

QUARTERLY REVIEW & PERFORMANCE MEASUREMENT REPORT  
for

Contra Costa County  
Employees' Retirement  
Association

FOR THE PERIOD ENDING  
*March 31, 2010*

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## MARKET OVERVIEW

### *Domestic Equity Markets*

Domestic equities continued to their remarkable rally from the lows of experienced in March, 2009. The S&P 500 was up another 5.4% in the first quarter of 2010. Small cap stocks advanced even more as the Russell 2000® Index gained 8.9%.

Eight of the ten S&P 500 sectors had positive returns during the quarter. The Industrials sector led the market (+13.0%), followed by Financials (+12.0%), Consumer Discretionary (+10.4%), Consumer Staples (+5.8%), Health Care (+3.4%), Materials (+2.9%), Information Technology (+1.8%) and Energy (+0.6%). The only sectors that showed negative returns were Telecom Services (-4.3%) and Utilities (-3.2%).

In the first quarter, Value stocks led Growth-oriented securities in both the large cap and small cap market segments. In the domestic large capitalization arena, the Russell 1000® Value Index returned 6.8%, compared to the Russell 1000® Growth Index return of 4.6%. In the small cap arena, the Russell 2000® Value Index returned 10.0% while the Growth Index returned 7.6%.

### *International Equity Markets*

International equity markets were up only modestly during the quarter, with the MSCI EAFE Index returning 0.9%. The strengthening dollar hurt results for US investors as the MSCI EAFE return prior to translation into US\$ was 4.4%. The Europe portion of EAFE had a return of -1.7%, trailing the MSCI Asia Index return of 7.1% in US\$.

### *Domestic Bond Markets*

The Barclays Capital Aggregate Index returned 1.8% during the quarter. In a reversal of last quarter, longer-duration bonds had better results than shorter-duration bonds. The Barclays Capital Long Government/Credit Index returned 1.6% while the shorter Barclays Capital 1-3 Year Government/Credit Index returned 0.9%. Credit issues once again led Government issues in the quarter as investors continued to reverse their flight to safety that had been the dominant theme from autumn, 2008 through early 2009. The Barclays Capital Credit Index returned 2.3% compared to 1.1% for the Barclays Capital Treasury Index. The Barclay Capital MBS Index, comprised solely of agency MBS, returned 1.5%. High yield continued its strong recovery with the Merrill Lynch High Yield Master II Index returning 4.8%.

### *Real Estate*

The domestic real estate market, as measured by the NCREIF ODCE Index, posted a preliminary return of 0.8% for the first quarter of 2010. Real estate markets remain soft, though some markets are now showing signs of stabilization. We expect further difficult real estate returns in the months ahead. The FTSE NAREIT Equity Index, which measures the domestic public REIT market, was up a very strong 10.0%. Global real estate securities, as measured by the FTSE EPRA/NAREIT Global Developed Markets Index, returned 4.0%.

## KEY POINTS

### *First Quarter, 2010*

- The CCCERA Total Fund returned 3.6% for the first quarter, better than the 3.4% return of the median total fund and the median public fund. CCCERA Total Fund performance has been slightly below median over the past two-four years but above median over the five through ten-year periods.
- CCCERA domestic equities returned 5.7% in the quarter, lagging the 6.0% return of the Russell 3000® and near the 5.8% return of the median equity manager.
- CCCERA international equities returned 0.8% for the quarter, just below the 0.9% return of the MSCI EAFE Index and below the 1.7% return of the median international equity manager.
- CCCERA fixed income returned 3.4% for the quarter, exceeding the Barclays U.S. Universal return of 2.0% and the median fixed income manager return of 2.0%.
- CCCERA alternative assets returned 3.9% for the quarter, trailing the 6.4% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned 3.9% for the quarter, helped by the domestic REIT portfolio, above the median real estate manager return of 0.4% and the CCCERA real estate benchmark return of 3.2%.
- Total equity was over-weighted compared to target at the end of the first quarter, offset by modest under-weights in global fixed income and alternative investments. Global equities are the “parking place” for assets intended for alternative investments.
- Several portfolio changes occurred during the first quarter of 2010, including the funding of the J.P. Morgan global equity portfolio, the Goldman Sachs opportunistic mandate and the Oaktree Private Investment Fund 2009. We will reflect the performance of these new mandates in the second quarter report; their partial quarter results are included in the appropriate composites this quarter. Also, McKinley was terminated and the portfolio is being managed on a temporary basis by State Street Global Markets. Milliman will present our semi-finalist recommendations for a replacement international growth equity shortly.



## WATCH LIST

<b><u>Manager</u></b>	<b><u>Since</u></b>	<b><u>Reason</u></b>
Adelante	2/25/2009	Performance
Emerald Advisors	5/28/2008	Performance
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 had a good first quarter, but has by no means recovered from the persistent pattern of slight underperformance. Given the firm's proximity, we continue to recommend that an on-site visit be conducted.
- Emerald, PIMCO StocksPLUS, Progress and Rothschild have not yet recovered from their performance deficits and we recommend that they remain on watch. PIMCO StocksPLUS had a good first quarter while the small cap managers all lagged their respective benchmarks. CCCERA Board members, staff and consultant recently met with PIMCO in their offices.
- GMO had a good first quarter of 2010 but the long-term results have been negatively impacted by poor relative performance in 2009.
- The INVESCO funds rank poorly in the real estate universe over the trailing periods. CCCERA staff will hold an on-site meeting with INVESCO shortly.
- Nogales will remain on the Watch List until the fund is completely wound down.

## SUMMARY

CCCERA's first quarter return of 3.6% was better than the median total fund and the median public fund. CCCERA slightly trailed the median funds over the past two through four-year periods. CCCERA has out-performed both medians over trailing time periods five years and longer.

CCCERA total domestic equities returned 5.7% for the quarter, trailing the 6.0% return of the Russell 3000® and the 5.8% return of the median manager. Of CCCERA's domestic equity managers, Progress had the best absolute return at 7.7%, though this lagged the 8.9% return of the Russell 2000® Index. PIMCO returned 7.0%, above the S&P 500 return of 5.4%. Boston Partners returned 6.7%, slightly below the 6.8% return of the Russell 1000® Value Index. Rothschild returned 6.7%, trailing the Rothschild Small/Mid Value benchmark return of 9.6%. Emerald returned 6.6%, trailing the 7.6% return of the Russell 2000® Growth Index. Intech Enhanced Plus returned 5.6%, better than the 5.4% return of the S&P 500 Index. Intech Large Cap Core returned 5.3%, slightly below the S&P 500 Index. Wentworth Hauser returned 3.8%, trailing the S&P 500. Finally, Delaware returned 2.5%, trailing the Russell 1000® Growth Index return of 4.7%.

CCCERA international equities returned 0.8%, trailing the 0.9% return of the MSCI EAFE Index and the 1.7% return of the median international manager. The GMO Intrinsic Value portfolio returned 1.4%, better than the S&P Citi PMI EPAC Value Index return of 1.2%. McKinley Capital returned 0.3%, trailing the MSCI ACWI ex-US Growth Index return of 2.1%. McKinley has been terminated and Milliman is in the process of conducting an international growth equity search to identify a replacement.

CCCERA total domestic fixed income returned 3.4% for the first quarter, ahead of the 2.0% return the Barclays Universal and the 2.0% return of the median fixed income manager. The ING Clarion II fund returned 11.0%, better than the ML High Yield II Index return of 4.8% and the high yield fixed income median return of 4.1%. The workout portfolio overseen by Goldman Sachs returned 10.6%, well above the Barclays Aggregate return of 1.8%. The ING Clarion Fund III returned 4.0% in the first quarter, trailing the Merrill Lynch High Yield II Index. Nicholas Applegate returned 3.9%, which lagged the 4.8% return of the ML High Yield II Index and the 4.1% return of the median high yield manager. PIMCO returned 2.9%, above the Barclays U.S. Aggregate and the median. Lord Abbett returned 2.7%, above the Barclays U.S. Aggregate and the median fixed income manager. Goldman Sachs returned 2.3%, above the Barclays U.S. Aggregate Index and the median fixed income manager. AFL-CIO returned 2.2% which exceeded the Barclays U.S. Aggregate and the median fixed income manager.

Lazard Asset Management returned 0.9% in the first quarter, better than the Barclays Global Aggregate return of -0.3% but ranked in the 67<sup>th</sup> percentile of global fixed income portfolios.

CCCERA total alternative investments returned 3.9% in the first quarter. Energy Investor Fund returned 24.8%, Bay Area Equity Fund returned 7.9%, Pathway returned 7.0%, Adams Street Partners returned 5.0%, Nogales returned 4.9%, Carpenter Community Bancfund returned 0.2%, Paladin III returned -0.1%, Hancock PT Timber Fund returned -0.3%, Energy Investor Fund II returned -0.7%, and Energy Investor Fund III returned -8.0%. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending December 31, 2009.)

The median real estate manager returned 0.4% for the quarter while CCCERA's total real estate returned 3.9%. Adelante Capital REIT returned 10.5%, Invesco Fund II returned 9.3%, Fidelity III returned 7.9%, Invesco Fund I returned 5.2%, BlackRock Realty returned 2.1%, Willows Office Property returned 1.5%, DLJ RECP I returned 0.3%, Invesco International REIT returned 0.2%, Prudential SPF II returned 0.0%, Fidelity II returned -0.6%, DLJ's RECP IV returned -18.0%, DLJ RECP III returned -18.4%, and DLJ's RECP II returned -19.7%. 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 March 31, 2010 was above target in domestic equity at 36.5% compared to the target of 32.7%. Asset classes below their respective targets included international equity (10.2% vs. 10.4%), global equity (4.9% vs. 5.0%), investment grade fixed income (23.1% vs. 23.8%), global fixed income (3.9% vs. 4.0%), real estate (11.3% vs. 11.5%) and alternatives (5.2% vs. 7.0%). High yield was at its target of 3% and cash was at 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 ING Clarion Debt Opportunity Fund II and \$85 million to ING Clarion 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 BlackRock Realty; \$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 March 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>						
Boston Partners	Yes	Yes	Yes	Yes	Yes	Yes
Delaware	No	No	Yes	Yes	-	Yes
Emerald Advisors	No	No	No	Yes	No	No
Intech - Enhanced Plus	Yes	No	No	Yes	Yes	Yes
Intech - Large Core	No	No	No	-	-	-
PIMCO Stocks Plus	No	No	No	No	No	No
Progress	No	No	No	No	No	No
Rothschild	No	No	No	Yes	Yes	Yes
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	No	No	No	-	-	-
McKinley Capital	No	No	No	-	-	-
Total Int'l Equities	No	No	No	No	No	No
<b>DOMESTIC FIXED INCOME</b>						
AFL-CIO Housing	Yes	Yes	Yes	Yes	Yes	Yes
Goldman Sachs	-	-	-	-	-	-
ING Clarion II	No	No	No	-	-	-
ING Clarion III	-	-	-	-	-	-
Lord Abbett	-	-	-	-	-	-
Nicholas Applegate	Yes	Yes	Yes	Yes	No	Yes
PIMCO	Yes	Yes	Yes	Yes	Yes	Yes
Workout (GSAM)	-	-	-	-	-	-
Total Domestic Fixed	No	No	No	Yes	No	Yes
<b>GLOBAL FIXED INCOME</b>						
Lazard Asset Management	-	-	-	-	-	-

**Summary of Managers Compliance with Investment Performance Objectives (cont)**  
**As of March 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>ALTERNATIVE INVESTMENTS</b>						
Adams Street	Yes	Yes	Yes	Yes	Yes	Yes
Bay Area Equity Fund	Yes	Yes	Yes	Yes	Yes	Yes
Carpenter Bancfund	-	-	-	-	-	-
Energy Investor Fund	Yes	Yes	Yes	Yes	Yes	Yes
Energy Investor Fund II	Yes	Yes	Yes	-	-	-
Energy Investor Fund III	-	-	-	-	-	-
Nogales	No	No	No	No	No	No
Paladin III	-	-	-	-	-	-
Pathway	Yes	Yes	Yes	Yes	Yes	Yes
Hancock PT Timber Fund	Yes	Yes	Yes	Yes	Yes	Yes
Total Alternative	Yes	Yes	Yes	Yes	Yes	Yes
<b>REAL ESTATE</b>						
Adelante Capital REIT	No	No	No	No	No	No
BlackRock Realty	No	No	No	No	No	No
DLJ RECP I	Yes	Yes	Yes	Yes	Yes	Yes
DLJ RECP II	No	No	No	No	No	Yes
DLJ RECP III	No	No	Yes	-	-	-
DLJ RECP IV	-	-	-	-	-	-
Fidelity II	No	No	No	No	No	No
Fidelity III	-	-	-	-	-	-
Invesco Fund I	No	No	No	No	No	No
Invesco Fund II	-	-	-	-	-	-
Invesco Int'l REIT	-	-	-	-	No	-
Prudential SPF II	No	No	No	Yes	No	Yes
Willows Office Property	Yes	Yes	Yes	Yes	Yes	Yes
Total Real Estate	No	No	No	No	No	Yes
CCCERA Total Fund	No	No	No	No	No	Yes

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

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
<b>EQUITY - DOMESTIC</b>				
Boston Partners	\$ 294,071,822	17.4 %	6.4 %	6.1 %
Delaware Investments	282,348,894	16.7	6.1	6.1
Emerald	129,579,920	7.7	2.8	2.7
Intech - Enhanced Plus	21,362,774	1.3	0.5	0.4
Intech - Large Core	219,281,684	13.0	4.7	4.6
PIMCO	240,866,013	14.3	5.2	2.4
Progress	131,547,702	7.8	2.8	2.7
Rothschild	134,373,781	8.0	2.9	2.7
Wentworth	234,927,064	13.9	5.1	5.0
<b>TOTAL DOMESTIC</b>	<b>\$ 1,688,359,654</b>	<b>70.8 %</b>	<b>36.5 %</b>	<b>32.7 %</b>
<b>INTERNATIONAL EQUITY</b>				
McKinley Capital	\$ 235,852,073	9.9 %	5.1 %	5.2 %
GMO Intrinsic Value	234,909,570	9.9	5.1	5.2
<b>TOTAL INT'L EQUITY</b>	<b>\$ 470,761,643</b>	<b>19.7 %</b>	<b>10.2 %</b>	<b>10.4 %</b>
<b>GLOBAL EQUITY</b>				
J.P. Morgan	\$ 225,033,585	9.4 %	4.9 %	5.0 %
<b>TOTAL GLOBAL EQUITY</b>	<b>\$ 225,033,585</b>	<b>9.4 %</b>	<b>4.9 %</b>	<b>5.0 %</b>
<b>TOTAL EQUITY</b>	<b>\$ 2,384,154,882</b>	<b>100.0 %</b>	<b>51.6 %</b>	<b>48.1 %</b>
			<i>Range:</i>	<i>45 to 53 %</i>
<b>FIXED INCOME</b>				
AFL-CIO	\$ 155,310,930	12.4 %	3.4 %	3.4 %
Goldman Sachs Core	236,893,253	18.9	5.1	5.4
ING Clarion II	38,639,125	3.1	0.8	0.9
ING Clarion III	23,364,850	1.9	0.5	1.8
Lord Abbett	237,140,549	19.0	0.0	5.4
PIMCO	345,545,268	27.6	7.5	6.9
Workout (GSAM)	31,371,747	2.5	0.7	0.0
<b>TOTAL US FIXED INCOME</b>	<b>\$ 1,068,265,722</b>	<b>85.5 %</b>	<b>23.1 %</b>	<b>23.8 %</b>
<b>GLOBAL FIXED</b>				
Lazard Asset Mgmt	\$ 181,862,700	14.5 %	3.9 %	4.0 %
<b>TOTAL GLOBAL FIXED</b>	<b>\$ 181,862,700</b>	<b>14.5 %</b>	<b>3.9 %</b>	<b>4.0 %</b>
<b>TOTAL INV GRADE FIXED</b>	<b>\$ 1,250,128,422</b>	<b>100.0 %</b>	<b>27.0 %</b>	<b>27.8 %</b>
			<i>Range:</i>	<i>24 to 34 %</i>
<b>HIGH YIELD</b>				
Nicholas Applegate	\$ 138,906,495	100.0 %	3.0 %	3.0 %
<b>TOTAL HIGH YIELD</b>	<b>\$ 138,906,495</b>	<b>100.0 %</b>	<b>3.0 %</b>	<b>3.0 %</b>
			<i>Range:</i>	<i>1 to 5 %</i>

**ASSET ALLOCATION**  
**As of March 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	\$ 344,262,510	65.7 %	7.4 %	1.4 %
BlackRock Realty	10,838,224	2.1	0.2	-
DLJ RECP I	172,056	0.0	0.0	-
DLJ RECP II	4,179,202	0.8	0.1	-
DLJ RECP III	36,489,512	7.0	0.8	-
DLJ RECP IV	19,023,140	3.6	0.4	-
Fidelity II	14,596,945	2.8	0.3	-
Fidelity III	4,478,838	0.9	0.1	-
Hearthstone I	-79,701	0.0	0.0	-
Hearthstone II	17,513	0.0	0.0	-
Invesco Fund I	18,112,177	3.5	0.4	-
Invesco Fund II	8,019,778	1.5	0.2	-
Invesco International REIT	48,465,996	9.2	1.0	1.0
Willows Office Property	15,560,000	3.0	0.3	-
<b>TOTAL REAL ESTATE</b>	<b>\$ 524,136,190</b>	<b>100.0 %</b>	<b>11.3 %</b>	<b>11.5 %</b>
			<i>Range:</i>	<i>8 to 14 %</i>
<b>ALTERNATIVE INVESTMENTS</b>				
Adams Street Partners	\$ 64,962,472	27.1 %	1.4 %	- %
Bay Area Equity Fund	10,213,356	4.3	0.2	-
Carpenter Bancfund	10,618,984	4.4	0.2	-
Energy Investor Fund	16,905,000	7.0	0.4	-
Energy Investor Fund II	46,713,209	19.5	1.0	-
Energy Investor Fund III	19,897,202	8.3	0.4	-
Nogales	2,328,157	1.0	0.1	-
Paladin III	8,165,954	3.4	0.2	-
Pathway	53,860,064	22.4	1.2	-
Hancock PT Timber	6,384,548	2.7	0.1	-
<b>TOTAL ALTERNATIVE</b>	<b>\$ 240,048,946</b>	<b>100.0 %</b>	<b>5.2 %</b>	<b>7.0 %</b>
			<i>Range:</i>	<i>5 to 9 %</i>
<b>OPPORTUNISTIC</b>				
Goldmans Sachs Opps	\$ 62,682,576	2.6 %	1.4 %	1.3 %
Oaktree PIF 2009	0	0.0	0.0	0.8
<b>TOTAL OPPORTUNISTIC</b>	<b>\$ 62,682,576</b>	<b>2.6 %</b>	<b>1.4 %</b>	<b>2.1 %</b>
<b>CASH</b>				
Custodian Cash	\$ 20,913,449	93.5 %	0.5 %	- %
Treasurer's Fixed	1,450,704	6.5	0.0	-
<b>TOTAL CASH</b>	<b>\$ 22,364,153</b>	<b>100.0 %</b>	<b>0.5 %</b>	<b>0.5 %</b>
			<i>Range:</i>	<i>0 to 1 %</i>
<b>TOTAL ASSETS</b>	<b>\$ 4,622,421,664</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

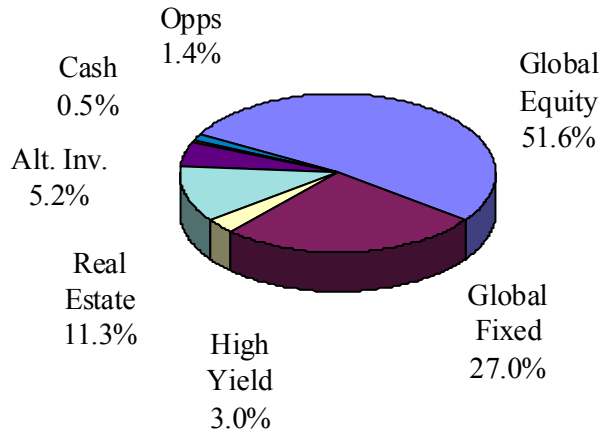
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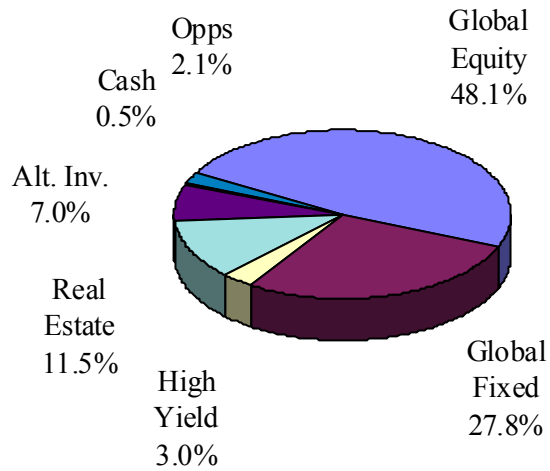
# ASSET ALLOCATION

As of March 31, 2010

## CCCERA Asset Allocation



## Target Asset Allocation



**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through First 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>Boston Partners</b>	<b>6.7 %</b>	<b>53.9 %</b>	<b>1.6 %</b>	<b>-2.0 %</b>	<b>1.9 %</b>	<b>5.1 %</b>	<b>10.1 %</b>	<b>6.8 %</b>
<i>Rank vs Equity</i>	35	40	23	36	23	26	38	24
<i>Rank vs Lg Value</i>	31	41	5	16	14	5	29	19
<b>Delaware</b>	<b>2.5</b>	<b>47.6</b>	<b>-2.3</b>	<b>-1.5</b>	<b>-1.2</b>	<b>3.5</b>	-	-
<i>Rank vs Equity</i>	89	69	50	31	76	45	-	-
<i>Rank vs Lg Growth</i>	89	42	49	48	81	49	-	-
<b>Emerald Advisors</b>	<b>6.6</b>	<b>54.8</b>	<b>2.6</b>	<b>-3.6</b>	<b>-2.4</b>	<b>4.0</b>	-	-
<i>Rank vs Equity</i>	37	37	17	54	88	38	-	-
<i>Rank vs Sm Cap Growth</i>	73	71	43	75	75	62	-	-
<b>Intech - Enhanced Plus</b>	<b>5.6</b>	<b>49.2</b>	<b>-3.5</b>	<b>-4.1</b>	<b>-0.5</b>	<b>2.3</b>	<b>8.0</b>	-
<i>Rank vs Equity</i>	52	65	63	66	66	69	63	-
<i>Rank vs Lg Core</i>	36	75	47	64	74	44	34	-
<b>Intech - Large Core</b>	<b>5.3</b>	<b>47.6</b>	<b>-3.3</b>	<b>-4.5</b>	-	-	-	-
<i>Rank vs Equity</i>	63	69	61	73	-	-	-	-
<i>Rank vs Lg Core</i>	76	81	42	81	-	-	-	-
<b>PIMCO Stocks Plus</b>	<b>7.0</b>	<b>67.2</b>	<b>-3.6</b>	<b>-4.7</b>	<b>-0.7</b>	<b>1.5</b>	<b>6.6</b>	-
<i>Rank vs Equity</i>	32	12	68	75	71	87	88	-
<i>Rank vs Lg Core</i>	7	1	64	82	81	91	92	-
<b>Progress</b>	<b>7.7</b>	<b>61.6</b>	<b>-2.7</b>	<b>-5.5</b>	<b>-3.3</b>	<b>3.0</b>	-	-
<i>Rank vs Equity</i>	24	23	55	81	92	54	-	-
<i>Rank vs Small Core</i>	71	62	85	84	94	84	-	-
<b>Rothschild</b>	<b>6.7</b>	<b>43.0</b>	<b>-4.1</b>	<b>-5.5</b>	<b>-1.1</b>	<b>3.8</b>	-	-
<i>Rank vs Equity</i>	36	81	75	81	76	41	-	-
<i>Rank vs Sm Cap Value</i>	96	93	87	66	62	46	-	-
<b>Wentworth, Hauser</b>	<b>3.8</b>	<b>50.3</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.6</b>	<b>2.9</b>	<b>8.1</b>	<b>2.5</b>
<i>Rank vs Equity</i>	81	55	34	33	40	55	60	53
<i>Rank vs Lg Core</i>	94	38	8	11	21	22	29	25
<b>Total Domestic Equities</b>	<b>5.7</b>	<b>52.9</b>	<b>-1.6</b>	<b>-3.3</b>	<b>-0.4</b>	<b>3.0</b>	<b>8.1</b>	<b>0.4</b>
<i>Rank vs Equity</i>	52	45	46	51	65	54	60	65
Median Equity	5.8	51.9	-2.2	-3.3	0.0	3.3	9.1	3.0
S&P 500	5.4	49.8	-3.7	-4.2	-0.4	1.9	6.8	-0.7
S&P 500 ex-Tobacco	6.1	26.5	-10.9	-5.9	-0.9	0.2	5.3	0.0
Russell 3000®	6.0	52.4	-2.9	-4.0	-0.4	2.4	7.6	-0.1
Russell 1000® Value	6.8	53.6	-6.0	-7.3	-1.8	1.0	7.7	3.1
Russell 1000® Growth	4.7	49.8	-0.8	-0.8	1.1	3.4	6.8	-4.2
Russell 2000®	8.9	62.8	0.9	-4.0	-1.6	3.4	10.7	3.7
Rothschild Benchmark	9.6	67.2	1.3	-5.1	-1.0	3.1	-	-
Russell 2000® Growth	7.6	60.3	1.0	-2.4	-1.4	3.8	10.3	-1.5
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	<b>1.4</b>	<b>45.2</b>	<b>-10.0</b>	<b>-7.7</b>	<b>-1.5</b>	-	-	-
<i>Rank vs Int'l Eq</i>	57	85	75	82	86	-	-	-
<b>McKinley Capital</b>	<b>0.3</b>	<b>42.7</b>	<b>-15.5</b>	<b>-10.5</b>	<b>-3.1</b>	-	-	-
<i>Rank vs Int'l Eq</i>	83	90	95	92	93.0	-	-	-
<b>Total Int'l Equities</b>	<b>0.8</b>	<b>43.9</b>	<b>-12.5</b>	<b>-8.9</b>	<b>-2.1</b>	<b>4.0</b>	<b>11.9</b>	<b>1.2</b>
<i>Rank vs Int'l Eq</i>	70	89	89	88	90	77	83	98
Median Int'l Equity	1.7	55.1	-6.9	-4.8	0.7	5.4	14.4	5.2
MSCI EAFE Index	0.9	55.2	-8.6	-6.6	-0.4	4.2	12.3	1.7
MSCI ACWI ex-US	1.7	61.7	-6.7	-3.7	1.8	6.6	14.3	3.2
S&P Citi PMI EPAC Value	1.2	57.6	-8.7	-6.8	-0.3	4.6	13.3	4.2
MSCI ACWI ex-US Growth	2.1	56.7	-7.8	-3.4	1.6	6.5	12.8	0.3

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

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through First 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 FIXED INCOME</b>								
AFL-CIO Housing	2.2 %	6.2 %	6.4 %	6.7 %	6.8 %	6.0 %	5.3 %	6.9 %
Rank vs Fixed Income	40	73	33	36	33	30	33	21
Goldman Sachs	2.3	10.0	-	-	-	-	-	-
Rank vs Fixed Income	37	44	-	-	-	-	-	-
ING Clarion II*	11.0	46.0	-20.7	-25.6	-	-	-	-
Rank vs High Yield	1	54	98	98	-	-	-	-
ING Clarion III*	4.0	40.0	-	-	-	-	-	-
Rank vs High Yield	53	76	-	-	-	-	-	-
Lord Abbett	2.7	18.2	-	-	-	-	-	-
Rank vs Fixed Income	31	14	-	-	-	-	-	-
Nicholas Applegate	3.9	41.5	11.4	7.2	8.1	8.1	9.0	-
Rank vs High Yield	59	67	12	4	5	4	17	-
PIMCO	2.9	18.4	8.1	8.5	8.1	7.1	6.5	-
Rank vs Fixed Income	27	14	13	9	8	9	9	-
Workout (GSAM)	10.6	54.3	-	-	-	-	-	-
Rank vs Fixed Income	1	1	-	-	-	-	-	-
Total Domestic Fixed	3.4	20.3	6.2	5.2	6.2	5.8	5.7	6.7
Rank vs Fixed Income	18	10	36	74	56	42	19	27
Median Fixed Income	2.0	9.3	5.5	6.2	6.3	5.6	4.9	6.3
Median High Yield Mgr.	4.1	47.6	8.3	4.2	5.6	5.9	7.8	-
Barclays Universal	2.0	10.4	5.6	6.0	6.2	5.6	5.2	6.4
Barclays Aggregate	1.8	7.7	5.4	6.1	6.3	5.4	4.8	6.3
Merrill Lynch HY II	4.8	57.2	12.0	6.6	7.8	7.7	9.5	7.2
Merrill Lynch BB/B	4.4	43.4	9.1	5.3	6.6	6.8	8.3	6.6
T-Bills	0.0	0.2	0.7	2.0	2.7	2.9	2.5	2.9
<b>GLOBAL FIXED INCOME</b>								
Lazard Asset Mgmt	0.9	16.4	1.8	-	-	-	-	-
Rank vs. Global Fixed	67	42	78	-	-	-	-	-
Barclays Global Aggregate	-0.3	10.2	2.4	6.5	6.9	4.9	-	-
<b>ALTERNATIVE INVESTMENTS*</b>								
Adams Street**	5.0	13.8	-5.4	2.0	8.3	9.9	10.9	5.3
Bay Area Equity Fund**	7.9	10.7	5.9	20.6	18.2	16.0	-	-
Carpenter Bancfund**	0.2	0.1	-4.4	-	-	-	-	-
Energy Investor Fund**	24.8	27.6	51.1	89.0	70.8	62.3	-	-
Energy Investor Fund II**	-0.7	2.6	4.2	9.5	14.8	-	-	-
Energy Investor Fund III**	-8.0	-8.0	3.2	-	-	-	-	-
Nogales**	4.9	18.5	-27.9	-35.1	-23.9	-17.0	-	-
Paladin III**	-0.1	20.7	5.0	-	-	-	-	-
Pathway**	7.0	15.8	-5.4	5.1	11.5	15.6	15.4	6.7
Hancock PT Timber Fund	-0.3	-6.2	1.9	6.0	7.9	8.0	7.4	5.3
Total Alternative	3.9	9.2	0.1	6.0	10.9	12.9	13.8	7.7
S&P 500 + 400 bps	6.4	55.5	0.2	-0.3	3.6	6.0	11.1	3.3

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

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

\*\* Performance as of December 31, 2009.

**CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through First 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>	<b>10.5 %</b>	<b>107.6 %</b>	<b>-11.9 %</b>	<b>-14.3 %</b>	<b>-6.1 %</b>	<b>2.9 %</b>	<b>9.9 %</b>	<b>- %</b>
<i>Rank vs REITs</i>	<i>21</i>	<i>1</i>	<i>85</i>	<i>88</i>	<i>84</i>	<i>56</i>	<i>52</i>	<i>-</i>
<b>BlackRock Realty</b>	<b>2.1</b>	<b>-35.6</b>	<b>-41.9</b>	<b>-28.0</b>	<b>-18.3</b>	<b>-10.8</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>31</i>	<i>99</i>	<i>100</i>	<i>99</i>	<i>99</i>	<i>98</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP I**</b>	<b>0.3</b>	<b>-0.7</b>	<b>16.0</b>	<b>20.5</b>	<b>27.2</b>	<b>21.0</b>	<b>19.0</b>	<b>15.6</b>
<i>Rank</i>	<i>54</i>	<i>9</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>5</i>	<i>5</i>
<b>DLJ RECP II**</b>	<b>-19.7</b>	<b>-30.2</b>	<b>-25.8</b>	<b>-13.4</b>	<b>-2.5</b>	<b>5.6</b>	<b>13.2</b>	<b>11.7</b>
<i>Rank</i>	<i>98</i>	<i>97</i>	<i>90</i>	<i>82</i>	<i>23</i>	<i>16</i>	<i>7</i>	<i>5</i>
<b>DLJ RECP III**</b>	<b>-18.4</b>	<b>-24.5</b>	<b>-17.2</b>	<b>-7.6</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>98</i>	<i>84</i>	<i>23</i>	<i>20</i>	<i>15</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>DLJ RECP IV**</b>	<b>-18.0</b>	<b>-36.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>98</i>	<i>99</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Fidelity II</b>	<b>-0.6</b>	<b>-28.7</b>	<b>-41.6</b>	<b>-29.2</b>	<b>-20.6</b>	<b>-13.6</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>79</i>	<i>95</i>	<i>100</i>	<i>99</i>	<i>99</i>	<i>98</i>	<i>-</i>	<i>-</i>
<b>Fidelity III</b>	<b>7.9</b>	<b>-63.3</b>	<b>-46.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>17</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund I</b>	<b>5.2</b>	<b>-45.0</b>	<b>-35.5</b>	<b>-24.2</b>	<b>-14.0</b>	<b>-8.8</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>21</i>	<i>100</i>	<i>98</i>	<i>98</i>	<i>96</i>	<i>97</i>	<i>-</i>	<i>-</i>
<b>Invesco Fund II</b>	<b>9.3</b>	<b>-62.2</b>	<b>-75.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank</i>	<i>13</i>	<i>100</i>	<i>100</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Invesco Int'l REIT</b>	<b>0.2</b>	<b>59.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs REITs</i>	<i>100</i>	<i>93</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Prudential SPF II</b>	<b>0.0</b>	<b>-18.3</b>	<b>-30.0</b>	<b>-11.4</b>	<b>5.4</b>	<b>11.2</b>	<b>13.4</b>	<b>11.7</b>
<i>Rank</i>	<i>62</i>	<i>48</i>	<i>94</i>	<i>67</i>	<i>11</i>	<i>8</i>	<i>7</i>	<i>5</i>
<b>Willows Office Property</b>	<b>1.5</b>	<b>5.2</b>	<b>4.3</b>	<b>16.4</b>	<b>13.8</b>	<b>12.5</b>	<b>8.4</b>	<b>13.4</b>
<i>Rank</i>	<i>38</i>	<i>8</i>	<i>4</i>	<i>1</i>	<i>3</i>	<i>7</i>	<i>7</i>	<i>5</i>
<b>Total Real Estate</b>	<b>3.9</b>	<b>31.2</b>	<b>-18.1</b>	<b>-14.5</b>	<b>-6.1</b>	<b>1.9</b>	<b>7.8</b>	<b>8.3</b>
<i>Rank</i>	<i>24</i>	<i>2</i>	<i>28</i>	<i>90</i>	<i>70</i>	<i>25</i>	<i>9</i>	<i>5</i>
Median Real Estate	0.4	-18.5	-20.0	-10.4	-4.6	0.1	2.5	5.2
Real Estate Benchmark	3.2	16.6	-8.8	-4.6	0.6	5.2	8.5	9.0
DJ Wilshire REIT	9.8	113.7	-8.3	-12.0	-4.5	3.4	10.1	11.4
NCREIF Property Index	0.8	-9.6	-12.2	-4.3	0.5	4.2	6.5	7.1
NCREIF Index + 300 bps	1.5	-6.8	-9.5	-1.3	3.6	7.4	9.7	10.3
NCREIF Index + 500 bps	2.0	-5.0	-7.6	0.5	5.6	9.4	11.8	12.4
NCREIF Apartment	0.4	-9.3	-12.9	-6.0	-1.4	2.8	5.2	6.7
NCREIF Apt + 300 bps	1.2	-6.5	-10.2	-3.1	1.6	5.8	8.4	9.9
<b>Total Fund</b>	<b>3.6 %</b>	<b>35.2 %</b>	<b>-1.2 %</b>	<b>-1.1 %</b>	<b>2.2 %</b>	<b>5.2 %</b>	<b>8.7 %</b>	<b>4.6 %</b>
<i>Rank vs. Total Fund</i>	<i>40</i>	<i>23</i>	<i>66</i>	<i>66</i>	<i>54</i>	<i>15</i>	<i>9</i>	<i>21</i>
<i>Rank vs. Public Fund</i>	<i>46</i>	<i>20</i>	<i>70</i>	<i>74</i>	<i>61</i>	<i>19</i>	<i>8</i>	<i>22</i>
Median Total Fund	3.4	29.0	0.0	-0.2	2.3	4.0	6.8	3.6
Median Public Fund	3.4	30.2	0.1	0.1	2.3	4.4	7.2	3.7
CPI + 400 bps	1.8	6.4	5.1	6.1	6.3	6.5	6.6	6.9

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

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

*\*\* Performance as of December 31, 2009.*

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

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
<b>FIXED INCOME</b>					
ING Clarion II	-29.8%	-28.4%	-32.4%	-31.0%	07/01/06
ING Clarion III	41.6%	38.4%	31.2%	24.3%	12/12/08
<b>REAL ESTATE</b>					
BlackRock Realty	-14.4%	-14.0%	-15.7%	-16.4%	11/19/04
DLJ RECP II	26.5%	22.3%	23.4%	18.0%	09/24/99
DLJ RECP III	-6.6%	-5.9%	-8.3%	-7.7%	06/23/05
DLJ RECP IV	-40.0%	-32.7%	-43.4%	-36.7%	02/11/08
Fidelity Growth Fund II	-17.7%	-18.0%	-19.3%	-19.5%	03/10/04
Fidelity Growth Fund III	-51.8%	-51.6%	-56.3%	-56.4%	03/30/07
Hearthstone I	<i>n/a</i>	<i>n/a</i>	3.8%	3.7%	06/15/95
Hearthstone II	<i>n/a</i>	<i>n/a</i>	27.2%	26.8%	06/17/98
Invesco Real Estate I	-13.3%	-13.4%	-15.1%	-15.1%	02/01/05
Invesco Real Estate II	-69.1%	-68.9%	-70.0%	-69.9%	11/26/07
<b>ALTERNATIVE INVESTMENTS</b>					
Adams Street Partners <i>(combined)</i>	13.4%	13.4%	10.2%	10.2%	03/18/96
Bay Area Equity Fund	17.0%	17.4%	7.4%	7.6%	06/14/04
Carpenter Bancfund	-5.5%	-1.6%	-10.4%	-8.6%	01/31/08
EIF US Power Fund I	36.5%	37.8%	31.7%	31.8%	11/26/03
EIF US Power Fund II	10.8%	9.4%	7.0%	5.8%	08/16/05
EIF US Power Fund III	3.0%	3.0%	0.0%	0.0%	05/30/07
Nogales	-17.9%	-18.9%	-28.8%	-29.4%	02/15/04
Paladin	-12.5%	-12.4%	-12.6%	-12.4%	11/30/07
Pathway	9.7%	9.7%	6.6%	6.6%	11/09/98
Benchmark <sup>3</sup>	-7.0%	-7.0%	-7.0%	-7.0%	
Benchmark <sup>4</sup>	-1.2%	-1.2%	-1.2%	-1.2%	
PruTimber	4.7%	4.8%	3.8%	3.9%	12/12/95

Benchmarks:

Pathway

Benchmark <sup>3</sup>

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

Benchmark <sup>4</sup>

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

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through First 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>Boston Partners</b>	<b>6.6 %</b>	<b>53.5 %</b>	<b>1.2 %</b>	<b>-2.3 %</b>	<b>1.5 %</b>	<b>4.7 %</b>	<b>9.8 %</b>	<b>6.4 %</b>
<b>Delaware</b>	<b>2.4</b>	<b>47.0</b>	<b>-2.7</b>	<b>-1.9</b>	<b>-1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Emerald Advisors</b>	<b>6.4</b>	<b>53.9</b>	<b>2.0</b>	<b>-4.2</b>	<b>-3.0</b>	<b>3.4</b>	<b>-</b>	<b>-</b>
<b>Intech - Enhanced Plus</b>	<b>5.6</b>	<b>48.8</b>	<b>-3.8</b>	<b>-4.4</b>	<b>-0.8</b>	<b>2.0</b>	<b>-</b>	<b>-</b>
<b>Intech - Large Core</b>	<b>5.2</b>	<b>47.2</b>	<b>-3.6</b>	<b>-4.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PIMCO Stocks Plus</b>	<b>6.9</b>	<b>66.8</b>	<b>-3.9</b>	<b>-5.1</b>	<b>-1.1</b>	<b>1.2</b>	<b>6.3</b>	<b>-</b>
<b>Progress</b>	<b>7.5</b>	<b>60.6</b>	<b>-3.4</b>	<b>-6.1</b>	<b>-4.0</b>	<b>2.3</b>	<b>-</b>	<b>-</b>
<b>Rothschild</b>	<b>6.5</b>	<b>42.1</b>	<b>-4.8</b>	<b>-6.2</b>	<b>-1.7</b>	<b>3.1</b>	<b>-</b>	<b>-</b>
<b>Wentworth, Hauser</b>	<b>3.8</b>	<b>50.1</b>	<b>-0.2</b>	<b>-1.9</b>	<b>0.4</b>	<b>2.7</b>	<b>7.9</b>	<b>2.2</b>
<b>Total Domestic Equities</b>	<b>5.6</b>	<b>52.4</b>	<b>-2.0</b>	<b>-3.7</b>	<b>-0.8</b>	<b>2.6</b>	<b>7.8</b>	<b>0.0</b>
Median Equity	5.8	51.9	-2.2	-3.3	0.0	3.3	9.1	3.0
S&P 500	5.4	49.8	-3.7	-4.2	-0.4	1.9	6.8	-0.7
Russell 3000®	6.0	52.4	-2.9	-4.0	-0.4	2.4	7.6	-0.1
Russell 1000® Value	6.8	53.6	-6.0	-7.3	-1.8	1.0	7.7	3.1
Russell 1000® Growth	4.7	49.8	-0.8	-0.8	1.1	3.4	6.8	-4.2
Russell 2000®	8.9	62.8	0.9	-4.0	-1.6	3.4	10.7	3.7
Russell 2500™ Value	9.6	67.2	1.3	-5.1	-1.0	3.1	11.3	8.7
Russell 2000® Growth	7.6	60.3	1.0	-2.4	-1.4	3.8	10.3	-1.5
<b>INT'L EQUITY</b>								
<b>GMO Intrinsic Value</b>	<b>1.2</b>	<b>44.3</b>	<b>-10.5</b>	<b>-8.2</b>	<b>-2.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>McKinley Capital</b>	<b>0.2</b>	<b>42.0</b>	<b>-16.0</b>	<b>-10.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Int'l Equities</b>	<b>0.7</b>	<b>43.2</b>	<b>-13.0</b>	<b>-9.4</b>	<b>-2.7</b>	<b>3.5</b>	<b>11.5</b>	<b>0.8</b>
Median Int'l Equity	1.7	55.1	-6.9	-4.8	0.7	5.4	14.4	5.2
MSCI EAFE Index	0.9	55.2	-8.6	-6.6	-0.4	4.2	12.3	1.7
MSCI ACWI ex-US	1.7	61.7	-6.7	-3.7	1.8	6.6	14.3	3.2
S&P Citi PMI EPAC Value	1.2	57.6	-8.7	-6.8	-0.3	4.6	13.3	4.2
MSCI ACWI ex-US Growth	2.1	56.7	-7.8	-3.4	1.6	6.5	12.8	0.3
<b>DOMESTIC FIXED INCOME</b>								
<b>AFL-CIO Housing</b>	<b>2.1</b>	<b>5.7</b>	<b>5.9</b>	<b>6.3</b>	<b>6.4</b>	<b>5.6</b>	<b>4.9</b>	<b>6.5</b>
<b>Goldman Sachs</b>	<b>2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ING Clarion II</b>	<b>9.7</b>	<b>39.0</b>	<b>-24.1</b>	<b>-28.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ING Clarion III</b>	<b>-2.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lord Abbett</b>	<b>2.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Nicholas Applegate</b>	<b>3.8</b>	<b>41.0</b>	<b>10.9</b>	<b>6.7</b>	<b>7.6</b>	<b>7.6</b>	<b>8.5</b>	<b>-</b>
<b>PIMCO</b>	<b>2.9</b>	<b>18.1</b>	<b>7.8</b>	<b>8.2</b>	<b>7.8</b>	<b>6.8</b>	<b>6.2</b>	<b>-</b>
<b>Workout (GSAM)</b>	<b>10.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Domestic Fixed</b>	<b>3.1</b>	<b>19.6</b>	<b>5.6</b>	<b>4.7</b>	<b>5.7</b>	<b>5.3</b>	<b>5.3</b>	<b>6.4</b>
Median Fixed Income	2.0	9.3	5.5	6.2	6.3	5.6	4.9	6.3
Median High Yield Mgr.	4.1	47.6	8.3	4.2	5.6	5.9	7.8	5.9
Barclays Universal	2.0	10.4	5.6	6.0	6.2	5.6	5.2	6.4
Barclays Aggregate	1.8	7.7	5.4	6.1	6.3	5.4	4.8	6.3
Merrill Lynch HY II	4.8	57.2	12.0	6.6	7.8	7.7	9.5	7.2
Merrill Lynch BB/B	4.4	43.4	9.1	5.3	6.6	6.8	8.3	6.6
T-Bills	0.0	0.2	0.7	2.0	2.7	2.9	2.5	2.9
<b>GLOBAL FIXED INCOME</b>								
<b>Lazard Asset Mgmt</b>	<b>0.8</b>	<b>16.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Barclays Global Aggregate	-0.3	10.2	2.4	6.5	6.9	4.9	-	-

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

**AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS**  
**Performance through First 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**	4.4 %	11.0 %	-7.1 %	0.0 %	6.2 %	7.7 %	8.6 %	3.3 %
Bay Area Equity Fund**	7.3	8.3	3.3	16.7	13.2	9.9	-	-
Carpenter Bancfund**	-0.9	-4.4	-22.8	-	-	-	-	-
Energy Investor Fund**	23.9	23.7	44.9	77.9	62.4	55.0	-	-
Energy Investor Fund II**	-1.2	0.2	1.8	6.5	10.8	-	-	-
Energy Investor Fund III**	-9.4	-13.5	-3.2	-	-	-	-	-
Nogales**	4.2	11.1	-51.6	-51.2	-38.9	-30.8	-	-
Paladin III	-1.6	16.5	-1.3	-	-	-	-	-
Pathway**	6.5	13.4	-7.5	2.9	9.2	13.3	12.8	3.8
Hancock PT Timber Fund	-0.5	-7.1	1.0	5.0	6.9	7.0	6.4	4.3
<b>Total Alternative</b>	<b>3.2</b>	<b>6.2</b>	<b>-3.1</b>	<b>2.9</b>	<b>8.0</b>	<b>10.1</b>	<b>10.6</b>	<b>5.0</b>
S&P 500 + 400 bps	6.4	55.5	0.2	-0.3	3.6	6.0	11.1	3.3
<b>REAL ESTATE*</b>								
Adelante Capital REIT	10.3	106.8	-12.4	-14.7	-6.6	2.4	9.3	-
BlackRock Realty	1.7	-36.6	-42.0	-28.4	-19.0	-12.2	-	-
DLJ RECP I**	0.3	-0.7	11.5	17.3	24.4	18.7	16.9	14.0
DLJ RECP II**	-19.9	-31.5	-26.6	-14.1	-3.3	4.7	11.7	10.1
DLJ RECP III**	-18.8	-25.5	-17.7	-8.0	0.9	-	-	-
DLJ RECP IV**	-19.1	-41.8	-41.0	-	-	-	-	-
Fidelity II	-1.1	-30.5	-42.8	-29.8	-21.4	-15.1	-	-
Fidelity III	3.5	-68.4	-51.6	-	-	-	-	-
Invesco Fund I	4.7	-46.0	-36.5	-25.3	-15.5	-10.4	-	-
Invesco Fund II	8.2	-63.6	-76.2	-	-	-	-	-
Invesco Int'l REIT	0.1	58.3	-	-	-	-	-	-
Prudential SPF II	0.0	-18.3	-31.1	-14.0	0.9	6.6	9.5	8.7
Willows Office Property	1.5	5.2	4.3	16.4	13.8	12.5	8.4	13.4
<b>Total Real Estate</b>	<b>3.7</b>	<b>29.9</b>	<b>-18.9</b>	<b>-15.4</b>	<b>-6.9</b>	<b>0.9</b>	<b>6.7</b>	<b>7.2</b>
Median Real Estate	0.4	-18.5	-20.0	-10.4	-4.6	0.1	2.5	5.2
Real Estate Benchmark	3.2	16.6	-8.8	-4.6	0.6	5.2	8.5	9.0
DJ Wilshire REIT	9.8	113.7	-8.3	-12.0	-4.5	3.4	10.1	11.4
NCREIF Property Index	0.8	-9.6	-12.2	-4.3	0.5	4.2	6.5	7.1
NCREIF Index + 300 bps	1.5	-6.8	-9.5	-1.3	3.6	7.4	9.7	10.3
NCREIF Index + 500 bps	2.0	-5.0	-7.6	0.5	5.6	9.4	11.8	12.4
NCREIF Apartment	0.4	-9.3	-12.9	-6.0	-1.4	2.8	5.2	6.7
NCREIF Apt + 300 bps	1.2	-6.5	-10.2	-3.1	1.6	5.8	8.4	9.9
<b>CCCERA Total Fund</b>	<b>3.5 %</b>	<b>34.4 %</b>	<b>-1.8 %</b>	<b>-1.7 %</b>	<b>1.6</b>	<b>4.6 %</b>	<b>8.2 %</b>	<b>4.1 %</b>
CPI + 400 bps	1.8	6.4	5.1	6.1	6.3	6.5	6.6	6.9

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

*\*\* Performance as of December 31, 2009.*

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

<b>DOMESTIC EQUITY</b>	<b><u>YTD</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Boston Partners</b>	<b>6.7 %</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>	<i>35</i>	<i>57</i>	<i>22</i>	<i>60</i>	<i>12</i>	<i>14</i>	<i>31</i>
<i>Rank vs Lg Value</i>	<i>31</i>	<i>27</i>	<i>16</i>	<i>24</i>	<i>36</i>	<i>14</i>	<i>32</i>
<b>Delaware</b>	<b>2.5</b>	<b>43.9</b>	<b>-42.6</b>	<b>13.6</b>	<b>3.2</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>89</i>	<i>10</i>	<i>81</i>	<i>15</i>	<i>91</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>89</i>	<i>11</i>	<i>76</i>	<i>33</i>	<i>74</i>	<i>-</i>	<i>-</i>
<b>Emerald Advisors</b>	<b>6.6</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>	<i>37</i>	<i>36</i>	<i>41</i>	<i>64</i>	<i>56</i>	<i>25</i>	<i>93</i>
<i>Rank vs Sm Cap Growth</i>	<i>73</i>	<i>54</i>	<i>35</i>	<i>48</i>	<i>39</i>	<i>20</i>	<i>86</i>
<b>Intech - Enhanced Plus</b>	<b>5.6</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>	<i>52</i>	<i>70</i>	<i>48</i>	<i>36</i>	<i>54</i>	<i>34</i>	<i>37</i>
<i>Rank vs Lg Core</i>	<i>36</i>	<i>75</i>	<i>53</i>	<i>79</i>	<i>80</i>	<i>14</i>	<i>7</i>
<b>Intech - Large Cap Core</b>	<b>5.3</b>	<b>24.6</b>	<b>-36.2</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>63</i>	<i>75</i>	<i>37</i>	<i>38</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>76</i>	<i>85</i>	<i>27</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>PIMCO Stocks Plus</b>	<b>7.0</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>	<i>32</i>	<i>23</i>	<i>85</i>	<i>56</i>	<i>43</i>	<i>75</i>	<i>62</i>
<i>Rank vs Lg Core</i>	<i>7</i>	<i>6</i>	<i>97</i>	<i>68</i>	<i>64</i>	<i>78</i>	<i>15</i>
<b>Progress</b>	<b>7.7</b>	<b>33.5</b>	<b>-42.5</b>	<b>6.1</b>	<b>15.4</b>	<b>9.1</b>	<b>-</b>
<i>Rank vs Equity</i>	<i>24</i>	<i>36</i>	<i>81</i>	<i>42</i>	<i>46</i>	<i>32</i>	<i>-</i>
<i>Rank vs Sm Core</i>	<i>71</i>	<i>40</i>	<i>91</i>	<i>17</i>	<i>46</i>	<i>36</i>	<i>-</i>
<b>Rothschild</b>	<b>6.7</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>	<i>36</i>	<i>94</i>	<i>11</i>	<i>70</i>	<i>9</i>	<i>18</i>	<i>15</i>
<i>Rank vs Sm Cap Value</i>	<i>96</i>	<i>97</i>	<i>28</i>	<i>31</i>	<i>19</i>	<i>23</i>	<i>39</i>
<b>Wentworth, Hauser</b>	<b>3.8</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>	<i>81</i>	<i>30</i>	<i>29</i>	<i>40</i>	<i>83</i>	<i>28</i>	<i>46</i>
<i>Rank vs Lg Core</i>	<i>94</i>	<i>8</i>	<i>16</i>	<i>36</i>	<i>98</i>	<i>9</i>	<i>15</i>
<b>Total Domestic Equities</b>	<b>5.7</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>	<i>52</i>	<i>43</i>	<i>55</i>	<i>40</i>	<i>60</i>	<i>35</i>	<i>49</i>
Median Equity	5.8	29.0	-37.0	5.5	15.0	6.5	12.9
S&P 500	5.4	26.5	-37.0	5.5	15.8	4.9	10.9
Russell 3000®	6.0	28.3	-37.3	5.1	15.7	6.1	12.0
Russell 1000® Value	6.8	19.7	-36.9	-0.2	22.2	7.0	16.5
Russell 1000® Growth	4.7	37.2	-38.4	11.8	9.1	5.3	6.3
Russell 2000®	8.9	27.2	-33.8	-1.6	18.4	4.6	18.3
Rothschild Benchmark	9.6	27.7	-32.0	-7.3	20.2	5.5	22.3
Russell 2000® Growth	7.6	34.5	-38.5	7.1	13.4	4.2	14.3
<b>INT'L EQUITY</b>							
<b>GMO</b>	<b>1.4</b>	<b>19.3</b>	<b>-38.4</b>	<b>10.6</b>	<b>26.2</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>57</i>	<i>92</i>	<i>18</i>	<i>60</i>	<i>44</i>	<i>-</i>	<i>-</i>
<b>McKinley Capital</b>	<b>0.3</b>	<b>27.5</b>	<b>-49.9</b>	<b>20.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Rank vs Int'l Eq</i>	<i>83</i>	<i>72</i>	<i>82</i>	<i>17</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total Int'l Equities</b>	<b>0.8</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>	<i>70</i>	<i>83</i>	<i>55</i>	<i>36</i>	<i>41</i>	<i>32</i>	<i>68</i>
Median Int'l Equity	1.7	36.1	-43.4	11.9	25.9	15.9	19.9
MSCI EAFE Index	0.9	32.5	-43.1	11.6	26.9	14.0	20.7
MSCI ACWI ex-US	1.7	42.1	-45.2	17.1	27.2	17.1	21.4
S&P Citi PMI EPAC Value	1.2	32.2	-43.7	12.2	28.1	15.7	23.5
MSCI ACWI ex-US Growth	2.1	39.2	-45.4	21.4	24.0	17.1	17.1



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

	<u>YTD</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	2.2 %	6.7 %	5.7 %	7.1 %	5.1 %	3.0 %	4.6 %
<i>Rank vs Fixed Income</i>	40	61	25	34	28	25	41
Goldman Sachs Core	2.3	9.8	-	-	-	-	-
<i>Rank vs Fixed Income</i>	37	39	-	-	-	-	-
ING Clarion II	11.0	16.4	-64.9	-6.6	-	-	-
<i>Rank vs Fixed Income</i>	1	97	99	100	-	-	-
ING Clarion III	4.0	45.2	-	-	-	-	-
<i>Rank vs Fixed Income</i>	53	60	-	-	-	-	-
Lord Abbett	2.7	15.6	-	-	-	-	-
<i>Rank vs Fixed Income</i>	31	11	-	-	-	-	-
Nicholas Applegate	3.9	47.1	-20.0	7.1	10.2	3.8	9.1
<i>Rank vs. High Yield</i>	59	52	14	34	32	15	66
PIMCO	2.9	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)	10.6	35.1	-	-	-	-	-
<i>Rank vs Fixed Income</i>	1	1	-	-	-	-	-
Total Domestic Fixed	3.4	17.8	-8.1	5.8	7.5	3.7	6.3
<i>Rank vs Fixed Income</i>	18	6	92	62	11	14	16
Median Fixed Income	2.0	8.3	3.9	6.5	4.5	2.5	4.4
Median High Yield Mgr.	4.1	47.3	-24.9	6.5	9.0	2.5	9.8
Barclays Universal	2.0	8.6	2.4	6.5	5.0	2.7	5.0
Barclays Aggregate	1.8	5.9	5.2	7.0	4.3	2.4	4.3
ML High Yield II	4.8	57.5	-26.2	2.1	11.7	2.7	10.8
T-Bills	0.0	0.2	2.1	5.0	4.8	3.1	1.3
<b>Global Fixed Income</b>							
Lazard Asset Mgmt	0.9	11.3	-0.4	-	-	-	-
<i>Rank vs. Global Fixed</i>	67	54	31	-	-	-	-
Barclays Global Aggregate	-0.3	6.9	4.8	-	-	-	-
<b>ALTERNATIVE INVESTMENTS</b>							
Adams Street**	5.0	-6.9	-4.9	27.9	23.5	17.0	13.0
Bay Area Equity Fund**	7.9	0.2	24.4	63.6	-6.5	1.9	-
Carpenter Bancfund	0.2	7.1	-	-	-	-	-
Energy Investor Fund**	24.8	90.3	220.5	2.2	12.7	84.2	-
Energy Investor Fund II**	-0.7	0.4	19.7	12.5	-	-	-
Energy Investor Fund III**	-8.0	11.0	108.9	-	-	-	-
Nogales**	4.9	-47.7	-51.4	21.2	11.0	13.1	-
Paladin III**	-0.1	10.1	-10.9	-	-	-	-
Pathway**	7.0	-9.0	-6.6	50.4	21.4	42.5	12.2
Hancock PT Timber Fund	-0.3	-5.8	11.9	14.7	12.1	9.8	6.9
Total Alternative	3.9	-1.5	1.8	28.0	19.2	33.3	11.4
S&P 500 + 400 bps	6.4	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 December 31, 2009.

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

	<u>YTD</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	10.5 %	29.3 %	-44.8 %	-16.9 %	38.2 %	16.7 %	36.9 %
<i>Rank</i>	21	48	65	55	13	4	11
BlackRock Realty	2.1	-53.1	-28.2	14.8	23.8	28.7	-
<i>Rank</i>	31	100	80	44	27	11	-
DLJ RECP I**	0.3	-3.1	39.0	34.2	41.2	14.2	11.8
<i>Rank</i>	54	27	1	2	6	62	54
DLJ RECP II**	-19.7	-30.5	4.0	34.8	35.7	51.3	33.8
<i>Rank</i>	98	74	12	1	17	4	19
DLJ RECP III**	-18.4	-15.4	1.7	30.5	10.2	-	-
<i>Rank</i>	98	32	16	2	79	-	-
DLJ RECP IV**	-18.0	-53.5	-	-	-	-	-
<i>Rank</i>	98	100	-	-	-	-	-
Fidelity II	-0.6	-40.0	-41.9	5.0	16.5	16.1	-
<i>Rank</i>	79	93	93	74	45	51	-
Fidelity III	7.9	-71.2	-10.7	-	-	-	-
<i>Rank</i>	17	100	58	-	-	-	-
Invesco Fund I	5.2	-49.2	-23.2	10.4	38.1	-	-
<i>Rank</i>	21	98	78	63	10	-	-
Invesco Fund II	9.3	-72.8	-81.3	-	-	-	-
<i>Rank</i>	13	100	100	-	-	-	-
Invesco Intl REIT	0	40	-	-	-	-	-
<i>Rank</i>	100	8	-	-	-	-	-
Willows Office Property	1.5	4.9	3.7	44.5	7.4	7.5	-8.9
<i>Rank</i>	38	24	13	1	87	80	96
Total Real Estate	3.9	-0.5	-34.2	-3.0	33.8	20.4	30.4
<i>Rank</i>	24	26	83	82	20	29	23
Median Real Estate	0.4	-28.7	-10.4	13.9	15.6	16.7	12.3
Real Estate Benchmark	3.2	-3.3	-15.2	6.3	-	-	-
DJ Wilshire REIT Index	9.8	28.6	-39.2	-17.6	36.0	13.8	33.1
NCREIF Property Index	0.8	-16.9	-6.5	15.8	16.6	20.1	14.5
<b>CCCERA Total Fund</b>	<b>3.6</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>	<b>40</b>	<b>32</b>	<b>68</b>	<b>45</b>	<b>13</b>	<b>5</b>	<b>15</b>
<i>Rank vs. Public Fund</i>	<b>46</b>	<b>26</b>	<b>74</b>	<b>42</b>	<b>11</b>	<b>2</b>	<b>8</b>
Median Total Fund	3.4	18.4	-23.0	7.1	12.0	6.1	10.4
Median Public Fund	3.4	18.1	-22.9	6.9	11.9	6.0	10.0
CPI + 400 bps	1.8	6.9	4.2	8.3	6.6	7.6	7.4

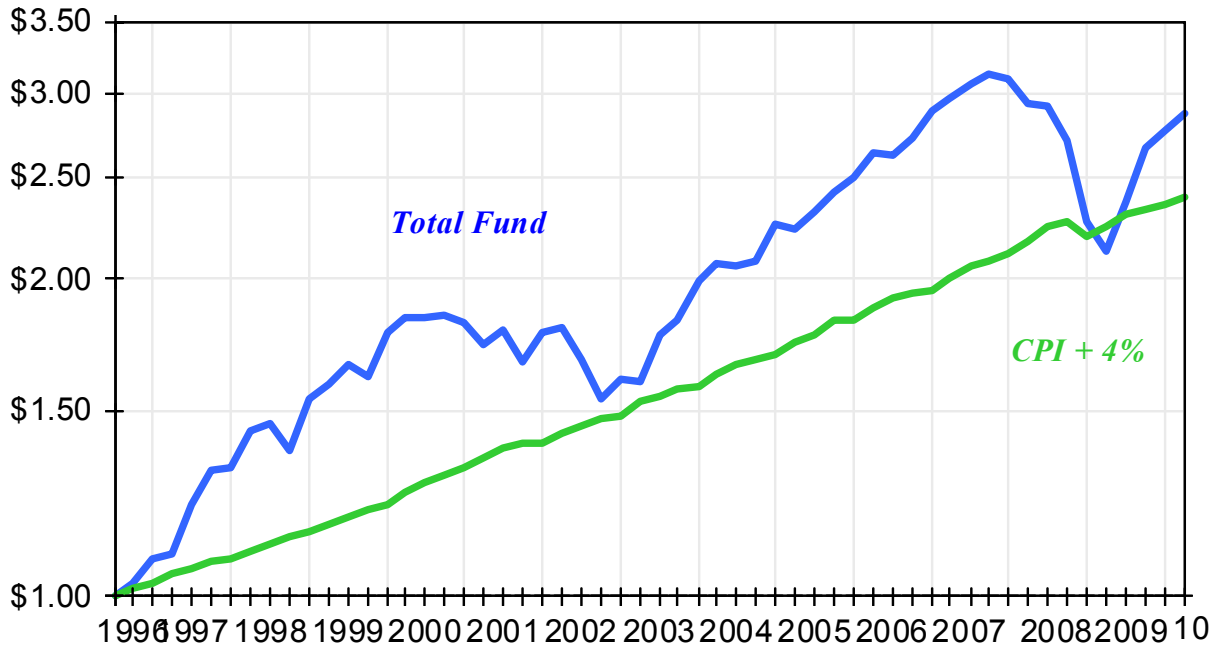
\*\* Performance as of December 31, 2009.

# TOTAL FUND PERFORMANCE

## Total Fund

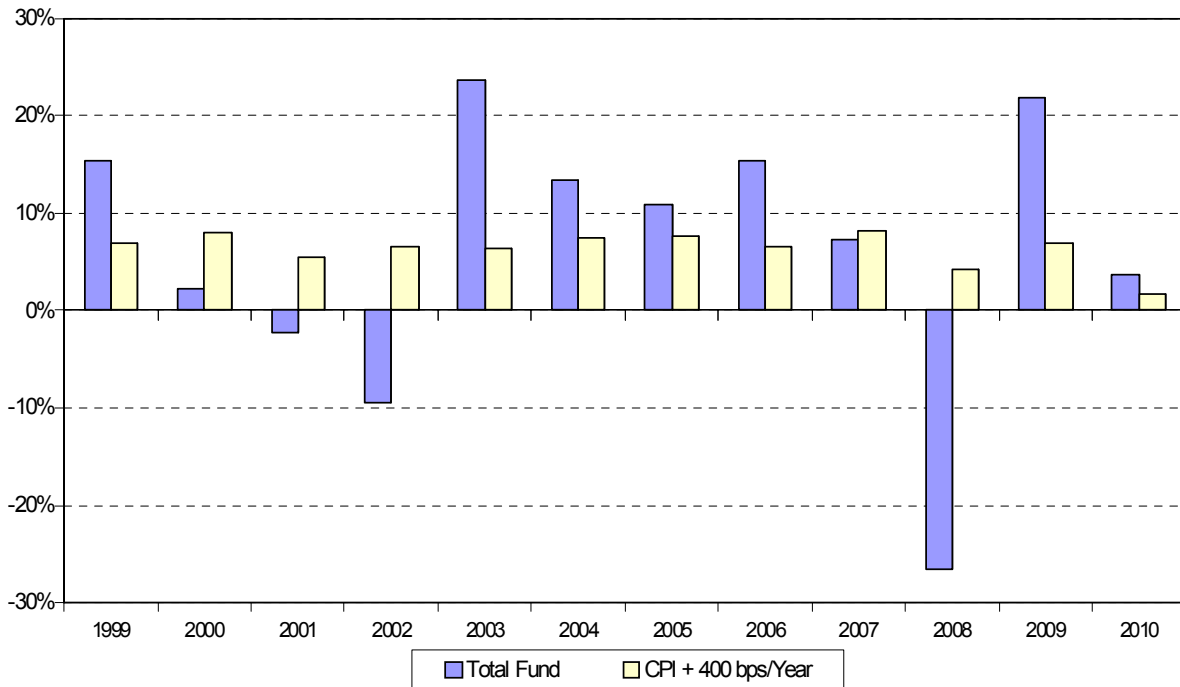
### Total Fund vs. CPI + 4% per Year

Cumulative Value of \$1 (Gross of Fees)

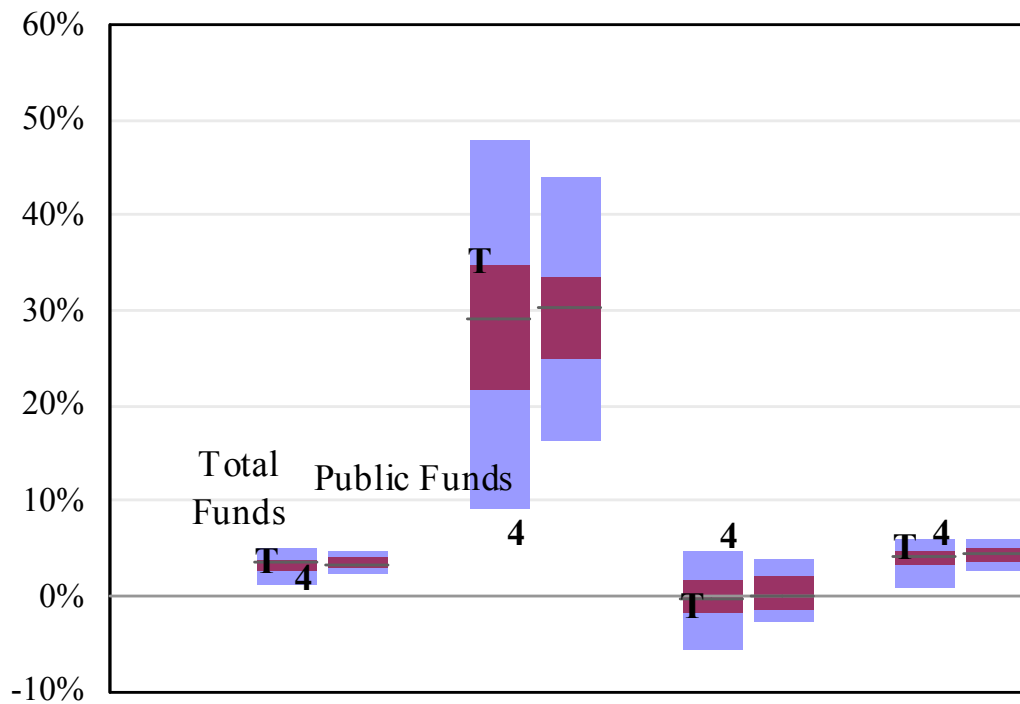


### Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



## Total Fund



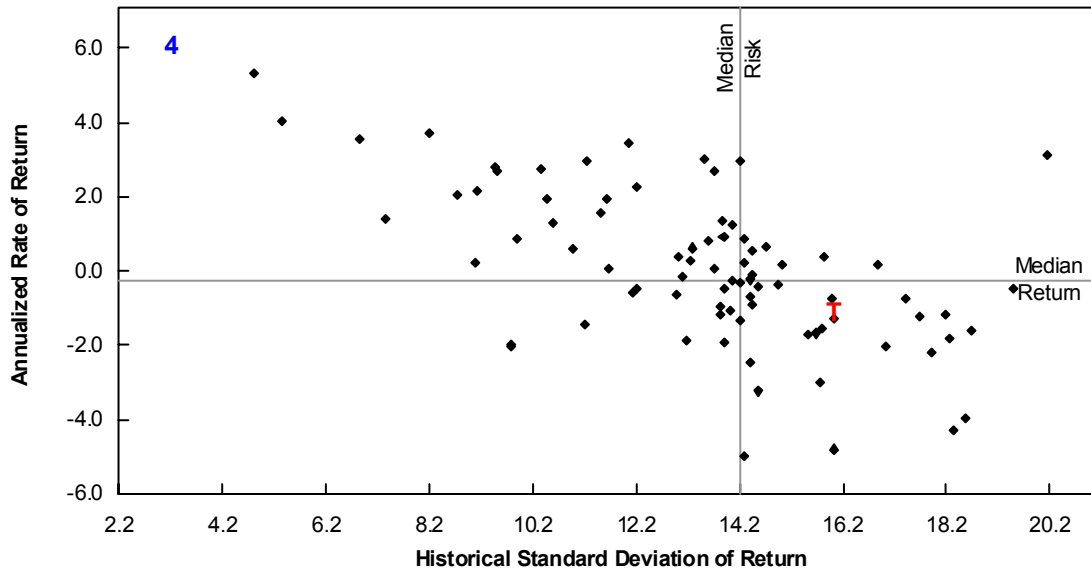
	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Total Fund (T)	3.6	35.2	-1.1	5.2
<i>Rank v. Total Fd</i>	40	23	66	15
<i>Rank v. Public Fd</i>	46	20	74	19
CPI + 4% (4)	1.8	6.4	6.1	6.5
Total Fund Median	3.4	29.0	-0.2	3.3
Total Public Median	3.4	30.2	0.1	4.4

CCCERA Total Fund returned 3.6% in the first quarter, above the 3.4% return of the median total fund and the 3.4% return of the median total public fund. For the one-year period, the Total Fund returned 35.2%, above the 29.0% for the median total fund and 30.2% for the median public fund. Over the longer periods CCCERA has performed better than both fund medians. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past five years. However, the CCCERA Total Fund did not exceed the CPI plus 400 basis points over the past five years.

