.2% of the Fund. As of September 30, 2010, the Fund had one active investment with invested capital of \$10.3 million.

**Oaktree Private Investment Fund 2009**  
**\$14,025,388**

The Oaktree PIF 2009 Fund was funded on February 18, 2010 with a commitment of \$40.0 million and an initial investment of \$7.0 million. The Oaktree PIF 2009 Fund returned 4.7% in

the third quarter ended September 30, 2010. (Performance lags by one quarter due to financial reporting constraints.)

**Paladin Fund III**  
**\$9,981,406**

Paladin Fund III returned -0.1% for the quarter ended September 30, 2010. Over the past year, the fund has returned 3.9%. As of September 30, 2010, Paladin Fund III had total capital commitments of \$105,252,525 and has made 13 investments. At September 30, 2010, the Fund reported approximately \$41.8 million of Partners' Capital, which consisted of \$42 million in assets less than \$218,000 of liabilities.

**Pathway Private Equity Fund**  
**\$64,757,051**

The combined Pathway Private Equity Fund (PPEF) and Pathway Private Equity Fund 2008 (PPEF 2008) had a third quarter return of 6.4%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Pathway returned 15.8%.

The Fund's contain a mixture of acquisition-related, venture capital, and other special equity investments. As of September 30, 2010, PPEF has made commitments of \$125.1 million across 42 private equity partnerships and PPEF 2008 has made commitments of \$97.1 million across 12 partnerships. Through September 30, 2010, PPEF has made distributions of \$44.8 million, which represents 50% of the Fund's total contribution. PPEF 2008 is yet to make any distributions.

**PT Timber Fund III**  
**\$0**

On December 31, 2010, PT Timber Fund III completed the liquidation process and made the final distribution.

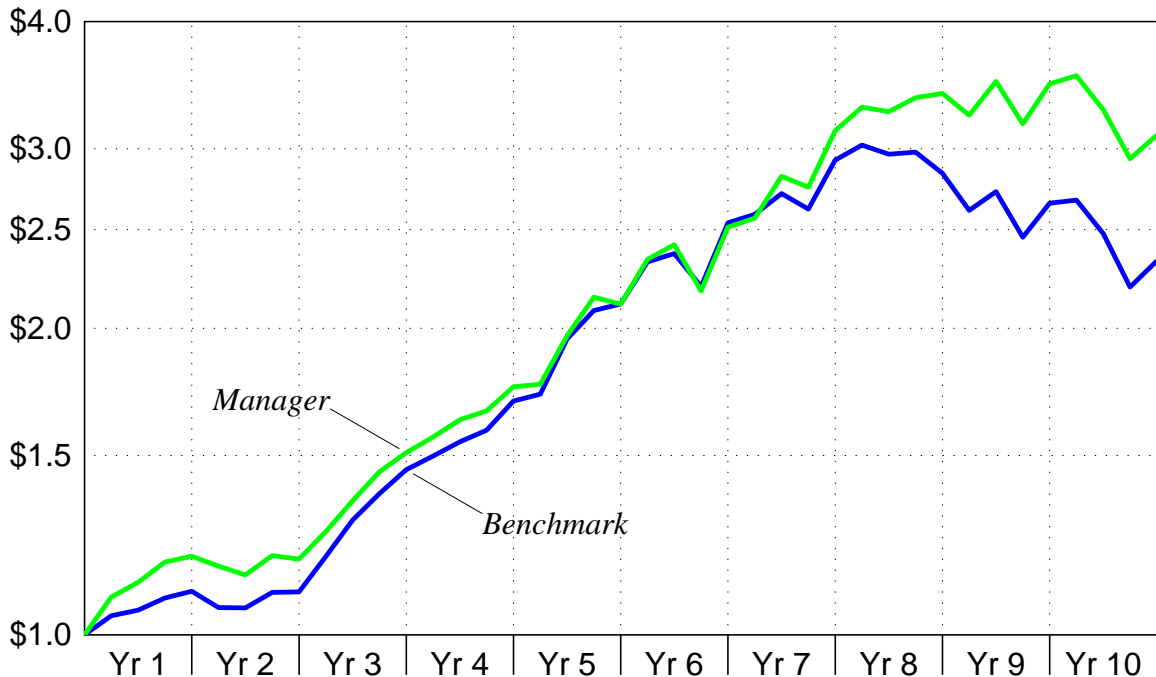
The Fund had a fourth quarter return of 0.3%. For the one-year period, PT Timber returned -6.9%, largely driven by depreciation. CCCERA makes up 12.3% of Fund III.