# TOTAL FUND PERFORMANCE

## Performance and Variability

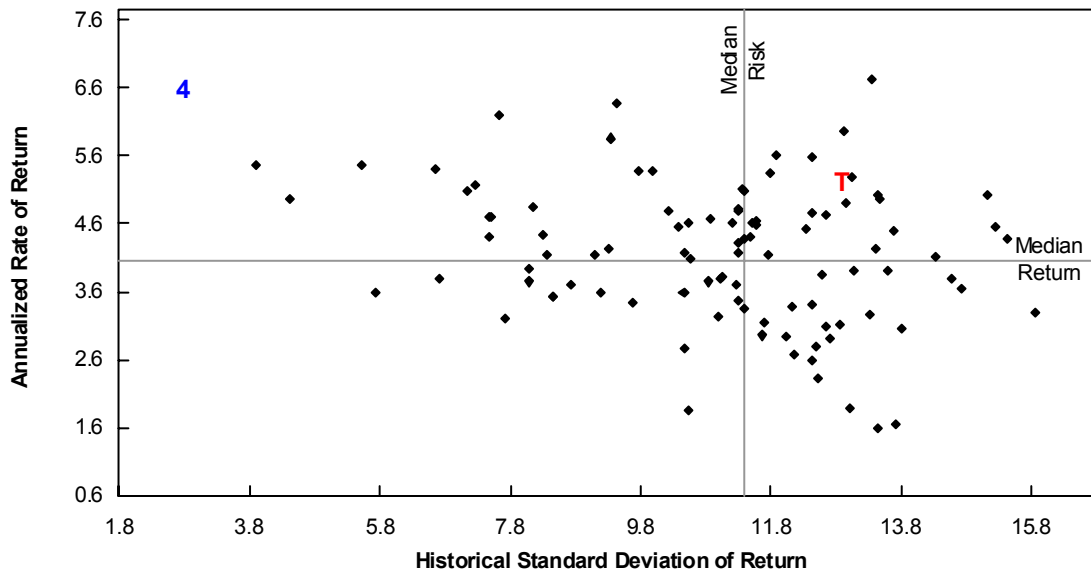
*Three Years Ending March 31, 2010*



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	-1.1 %	16.0 %	-0.19
CPI + 4% ( <b>4</b> )	6.1	3.2	1.28
Median Fund	-0.2	14.2	-0.16

## Performance and Variability

*Five Years Ending March 31, 2010*



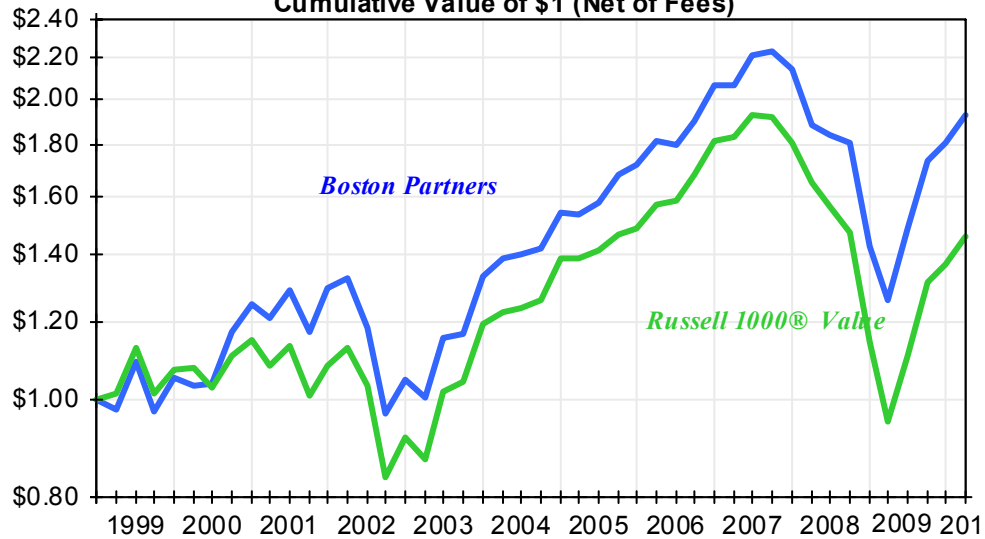
	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Total Fund ( <b>T</b> )	5.2 %	16.0 %	0.14
CPI + 4% ( <b>4</b> )	6.5	3.2	1.14
Median Fund	4.0	14.2	0.08

# MANAGER COMMENTS – DOMESTIC EQUITY

## Boston Partners

### Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)



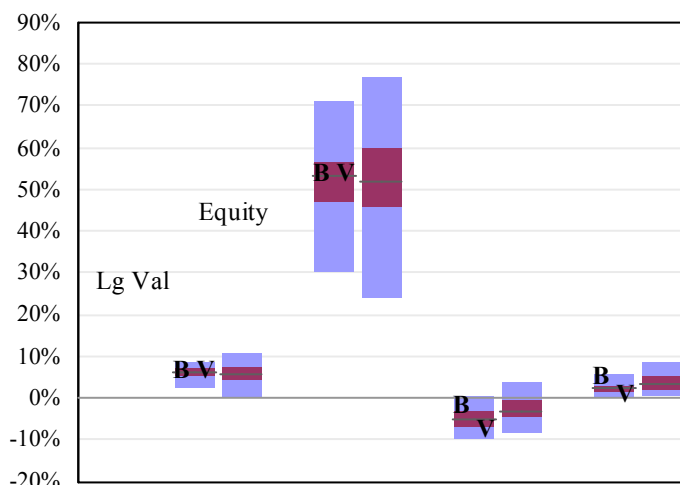
### Boston vs. Russell 1000® Value

Year by Year Performance





## Boston Partners



	Qtr	1 Year	3 Years	5 Years
Boston (B)	6.7	53.9	-2.0	5.1
Rank v. Lg Value	31	41	16	5
Rank v. Equity	35	40	36	26
Rus 1000 Val (V)	6.8	53.6	-7.3	1.0
Lg Val Median	6.1	53.3	-5.1	1.3
Equity Median	5.8	51.9	-3.3	3.3

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	291.2	N/A
Wtd. Avg. Cap (\$Bil)	79.6	72.1
Beta	1.02	1.12
Yield (%)	1.43	2.13
P/E Ratio	18.92	25.35
Cash (%)	0.9	0.0
Number of Holdings	83	676
Turnover Rate (%)	79.7	-

Sector	Boston Partners	Russell 1000® Value
Energy	13.6 %	17.6 %
Materials	5.4	4.1
Industrials	8.1	11.0
Cons. Discretionary	10.8	10.5
Consumer Staples	3.8	5.5
Health Care	11.6	8.6
Financials	28.1	26.3
Info Technology	16.3	5.0
Telecom Services	0.8	5.1
Utilities	1.5	6.4

Boston Partners' first quarter return of 6.7% nearly matched the 6.8% return of the Russell 1000® Value Index and ranked in the 31<sup>st</sup> percentile of large value managers. For the one-year period, Boston Partners returned 53.9%, slightly better than the 53.6% return of the Russell 1000® Value Index. Over both the three and five-year periods, Boston Partners' performance was above the median large value equity manager and exceeded the Russell 1000® Value Index. Boston Partners is in compliance with CCCERA's performance objectives.

At the end of the quarter, the portfolio had a lower P/E ratio than the index and held 83 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest positive economic sector over-weights were in the information technology, health care and financials sectors, while the largest under-weights were in the utilities, telecom services and energy sectors.

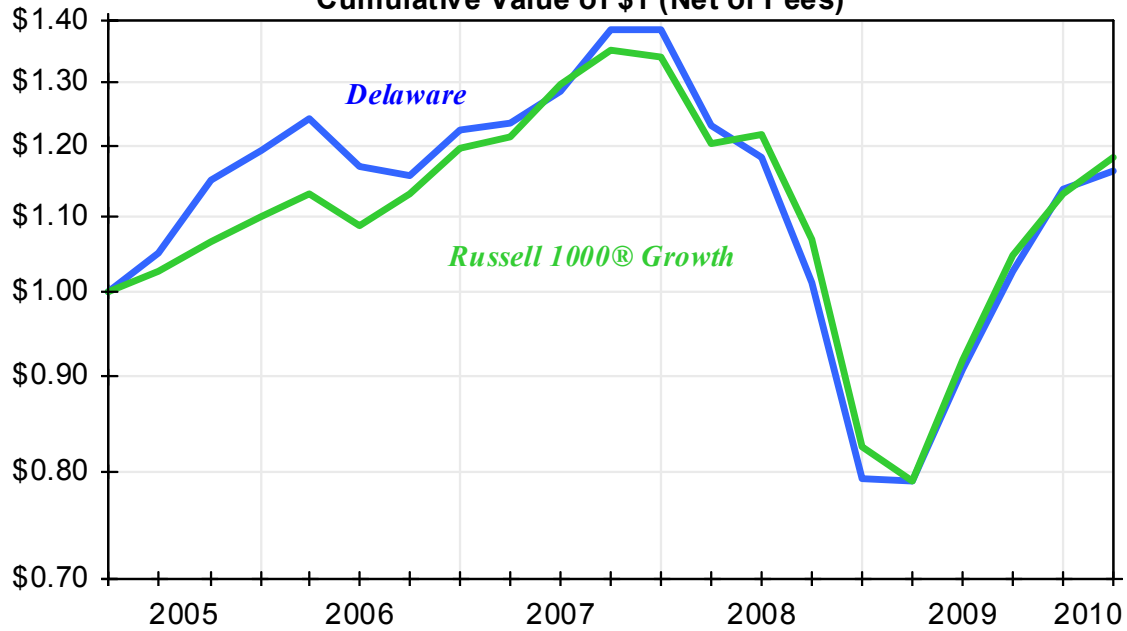
Boston Partners' first quarter performance relative to the Russell 1000® Value Index was hurt by stock selection decisions but helped by sector allocation and active trading decisions. Stock selection was weakest in the information technology and energy sectors but underweight positions in the telecom and utilities sectors helped performance. Top performing holdings included Ashland Inc. (+33%), Family Dollar Stores (+32%) and Macys (+30%), while the worst performing holdings included Analog Devices (-8%), Ultra Pete Corp. (-6%) and Hewitt Associates (-6%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Delaware

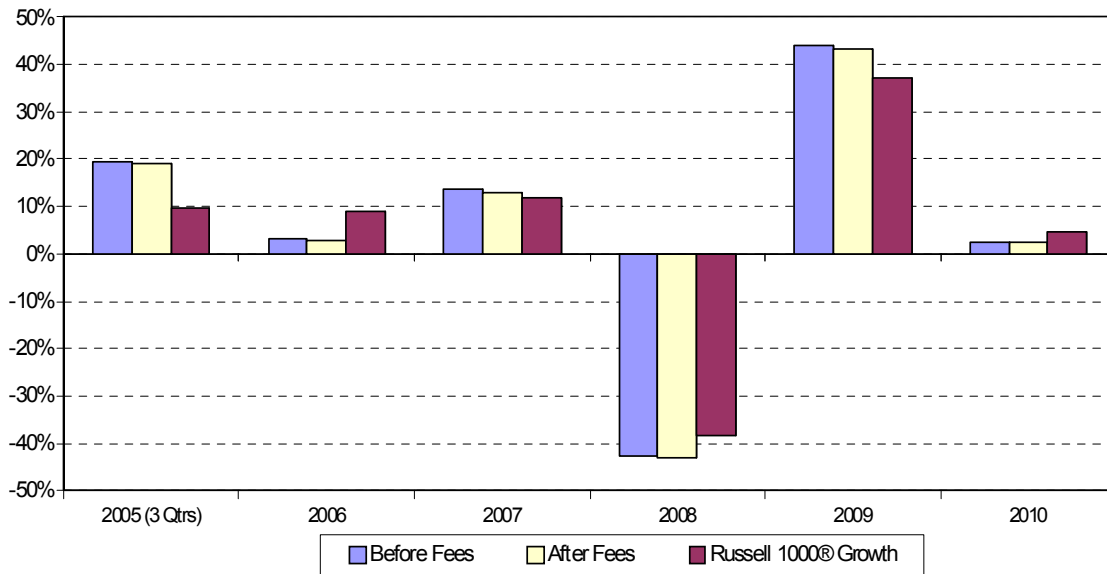
### Delaware vs. Russell 1000 Growth

Cumulative Value of \$1 (Net of Fees)



### Delaware vs. Russell 1000® Growth

Year by Year Performance



## Delaware



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Delaware (D)	2.5	47.6	-1.5	3.5
Rank v. Lg Gro	89	42	48	49
Rank v. Equity	89	69	31	45
Ru 1000 Gro (G)	4.7	49.8	-0.8	3.4
Lg Gro Median	4.5	46.7	-1.5	3.5
Equity Median	5.8	51.9	-3.3	3.3

<b>Portfolio Characteristics</b>	<b>Delaware</b>	<b>Russell 1000® Growth</b>
Eq Mkt Value (\$Mil)	280.09	N/A
Wtd. Avg. Cap (\$Bil)	48.96	77.9
Beta	0.90	0.92
Yield (%)	0.66	1.53
P/E Ratio	26.83	20.76
Cash (%)	0.7	0.0
Number of Holdings	29	625
Turnover Rate (%)	47.3	-

<b>Sector</b>	<b>Delaware</b>	<b>Russell 1000® Growth</b>
Energy	3.3 %	3.9 %
Materials	5.0	3.8
Industrials	2.6	10.7
Cons. Discretionary	12.7	10.9
Consumer Staples	5.6	15.8
Health Care	18.0	16.0
Financials	10.0	5.2
Info Technology	38.6	32.3
Telecom Services	4.1	0.6
Utilities	0.0	0.8

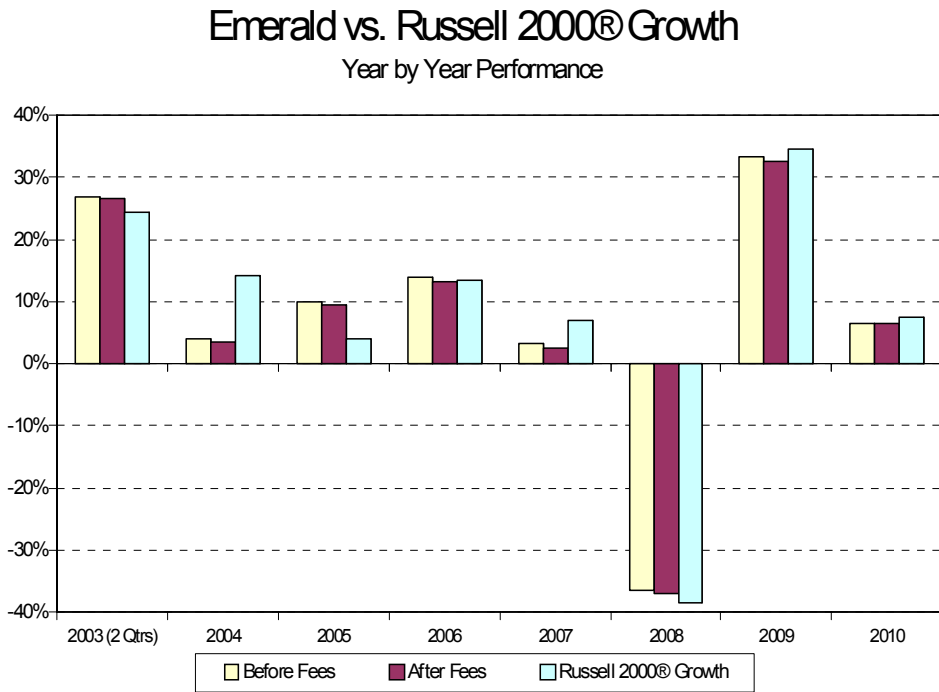
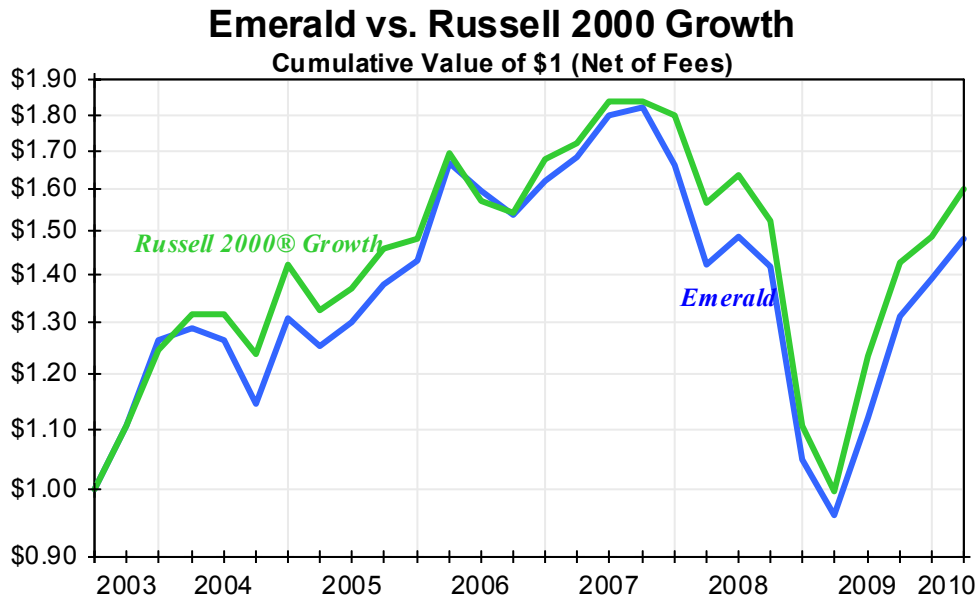
Delaware's return of 2.5% for the first quarter trailed the 4.7% return of the Russell 1000® Growth Index, and ranked in the 89<sup>th</sup> percentile in the universe of large growth equity managers. Over the past year, the portfolio returned 47.6%, trailing the Russell 1000® Growth Index return of 49.8%, and ranked in the 42<sup>nd</sup> percentile of large growth equity managers. Since inception performance slightly trails 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 29 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weights relative to the Russell 1000® Growth Index were in the information technology, financials and telecom sectors, while the largest under-weights were in the consumer staples, industrials and utilities sectors.

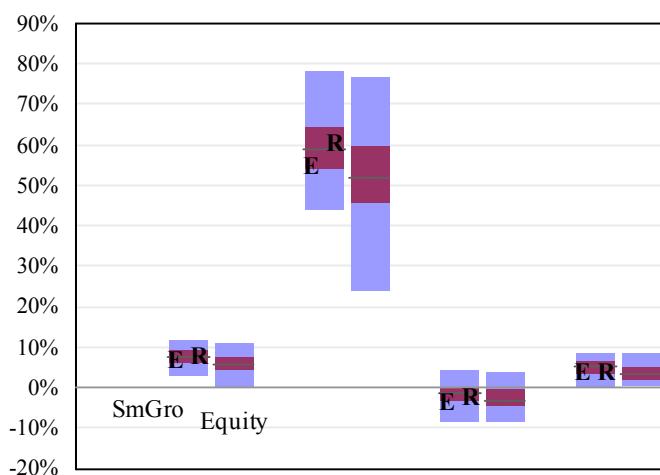
Delaware's first quarter performance relative to the Russell 1000® Growth Index was hurt by both stock selection and sector allocation decisions. Stock selection was weakest in the financials, information technology and consumer discretionary sectors. Trading decisions had a small negative impact on performance for the quarter. The top performing holdings included Novo-Nordisk (+22%), Priceline (+17%) and Intuit (+12%). The worst performing holdings included Qualcomm (-9%), Google (-9%) and Teradata (-8%).

# MANAGER COMMENTS – DOMESTIC EQUITY

## Emerald



## Emerald



	Qtr	1 Year	3 Years	5 Years
Emerald (E)	6.6	54.8	-3.6	4.0
Rank v. Sm Gro	73	71	75	62
Rank v. Equity	37	37	54	38
Ru 2000 Gro (R)	7.6	60.3	-2.4	3.8
Sm Gro Median	7.7	59.2	-1.6	5.1
Equity Median	5.8	51.9	-3.3	3.3

Portfolio Characteristics	Emerald	Russell 2000® Growth
Eq Mkt Value (\$Mil)	128.68	N/A
Wtd. Avg. Cap (\$Bil)	1.35	1.20
Beta	1.35	1.18
Yield (%)	0.18	0.49
P/E Ratio	56.90	65.88
Cash (%)	0.7	0.0
Number of Holdings	125	1,278
Turnover Rate (%)	139.9	-

Sector	Emerald	Russell 2000® Growth
Energy	4.0 %	4.1 %
Materials	4.6	2.4
Industrials	11.0	14.3
Cons. Discretionary	23.3	17.3
Consumer Staples	2.8	3.6
Health Care	23.0	24.7
Financials	3.5	5.9
Info Technology	27.9	26.4
Telecom Services	0.0	1.3
Utilities	0.0	0.2

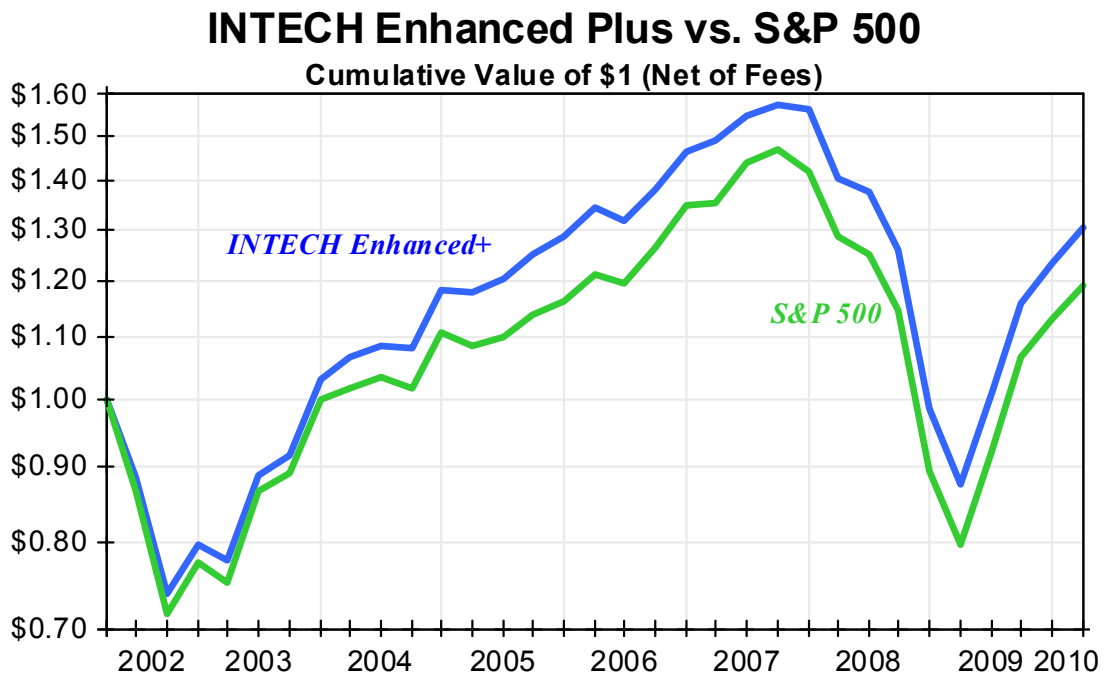
Emerald's return of 6.6% for the first quarter trailed the 7.6% return of the Russell 2000® Growth index and ranked in the 73<sup>rd</sup> percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 54.8%, below the 60.3% return of the Russell 2000® Growth, and ranked in the 71<sup>st</sup> percentile in the universe of small growth equity managers. Over the past five years Emerald has returned 4.0%, exceeding the index return of 3.8% but ranking below the small growth median. Emerald is in compliance with some of CCCERA's performance objectives.

The portfolio has a higher beta than the Russell 2000® Growth Index and a well below-index yield. It includes 125 stocks, concentrated in the small capitalization sectors. Emerald's largest economic sector over-weights relative to the Russell 2000® Growth Index are in the consumer discretionary, materials and information technology sectors. The largest under-weights are in the industrials, financials and health care sectors.

Emerald's first quarter performance relative to the Russell 2000® Growth Index was hurt by stock selection decisions but helped somewhat by sector allocation decisions. Active trading detracted from performance. The top performing holdings included Intermune (+242%), Mindspeed Technologies (+71%) and Delcath Systmes (+58%). The worst performing holdings included Nutri Systems (-42%), Valuevision (-31%) and Headwaters (-30%).

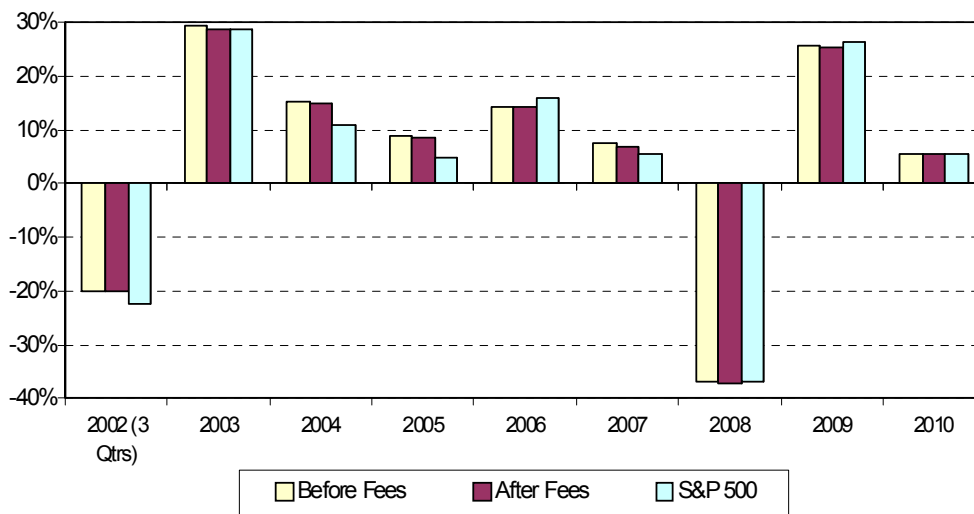
# MANAGER COMMENTS – DOMESTIC EQUITY

## Intech - Enhanced Plus

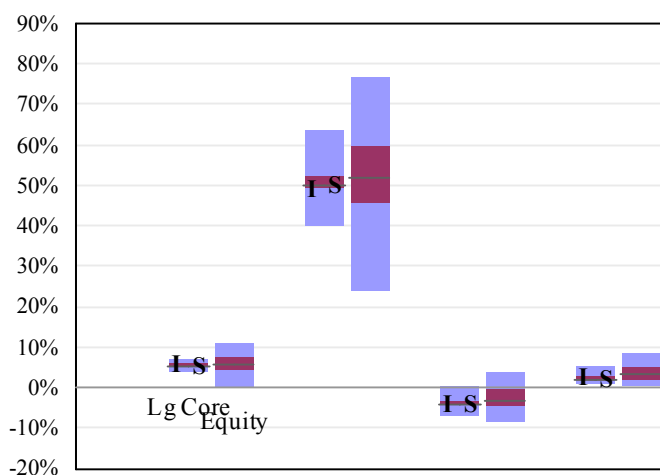


### Intech Enhanced Plus vs. S&P 500

Year by Year Performance



## Intech - Enhanced Plus



	Qtr	1 Year	3 Years	5 Years
INTECH Enh+ (I)	5.6	49.2	-4.1	2.3
Rank v. Lg Core	36	75	64	44
Rank v. Equity	52	65	66	69
S&P 500 (S)	5.4	49.8	-4.2	1.9
Lg Core Median	5.4	49.9	-4.1	2.1
Equity Median	5.8	51.9	-3.3	3.3

Portfolio Characteristics	Intech - Enhanced Plus	S&P 500
Eq Mkt Value (\$Mil)	21.23	N/A
Wtd. Avg. Cap (\$Bil)	79.82	84.69
Beta	1.05	1.00
Yield (%)	1.71 %	1.88 %
P/E Ratio	20.61	21.90
Cash (%)	0.5 %	0.0 %
Number of Holdings	400	500
Turnover Rate (%)	87.3	-

Sector	Intech - Enhanced Plus	S&P 500
Energy	10.7 %	10.9 %
Materials	2.8	3.5
Industrials	8.1	10.6
Cons. Discretionary	12.8	10.0
Consumer Staples	9.6	11.3
Health Care	12.2	12.2
Financials	13.2	16.5
Info Technology	24.5	18.9
Telecom Services	3.6	2.8
Utilities	2.6	3.5

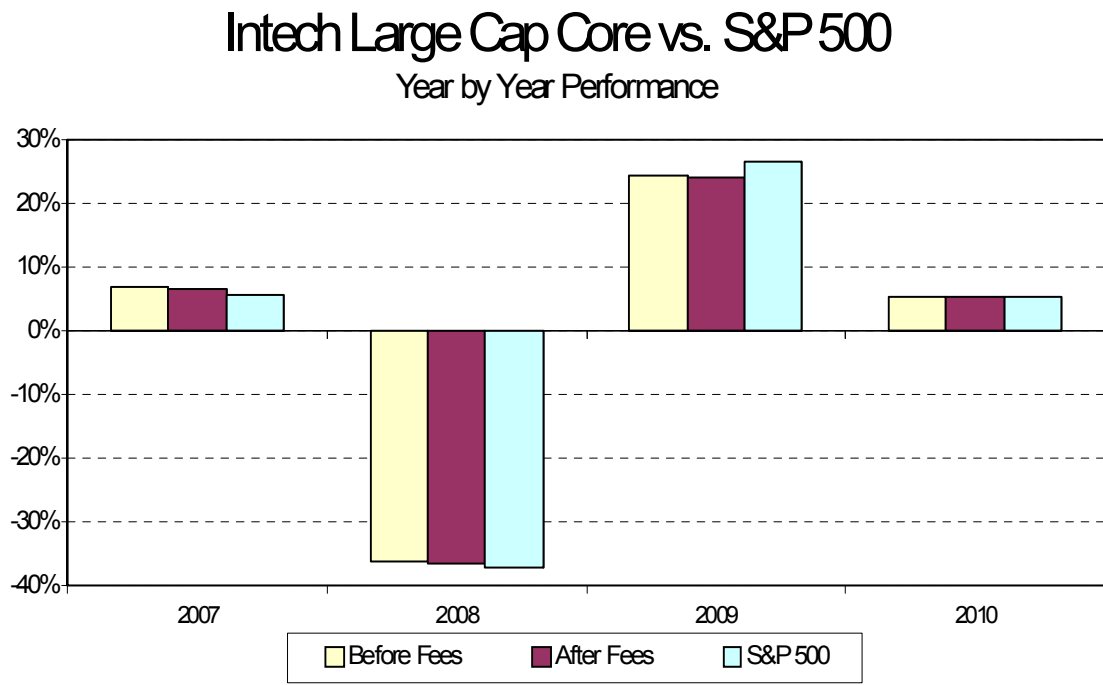
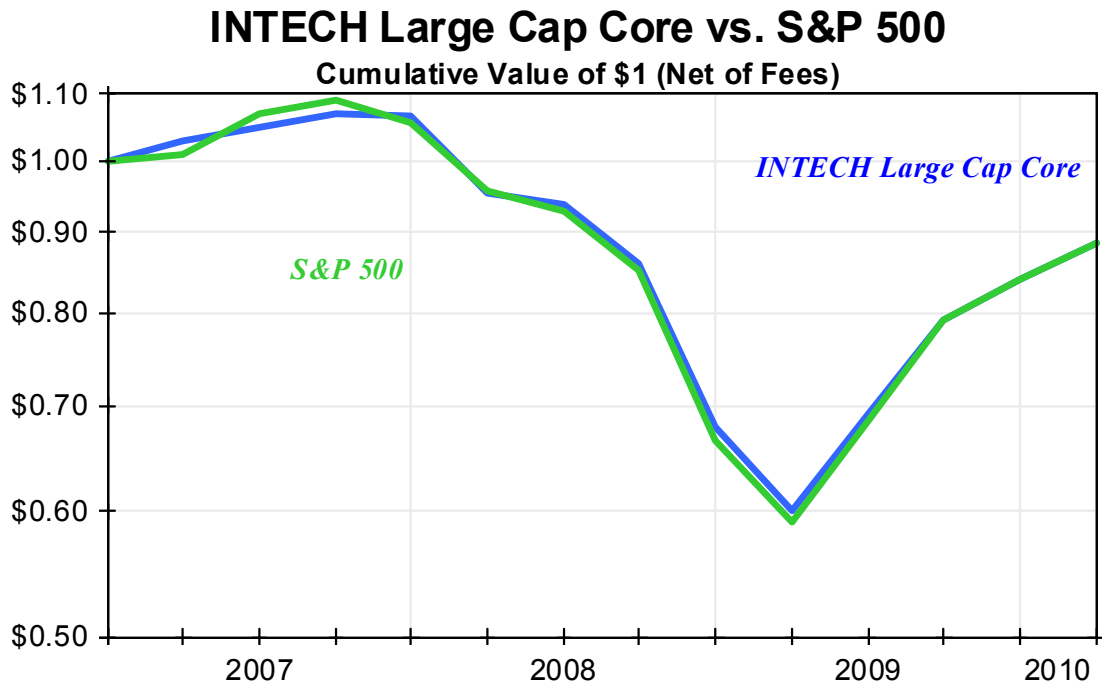
Intech's Enhanced Plus return of 5.6% for the first quarter exceeded the 5.4% return of the S&P 500, and ranked in the 36<sup>th</sup> percentile in the universe of large core equity managers. For the one-year period, Intech returned 49.2%, trailing the 49.8% for the S&P 500, and ranked in the 75<sup>th</sup> percentile. Over the past five years, Intech returned 2.3%, better than the 1.9% return of the S&P 500, and ranked in the 44<sup>th</sup> percentile of large core equity managers. Intech Enhanced Plus is in compliance with some of CCCERA's performance objectives.

The portfolio has an above-market beta of 1.05x, a lower yield and a slightly below-market P/E ratio. The portfolio has 400 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the information technology, consumer discretionary and telecom sectors, while largest under-weights were in the financial, industrials and consumer staples sectors.

The portfolio's first quarter performance relative to the S&P 500 was helped by stock selection decisions but hurt by sector allocation decisions. Stock selection in the consumer staples and financials sectors helped the most during the first quarter. The best performing portfolio stocks included Zions Bancorp (+70%), Genworth (+62%) and Tyson Foods (+56%), while the worst performing holdings during the quarter included H&R Block (-21%), Boston Scientific (-20%) and AES Corp (-17%).

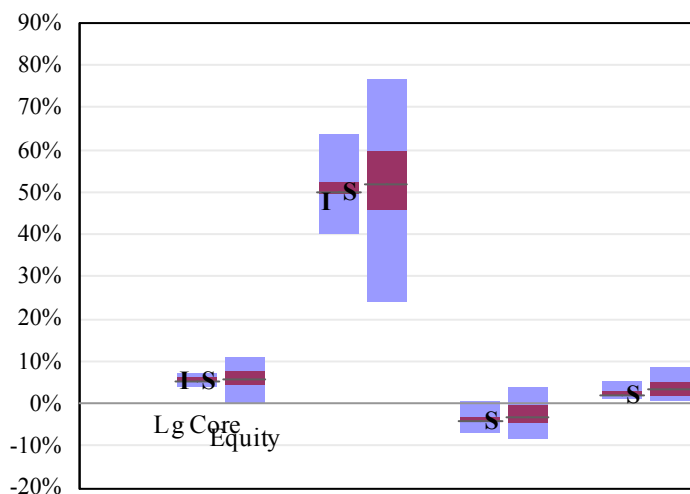
**MANAGER COMMENTS – DOMESTIC EQUITY**

**Intech - Large Cap Core**





## Intech - Large Cap Core



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Intech Lg Cap (I)	5.3	47.6	-4.5	-
Rank v. Lg Core	76	81	81	-
Rank v. Equity	63	69	73	-
S&P 500 (S)	5.4	49.8	-4.2	1.9
Lg Core Median	5.4	49.9	-4.1	2.1
Equity Median	5.8	51.9	-3.3	3.3

<b>Portfolio Characteristics</b>	<b>Intech - Large Cap</b>	<b>S&amp;P 500</b>
Eq Mkt Value (\$Mil)	217.99	N/A
Wtd. Avg. Cap (\$Bil)	75.48	84.69
Beta	1.09	1.00
Yield (%)	1.57 %	1.88 %
P/E Ratio	19.72	21.90
Cash (%)	0.5 %	0.0 %

Number of Holdings	361	500
Turnover Rate (%)	125.1	-

<b>Sector</b>	<b>Intech - Large Cap</b>	<b>S&amp;P 500</b>
Energy	9.8 %	10.9 %
Materials	3.0	3.5
Industrials	7.6	10.6
Cons. Discretionary	14.2	10.0
Consumer Staples	9.1	11.3
Health Care	12.8	12.2
Financials	10.7	16.5
Info Technology	27.1	18.9
Telecom Services	3.3	2.8
Utilities	2.4	3.5

Intech's Large Cap Core (the larger, more aggressive Intech portfolio) had a return of 5.3% for the first quarter, which slightly trailed the 5.4% return of the S&P 500 and ranked in the 76<sup>th</sup> percentile in the universe of large core equity managers. Over the past three years, the portfolio has returned -4.5%, lagging the S&P 500 return of -4.2% and ranked in the 81<sup>st</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 1.09x, a below-market yield and a below-market P/E ratio. The portfolio has 361 holdings concentrated in large capitalization sectors. The largest economic sector over-weights were in the information technology, consumer discretionary and health care sectors, while largest under-weights were in the financials, industrials and consumer staples sectors.

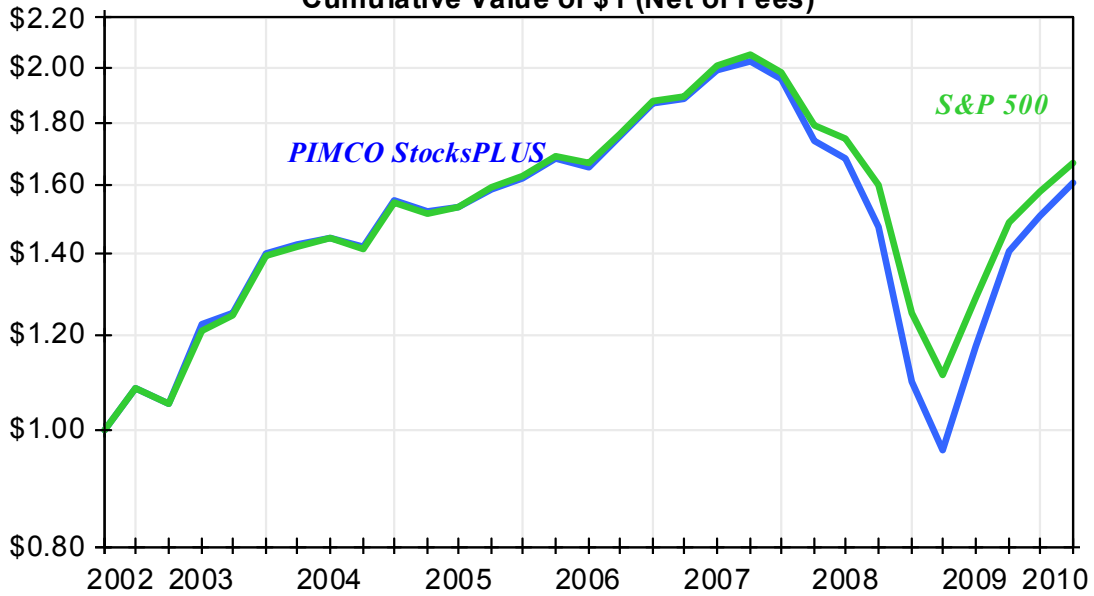
The portfolio's first quarter performance relative to the S&P 500 was helped by stock selection decisions but hurt by sector allocation decisions. Stock selection in the consumer staples and health care sectors helped the most during the first quarter while an underweight position in the industrials sector detracted from performance. The best performing portfolio stocks included Zions Bancorp (+70%), Genworth (+62%) and Tyson Foods (+56%), while the worst performing holdings during the quarter included H&R Block (-21%), Boston Scientific (-20%) and AES Corp (-17%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

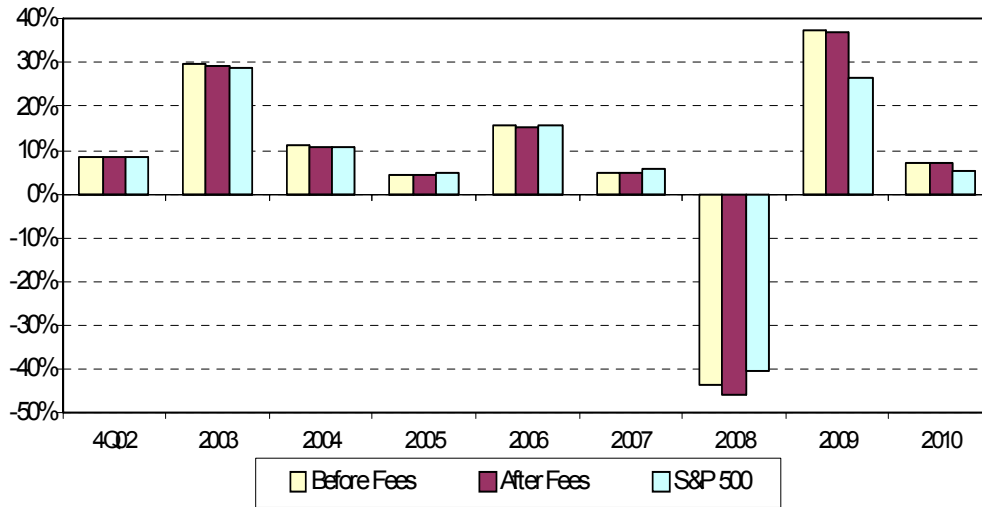
**PIMCO StocksPLUS vs. S&P 500**

Cumulative Value of \$1 (Net of Fees)

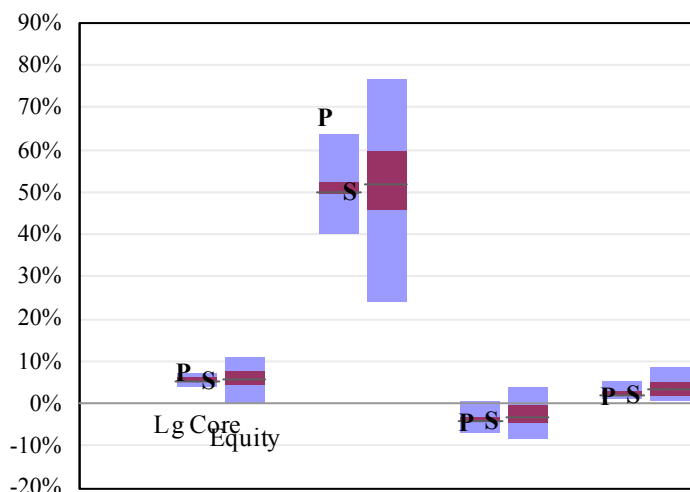


**PIMCO vs. S&P 500**

Year by Year Performance



## PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO Stock+ (P)	7.0	67.2	-4.7	1.5
Rank v. Lg Core	7	1	82	91
Rank v. Equity	32	12	75	87
S&P 500 (S)	5.4	49.8	-4.2	1.9
Lg Core Median	5.4	49.9	-4.1	2.1
Equity Median	5.8	51.9	-3.3	3.3

### Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	240.9	N/A
Wtd. Avg. Cap (\$Bil)	*	84.69
Beta	*	1.00
Yield (%)	* %	1.88 %
P/E Ratio	*	21.90
Cash (%)	37.4 %	0.0 %

Number of Holdings	*	500
Turnover Rate (%)	1,911.59	-

Sector	PIMCO	S&P 500
Energy	* %	10.9 %
Materials	*	3.5
Industrials	*	10.6
Cons. Discretionary	*	10.0
Consumer Staples	*	11.3
Health Care	*	12.2
Financials	*	16.5
Info Technology	*	18.9
Telecom Services	*	2.8
Utilities	*	3.5

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

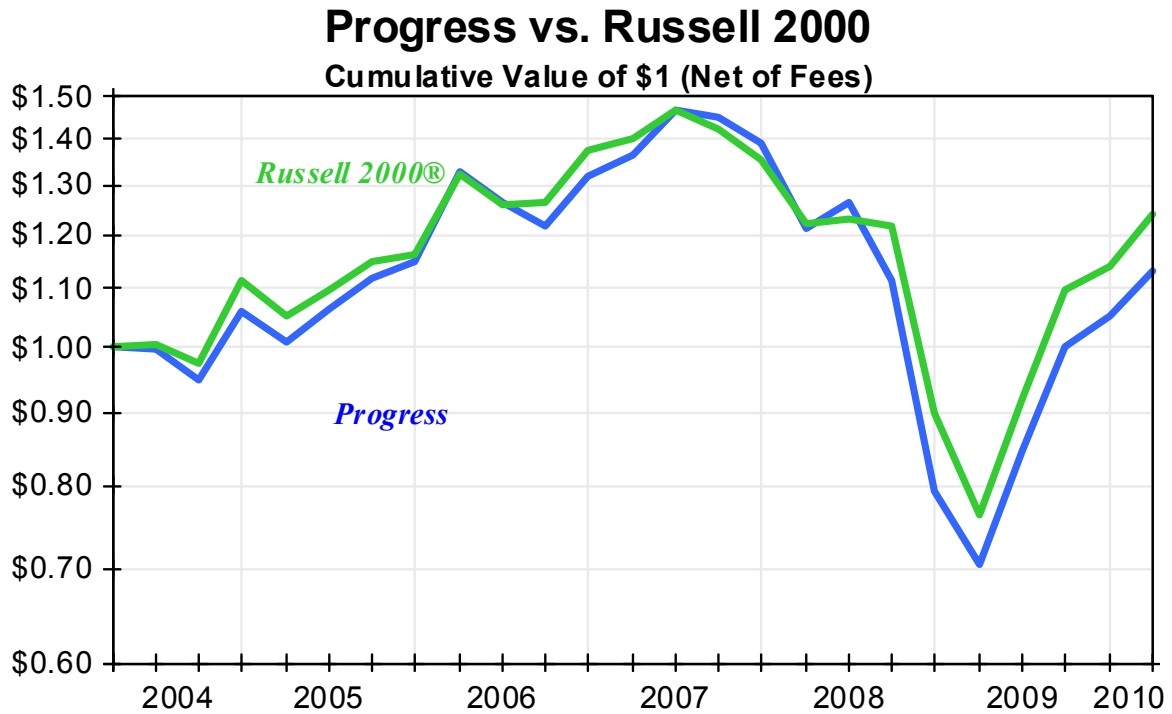
PIMCO's StocksPLUS (futures plus cash) portfolio returned 7.0% for the first quarter, above the 5.4% return of the S&P 500, and ranked in the 7<sup>th</sup> percentile of large core managers. For the one-year period, PIMCO returned 67.2%, better than the 49.8% return of the S&P 500, and ranked in the 1<sup>st</sup> percentile. Over the past three and five years, the portfolio has trailed the median large core manager and trailed the return of the S&P 500. The portfolio has not met the objective of exceeding the S&P 500 over the past three or five years.

Strategies that boosted PIMCO's first quarter returns included an emphasis on bonds of financial companies, holdings of high quality CMBS and non-Agency MBS, limited exposure to Agency MBS and modest emerging market positions. The only strategy that hurt PIMCO in the first quarter was an allocation to money market instruments with sub-LIBOR yields (owned for liquidity management purposes).

The firm expects a bifurcated recovery in 2010 led by emerging markets with developed countries experiencing only tepid growth. The firm does not expect any U.S. recovery to be robust in the face of increased regulation and consumer deleveraging. The firm is taking a moderately defensive/cautious outlook at this time.

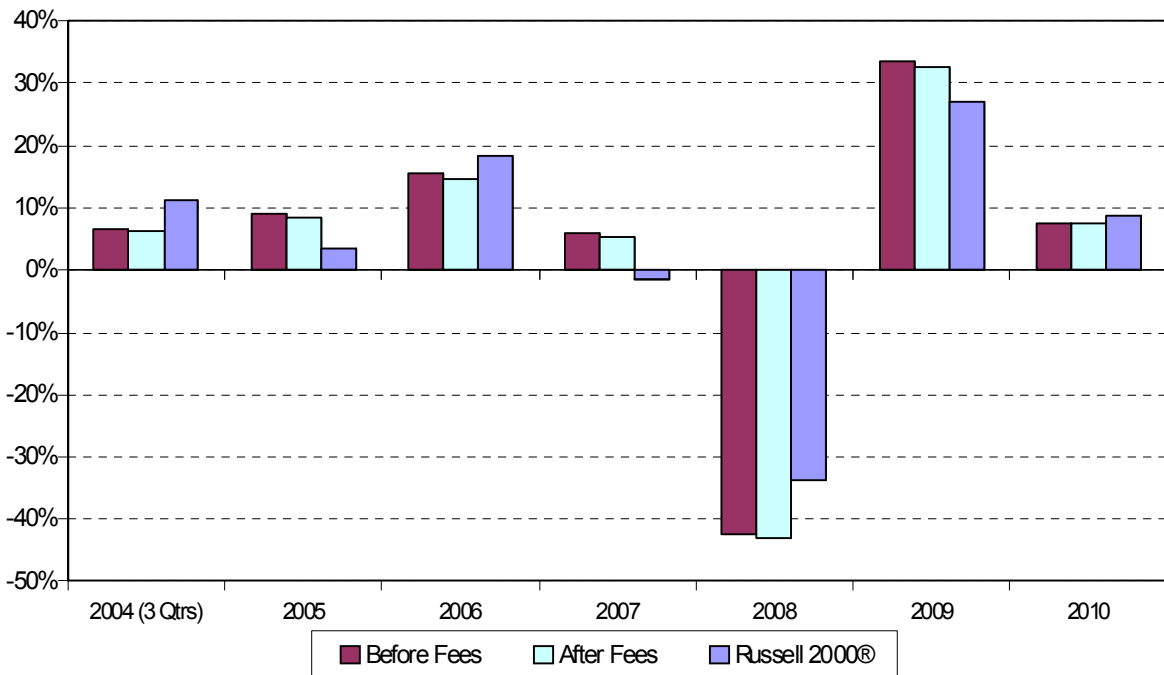
# MANAGER COMMENTS – DOMESTIC EQUITY

## Progress

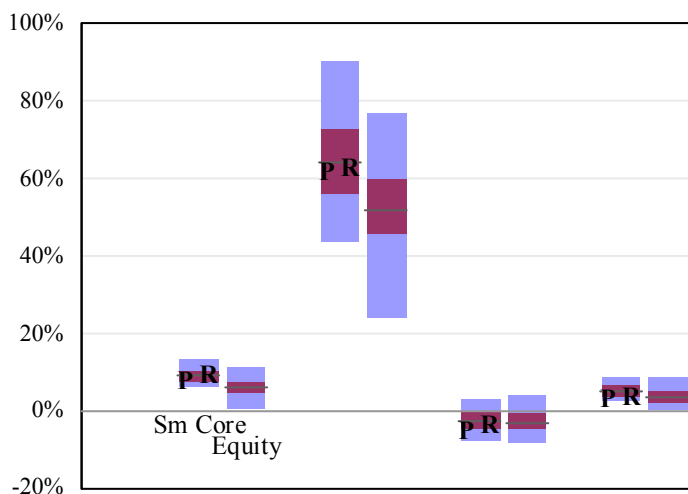


### Progress vs. Russell 2000®

Year by Year Performance



## Progress



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Progress (P)	7.7	61.6	-5.5	3.0
Rank v. Sm Core	71	62	84	84
Rank v. Equity	24	23	81	54
Russell 2000® (R)	8.9	62.8	-4.0	3.4
Sm Core Median	8.9	64.0	-2.8	5.0
Equity Median	5.8	51.9	-3.3	3.3

<b>Portfolio Characteristics</b>	<b>Progress</b>	<b>Russell 2000®</b>
Eq Mkt Value (\$Mil)	128.56	N/A
Wtd. Avg. Cap (\$Bil)	1.88	1.12
Beta	1.18	1.26
Yield (%)	1.19 %	1.13 %
P/E Ratio	22.44	71.01
Cash (%)	0.0 %	0.0 %

Number of Holdings	472	2,005
Turnover Rate (%)	16.2	-

<b>Sector</b>	<b>Progress</b>	<b>Russell 2000®</b>
Energy	6.4 %	5.0 %
Materials	9.0	4.6
Industrials	15.5	15.3
Cons. Discretionary	13.2	14.7
Consumer Staples	4.5	3.2
Health Care	12.8	14.3
Financials	16.2	21.2
Info Technology	18.6	17.9
Telecom Services	1.2	0.9
Utilities	2.5	3.0

Progress, a manager of emerging managers that themselves invest in small capitalization stocks, returned 7.7% for the first quarter, trailing the 8.9% return of the Russell 2000® Index and ranking in the 71<sup>st</sup> percentile of small core managers. Over the past year, Progress returned 61.6%, trailing the 62.8% return of the Russell 2000® Index, and ranked in the 62<sup>nd</sup> percentile of small cap equity managers. Over the past five years, Progress has trailed its benchmark and ranked in the 84<sup>th</sup> percentile of the small core universe. Progress is not in compliance with CCCERA performance objectives.

The portfolio had a beta of 1.18x, lower than the Russell 2000® Index, and an above-market yield. It included 472 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weights relative to the Russell 2000® were in the materials, energy and consumer staples sectors, while the largest under-weights were in the financials, health care and consumer discretionary sectors.

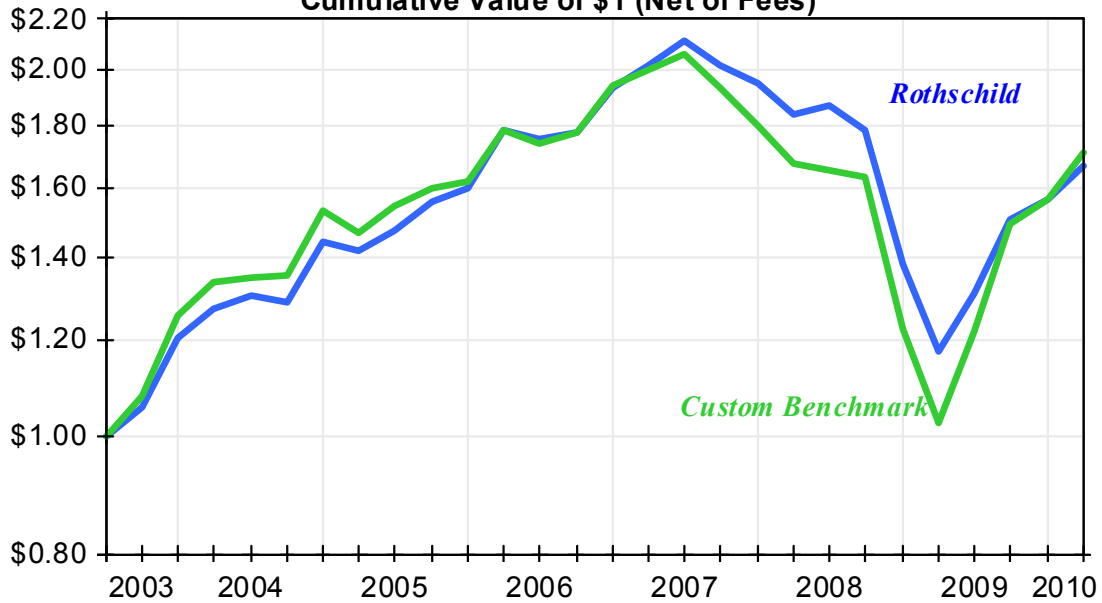
The portfolio's first quarter performance was hurt by both stock selection and sector allocation decisions relative to the Russell 2000®. During the quarter, the best performing holdings included Ruth's Chris Steak House (+154%), Integrated Silicon (+87%) and Finisair (+76%). The worst performing holdings included GMX Resources (-40%), AEP Industries (-32%) and Neutral Tandem (-30%).

**MANAGER COMMENTS – DOMESTIC EQUITY**

**Rothschild**

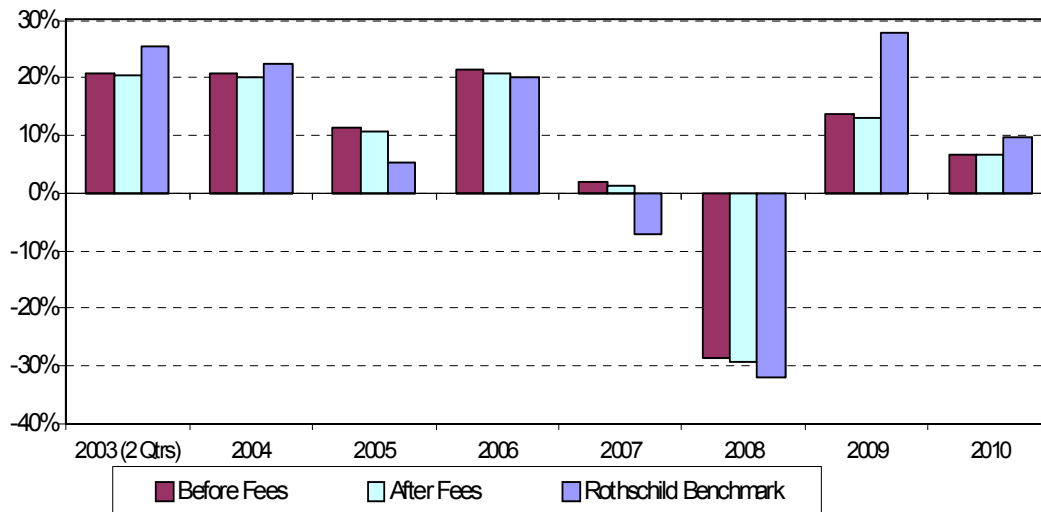
**Rothschild vs. Custom Benchmark**

Cumulative Value of \$1 (Net of Fees)



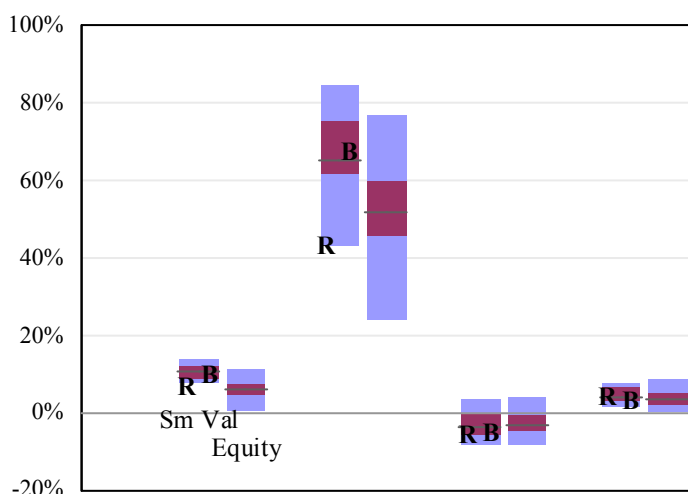
**Rothschild vs. Custom Benchmark**

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)	6.7	43.0	-5.5	3.8
Rank v. Sm Val	96	93	66	46
Rank v. Equity	36	81	81	41
Custom Bench (B)	9.6	67.2	-5.1	3.1
Sm Val Median	10.4	65.0	-3.6	3.7
Equity Median	5.8	51.9	-3.3	3.3

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

<u>Portfolio Characteristics</u>	<u>Rothschild</u>	<u>Russell 2500™ Value</u>
Eq Mkt Value (\$Mil)	133.14	N/A
Wtd. Avg. Cap (\$Bil)	2.23	2.43
Beta	1.28	1.28
Yield (%)	1.45 %	1.85 %
P/E Ratio	30.48	65.79
Cash (%)	0.9 %	0.0 %
Number of Holdings	144	1,758
Turnover Rate (%)	95.6	-

<u>Sector</u>	<u>Rothschild</u>	<u>Russell 2500™ Value</u>
Energy	7.3 %	6.5 %
Materials	5.6	8.4
Industrials	17.2	13.5
Cons. Discretionary	12.4	12.2
Consumer Staples	1.3	3.0
Health Care	8.4	5.3
Financials	27.2	31.7
Info Technology	13.4	8.8
Telecom Services	1.0	1.6
Utilities	6.3	9.0

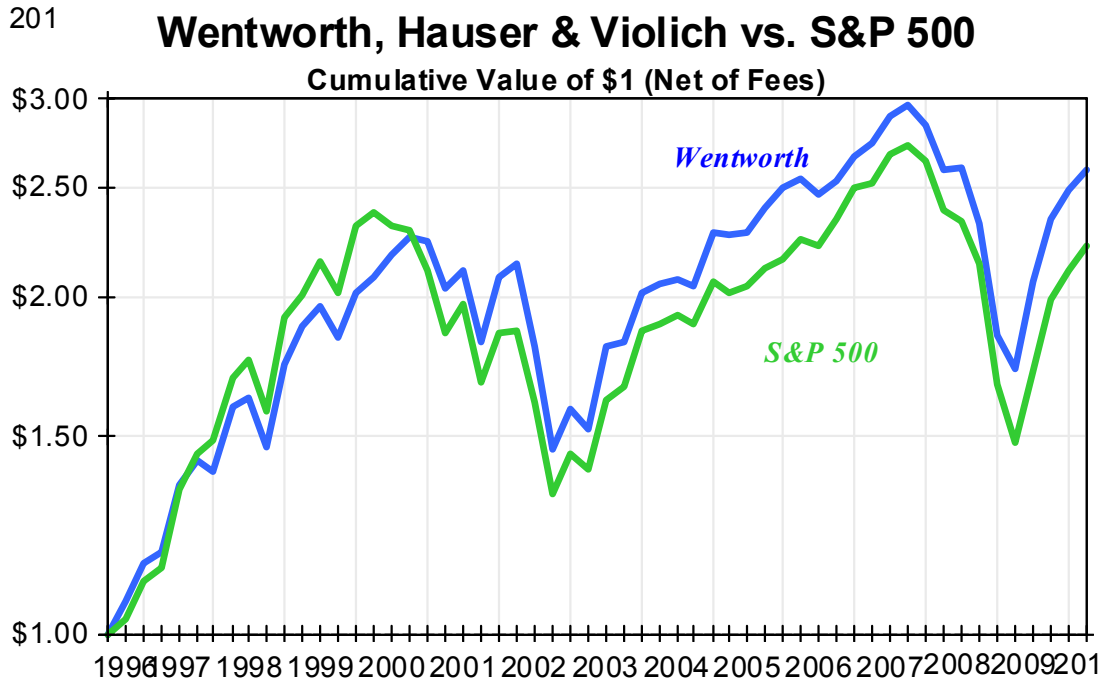
Rothschild's return of 6.7% for the first quarter trailed the 9.6% return of the Russell 2500™ Value Index and ranked in the 96<sup>th</sup> percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 43.0%, far below the custom benchmark return of 67.2%, and ranked in the 93<sup>rd</sup> percentile. Over the past five years, Rothschild exceeded its custom benchmark and ranked in the 46<sup>th</sup> and 41<sup>st</sup> percentiles, respectively. This portfolio is in compliance with some of the CCCERA performance objectives.

The portfolio had a beta of 1.28x, matching the index, a below-index yield and a high P/E ratio. It included 144 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weights relative to the Russell 2500™ Value Index were in the information technology, industrials and health care sectors, while the largest under-weights were in the financials, materials and utilities sectors.

Rothschild's first quarter performance relative to the Russell 2500™ Value index was hurt significantly by stock selection and helped slightly by sector allocation decisions. Trading decisions had a negative impact on performance. Stock selection in the financials, materials and information technology sectors had the largest negative impacts on the portfolio during the first quarter. The best performing portfolio stocks were Genworth Financial (+62%), Brown Shoe (+58%) and Arqule Inc. (+56%). The worst performing holdings included Wausau-Mosinee Paper (-26%), Euronet Services (-16%) and Stein Mart (-15%).

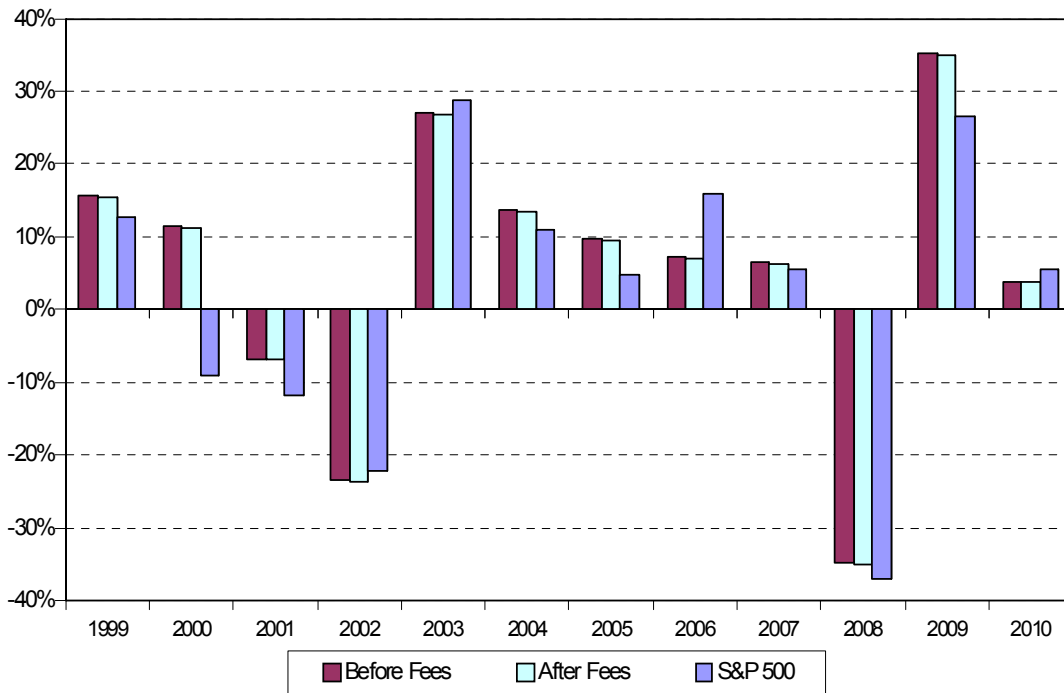
# MANAGER COMMENTS – DOMESTIC EQUITY

## Wentworth, Hauser and Violich



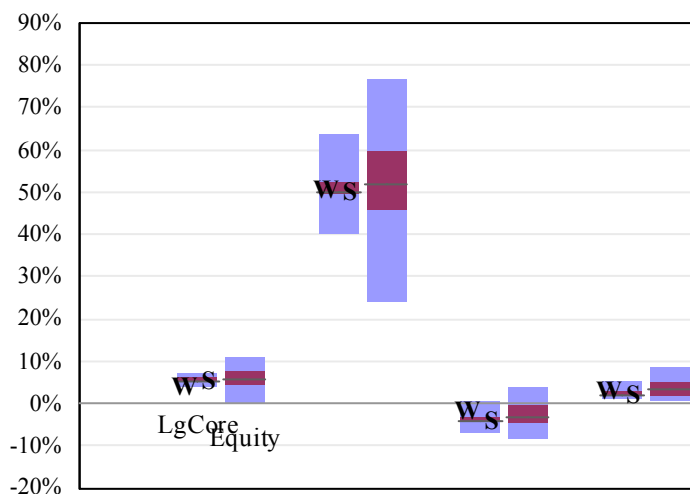
### Wentworth vs. S&P 500

#### 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)	3.8	50.3	-1.7	2.9
Rank v. Lg Core	94	38	11	22
Rank v. Equity	81	55	33	55
S&P 500 (S)	5.4	49.8	-4.2	1.9
Lg Core Median	5.4	49.9	-4.1	2.1
Equity Median	5.8	51.9	-3.3	3.3

### Portfolio

<u>Characteristics</u>	<u>Wentworth</u>	<u>S&amp;P 500</u>
Eq Mkt Value (\$Mil)	234.30	N/A
Wtd. Avg. Cap (\$Bil)	78.29	84.69
Beta	1.04	1.00
Yield (%)	1.17	1.88
P/E Ratio	22.26	21.90
Cash (%)	0.2	0.0
Number of Holdings	35	500
Turnover Rate (%)	77.0	-

<u>Sector</u>	<u>Wentworth</u>	<u>S&amp;P 500</u>
Energy	16.2 %	10.9 %
Materials	4.8	3.5
Industrials	11.2	10.6
Cons. Discretionary	4.7	10.0
Consumer Staples	11.3	11.3
Health Care	13.7	12.2
Financials	14.7	16.5
Info Technology	23.4	18.9
Telecom Services	0.0	2.8
Utilities	0.0	3.5

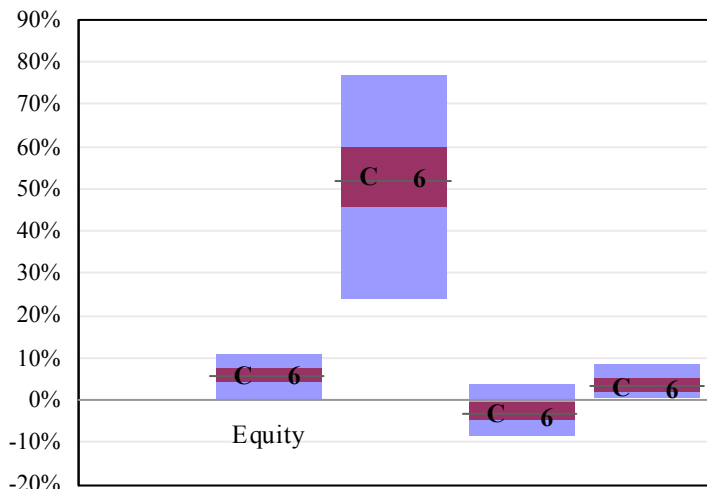
Wentworth's return of 3.8% for the first quarter trailed the 5.4% return of the S&P 500 and ranked in the 94<sup>th</sup> percentile of large core managers. For the one-year period, Wentworth returned 50.3%, better than the 49.8% return of the S&P 500, and ranked in the 38<sup>th</sup> percentile. Wentworth has exceeded the S&P 500 over the past three and five years. Wentworth ranked above median in the large core universe over both the trailing three and five-year time periods. Wentworth is in compliance with CCCERA performance guidelines.