## APPENDIX – EXAMPLE CHARTS

### How to Read the Cumulative Return Chart:

# Manager vs. Benchmark

## Cumulative Value of \$1

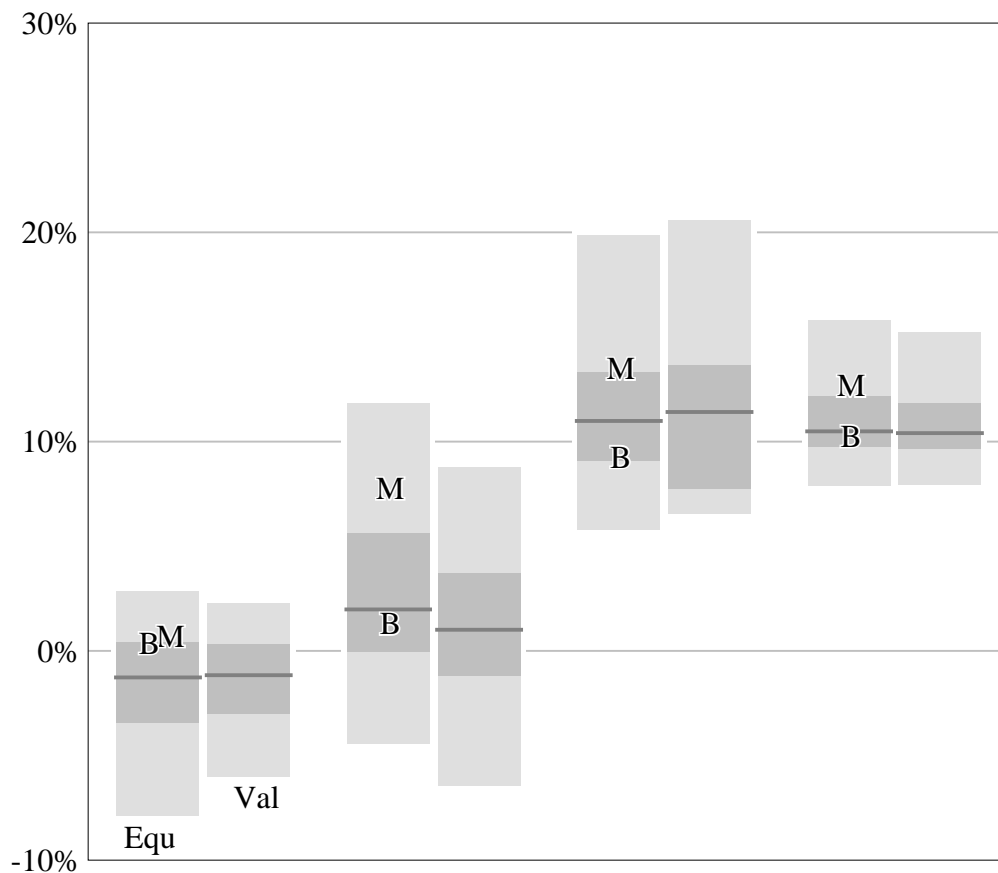


This chart shows the growth of \$1 invested in the 1<sup>st</sup> quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the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

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

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

## How to Read The Floating Bar Chart:



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

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

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

## DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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