The portfolio has an above-market beta of 1.04x, a below-market yield and an above-market P/E ratio. The portfolio has 35 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weights are in the energy, information technology and health care sectors, while largest under-weights are in the consumer discretionary, utilities and telecom services sectors.

Wentworth's first quarter performance relative to the S&P 500 was hurt by both stock selection decisions and sector allocation decisions. Stock selection in the energy and financials sectors was particularly weak. Active trading decisions also detracted from performance. The best performing portfolio stocks included Bank of America (+19%), Affiliated Managers (+17%) and ITT Educational Services (+17%) while the worst performing holdings included Qualcomm (-9%), Google (-9%) and Pfizer (-5%).

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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)	5.7	52.9	-3.3	3.0
Rank v. Equity	52	45	51	54
Russell 3000® (6)	6.0	52.4	-4.0	2.4
Equity Median	5.8	51.9	-3.3	3.3

<b>Portfolio Characteristics</b>	<b>Total Fund</b>	<b>Russell 3000®</b>
Eq Mkt Value (\$Mil)	1,676.07	N/A
Wtd. Avg. Cap (\$Bil)	54.62	69.02
Beta	1.07	1.04
Yield (%)	1.16 %	1.78 %
P/E Ratio	23.58	24.11
Cash (%)	5.8 %	0.0 %
Number of Holdings	1,109	2,966
Turnover Rate (%)	249.5	-

<b>Sector</b>	<b>Total Fund</b>	<b>Russell 3000®</b>
Energy	9.2 %	10.3 %
Materials	5.0	4.0
Industrials	9.2	11.2
Cons. Discretionary	12.4	11.0
Consumer Staples	6.0	10.0
Health Care	14.0	12.5
Financials	16.2	16.2
Info Technology	24.6	18.6
Telecom Services	1.8	2.7
Utilities	1.5	3.6

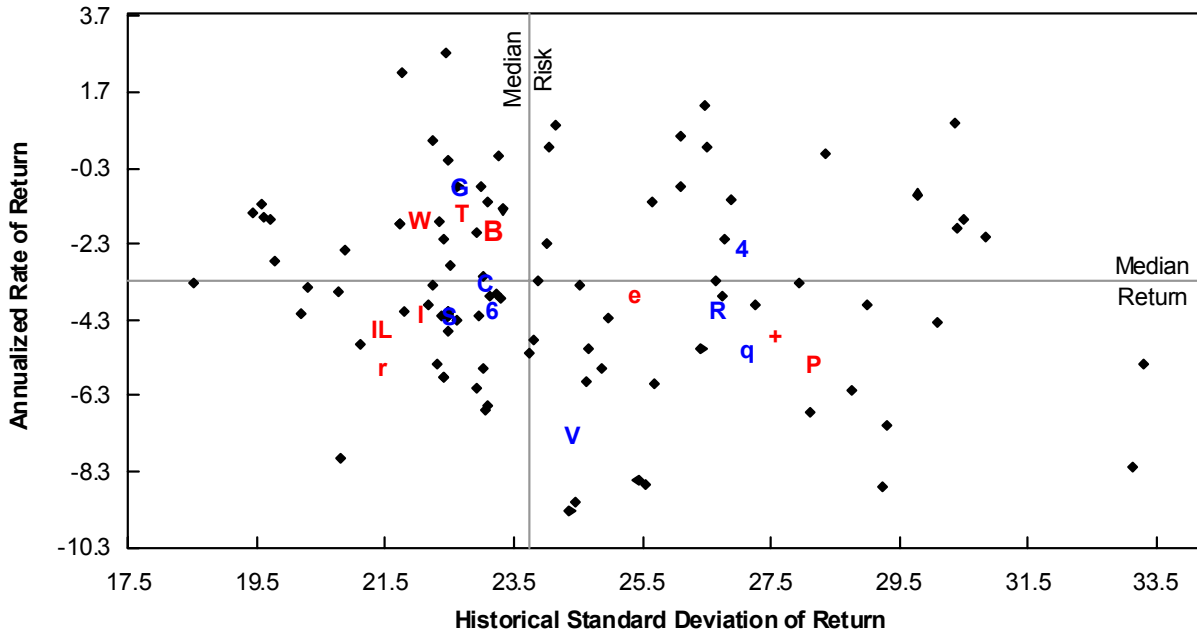
CCCERA total domestic equities returned 5.7% in the first quarter, which lagged the 6.0% return of the Russell 3000® Index and ranked in the 52<sup>nd</sup> percentile of all equity managers. For the one-year period, the CCCERA equity return of 52.9% was better than the 52.4% return of the Russell 3000® and the 51.9% return of the median manager. Over the past three years, CCCERA domestic equities exceeded the Russell 3000® index and nearly matched the median manager. Over the past five years the domestic equities exceeded the Russell 3000®, but trailed the median.

The combined domestic equity portfolio has a beta of 1.07x, a below-index yield and a below-index P/E ratio. The portfolio is broadly diversified with positions in 1,109 stocks. The combined portfolio's largest economic sector over-weights are in the information technology, health care and consumer discretionary sectors, while the largest under-weights are in the consumer staples, utilities and industrials sectors.

# MANAGER COMMENTS – DOMESTIC EQUITY

## Domestic Equity Performance and Variability

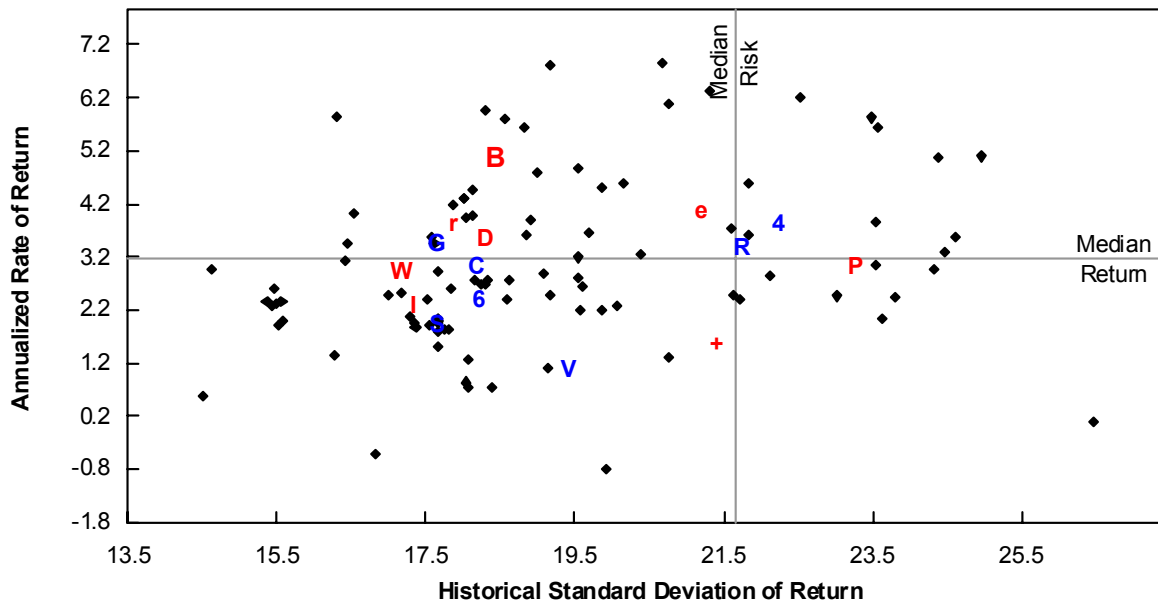
Three Years Ending March 31, 2010



Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	-2.0 %	23.2 %	-0.17
Delaware ( <b>D</b> )	-1.5	22.7	-0.15
Emerald ( <b>e</b> )	-3.6	25.3	-0.22
ING Investment ( <b>E</b> )	-5.1	22.0	-0.32
INTECH Enhanced ( <b>I</b> )	-4.1	22.0	-0.28
INTECH Large Core ( <b>IL</b> )	-4.5	21.4	-0.30
PIMCO StocksPLUS ( <b>+</b> )	-4.7	27.5	-0.24
Progress ( <b>P</b> )	-5.5	28.1	-0.27
Rothschild ( <b>r</b> )	-5.5	21.4	-0.35
Wentworth, Hauser ( <b>W</b> )	-1.7	22.0	-0.17
Domestic Equity ( <b>C</b> )	-3.3	23.0	-0.23
Russell® 3000 ( <b>6</b> )	-4.0	23.1	-0.26
S&P 500 ( <b>S</b> )	-4.2	22.4	-0.27
Russell 1000® Growth ( <b>G</b> )	-0.8	22.6	-0.12
Russell 1000® Value ( <b>V</b> )	-7.3	24.4	-0.38
Russell 2000® ( <b>R</b> )	-4.0	26.6	-0.22
Russell 2000® Growth ( <b>4</b> )	-2.4	27.0	-0.16
Russell 2500™ Value ( <b>q</b> )	-5.1	27.1	-0.26
Median Equity Port.	-3.3	23.7	-0.22

## Domestic Equity Performance and Variability

Five Years Ending March 31, 2010



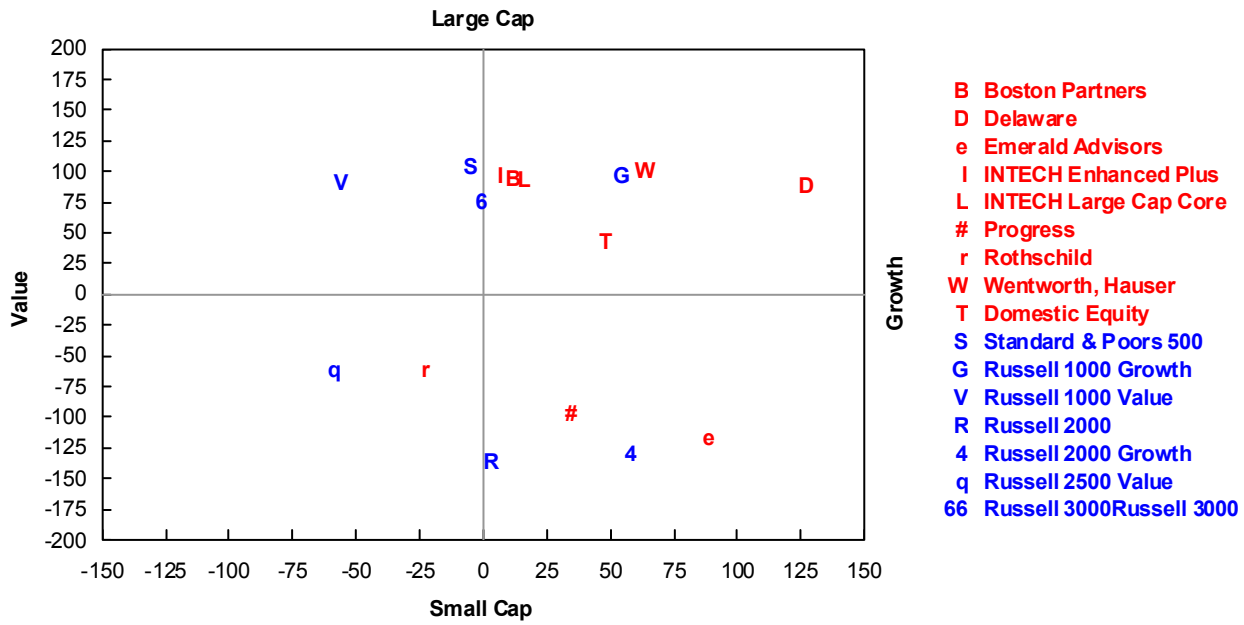
Domestic Equity Manager	Annualized Return	Standard Deviation	Risk/Reward Ratio
Boston Partners ( <b>B</b> )	5.1 %	18.5 %	0.12
Delaware ( <b>D</b> )	3.5	18.4	0.03
Emerald ( <b>e</b> )	4.0	21.2	0.05
INTECH Enhanced ( <b>I</b> )	2.3	17.4	-0.04
PIMCO StocksPLUS ( <b>+</b> )	1.5	21.5	-0.06
Progress ( <b>P</b> )	3.0	23.3	0.00
Rothschild ( <b>r</b> )	3.8	17.9	0.05
Wentworth, Hauser ( <b>W</b> )	2.9	17.2	0.00
Domestic Equity ( <b>C</b> )	3.0	18.2	0.01
Russell® 3000 ( <b>6</b> )	2.4	18.3	-0.03
S&P 500 ( <b>S</b> )	1.9	17.7	-0.06
Russell 1000® Growth ( <b>G</b> )	3.4	17.7	0.03
Russell 1000® Value ( <b>V</b> )	1.0	19.5	-0.10
Russell 2000® ( <b>R</b> )	3.4	21.8	0.02
Russell 2000® Growth ( <b>4</b> )	3.8	22.3	0.04
Russell 2500™ Value ( <b>q</b> )	3.1	21.7	0.01
Median Equity Port.	3.3	18.9	0.02

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# MANAGER COMMENTS - DOMESTIC EQUITY

## Domestic Equity Style Map

As of March 31, 2010



## PORTFOLIO PROFILE REPORT

	<b>Russell 3000® 3/31/2010</b>	<b>Combined Equity 3/31/2010</b>	<b>Russell 1000® Value 3/31/2010</b>	<b>Boston 3/31/2010</b>	<b>Russell 1000® Growth 3/31/2010</b>	<b>Delaware 3/31/2010</b>
Equity Market Value (\$000)		1,676,073		291,211		280,087
Beta	1.04	1.07	1.12	1.02	0.92	0.90
Yield	1.78	1.16	2.13	1.43	1.53	0.66
P/E Ratio	24.11	23.58	25.35	18.92	20.76	26.83
Standard Error	1.65	2.20	2.60	2.66	1.79	3.84
R <sup>2</sup>	0.97	0.96	0.94	0.92	0.96	0.84
Wtd Cap Size (\$Mil)	69,022	54,620	72,055	79,610	77,922	48,961
Avg Cap Size (\$Mil)	807	4,634	4,126	17,775	4,868	26,256
Number of Holdings	2,966	1,109	676	83	625	29
<b>Economic Sectors</b>						
Energy	10.26	9.20	17.55	13.59	3.94	3.29
Materials	4.02	5.04	4.12	5.39	3.82	5.04
Industrials	11.22	9.23	11.03	8.14	10.68	2.58
Consumer Discretionary	11.00	12.41	10.45	10.83	10.90	12.69
Consumer Staples	10.04	6.01	5.48	3.76	15.79	5.63
Health Care	12.48	13.99	8.64	11.63	15.98	18.04
Financials	16.18	16.15	26.31	28.08	5.22	10.01
Information Technology	18.58	24.61	4.95	16.27	32.28	38.62
Telecom. Services	2.66	1.82	5.06	0.78	0.58	4.11
Utilities	3.55	1.54	6.40	1.54	0.82	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>3/31/2010</b>	<b>3/31/2010</b>	<b>3/31/2010</b>	<b>3/31/2010</b>	<b>3/31/2010</b>
Equity Market Value		21,233	217,995	240,866	234,304
Beta	1.00	1.05	1.09	1.00	1.04
Yield	1.88	1.71	1.57	1.88	1.17
P/E Ratio	21.90	20.61	19.72	21.90	22.26
Standard Error	0.00	1.39	1.70	0.00	2.76
R <sup>2</sup>	1.00	0.98	0.97	1.00	0.93
Wtd Cap Size (\$Mil)	84,692	79,818	75,481	84,692	78,293
Avg Cap Size (\$Mil)	9,676	10,970	10,781	9,676	32,859
Number of Holdings	500	400	361	500	35
<b>Economic Sectors</b>					
Energy	10.88	10.67	9.83	10.88	16.22
Materials	3.48	2.80	2.97	3.48	4.80
Industrials	10.60	8.13	7.60	10.60	11.16
Consumer Discretionary	10.02	12.76	14.18	10.02	4.72
Consumer Staples	11.25	9.57	9.13	11.25	11.32
Health Care	12.15	12.22	12.78	12.15	13.70
Financials	16.51	13.19	10.72	16.51	14.72
Information Technology	18.85	24.47	27.13	18.85	23.37
Telecom. Services	2.81	3.62	3.26	2.81	0.00
Utilities	3.45	2.57	2.41	3.45	0.00

## PORTFOLIO PROFILE REPORT

	<b>Russell 2000® 3/31/2010</b>	<b>Progress 3/31/2010</b>	<b>Russell 2500™ Value 3/31/2010</b>	<b>Rothschild 3/31/2010</b>	<b>Russell 2000® Growth 3/31/2010</b>	<b>Emerald 3/31/2010</b>
Equity Market Value		128,557		133,141		128,680
Beta	1.26	1.18	1.28	1.28	1.18	1.35
Yield	1.13	1.19	1.85	1.45	0.49	0.18
P/E Ratio	71.01	22.44	65.79	30.48	65.88	56.90
Standard Error	5.67	4.39	5.22	5.26	5.61	6.51
R <sup>2</sup>	0.82	0.87	0.84	0.85	0.81	0.82
Wtd Cap Size (\$Mil)	1,118	1,875	2,429	2,231	1,200	1,350
Avg Cap Size (\$Mil)	432	1,069	582	1,633	466	1,086
Number of Holdings	2,005	472	1,758	144	1,278	125
<b>Economic Sectors</b>						
Energy	4.95	6.42	6.52	7.29	4.06	3.98
Materials	4.61	8.96	8.39	5.61	2.40	4.55
Industrials	15.32	15.54	13.53	17.21	14.25	11.02
Consumer Discretionary	14.71	13.21	12.19	12.39	17.33	23.29
Consumer Staples	3.18	4.52	2.97	1.26	3.58	2.77
Health Care	14.29	12.77	5.25	8.37	24.71	23.02
Financials	21.23	16.22	31.69	27.21	5.87	3.51
Information Technology	17.88	18.63	8.84	13.44	26.39	27.87
Telecom. Services	0.85	1.20	1.63	0.97	1.25	0.00
Utilities	2.99	2.54	9.00	6.25	0.16	0.00

## PORTFOLIO PROFILE REPORT

	<b>Russell 3000® 3/31/2010</b>	<b>Combined Equity 3/31/2010</b>	<b>Russell 1000® Value 3/31/2010</b>	<b>Boston 3/31/2010</b>	<b>Russell 1000® Growth 3/31/2010</b>	<b>Delaware 3/31/2010</b>
<b>Beta Sectors</b>						
1 0.0 - 0.9	43.35	39.74	38.45	42.83	50.40	52.19
2 0.9 - 1.1	17.13	21.43	16.03	25.39	18.73	31.99
3 1.1 - 1.3	14.78	12.62	15.87	16.34	13.87	0.00
4 1.3 - 1.5	10.00	9.55	10.53	1.85	9.34	8.96
5 Above 1.5	14.74	16.66	19.12	13.59	7.66	6.86
<b>Yield Sectors</b>						
1 Above 5.0	24.16	35.01	12.19	15.83	29.63	43.99
3 3.0 - 5.0	26.02	29.16	32.88	41.22	21.28	40.48
3 1.5 - 3.0	29.08	25.34	27.79	28.87	33.65	15.53
4 0.0 - 1.5	15.59	8.05	18.89	12.86	13.52	0.00
5 0.0	5.16	2.44	8.24	1.22	1.92	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	17.52	16.93	25.80	16.66	6.26	9.67
2 12.0 -20.0	47.00	37.78	47.68	54.97	50.58	14.32
3 20.0 -30.0	20.84	27.90	14.41	18.82	27.86	55.55
4 30.0 -150.0	12.37	14.60	9.39	7.35	13.95	20.46
5 N/A	2.27	2.78	2.72	2.19	1.36	0.00
<b>Capitalization Sectors</b>						
1 Above 20.0 (\$Bil)	58.59	49.15	62.58	60.67	64.91	62.79
2 10.0 - 20.0	12.50	12.56	13.63	11.39	13.58	24.67
3 5.0 - 10.0	10.15	10.54	10.78	14.33	11.20	5.99
4 1.0 - 5.0	14.78	19.84	12.97	13.62	10.26	6.55
5 0.5 - 1.0	2.22	5.15	0.05	0.00	0.01	0.00
6 0.1 - 0.5	1.71	2.76	0.00	0.00	0.03	0.00
7 0.0 - 0.1	0.04	0.00	0.00	0.00	0.00	0.00
<b>5 Yr Earnings Growth</b>						
1 N/A	33.41	30.81	52.33	34.71	16.14	12.63
2 0.0 -10.0	32.13	29.71	28.55	31.70	35.99	35.34
3 10.0 -20.0	19.32	22.67	12.04	23.29	26.50	27.11
4 Above 20.0	15.14	16.80	7.08	10.30	21.36	24.92

## PORTFOLIO PROFILE REPORT

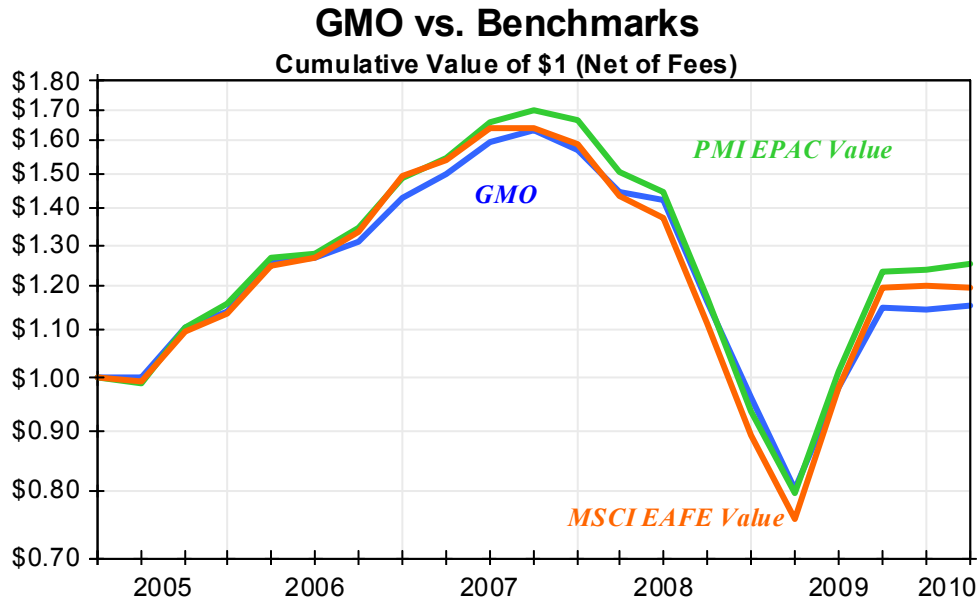
	<b>S&amp;P 500 Cap Wtd 3/31/2010</b>	<b>Intech Enhanced 3/31/2010</b>	<b>Intech Large Cap 3/31/2010</b>	<b>PIMCO+ (S&amp;P 500) 3/31/2010</b>	<b>Wentworth 3/31/2010</b>
<b>Beta Sectors</b>					
1 0.0 - 0.9	46.33	39.59	35.91	46.33	35.87
2 0.9 - 1.1	17.78	19.27	19.29	17.78	23.04
3 1.1 - 1.3	14.66	15.07	15.13	14.66	18.07
4 1.3 - 1.5	9.31	12.65	14.37	9.31	8.79
5 Above 1.5	11.92	13.43	15.30	11.92	14.22
<b>Yield Sectors</b>					
1 Above 5.0	18.42	22.66	27.50	18.42	25.07
3 3.0 - 5.0	27.49	25.93	24.62	27.49	31.41
3 1.5 - 3.0	32.43	34.09	33.00	32.43	40.93
4 0.0 - 1.5	16.73	13.21	11.29	16.73	2.58
5 0.0	4.93	4.11	3.60	4.93	0.00
<b>P/E Sectors</b>					
1 0.0 - 12.0	14.57	12.35	11.76	14.57	6.61
2 12.0 -20.0	50.90	50.61	48.93	50.90	42.87
3 20.0 -30.0	22.45	22.83	23.48	22.45	30.40
4 30.0 - 150.0	10.39	12.31	13.65	10.39	15.36
5 N/A	1.68	1.90	2.18	1.68	4.76
<b>Capitalization Sectors</b>					
1 Above 20.0 (\$Bil)	71.86	60.23	54.51	71.86	71.07
2 10.0 - 20.0	14.48	17.16	19.76	14.48	10.71
3 5.0 - 10.0	10.34	16.58	19.25	10.34	14.11
4 1.0 - 5.0	3.31	6.03	6.48	3.31	4.11
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	33.10	32.72	31.35	33.10	24.81
2 0.0 -10.0	32.97	32.71	33.12	32.97	28.26
3 10.0 -20.0	19.52	20.63	20.21	19.52	28.57
4 Above 20.0	14.41	13.94	15.32	14.41	18.35

## PORTFOLIO PROFILE REPORT

	Russell 2000® 3/31/2010	Progress 3/31/2010	Russell 2500TM Value 3/31/2010	Rothschild 3/31/2010	Russell 2000® Growth 3/31/2010	Emerald 3/31/2010
<b>Beta Sectors</b>						
1 0.0 - 0.9	30.72	35.46	31.88	30.91	32.36	20.27
2 0.9 - 1.1	14.18	14.45	12.43	13.23	16.18	12.83
3 1.1 - 1.3	13.77	9.38	12.05	15.07	14.71	13.97
4 1.3 - 1.5	10.83	11.20	11.74	11.24	11.77	17.97
5 Above 1.5	30.50	29.51	31.91	29.55	24.98	34.96
<b>Yield Sectors</b>						
1 Above 5.0	60.85	58.97	38.35	45.33	75.69	88.16
3 3.0 - 5.0	14.07	14.20	19.20	21.02	11.46	7.87
3 1.5 - 3.0	10.37	14.95	17.36	16.17	8.01	2.46
4 0.0 - 1.5	8.62	5.21	14.89	11.27	3.32	1.51
5 0.0	6.08	6.66	10.20	6.20	1.52	0.00
<b>P/E Sectors</b>						
1 0.0 - 12.0	35.45	26.93	39.07	35.26	28.58	37.14
2 12.0 -20.0	22.21	32.12	25.76	26.55	21.98	12.42
3 20.0 -30.0	17.00	18.82	15.60	19.92	18.85	19.60
4 30.0 -150.0	20.38	18.56	15.64	14.98	24.14	22.37
5 N/A	4.95	3.56	3.94	3.28	6.44	8.47
<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	0.21	0.83	0.97	0.00	0.00
3 5.0 - 10.0	0.54	6.84	4.57	2.77	1.13	1.68
4 1.0 - 5.0	50.75	53.31	72.82	75.00	52.65	56.87
5 0.5 - 1.0	27.18	25.55	11.91	15.60	26.58	25.42
6 0.1 - 0.5	21.00	14.03	9.61	5.67	19.19	16.03
7 0.0 - 0.1	0.53	0.06	0.26	0.00	0.45	0.00
<b>5 Yr Earnings Growth</b>						
1 N/A	42.41	31.55	54.62	54.18	28.92	42.09
2 0.0 -10.0	26.74	26.80	23.61	24.70	31.37	11.32
3 10.0 -20.0	16.40	23.11	8.82	6.94	22.41	27.13
4 Above 20.0	14.46	18.54	12.95	14.18	17.29	19.46

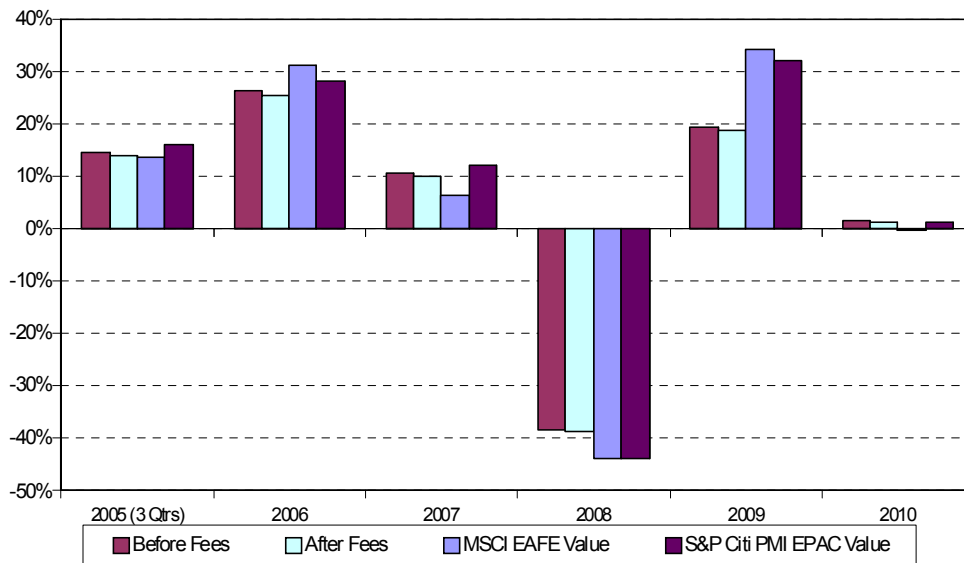
# MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

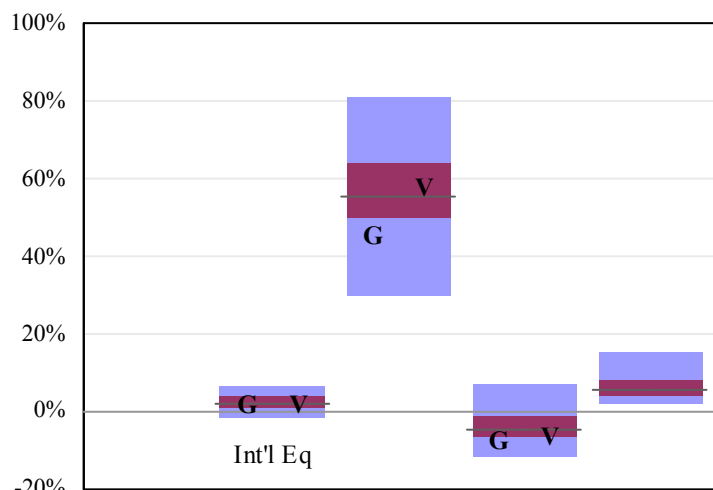


### GMO vs. Benchmarks

Year by Year Performance



## Grantham, Mayo, van Otterloo & Co



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
GMO (G)	1.4	45.2	-7.7	-
Rank v. Int'l Equity	57	75	82	-
PMI EPAC Val (V)	1.2	57.6	-6.8	-
EAFE Value (E)	-0.2	58.5	-8.0	3.7
Int'l Eq Median	0.7	49.7	-7.0	4.1

<b>Portfolio Characteristics</b>	<b>GMO</b>	<b>MSCI EAFE</b>
IEq Mkt Value (\$Mil)	234.9	N/A
Cash	0.0 %	0.0 %

<b>Over-Weighted Countries</b>	<b>GMO</b>	<b>MSCI EAFE</b>
Japan	26.8 %	22.2 %
Italy	6.5	3.2
Canada	2.4	0.0

<b>Under-Weighted Countries</b>	<b>GMO</b>	<b>MSCI EAFE</b>
Germany	3.6 %	7.9 %
Australia	4.5	8.6
Switzerland	4.9	7.9

The GMO value international equity portfolio returned 1.4% in the first quarter, exceeding the 1.2% return of the S&P Citigroup PMI EPAC Value Index, but ranking in the 57<sup>th</sup> percentile of international equity managers. Over the past year, the portfolio has returned 45.2%, trailing the S&P Citigroup PMI EPAC Value Index return of 57.6% and ranking in the 75<sup>th</sup> percentile. Over the past three years, GMO has returned -7.7%, trailing the -6.8% return of the S&P Citi PMI EPAC Value Index and ranking in the 82<sup>nd</sup> percentile (GMO has slightly out-performed the EAFE Value Index over the past three years). GMO is not in compliance with CCCERA guidelines.

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

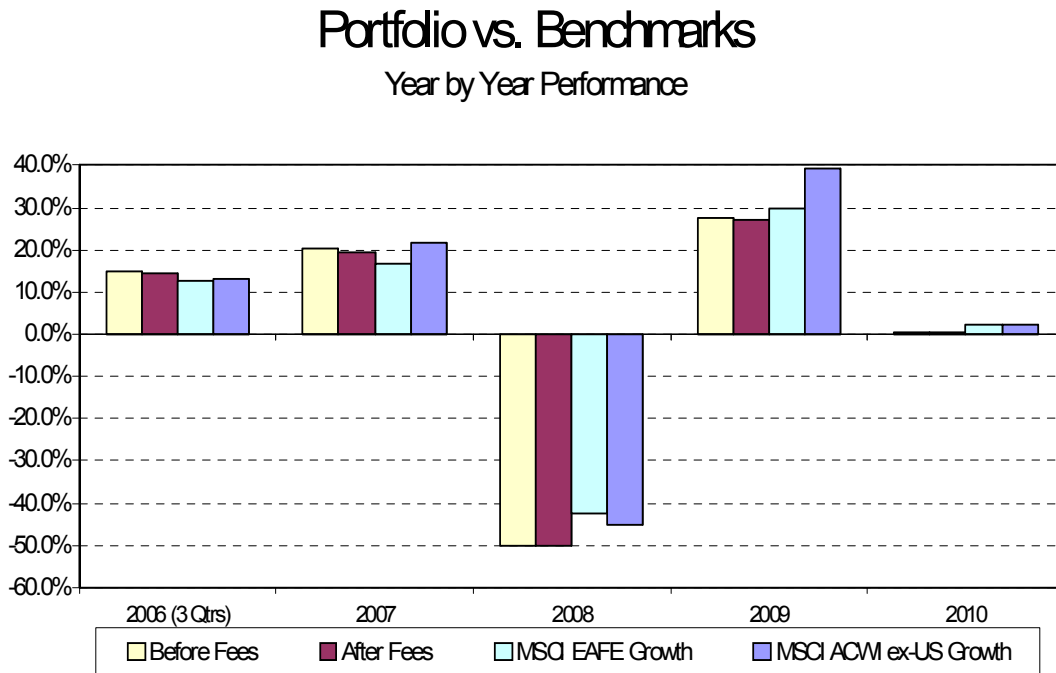
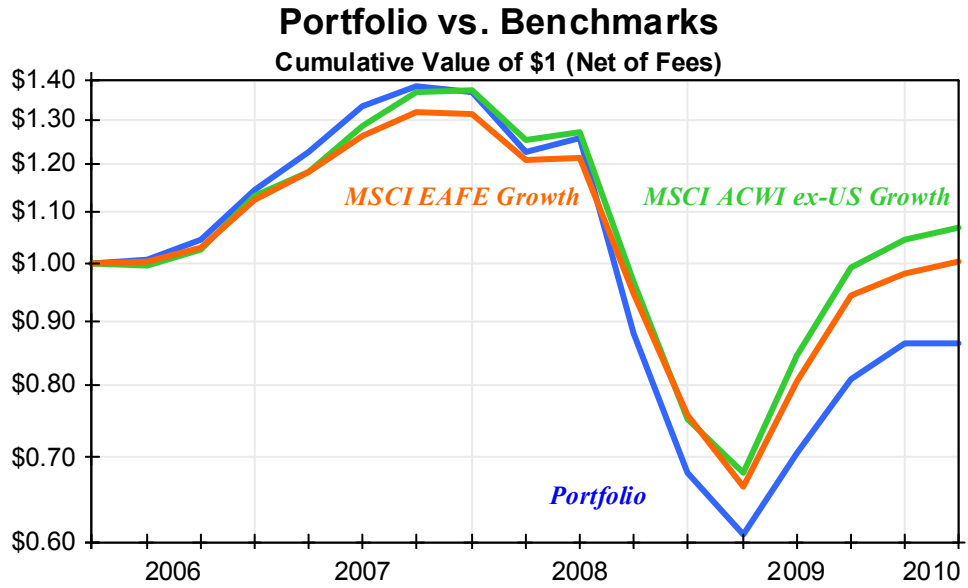
Stock selection decisions boosted performance while country allocation decisions were neutral in aggregate relative to EAFE. Stock selection in Japan and Italy had the most positive impacts on performance. Trading decisions had a negative impact on first quarter performance.

GMO's three-pronged investment discipline (momentum, quality-adjusted value and intrinsic value) all had positive results in the quarter. Stocks that ranked highly in the intrinsic value process outperformed by the most. The quality-adjusted value and momentum processes outperformed modestly in the first quarter.

Individual stock positions that added value included underweights in British bank HSBC Holdings and Spanish telecom provider Telefonica as well as an overweight position in Japanese consumer finance company Orix Corp. Stocks that were significant detractors included overweight positions in British pharmaceutical GlaxoSmithKline, Spanish financial Banco Santander, and Italian oil company Eni.

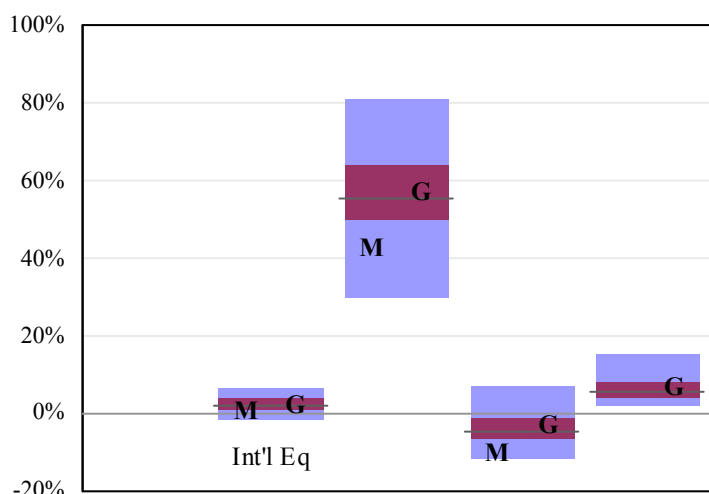
# MANAGER COMMENTS – INTERNATIONAL EQUITY

## McKinley Capital





## McKinley Capital/State Street Global



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
McKinley/SS (M)	0.3	42.7	-10.5	-
Rank v. Intl Eq	83	90	92	-
ACWI xUS Gro (G)	2.1	56.7	-3.4	6.5
EAFE Growth (E)	2.0	51.2	-5.3	4.6
Int'l Eq Median	0.7	49.7	-7.0	4.1

Portfolio Characteristics	McKinley/SS	MSCI EAFE
IEq Mkt Value (\$Mil)	235.9	N/A
Cash	2.0 %	0.0 %

Over-Weighted Countries	McKinley/SS	MSCI EAFE
South Korea	6.7 %	0.0 %
India	4.2	0.0
Brazil	4.1	0.0

Under-Weighted Countries	McKinley/SS	MSCI EAFE
Japan	12.3 %	22.2 %
France	4.1	10.4
Spain	0.0	3.9

The Board terminated McKinley at the February 24, 2010 meeting. The account is now being managed by State Street Global Markets with a target of loosely replicating the MSCI EAFE Index. The portfolio has been restructured in the second quarter.

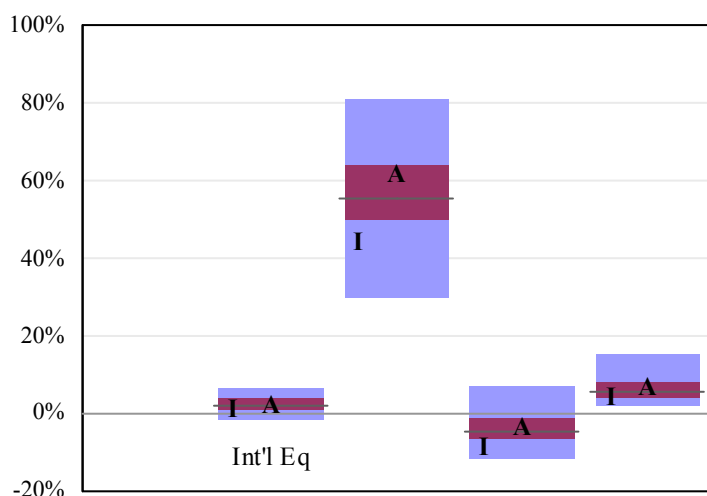
The portfolio returned 0.3% in the first quarter, trailing the 2.1% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 83<sup>rd</sup> percentile of international equity managers. Over the past year, McKinley returned 42.7%, significantly below the 56.7% return of the MSCI ACWI ex-US Growth Index, and ranked in the 90<sup>th</sup> percentile of international equity managers. Over the past three years, the portfolio has returned -10.5%, again trailing the -3.4% return of the index and ranking in the 92<sup>nd</sup> percentile.

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

Stock selection contributed to first quarter results while country allocation decisions hurt performance somewhat relative to the MSCI EAFE Index. Stock selection was strong in the United Kingdom but weak in Japan. Active trading had a large negative impact on first quarter returns.

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## Total International Equity



Portfolio Characteristics	Total International	MSCI EAFE
IEq Mkt Value (\$Mil)	470.8	N/A
Cash	1.0 %	0.0 %

Over-Weighted Countries	Total International	MSCI EAFE
South Korea	3.4 %	0.0 %
Canada	2.7	0.0
India	2.1	0.0

Under-Weighted Countries	Total International	MSCI EAFE
Germany	4.0 %	7.9 %
Australia	4.9	8.6
France	7.2	10.4

	Qtr	1 Year	3 Years	5 Years
Total Int'l Eq (I)	0.8	43.9	-8.9	4.0
Rank v. Intl Eq	70	89	88	77
ACWI xUS (A)	1.7	61.7	-3.7	6.6
EAFE (E)	0.9	55.2	-6.6	4.2
Int'l Eq Median	0.7	49.7	-7.0	4.1

The total international equity composite returned 0.8% in the first quarter, slightly trailing the 0.9% return of the MSCI EAFE Index. This return ranked in the 70<sup>th</sup> percentile of international equity managers. Over the past year, the total international equity composite returned 43.9%, lagging the 55.2% return of the MSCI EAFE Index, and ranked in the 89<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 South Korea, Canada and India while the largest under-weights were in Germany, Australia and France.

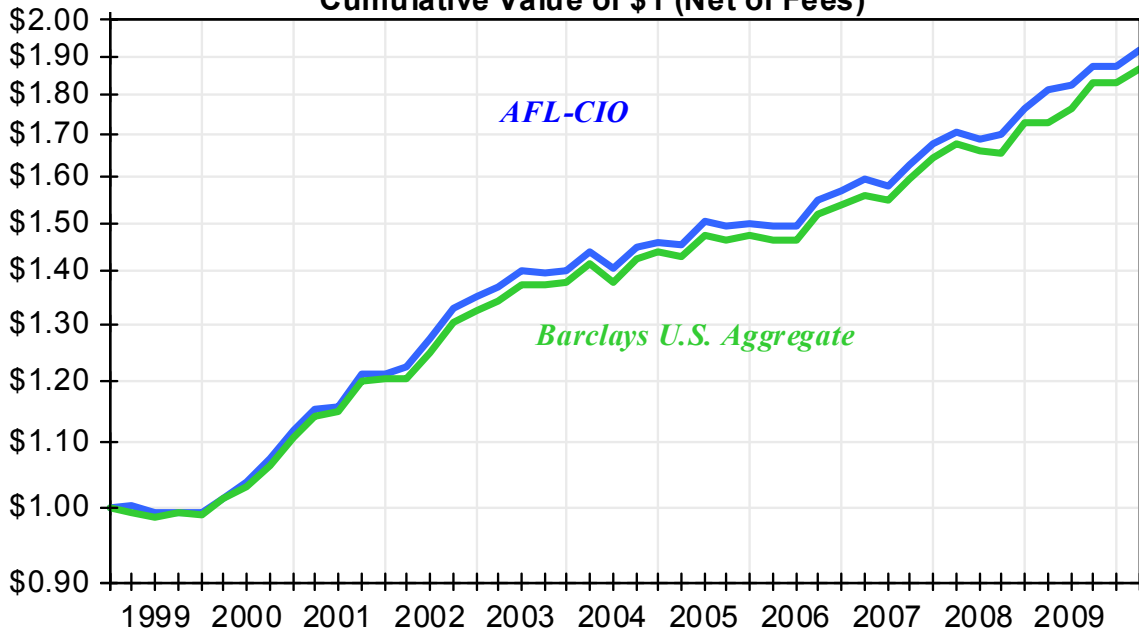
Stock selection decisions contributed to the overall international equity results in the first quarter while country allocation decision had negative impacts on first quarter performance compared to EAFE. Active trading had a negative impact on first quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

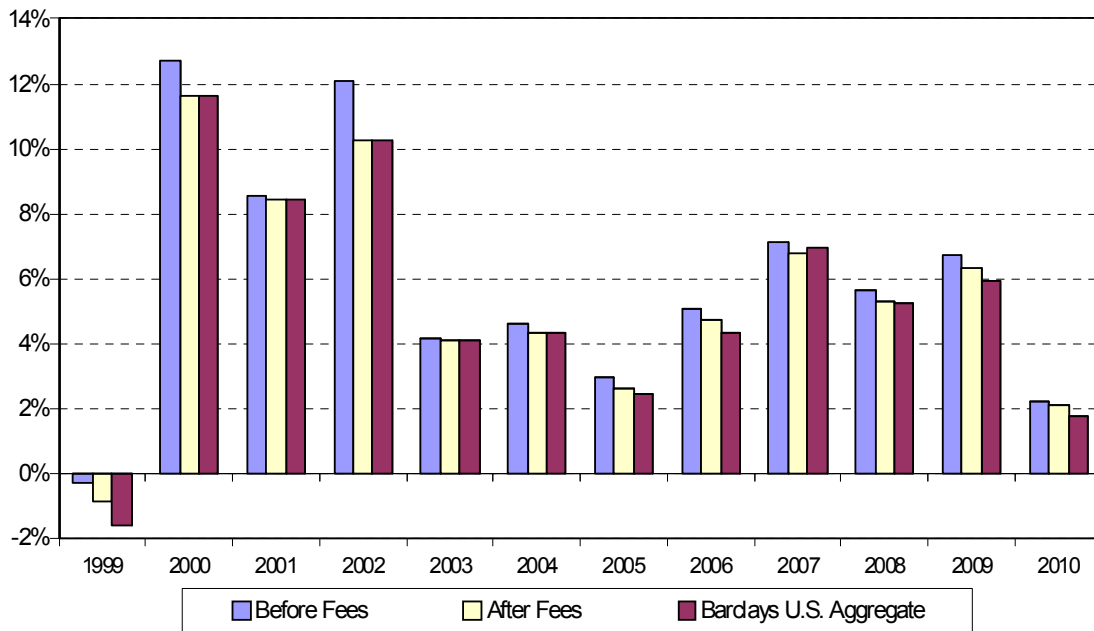
**AFL-CIO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

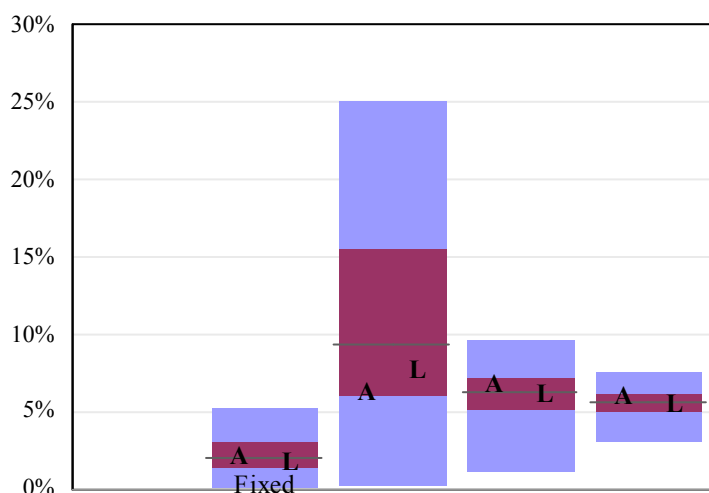


**AFL-CIO vs. Barclays U.S. Aggregate**

Year by Year Performance



## AFL-CIO Housing Investment Trust



	Qtr	1 Year	3 Years	5 Years
AFL-CIO (A)	2.2	6.2	6.7	6.0
Rank v. Fixed	40	73	36	30
BC Agg (L)	1.8	7.7	6.1	5.4
Fixed Median	2.0	9.3	6.2	5.6

Portfolio Characteristics	AFL CIO	Barclays Aggregate
Mkt Value (\$Mil)	155.3	n/a
Yield to Maturity (%)	4.8 %	3.5 %
Duration (yrs)	4.5	4.7
Avg. Quality	AGY	AA1/AA2

Sectors	AFL CIO	Barclays Aggregate
Treasury/Agency	1 %	42 %
Single-Family MBS	25	36
Multi-Family MBS	66	0
Corporates	0	18
High Yield	0	0
ABS/CMBS	2	4
Other	0	0
Cash	7	0

The AFL-CIO Housing Investment Trust (HIT) returned 2.2% in the first quarter, better than the 1.8% return of the Barclays U.S. Aggregate. The portfolio ranked in the 40<sup>th</sup> percentile of fixed income managers. For the past year, AFL-CIO returned 6.2%, which was lagged the 7.7% return of the Barclays U.S. Aggregate and ranked in the 73<sup>rd</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 first quarter, the AFL-CIO Housing Investment Trust had 1% in US Treasury notes, 25% of the portfolio allocated to single-family mortgage backed securities, 66% allocated to multi-family mortgage backed securities, 2% to private-label commercial mortgage backed securities and 7% to short-term securities. The AFL-CIO portfolio duration at the end of the first quarter was 4.5 years and the current yield of the portfolio was 4.8%.

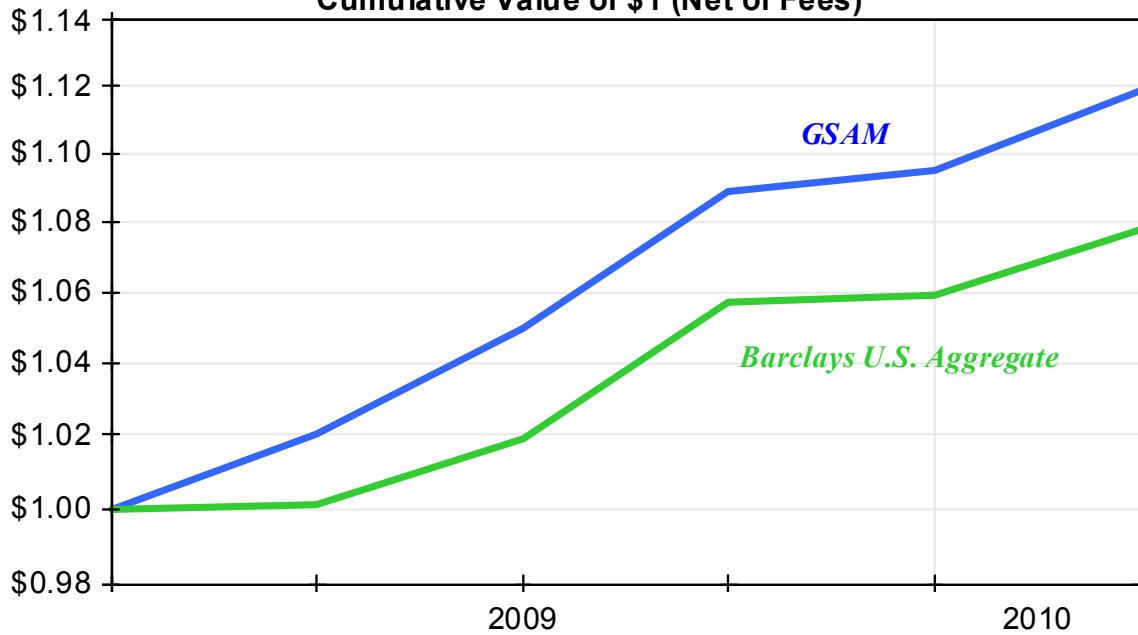
The HIT's first quarter results were boosted by strong performance in the Agency multi-family MBS portfolio as spreads tightened compared to Treasuries. The ongoing income advantage compared to the benchmark also helped. The HIT's specialization in these multifamily securities enabled it to perform well as these investments had better price performance than Treasuries with comparable average lives. These multifamily securities also generated additional income relative to Treasuries while reflecting similar credit quality. Lack of dedicated corporate debt exposure hurt in the first quarter, as did a higher quality bias in the portfolio.

# MANAGER COMMENTS – FIXED INCOME

Goldman Sachs

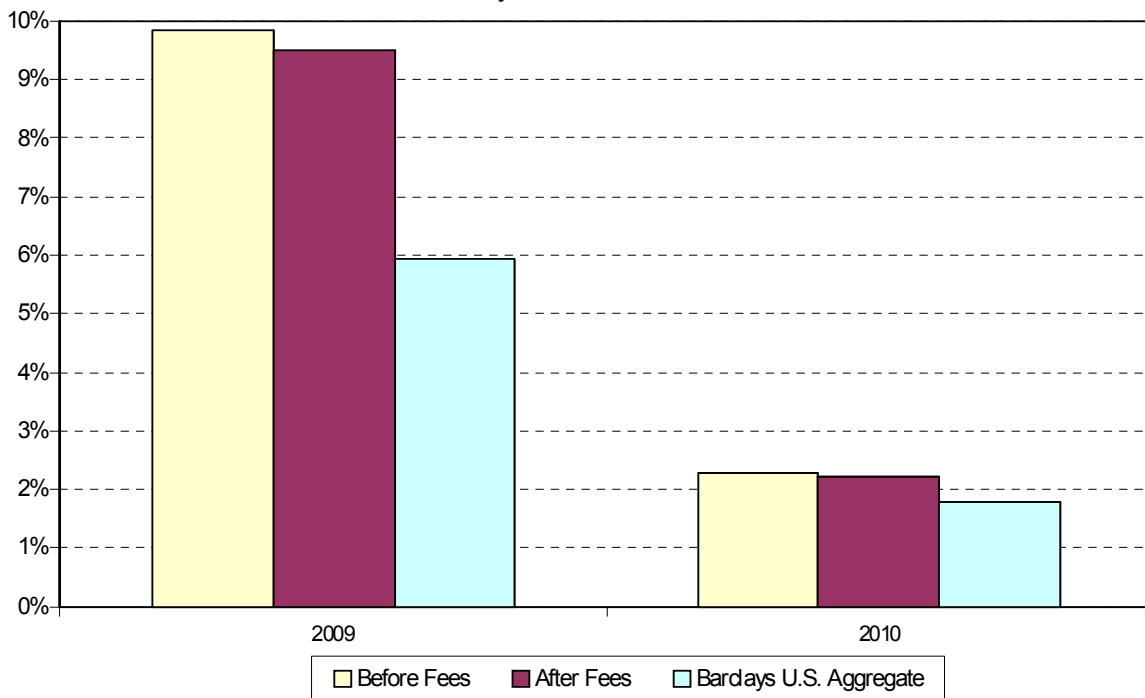
## GSAM vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

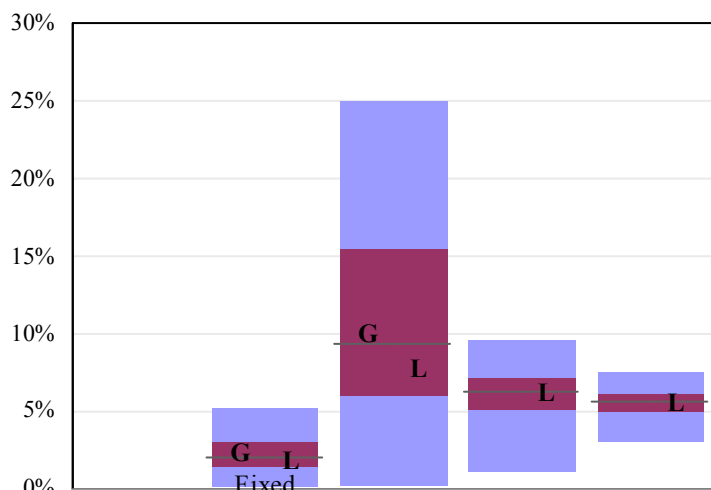


## GSAM vs. Barclays U.S. Aggregate

Year by Year Performance



## Goldman Sachs



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
GSAM (G)	2.3	10.0	-	-
Rank v. Fixed	37	44	-	-
BC Agg (L)	1.8	7.7	6.1	5.4
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	2.0	9.3	6.2	5.6

<b>Portfolio Characteristics</b>	<b>Goldman Sachs</b>	<b>Barclays Aggregate</b>
Mkt Value (\$Mil)	236.9	n/a
Yield to Maturity (%)	3.9 %	3.5 %
Duration (yrs)	4.6	4.7
Avg. Quality	AA+	AA1/AA2

<b>Sectors</b>	<b>Goldman Sachs</b>	<b>Barclays Aggregate</b>
Treasury/Agency	41 %	42 %
Mortgages	28	36
Corporates	14	18
High Yield	3	0
Asset-Backed	4	4
CMBS	4	0
International	0	0
Emerging Markets	2	0
Other	0	0
Cash	4	0

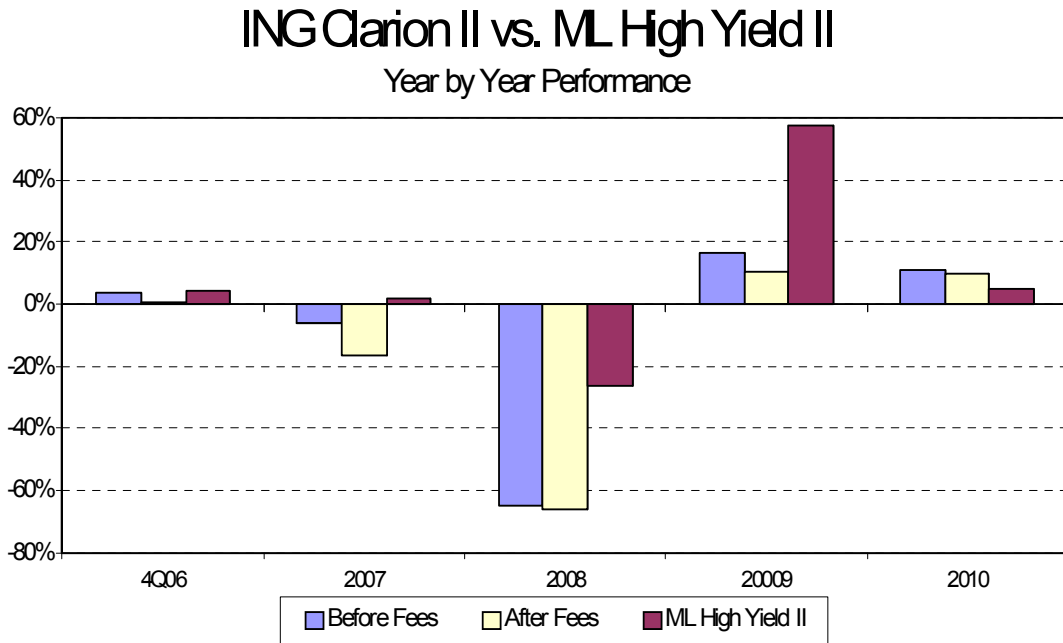
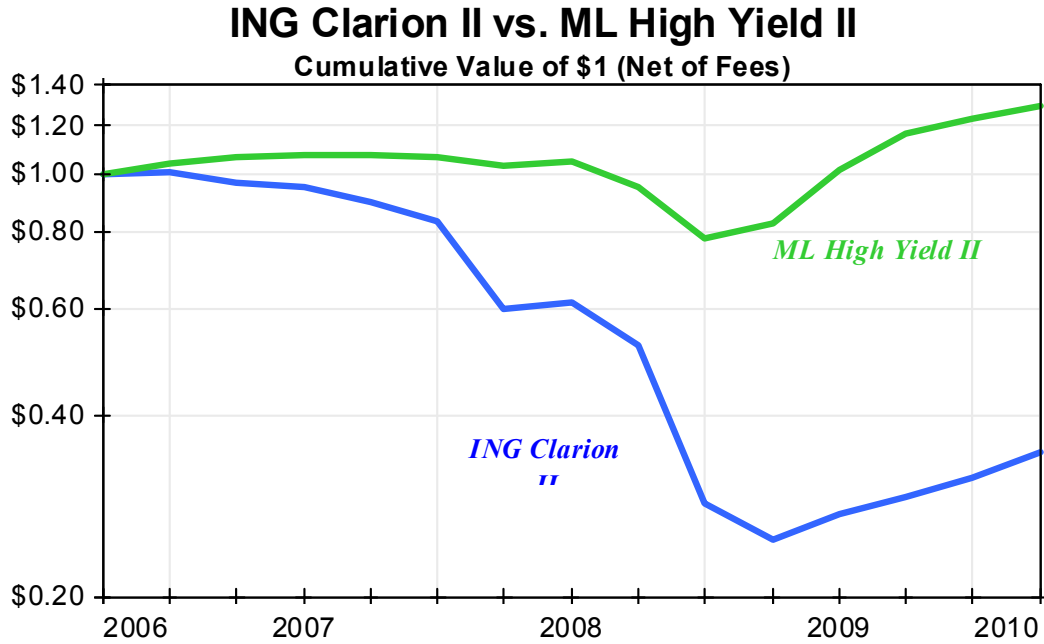
The Goldman Sachs core plus portfolio returned 2.3% in the first quarter, better than the 1.8% return of the Barclays U.S. Aggregate Index, and ranked the 37<sup>th</sup> percentile of fixed income managers. Over the past year, GSAM returned 10.0%, well above the 7.7% return of the Barclays U.S. Aggregate Index, and ranked in the 44<sup>th</sup> percentile.

At the end of the first quarter, Goldman Sachs was overweight relative to the Barclays U.S. Aggregate in the non-index sectors, including high yield, international and emerging market debt. Goldman Sachs was underweight in the US government and investment-grade corporate debt sectors. The duration of the Goldman fixed income portfolio at the end of the first quarter was 4.6 years, slightly shorter than the benchmark. The portfolio continues to have a small yield advantage over the index.

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

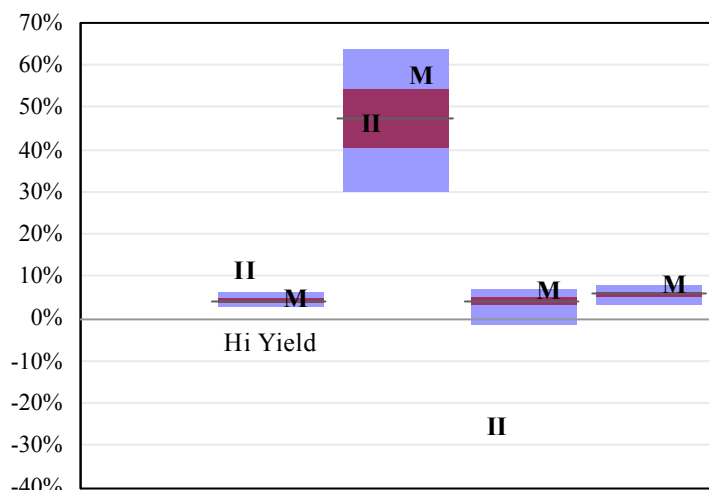
MANAGER COMMENTS – FIXED INCOME

ING Clarion II





## ING Clarion II



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion II (II)	11.0	46.0	-25.6	-
Rank v. Hi Yield	1	54	98	-
ML HY II (M)	4.8	57.2	6.6	7.7
Hi Yield Median	4.1	47.6	4.2	5.9

<b>Portfolio Characteristics</b>	<b>ING Clarion II</b>	<b>ML High Yield II</b>
Mkt Value (\$Mil)	38.6	n/a
Yield to Maturity (%)	36.0 %	8.5 %
Duration (yrs)	3.0	4.4
Avg. Quality	A+	B1

<b>Quality Distribution</b>	<b>ING Clarion II</b>	<b>ML High Yield II</b>
AAA	59 %	0 %
AA	0	0
A	8	0
BBB	19	0
BB	1	41
B	12	38
CCC	0	20
Not Rated	0	0
Other	2	0

ING Clarion II returned 11.0% for the first quarter. This return was better than the Merrill Lynch High Yield Master II return of 4.8% and ranked in the 1<sup>st</sup> percentile in the universe of high yield portfolios. Over the past three years, the fund has returned -25.6%, well below the index return of 6.6%, and ranked in the 98<sup>th</sup> percentile. The time-weighted results thus far look extremely poor.

As of March 31, 2010, Fund II had called all capital commitments and made investments in 76 deals with an acquisition value of \$691.3 million. The continued weakness in the real estate market has impacted the portfolio, causing credit deterioration. At this point, one mezzanine investment, eight CMBS deals and one CDO deal have stopped making payments. These investments collectively represent 14.3% of overall commitments. Another five CMBS deals representing 4.7% of committed capital are making only partial interest payments.

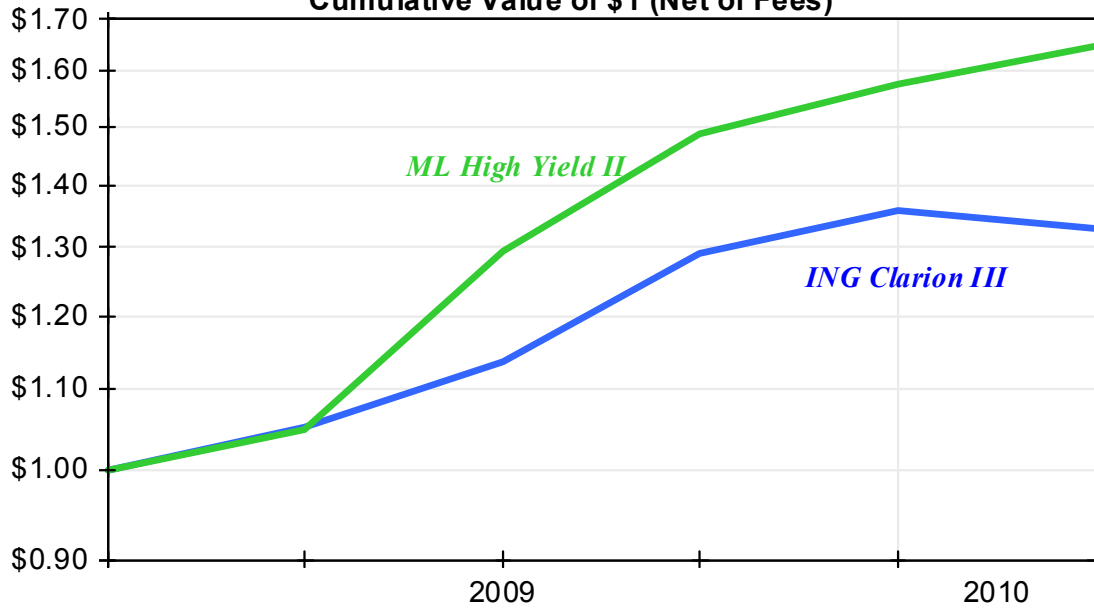
The portfolio consists of 69.4% investment grade CMBS, 15.0% non-investment grade CMBS, 13.6% mezzanine loans and B-notes and 2.0% CRE CDO bonds (based on acquisition value).

MANAGER COMMENTS – FIXED INCOME

ING Clarion III

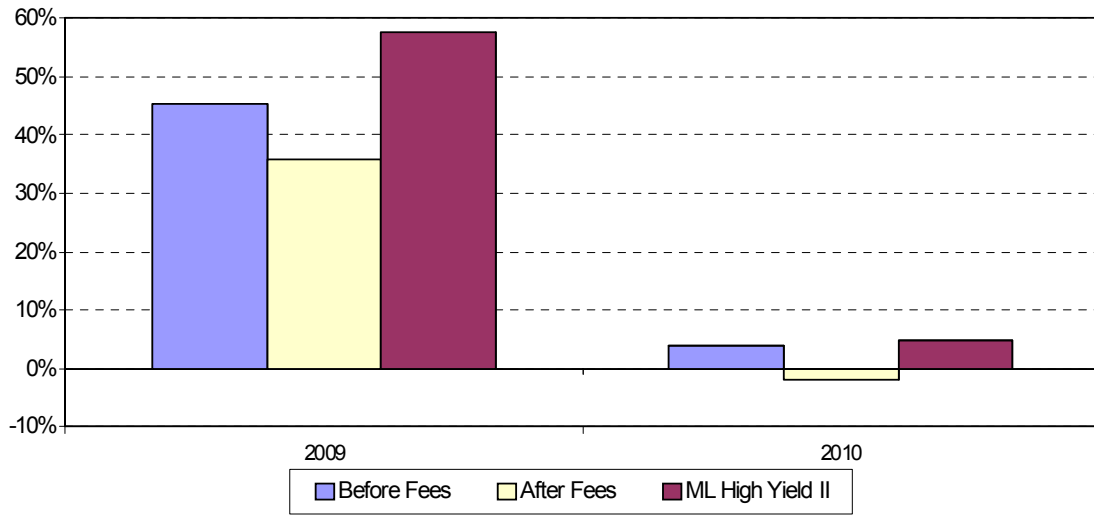
ING Clarion III vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

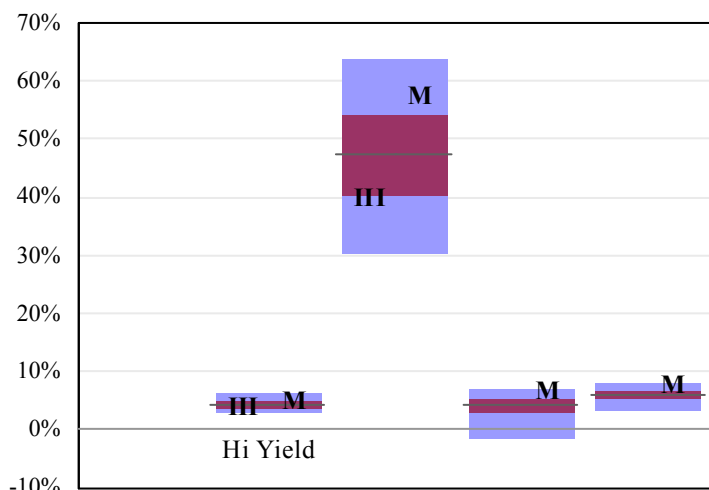


ING Clarion III vs. ML High Yield II

Year by Year Performance



## ING Clarion III



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
ING Clarion III (III)	4.0	40.0	-	-
Rank v. Hi Yield	53	76	-	-
ML HY II (M)	4.8	57.2	6.6	7.7
Hi Yield Median	4.1	47.6	4.2	5.9

<b>Portfolio Characteristics</b>	<b>ING Clarion III</b>	<b>ML High Yield II</b>
Mkt Value (\$Mil)	23.4	n/a
Yield to Maturity (%)	8.7 %	8.5 %
Duration (yrs)	2.7	4.4
Avg. Quality	AA+	B1

<b>Quality Distribution</b>	<b>ING Clarion III</b>	<b>ML High Yield II</b>
AAA	81 %	0 %
AA	5	0
A	4	0
BBB	11	0
BB	0	41
B	0	38
CCC	0	20
Not Rated	0	0
Cash	0	0

CCCERA funded the ING Clarion Debt Opportunity Fund III (ING Clarion III) on December 12, 2008. In the first quarter, Fund III returned 4.0%, lagging the 4.8% return of the Merrill Lynch High Yield II Index. This return ranked in the 53<sup>rd</sup> percentile of high yield managers. Over the past year, the fund has returned 40.0%, lagging the index and ranking in the 76<sup>th</sup> percentile.

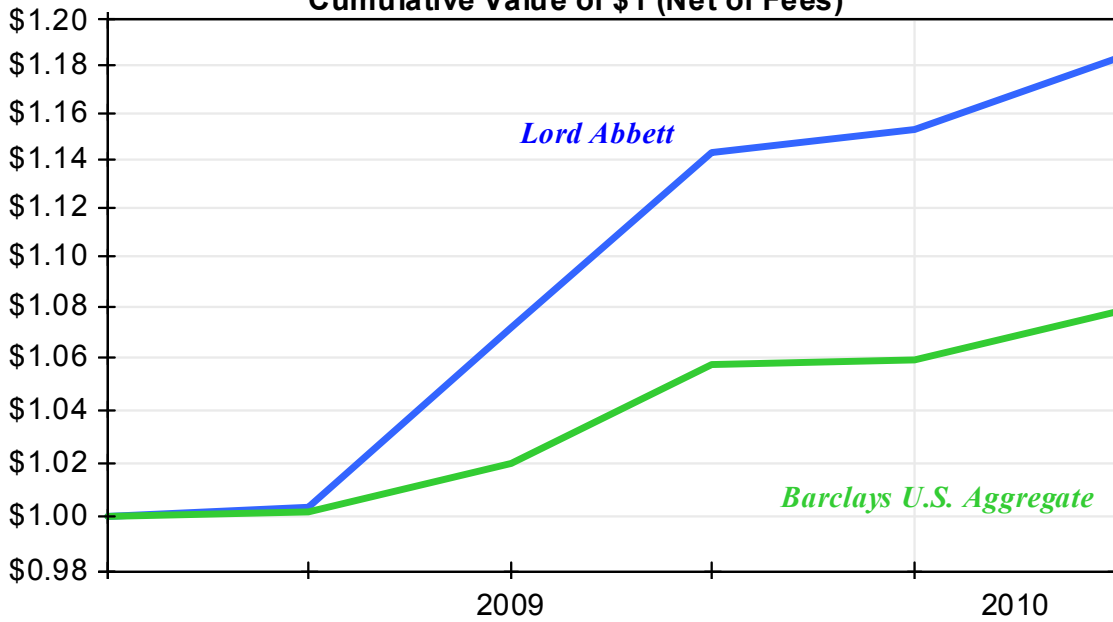
As with Funds I and II, ING Clarion Debt Opportunity Fund III invests in commercial mortgages purchased at a significant discount to face value. As of March 31, 2010, Fund III has called down 25% of committed capital and acquired a portfolio of 31 deals with an acquisition value of \$139.6 million. The breakdown of the current investments is 52.9% AAA-rated CMBS, 40.2% AAA interest-only CMBS and 6.9% non-AAA CMBS (based on acquisition values). The nominal yield to maturity on the portfolio (including cash) was 7.0% at quarter-end.

**MANAGER COMMENTS – FIXED INCOME**

**Lord Abbett**

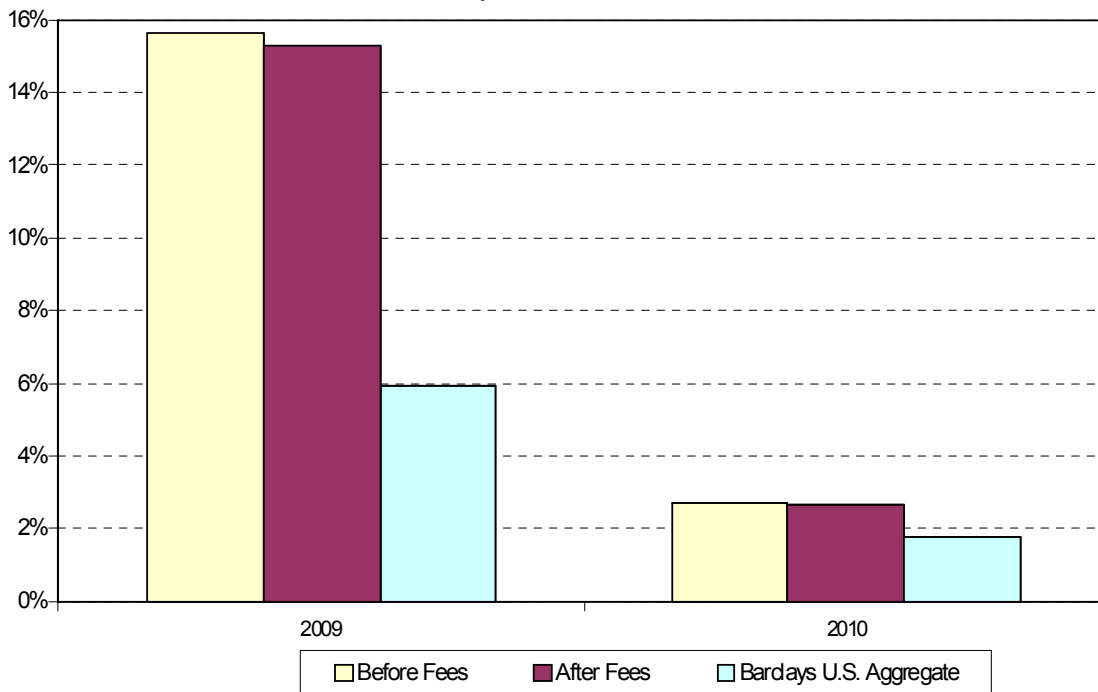
**Lord Abbett vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)

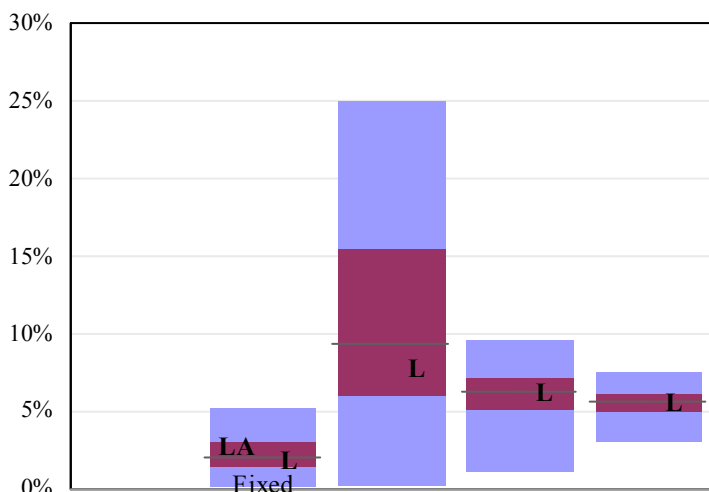


**Lord Abbett vs. Barclays U.S. Aggregate**

Year by Year Performance



## Lord Abbett



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Lord Abbett (LA)	2.7	18.2	-	-
Rank v. Fixed	31	14	-	-
BC Agg (L)	1.8	7.7	6.1	5.4
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	2.0	9.3	6.2	5.6

<b>Portfolio Characteristics</b>	<b>Lord Abbett</b>	<b>Barclays Aggregate</b>
Mkt Value (\$Mil)	237.1	n/a
Yield to Maturity (%)	4.3 %	3.5 %
Duration (yrs)	4.3	4.7
Avg. Quality	AA	AA1/AA2

<b>Sectors</b>	<b>Lord Abbett</b>	<b>Barclays Aggregate</b>
Treasury/Agency	21 %	42 %
Mortgages	15	36
Corporates	20	18
High Yield	9	0
Asset-Backed	9	4
CMBS	18	0
International	5	0
Emerging Markets	0	0
Other	4	0
Cash	0	0

During the first quarter, Lord Abbett returned 2.7%, above the 1.8% return of the Barclays U.S. Aggregate, and ranked in the 31<sup>st</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 18.2%, well above the Barclays U.S. Aggregate return of 7.7%, and ranked in the 14<sup>th</sup> percentile.

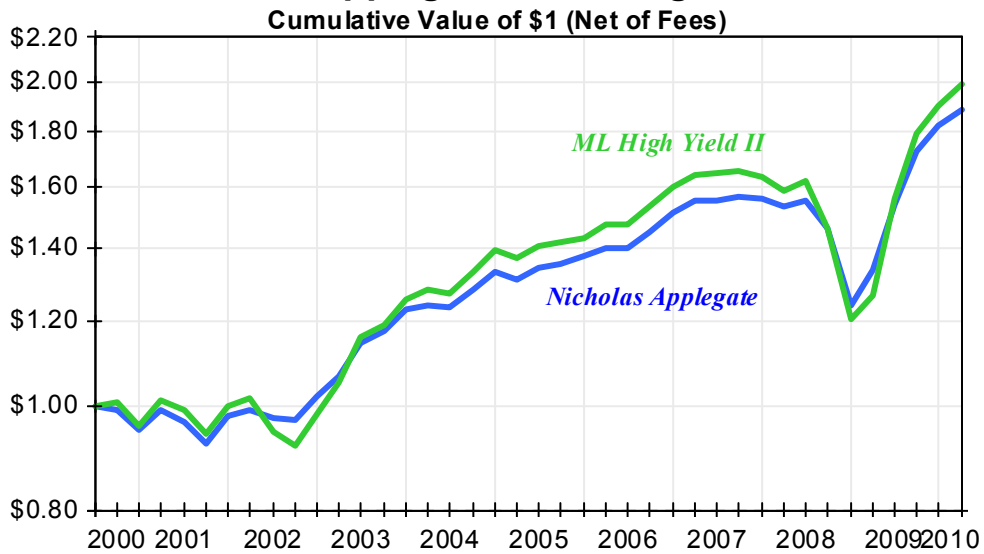
At the end of the first quarter, Lord Abbett was overweight relative to the Barclays U.S. Aggregate in the high yield, ABS, CMBS and non-US sectors. Lord Abbett was underweight in the US government and mortgage sectors. The duration of the fixed income portfolio at the end of the first quarter was 4.3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

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

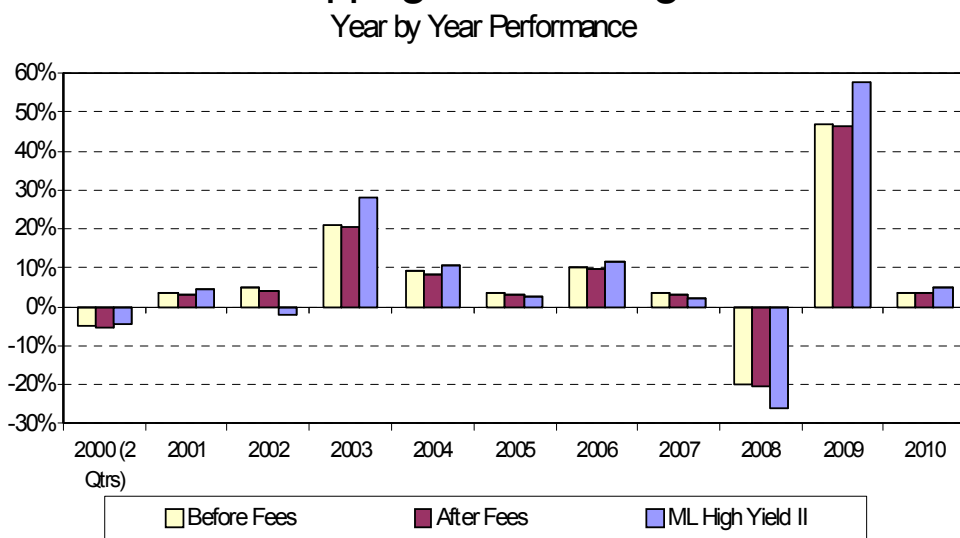
**MANAGER COMMENTS – FIXED INCOME**

**Nicholas Applegate**

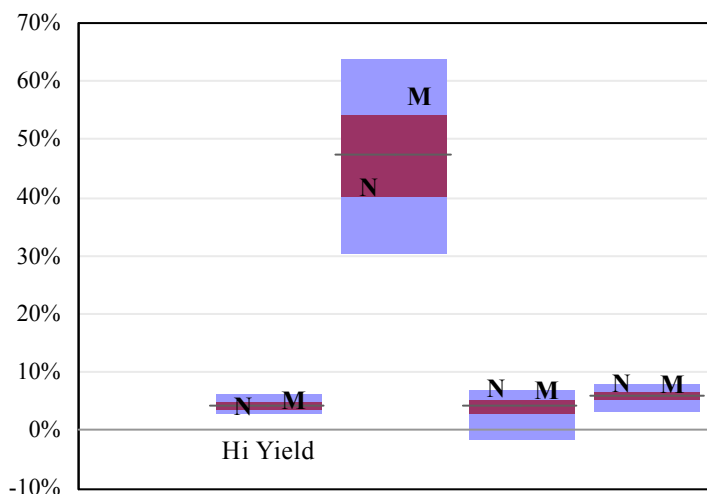
**Nicholas Applegate vs. ML High Yield II**



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



## Nicholas Applegate



Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	138.9	n/a
Yield to Maturity (%)	8.3 %	8.5 %
Duration (yrs)	3.7	4.4
Avg. Quality	BB	B1

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	2	0
BB	29	41
B	63	38
CCC	7	20

	Qtr	1 Year	3 Years	5 Years
Nich. Appl. (N)	3.9	41.5	7.2	8.1
Rank v. Hi Yield	59	67	4	4
ML HY II (M)	4.8	57.2	6.6	7.7
ML BB/B (B)	4.4	43.4	5.3	6.8
Hi Yield Median	4.1	47.6	4.2	5.9

Nicholas Applegate's high yield fixed income portfolio returned 3.9% for the first quarter, trailing the 4.8% return of the Merrill Lynch High Yield II Index, and ranking in the 59<sup>th</sup> percentile of high yield managers. Nicholas Applegate returned 41.5% over the past year compared to 57.2% for the ML High Yield II Index and 47.6% for the median. For the five-year period, Nicholas Applegate's return of 8.1% was better than the 7.7% return of the ML High Yield II Index and ranked in the 4<sup>th</sup> percentile.

As of March 31, 2010, the Nicholas Applegate high yield portfolio was allocated 2% to BBB rated securities compared to 0% for the ML High Yield II Index, 29% to BB rated issues to 41% for the Index, 63% to B rated issues to 38% in the Index and 7% to CCC rated securities to 20% for the Index. The portfolio's March 31, 2010 duration was 3.7 years, shorter than the 4.4 year duration of the ML High Yield II Index.

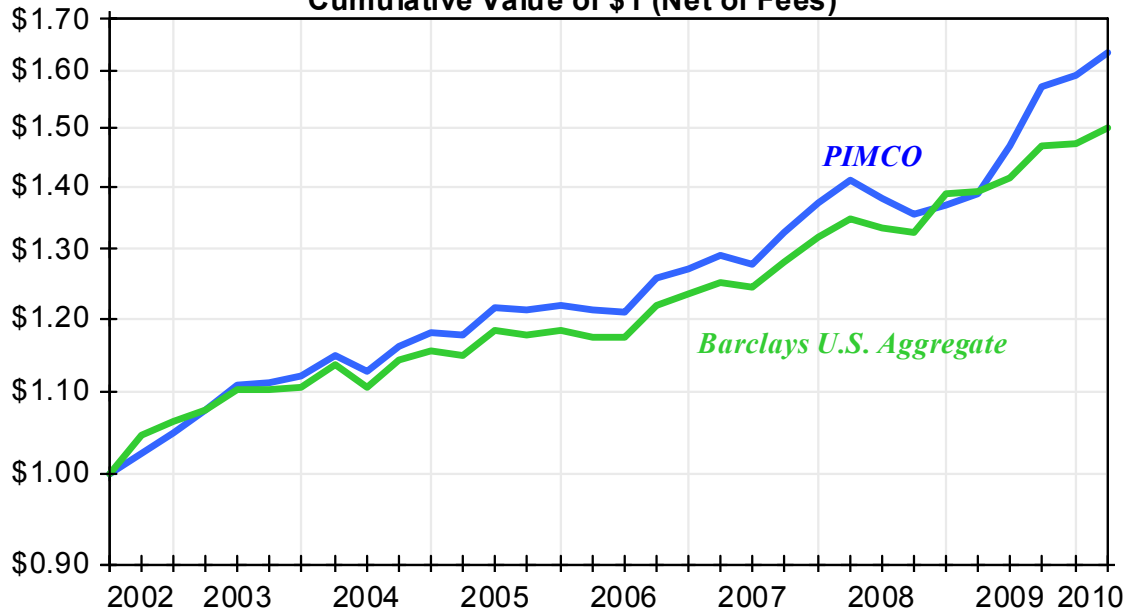
The portfolio's performance, while strong in an absolute sense, lagged the benchmark for the fourth consecutive quarter. Much of this was due to outsized returns from the lowest quality issuers (which Nicholas Applegate does not hold). Several industries in the portfolio generated positive performance in the quarter. Among the best were Financials, Gaming and Leisure. There were few laggards in the portfolio, most notably in the Utilities industry. The firm continues to hold these securities. New buys were once again plentiful in the quarter, primarily stemming from continued strength in the new issuance market.

**MANAGER COMMENTS – FIXED INCOME**

**PIMCO**

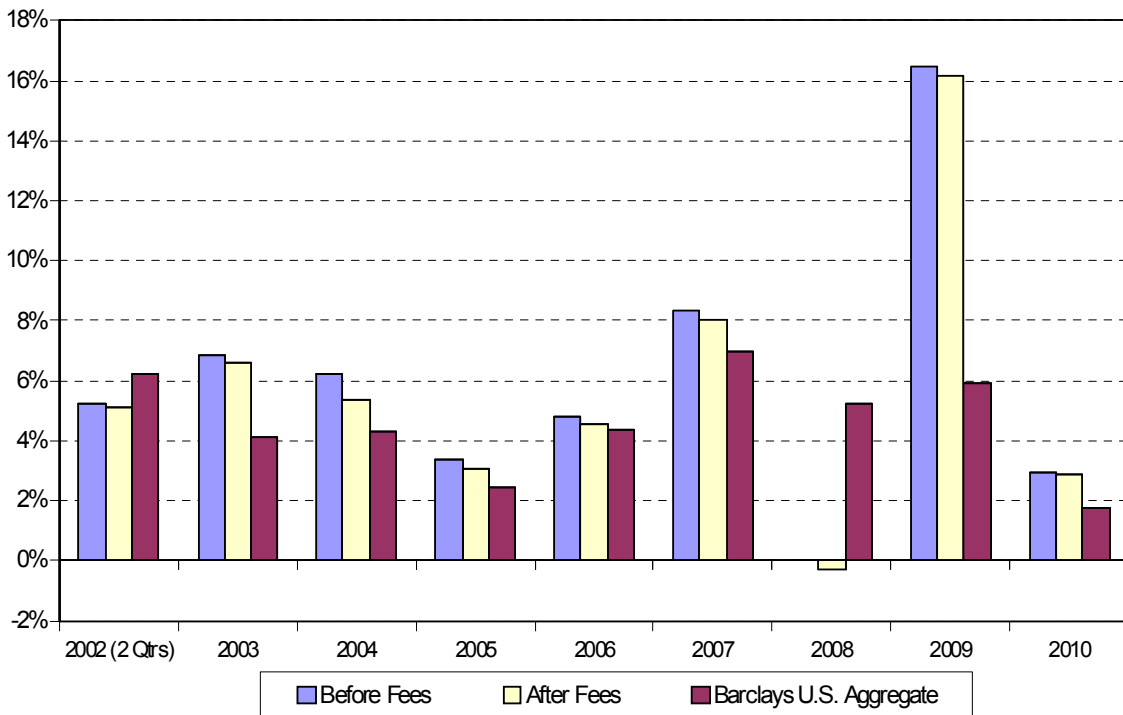
**PIMCO vs. Barclays U.S. Aggregate**

Cumulative Value of \$1 (Net of Fees)



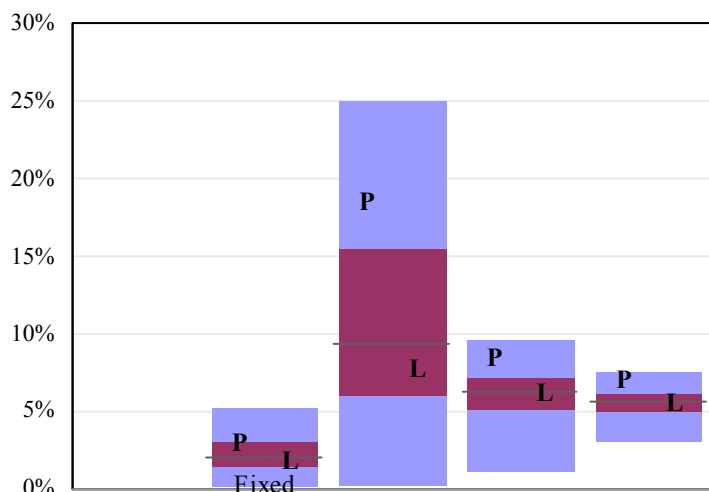
**PIMCO vs. Barclays U.S. Aggregate**

Year by Year Performance





## PIMCO



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
PIMCO (P)	2.9	18.4	8.5	7.1
Rank v. Fixed	27	14	9	9
BC Agg (L)	1.8	7.7	6.1	5.4
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	2.0	9.3	6.2	5.6

<b>Portfolio Characteristics</b>	<b>PIMCO</b>	<b>Barclays Aggregate</b>
Mkt Value (\$Mil)	345.5	n/a
Yield to Maturity (%)	4.2 %	3.5 %
Duration (yrs)	4.9	4.7
Avg. Quality	AA	AA1/AA2

<b>Sectors</b>	<b>PIMCO</b>	<b>Barclays Aggregate</b>
Treasury/Agency	16 %	42 %
Mortgages	25	36
Corporates	16	18
High Yield	2	0
Asset-Backed	0	4
CMBS	0	0
International	7	0
Emerging Markets	2	0
Other	2	0
Cash	30	0

PIMCO's return of 2.9% for the first quarter was better than the 1.8% return of the Barclays U.S. Aggregate and ranked in the 27<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 18.4% was better than the 7.7% return of the Barclays U.S. Aggregate and ranked in the 14<sup>th</sup> percentile. Over the past five years, the portfolio has returned 7.1%, better than the Barclays U.S. Aggregate return of 5.4%, and ranked in the 9<sup>th</sup> percentile.

At the end of the first quarter, PIMCO continues to hold underweight position in government and investment-grade corporate issues. PIMCO had significant exposure to non-index sectors, including non-US sovereign debt, emerging markets and high yield. The duration of the PIMCO fixed income portfolio at the end of the first quarter was 4.9 years, up slightly from last quarter's 4.7 year duration and close to the benchmark. The portfolio continues to have a significant yield advantage over the index, though it is reduced from that seen in prior quarters.

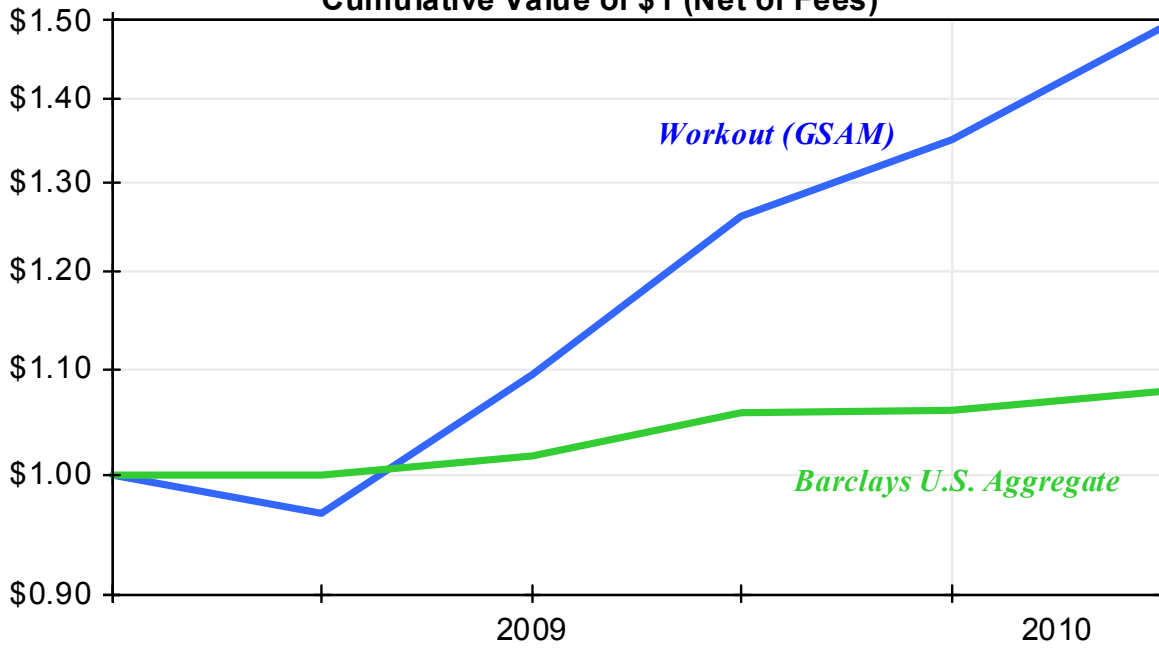
PIMCO's performance was helped by several strategies: exposure to core European interest rates, an emphasis on shorter maturity yields via money market futures, an overweight to financial issues, holdings of CMBS and non-Agency MBS and modest exposure to emerging markets. PIMCO has been underweight to Agency MBS for some time given their high valuations. However, these securities continued to rally late in the first quarter and the lack of exposure hurt the portfolio.

# MANAGER COMMENTS – FIXED INCOME

## Workout Portfolio - Managed by Goldman Sachs

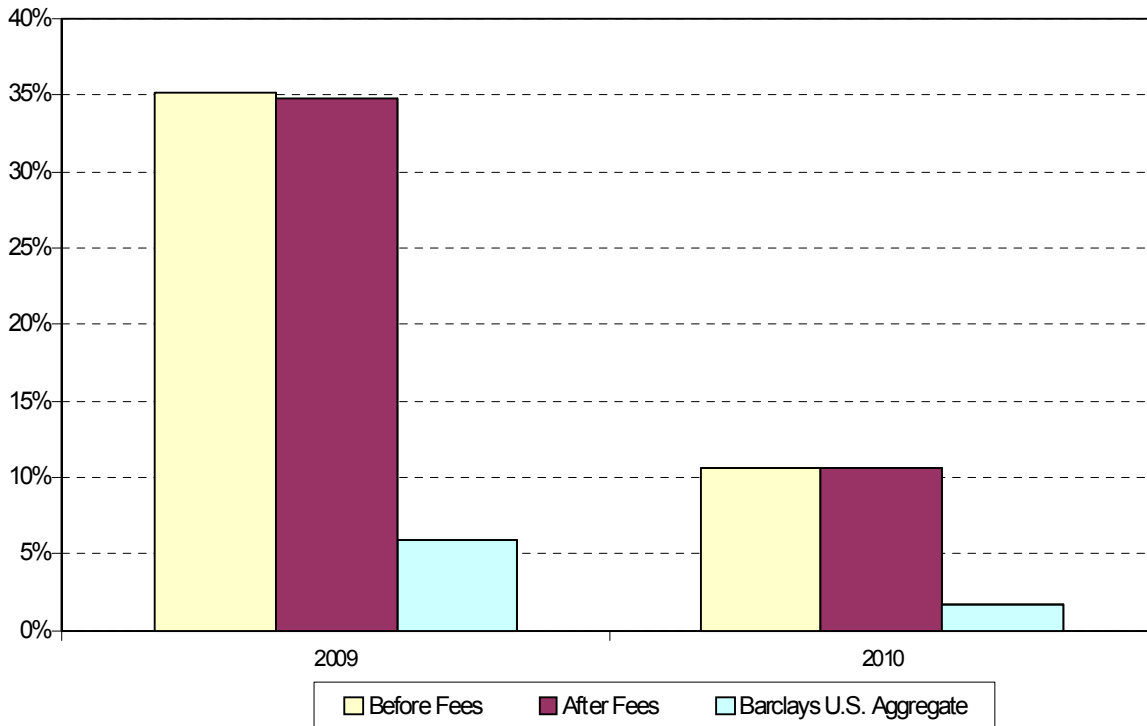
### Workout vs. Barclays U.S. Aggregate

Cumulative Value of \$1 (Net of Fees)

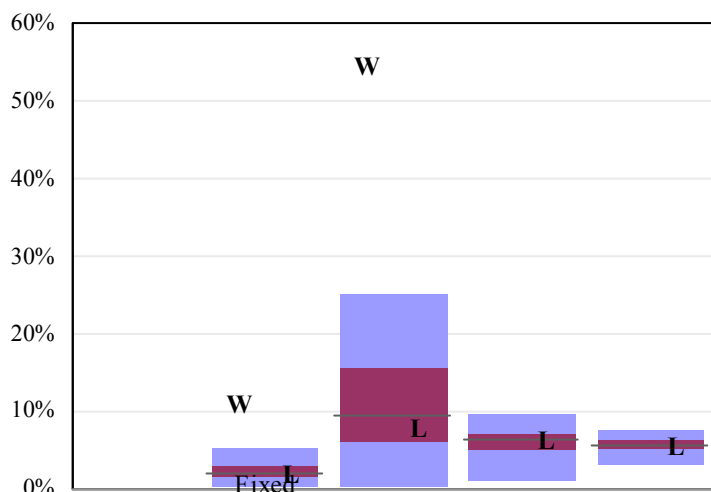


### Workout vs. Barclays U.S. Aggregate

Year by Year Performance



## Workout Portfolio



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Workout (W)	10.6	54.3	-	-
Rank v. Fixed	1	1	-	-
BC Agg (L)	1.8	7.7	6.1	5.4
BC Uni (U)	0.6	8.6	5.8	5.0
Fixed Median	2.0	9.3	6.2	5.6

<b>Portfolio Characteristics</b>	<b>Workout (GSAM)</b>	<b>Barclays Aggregate</b>
Mkt Value (\$Mil)	31.4	n/a
Yield to Maturity (%)	7.8 %	3.5 %
Duration (yrs)	1.0	4.7
Avg. Quality	AA	AA1/AA2

<b>Sectors</b>	<b>Workout (GSAM)</b>	<b>Barclays Aggregate</b>
Treasury/Agency	3 %	42 %
Mortgages	68	36
Corporates	8	18
High Yield	0	0
Asset-Backed	0	4
CMBS	0	0
International	0	0
Emerging Markets	0	0
Other	0	0
Cash	21	0

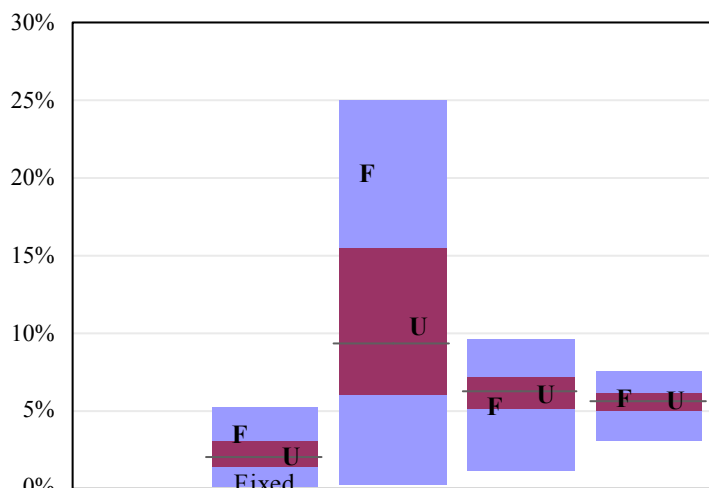
For the portion of the legacy Western Asset Management mandate that was deemed to be illiquid or trading at distressed prices that were unwarranted given the underlying instrument fundamentals, Goldman Sachs was selected to oversee and dispose of securities as appropriate. The workout portfolio is comprised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

During the first quarter, this legacy portfolio returned 10.6%, significantly above the Barclays U.S. Aggregate return of the 1.8%, and ranked in the 1<sup>st</sup> percentile of fixed income managers. Over the past year, the portfolio has returned 54.3%, far above the 7.7% return of the index.

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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)	3.4	20.3	5.2	5.8
Rank v. Fixed	18	10	74	42
BC Uni (U)	2.0	10.4	6.0	5.6
BC Agg (L)	1.8	7.7	6.1	5.4
Fixed Median	2.0	9.3	6.2	5.6

<b>Portfolio Characteristics</b>	<b>Total Fixed</b>	<b>Barclays Universal</b>
Mkt Value (\$Mil)	1,207.2	n/a
Yield to Maturity (%)	5.9 %	4.0 %
Duration (yrs)	4.3	4.6
Avg. Quality	AA	AA

<b>Sectors</b>	<b>Total Fixed</b>	<b>Barclays Universal</b>
Treasury/Agency	17 %	37 %
Mortgages	29	31
Corporates	12	16
High Yield	14	5
Asset-Backed	3	3
CMBS	10	0
International	3	2
Emerging Markets	2	2
Other	1	4
Cash	10	0

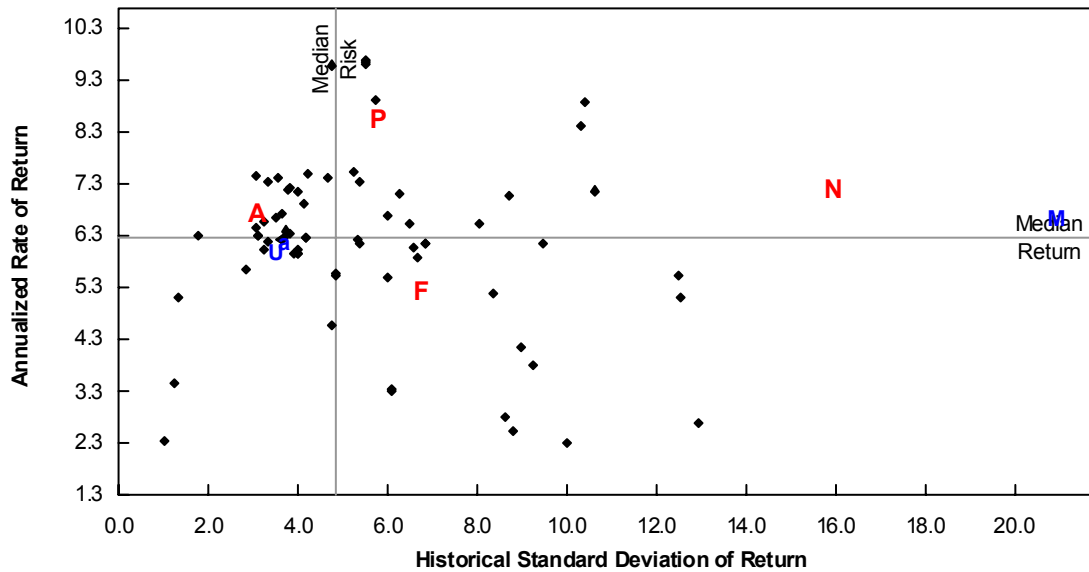
CCCERA total fixed income returned 3.4% in the first quarter, which was better than the 2.0% return of the Barclays Universal and the 1.8% return of the Barclays U.S. Aggregate, ranking in the 18<sup>th</sup> percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 20.3%, better than the 10.4% return of the Barclays Universal and the 7.7% return of the Barclays U.S. Aggregate. The CCCERA total fixed income returns trailed the Barclays Universal Index and the median fixed income manager over the three years but has exceeded both over the past five years.

At the end of the first quarter, the aggregate fixed income position was underweight relative to the Barclays Universal in the US government, mortgage and corporate debt sectors. These underweight positions were primarily offset by larger positions in high yield and CMBS debt. The duration of the total fixed income portfolio at the end of the first quarter was 4.3 years, shorter than the 4.6 year duration of the index.

# MANAGER COMMENTS – FIXED INCOME

## Domestic Fixed Income Performance and Variability

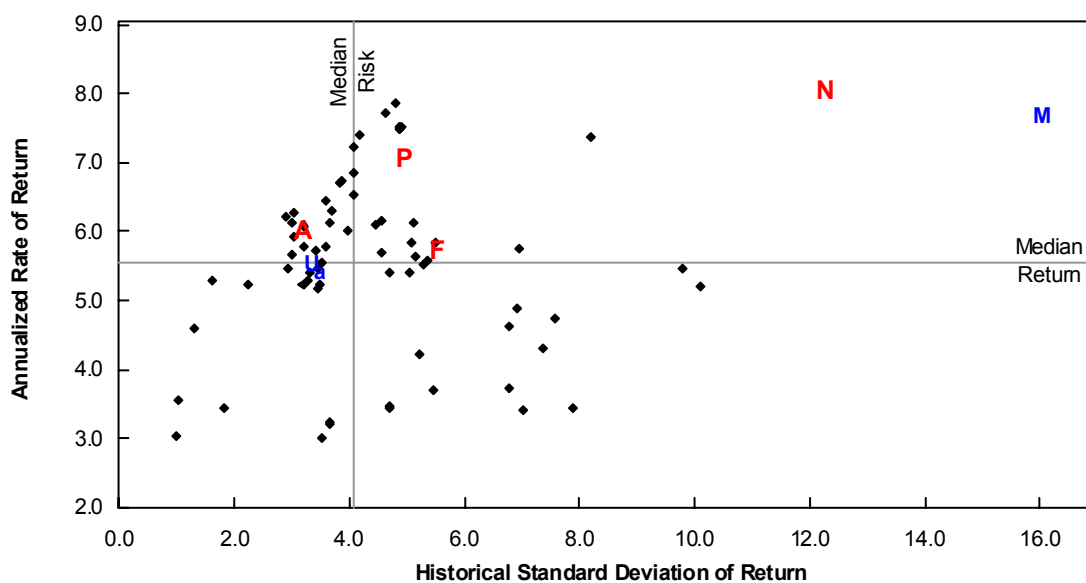
*Three Years Ending March 31, 2010*



	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO ( <b>A</b> )	6.7 %	3.1 %	1.52
Nicholas Applegate ( <b>N</b> )	7.2	16.0	0.32
PIMCO ( <b>P</b> )	8.5	5.8	1.12
Total Fixed ( <b>F</b> )	5.2	6.8	0.47
Barclays Aggregate ( <b>a</b> )	6.1	3.7	1.13
ML High Yield II ( <b>M</b> )	6.6	20.9	0.22
Barclays] Universal ( <b>U</b> )	6.0	3.5	1.13
Median Bond Portfolio	6.2	4.8	0.88

## Domestic Fixed Income Performance and Variability

*Five Years Ending March 31, 2010*

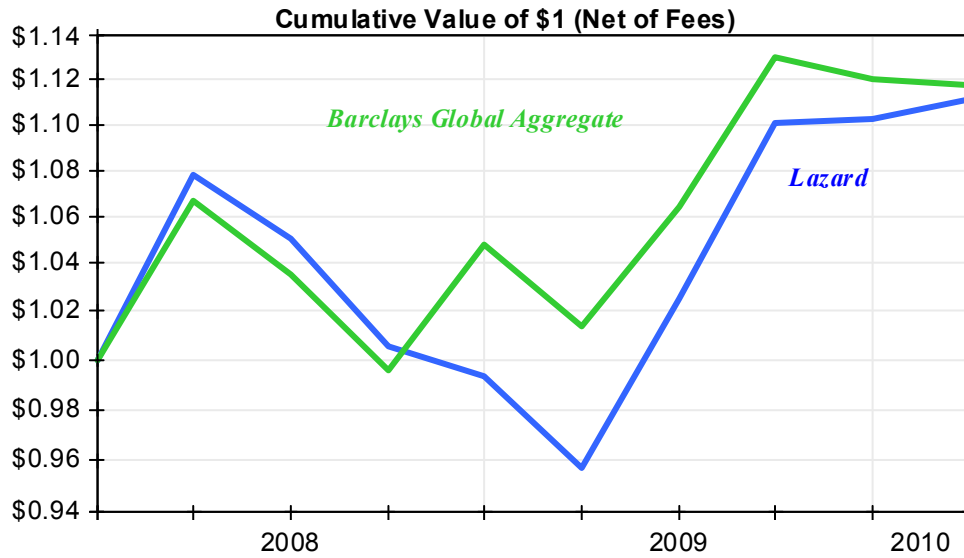


	<u>Annualized Return</u>	<u>Standard Deviation</u>	<u>Risk/Reward Ratio</u>
Domestic Bond Managers			
AFL-CIO ( <b>A</b> )	6.0 %	3.2 %	0.99
Nicholas Applegate ( <b>N</b> )	8.1	12.3	0.42
PIMCO ( <b>P</b> )	7.1	4.9	0.85
Total Fixed ( <b>F</b> )	5.8	5.5	0.52
Barclays Aggregate ( <b>a</b> )	5.4	3.5	0.73
ML High Yield II ( <b>M</b> )	7.7	16.0	0.30
Barclays Universal ( <b>U</b> )	5.6	3.3	0.80
Median Bond Portfolio	5.6	4.1	0.66

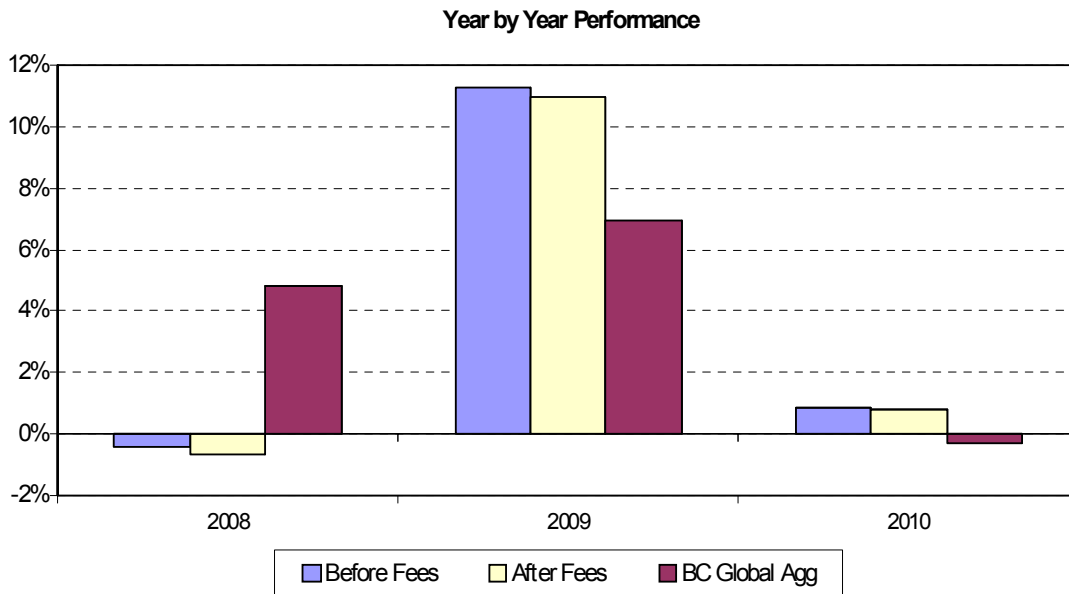
# MANAGER COMMENTS – GLOBAL FIXED INCOME

## Lazard Asset Management

### Lazard vs. Barclays Global Aggregate

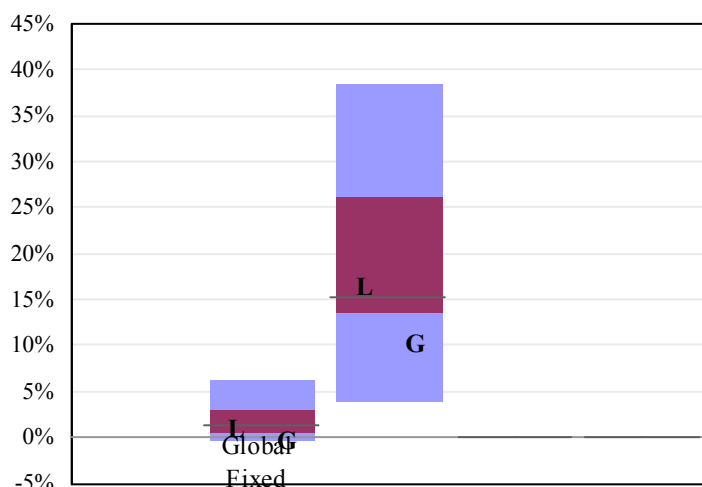


### Lazard vs. Barclays Global Aggregate





## Lazard Asset Management



	<u>Qtr</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Lazard (L)	0.9	16.4	-	-
Rank v. Glob FI	67	42	-	-
BC Global (G)	-0.3	10.2	-	-
GI Fixed Median	1.4	15.3	-	-

<b>Portfolio Characteristics</b>	<b>Lazard Asset Mgmt</b>	<b>Barclays Global Aggregate</b>
Mkt Value (\$Mil)	26.1	n/a
Yield to Maturity (%)	4.0 %	2.9 %
Duration (yrs)	5.3	5.5
Avg. Quality	AA	AA1/AA2

<b>Sectors</b>	<b>Lazard Asset Mgmt</b>	<b>Barclays Global Aggregate</b>
Treasury/Sovereign	45 %	50 %
Agency/Supranational	26	15
Corporate	16	16
High Yield	2	0
Emerging Markets/Other	12	4
Mortgage	0	14

Lazard Asset Management returned 0.9% in the first quarter. This return was better than the -0.3% return of the Barclays Global Aggregate Index but ranked in the 67<sup>th</sup> percentile in the universe of global fixed income managers. Over the past year, Lazard has returned 16.4%, better than the Barclays Global Aggregate return of 10.2% and ranking in the 42<sup>nd</sup> percentile. The portfolio has regained much of the ground lost during its first few quarters and now nearly matches the benchmark since inception.

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 first quarter was 5.3 years, slightly shorter than the index. The portfolio has a higher yield than the index.

First quarter results were helped by a number of strategies, including strong security selection in the United States where the firm favors sovereign, supranational and Build America Bonds. Lazard does not hold any Treasuries in this portfolio. The firm has taken profits on its mortgage positions and is now completely out of the sector. Currency exposure in Latin America, Africa and Eastern Europe helped returns, as did an underweight position in the Yen.

During the quarter, global interest rates remained range-bound and the steep yield curve remained intact. Lazard continues to favor emerging market debt in part because of uncertainties facing the Eurozone and growing debt loads in the United Kingdom and United States. Lazard believes that the U.S. Dollar and Yen will resume their weakening trend in 2010.

## **MANAGER COMMENTS – REAL ESTATE**

### **Adelante Capital Management \$344,262,564**

Adelante Capital Management returned 10.4% for the first quarter, above the 9.8% return of the Dow Jones Wilshire REIT Index, and ranked in the 4th percentile of the REIT mutual fund universe. For the past year, Adelante returned 107.6%, trailing the REIT index return of 113.7% but ranking in the 1<sup>st</sup> percentile. We are looking into the appropriateness of the current manager universe used for peer rankings. The portfolio has slightly trailed the benchmark over longer time periods.

As of March 31, 2010, the portfolio consisted of 33 public REITs. Office properties comprised 15.5% of the underlying portfolio, apartments made up 17.7%, retail represented 19.7%, industrial was 10.7%, 5.8% was diversified/specialty, storage represented 6.4%, healthcare accounted for 9.9%, hotels accounted for 8.9%, manufactured homes made up 1.9% and 3.5% was cash.

### **BlackRock Realty \$10,838,224**

BlackRock Realty Apartment Value Fund III (AVF III) returned 2.1% in the first quarter. Over the one-year period, BlackRock has returned -35.6%. CCCERA has an 18.6% interest in the AVF III.

AVF III is fully invested. The gross real estate value as of March 31, 2010 is \$218.4 million. The Fund's target leverage was originally 65% and is currently at 74% due to capital value declines.

AVF III is expected to benefit from the recent economic recovery. Occupancy within the portfolio continues to improve and stood at 94% at the end of the first quarter. Apartments are predicted to lead all sectors out of the downturn.

### **DLJ Real Estate Capital Partners \$172,056**

DLJ Real Estate Capital Partners (RECP) returned 0.3% in the quarter ending December 31, 2009. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned -0.7%. CCCERA has a 3.8% ownership interest in RECP.

RECP I completed its investment activities in 1999 and has since emphasized asset management and asset realizations. RECP I has essentially realized its entire portfolio of 49 investments, and DLJ remains focused on realizing the final residual values from a few remaining investments. These interests include two small commercial sites totaling approximately nine acres at DLJ's Gleannoch Farms investment and a note receivable from the transaction counterparty on the D'Andrea Ranch sale. These two positions have a combined current book value of approximately \$4.9 million. Since inception, the fund has realized a gross IRR of 17.0%.

### **DLJ Real Estate Capital Partners II \$4,193,606**

DLJ Real Estate Capital Partners II (RECP II) reported a return of -19.7% in the quarter ending

December 31, 2009. Over the one-year period, RECP II has returned -30.2%. CCCERA has a 3.4% ownership interest in RECP II.

As of December 31, 2009, the portfolio consisted of 44% retail, hotels accounted for 18%, land development made up 19%, residential accounted for 11%, 1% made up office properties and 7% in “other”. The properties were diversified geographically with 83% domestic and 18% 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 189% of the capital invested by the Fund. Based on actual cash flows and the remaining book value, the overall gross IRR for RECP is 29%.

**DLJ Real Estate Capital Partners III**  
**\$36,642,034**

DLJ Real Estate Capital Partners III (RECP III) reported a return of -18.8% in the fourth quarter. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III returned -25.5%. CCCERA has a 7.0% ownership interest in RECP III.

As of December 31, 2009 the portfolio consisted of 45% hotel properties, 22% industrial/logistics, 14% mixed-use development, 4% vacation home development, 10% residential, 3% retail and 2% other. The properties were diversified globally with 55% non-US and 45% US.

The Fund is fully invested in 49 investments; having committed \$1.2 billion of equity. There have been 18 realizations to date, generating profits of \$176 million, a 38% gross IRR and a 1.6x multiple.

**DLJ Real Estate Capital Partners IV**  
**\$19,023,140**

**DLJ Real Estate Capital Partners IV (RECP IV) returned 18.0% in the quarter ending December 30, 2009.** (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund has returned -36.5%.

As of December 31, 2009 the portfolio consisted of 43% senior and mezzanine loans, 15% mixed use development, 9% townhouse, 8% development and construction companies, 8% public securities, 5% hotel properties, 5% CMBS and loans, 4% industrial, 1% commercial land development, 1% “other” investments, 0% private securities in a public company. The properties were diversified globally with 32% non-US and 68% US.

To date, the Fund has completed 21 investments, investing approximately \$569 million of equity. During 2009, the Fund had a notable loss with respect to the \$93.5 million investment in Anthracite Capital (a mortgage REIT) which defaulted on its debt in 2009, was delisted from the NYSE and subsequently filed for bankruptcy. The Fund has realized a loss of \$87.5 million on this investment.

**Fidelity Investments US Growth Fund II**  
**\$14,596,945**

Fidelity Investments returned -0.6% for the first quarter of 2010. For the one-year period, Fidelity had a total return of -28.7%. The most significant move in market value during the quarter was a \$3.3 million increase in the value of the Fund's position in the Cardel Hotel Portfolio due to the pending sale of the Hampton Inn in Miami at a price above its prior carrying value. The Fund also marked up the value of the Estates at Tuscany Ridge by \$2.5 million due to a pending sale. (Both sales were completed just after quarter end). The Fund wrote down the value of its position in the Michigan Student Housing Portfolio by \$3.1 million due to a reduction in both operating assumptions and the value of 400 Duval Street by \$2.1 million (as the retail property's largest tenant unexpectedly vacated their space in the quarter). The Fund received \$3.2 million from the sale proceeds of Marina Bay and The Columbian and \$1.5 million from the Summerland Apartments land site.

Since inception through March 31, 2010, the fund has made 51 investments. 21 have been fully realized, with a realized gross CCCERA IRR of -22.6%. The remaining 30 projects are projected to realize a -8.3% IRR, bringing the overall fund to a projected IRR of -10.4%.

The portfolio consists of 11% apartment properties, 17% for sale housing, 12% senior housing, 6% retail, 3% office and 48% student housing. The properties were diversified regionally with 31% in the Pacific, 1% in the Northeast, 4% in the Mideast, 12% in the Southeast, 42% in the Eastern North Central, 5% in the Mountain region and 5% in the Southwest.

**Fidelity Investments US Growth Fund III**  
**\$4,478,838**

Fidelity US Growth Fund III reported a return of 7.9% for the first quarter of 2010. Over the past year, the Fund has returned -63.3%. The fair market value of the Fund's investment positions increased by \$2.6 million and there was nearly \$1.7 million in cash distributions from two of the Fund's properties. The most significant write up this quarter was an increase of \$3.9 million in the Atlanta Airport Gateway Center due to positive adjustments to the operating projections for Springhill Suites and Marriott Gateway.

Since inception through March 31, 2010, the fund has made 12 investments. 69% of the fund remains uncommitted. The remainder consists of 9% student housing, 1% retail, 5% office, 8% apartments, 1% industrial and 7% hotels. The properties were diversified regionally with 9% in the Pacific, 6% Mountain, 3% in the Southwest, 1% West North Central, 6% in the Southeast, 2% in the Mideast and 4% in the Northeast.

**Hearthstone I & II**  
**\$-79,701 & \$17,513**

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

**Invesco Real Estate Fund I**  
**\$18,112,177**

Invesco Real Estate Fund I (“IREF”) reported a first quarter total return of 5.2%. Over the past year, Invesco Real Estate Fund I returned -45.0%. CCCERA has a 15.6% interest in the Real Estate Fund I.

As of the first quarter, the portfolio consisted of 9 investments. Property type distribution was 10% retail, 20% industrial properties, 6% office and 64% multi-family. The properties were diversified regionally with 26% in the West, 52% in the South, 10% in the Midwest and 12% in the East.

The Fund has committed 103% of its equity capital. Since inception, IREF I has made fifteen investments, eight currently held in the portfolio and seven which were sold at disposition pricing in excess of the Fund’s overall return target. The Fund completed its deed-in-lieu transaction on Chattahoochee Corners; because of the extremely low probability for any recovery of invested equity the Fund negotiated a settlement with the lender and the lender sold the asset to an investor realizing an approximate 50% loss on the face amount of its loan.

The Fund is now in its operating and redemption phase. The operating performance for the eight remaining investments continues to be significantly challenged given the severity of the macro economic contraction. Invesco believes liquidity is returning to higher quality assets in gateway markets and that if this trend begins to broaden, cap rates should fall and appraised values of owned assets should begin to benefit.

**Invesco Real Estate Fund II**  
**\$8,019,778**

Invesco Real Estate Fund II returned 9.3% during the first quarter. Over the past year, the fund has returned -62.2%. CCCERA has an 18.7% ownership stake in the fund.

During the first quarter, IREF II made an investment in Abaco Key, a well-located apartment property in Orlando, Florida. Invesco anticipates total net returns in the 15-17% range on this opportunity. The Fund has closed on ten transactions nationwide, representing \$178 million of equity or 39% of fund capital commitments. The investments are distributed nationwide with 42% in the West, 12% South and 46% East.

**Invesco International REIT**  
**\$48,701,424**

The Invesco International REIT portfolio returned 0.2% in the first quarter. This return fell below the FTSE EPRA/NAREIT Global ex-US benchmark return of 0.6%. Over the past year, the portfolio returned 59.3%.

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

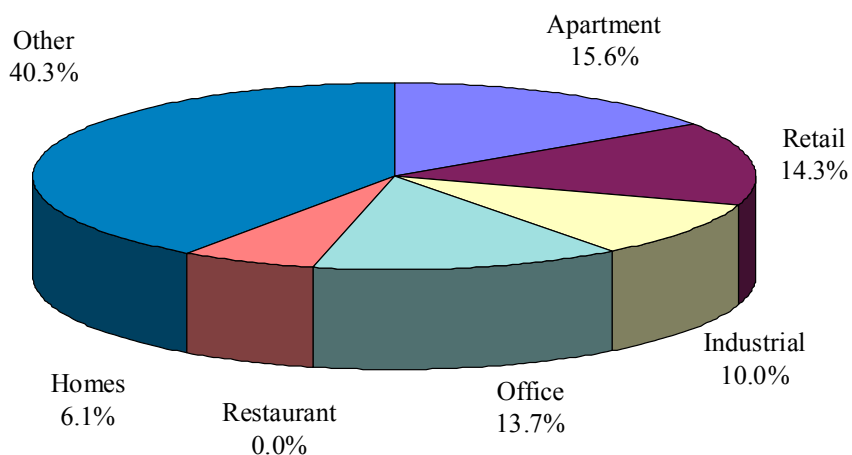
The final cash distribution from this fund was made on December 30, 2009. The IRR over the life of the fund was 13.4%.

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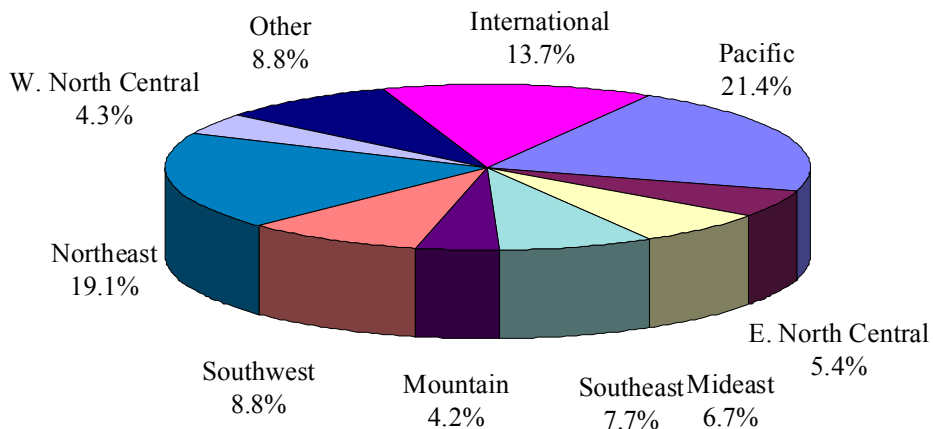
# MANAGER COMMENTS – REAL ESTATE<sup>1</sup>

## Total Real Estate Diversification

### Diversification by Property Type



### Diversification by Geographic Region



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

## **MANAGER COMMENTS - ALTERNATIVE INVESTMENTS**

### **Adams Street Partners**

**\$64,962,472**

**Adams Street had a fourth quarter gross return of 5.0% 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 13.8%. The portfolio continues in acquisition mode.

The Adams Street domestic portfolio is comprised of 43.5% venture capital funds, 13.2% special situations, 2.5% in mezzanine funds, 2.0% in restructuring/ distressed debt and 38.9% in buyout funds. The Non-US program was allocated 26.2% to venture capital, 10.7% special situations, 1.8% mezzanine debt, 1.5% restructuring/distressed debt and 59.7% buyouts. These allocations are largely unchanged from the prior quarter.

There were two additions to personnel, Pinal Nicum and Patrick Muuls. Mr. Nicum, joined the Partnership Investment Team in London in February as Partner, specializing in the sourcing and execution of secondary investments. Mr. Muuls joined the Secondary Investment Team in London as an Associate in February. He is responsible for supporting the Investment Team in all aspects of the investment decision-making process. There was also one departure, Greg Garrett a Partner on the Partnership Team in Chicago. Dave Timson, a Partner on the Direct Investment Team, passed away.

### **Bay Area Equity Fund**

**\$10,213,358**

Bay Area Equity Fund had a fourth quarter gross return of 7.9% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 10.7%. CCCERA has a 12.6% ownership interest in the Fund.

As of December 31, 2009, the Bay Area Equity Fund has 18 investments in private companies in the 10-county Bay Area, all of which are located in or near low- to middle-income neighborhoods. Currently, the Fund has invested \$74.5 million.

### **Carpenter Community BancFund**

**\$10,618,984**

Carpenter had a third quarter gross return of 0.2% (Performance lags by one quarter due to financial reporting constraints). Over the past year, Carpenter has returned 0.1%.

As of December 31, 2009 the fund had completed investments in six banks totaling approximately \$105 million. Five of these investments are control investments where the Fund has a percentage ownership in excess of 25%. The Fund closed on October 31, 2009 with total committed capital of \$280 million. In 2009, CCBF made two new investments. In March 2009, it



invested \$16.5 million in California General Bank in Pasadena, California and in June and August 2009, \$23.5 million in Plaza Bank in Irvine, California.

**Energy Investors - US Power Fund I**  
**\$16,905,243**

The Energy Investors Fund Group (EIF) had a fourth quarter gross return for this fund, which is in liquidation mode, of 24.8%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF had a total return of 27.6%. CCCERA has a 12.0% ownership interest in Fund I.

On December 4, 2009, EIF executed a purchase and sale agreement with a third party with respect to the funds' equity interests in Blackhawk, Crockett, Hamakua, Mustang and Neptune. Closing of this transaction is expected to occur during the second quarter of 2010. On December 17, 2009, EIF executed a purchase and sale agreement with a third party with respect to the funds' equity interests in Glen Park and the transaction closed on March 18, 2010. On January 7, 2010, the Fund sold its equity interest in Astoria for approximately \$89 million. Of that amount, \$79.8 million has been received and the remainder is expected to be received during 2010. 100% of the Astoria proceeds were used to prepay the Term Loans, reducing the outstanding balance to \$174.7 million and 100% of the net proceeds from the other transactions are to be applied to the Term Loans.

**Energy Investors - US Power Fund II**  
**\$46,713,209**

Energy Investors had a second quarter gross return of -0.7% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 0.4%. CCCERA has a 2.6% ownership interest in USPF-II.

Fund II is fully committed at this time. Ten of the Fund's investments contributed to the total of \$5.4 million of cash distributions received in the fourth quarter. This quarter, the Fund's portfolio of investments decreased slightly in value from \$236.4 to \$235.6 million.

On December 4, 2009, the Fund executed a sale agreement with respect to the funds' interests in Blackhawk, Crockett, Hamakua, Mustang and Neptune. Closing of this transaction is expected to occur during the second quarter of 2010. On December 17, 2009, EIF executed a purchase and sale agreement in Glen Park and the transaction closed on March 18, 2010. On January 7, 2010, the Fund sold a portion of its equity interest in Astoria for \$3.0 million, \$2.6 million was received at closing and the additional payments are expected to be received during 2010. On March 8, 2010, the Fund closed on the sale of Hot Sulphur Springs for \$5.6 million in cash and contingent payments totaling another \$6.0-\$7.0 million.

The Fund will make a significant cash distribution at the end of March, the amount dependant on the level of operating cash distributions received from the portfolio in the last two weeks of March.

**Energy Investors - US Power Fund III**  
**\$19,897,202**

During the fourth quarter, the fund had a gross return of -8.0%. Over the past year, the fund has returned -8.0%. CCCERA has a 6.9% ownership interest in USPF-III.

During the fourth quarter, the Fund distributed \$6.0 million to investors, bringing the year-to-date and inception-to-date distributions to \$18.0 million and \$108.3 million.

The Fund's investment portfolio increased from \$681.0 million to \$702.1 million in the fourth quarter. The net \$21.1 million increase includes (i) \$52.8 million in additional fundings for existing assets, (ii) a \$28.4 million reduction in fair values as a result of the year-end valuation analyses and (iii) a \$3.3 million return of capital distribution from Solar Power Partners.

**Nogales Investors Fund I**  
**\$2,328,157**

The Nogales Investors Fund I returned 4.9% in the quarter ended December 31, 2009. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned 18.5%. CCCERA makes up 15.2% of the Fund. As of December 31, 2009, the Fund had one active investment with invested capital of \$10.3 million.

Mark Mickelson, as Partner of the firm, was terminated effective October 2, 2009. Mark and Keller Norris, Principal, had monitoring responsibilities for the Fund's remaining investment (Video King). Keller Norris will lead the monitoring of the Video King investment on a go-forward basis.

**Paladin Fund III**  
**\$8,165,954**

Paladin Fund III returned -0.9% for the quarter ended December 31, 2009. Over the past year, the fund has returned 20.7%.

As of December 31, 2009, Paladin Fund III had made thirteen investments. The market value of all 13 investments total \$29.2 million.

During the first quarter, 2010, Paladin announced that it has purchased additional membership interests in PEA (Paladin Ethanol Acquisition, LLC) for \$191,703, invested \$1,333,571 to acquire Series B-1 preferred stock of Luminus, entered into a secured convertible promissory note agreement with Modius for \$166,695, with REP for \$394,310, and with Digital Bridge for \$99,817.

During the first quarter, 2010 the Fund sold its investment in CloudShield for proceeds of \$629,969 and has received \$613,752 and \$16,217 is being held in an escrow account and is subject to adjustments. The Fund also sold its investment in Initiate for \$6,317,186 and has received \$5,350,346 and \$966,840 is being held in escrow.

**Pathway Private Equity Fund**  
**\$53,860,064**

The Pathway Private Equity Fund (PPEF) had a fourth quarter return of 7.0%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF returned 15.8%.

PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments. As of December 31, 2009 PPEF has made commitments of \$125.3 million across 41 private equity partnerships. Through December 31, 2009, the partnership has made distributions of \$41.6 million, which represents 51% of the Fund's total contribution.

**PT Timber Fund III**  
**\$6,384,548**

The PT Timber Fund III had a first quarter return of -0.2%. For the one-year period, John Hancock reports a total return of -6.2%. CCCERA makes up 12.6% of Fund III.

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

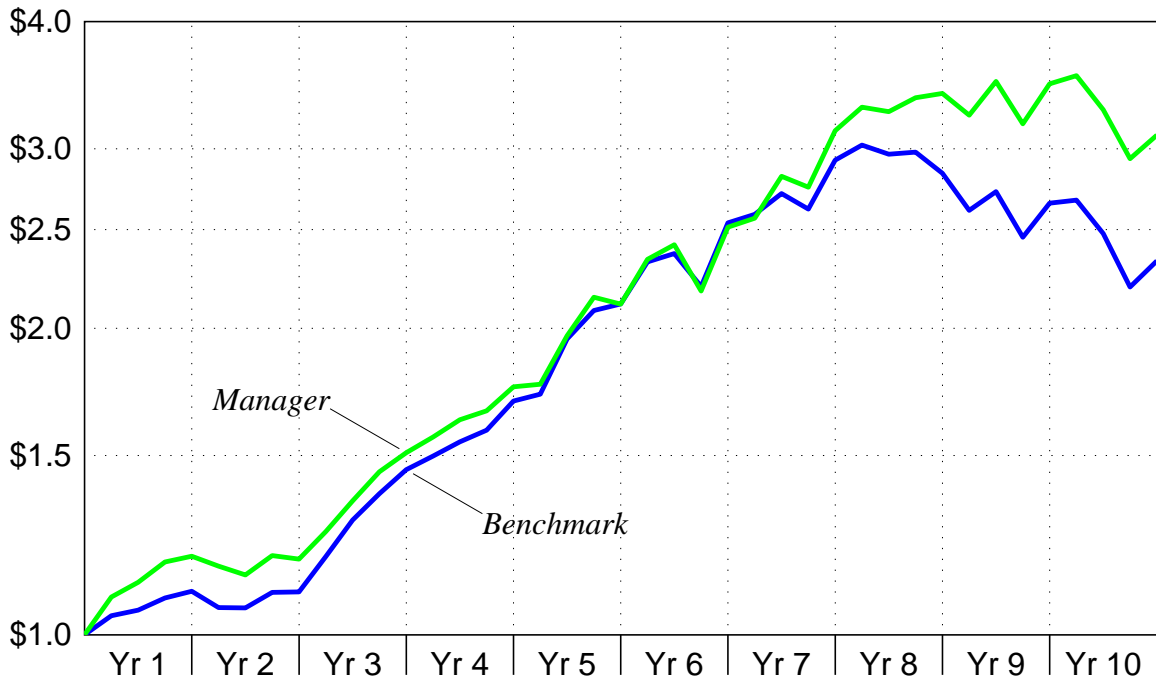
As to organizational changes, Peter D'Anieri (Senior Portfolio Manager and Director and previous PT-3 Portfolio Manager) is no longer with the firm, and Jonathan Aggett has now assumed the role of Portfolio Manager for PT-3.

## APPENDIX – EXAMPLE CHARTS

### How to Read the Cumulative Return Chart:

# Manager vs. Benchmark

## Cumulative Value of \$1

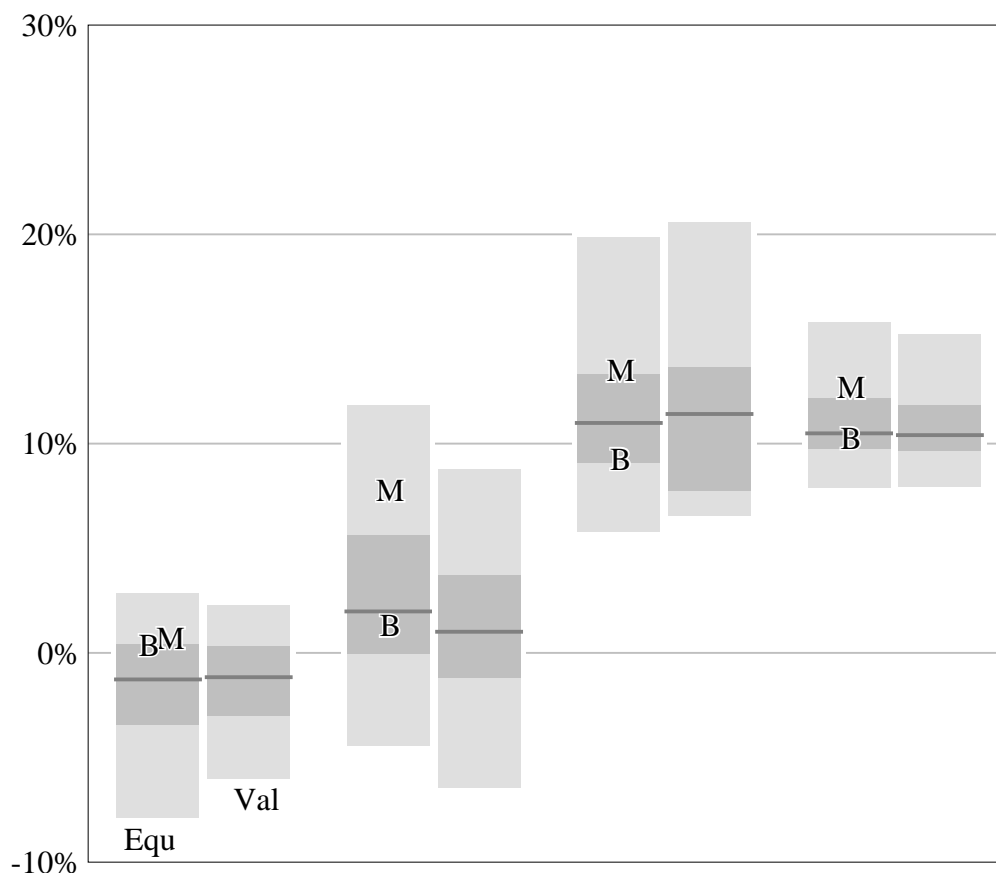


This chart shows the growth of \$1 invested in the 1<sup>st</sup> quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the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