

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

FOR THE PERIOD ENDING
June 30, 2007

September 4, 2007

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KEY POINTS

Second Quarter, 2007

- Domestic equity markets had positive returns in the second quarter. The S&P 500 Index returned 6.3% for the quarter while the Russell 2000® small capitalization index returned 4.4%.
- Domestic bond markets were negative in the quarter, with the Lehman Aggregate returning -0.5% and the median fixed income manager returning -0.3%.
- CCCERA Total Fund returned 2.9% for the second quarter, below the 4.1% return of the median total fund and the 4.0% return of the median public fund. CCCERA Total Fund performance has been well above the median fund over all longer cumulative periods ended June 30, 2007.
- CCCERA domestic equities returned 5.5% in the quarter, trailing the 5.8% return of the Russell 3000®, the 6.3% return of the S&P 500 and the 6.2% return of the median equity manager.
- CCCERA international equities returned 8.0% for the quarter, above the 6.7% return of the MSCI EAFE Index and the 7.2% return of the median international equity manager.
- CCCERA fixed income returned -1.0% for the quarter, below the Lehman Universal return of -0.5% and the median fixed income manager return of -0.3%.
- CCCERA international fixed income returned -0.7% for the quarter, better than the -0.9% return of the Citigroup Non US Government Hedged Index.
- CCCERA alternative assets returned 4.1% for the quarter, below the 7.3% return of the S&P 500 + 400 basis points per year.
- CCCERA real estate returned -4.2% for the quarter, well below the median real estate manager.
- Domestic equities, international equities and domestic fixed income were over-weighted vs. target at the end of the second quarter, offset by under-weightings in alternative investments and commodities. US equities are the “parking place” for assets intended for alternative investments while US fixed income is the parking place for the commodities allocation (pending a decision on where to move the commodities allocation). Real estate, international fixed income and cash & equivalents were all close to target levels at quarter end.

WATCH LIST

<u>Manager</u>	<u>Since</u>	<u>Reason</u>
ING Investments	2/22/2006	Personnel changes, performance concerns
PIMCO Stocks Plus	9/13/2006	Performance concerns
Wentworth, Hauser	2/28/2007	Personnel changes, performance concerns

SUMMARY

The domestic equity market produced strong performance results in the second quarter of 2007. The S&P 500 returned 6.3% in the second quarter. Small capitalization stocks lagged larger capitalization issues, with the Russell 2000® returning 4.4%. The median equity manager returned 6.2% and the broad market, represented by the Russell 3000® Index, returned 5.8%. International equity markets had strong results in the second quarter, with the MSCI EAFE Index returning 6.7% and the MSCI ACWI ex-US Index returning 8.4%. The U.S. bond market was negative in the second quarter of 2007, with the Lehman Universal Index returning -0.5%, the Aggregate Index returning -0.5% and the median fixed income manager returning -0.3%. Hedged international bonds were also negative, with the Citigroup Hedged Index returning -0.9%. The domestic private real estate market continued to post positive results in the second quarter of 2007, with the NCREIF Property Index returning 4.6%, while the publicly traded real estate market was down sharply with the Dow Jones Wilshire REIT Index returning -9.4%.

CCCERA's second quarter return of 2.9% was below both the median total fund and the median public fund. CCCERA has out-performed both medians over all longer trailing time periods, ranking in the upper quintile of both universes over the past two through five-year periods.

CCCERA total domestic equities returned 5.5% for the quarter, below the 5.8% return of the Russell 3000®, the 6.7% return of the S&P 500 and the 6.2% return of the median manager. Of CCCERA's domestic equity managers, Progress had the strongest performance with a return of 7.6%, well above the 4.4% return of the Russell 2000® Index. Boston Partners returned 7.1%, above 4.9% for the Russell 1000® Value. Emerald returned 6.8%, exceeding the 6.7% return of the Russell 2000® Growth Index. ING returned 6.2%, trailing the S&P 500 and the S&P 500 ex-Tobacco Index. Wentworth returned 5.9%, below the 6.3% return of the S&P 500. PIMCO returned 5.7%, also trailing the S&P 500. Rothschild returned 4.9%, better than the 2.9% return of the Russell 2500® Value Index. Delaware returned 4.3%, below the Russell 1000® Growth return of 6.9%. Intech Enhanced Plus returned 3.9%, below the S&P 500. Finally, Intech Large Cap Core returned 2.2%, well below the S&P 500.

CCCERA international equities returned 8.0%, above the 6.7% return of the MSCI EAFE Index and the 7.2% return of the median international manager. The GMO Intrinsic Value portfolio returned 7.0%, slightly below the S&P Citi PMI EPAC Value index as well as the median international equity manager. McKinley Capital returned 9.0%, above the MSCI ACWI ex-US Growth index as well as the median international equity manager.

CCCERA total domestic fixed income returned -1.0% for the second quarter, trailing the -0.5% return the Lehman Universal and the -0.3% return of the median fixed income manager. AFL-CIO's return of -0.8% trailed the Lehman Aggregate and the median fixed income manager. PIMCO returned -1.2%, below the Lehman Aggregate and the median. Western Asset returned -1.3%, also trailing the Lehman Aggregate and the median. ING Clarion returned 2.3%, well above the high yield fixed income median of 0.0% and the 0.3% return of the Merrill Lynch High Yield Master II Index. ING Clarion II returned 1.4% in the second quarter, above the 0.3% return of the ML High Yield II Index and the high yield fixed income median. Nicholas Applegate returned 0.0% versus 0.3% for the ML High Yield II Index and slightly exceeded the high yield median manager.

The Fischer Francis Trees & Watts international fixed income portfolio returned -0.7% for the second quarter, better than the -0.9% return of the Citigroup Non-US Government Hedged Index.

CCCERA total alternative investments returned 4.1% in the second quarter. Pathway returned 9.8%, the Bay Area Equity Fund reported a return of 5.0%, Adams Street Partners reported a return of 4.1%, the Hancock PT Timber Fund returned 3.4%, Energy Investor Fund II reported a return of 1.8%, Energy Investor Fund reported a return of 1.6%, and Nogales had a return of 0.6% for the quarter. (Due to timing constraints, all alternative portfolio returns except Hancock PT Timber Fund are for the quarter ending March 31.)

The median real estate manager returned 3.5% for the quarter while CCCERA's total real estate returned -4.2%. The vast bulk of this underperformance is attributable to the overweight to REIT securities, as these were down sharply in the quarter. Prudential SPF-II returned 10.6%; Invesco returned 8.1%; BlackRock Realty returned 3.4%; DLJ's RECP II returned 2.1%; the Willows Office property returned 0.9%; DLJ's RECP I returned 0.9%; DLJ's RECP III returned -0.6%; FFCA returned -0.9%; Fidelity II returned -2.2%; and Adelante returned -8.4%. Also, please look at the internal rate of return (IRR) table for closed-end funds on page 13, which is a better measurement for the closed-end real estate and private equity funds.

Asset Allocation

The CCCERA fund at June 30, 2007 was slightly over-weighted in domestic fixed income at 26% vs. the target of 25% and domestic equity at 46% versus the target of 43%. The fund was underweight in alternatives at 4% versus the target of 5% and commodities at 0% versus the target of 2%. Assets earmarked for alternative investments are temporarily invested in U.S. equities while assets earmarked for commodities are temporarily invested in U.S. fixed income. The Board has opted not to proceed with the commodity investment at this time, so a permanent re-allocation of funds earmarked for commodities is required. Other asset classes were near their respective targets.

Second quarter securities lending income from the custodian, State Street Bank, totaled \$281,713.

This report included a number of changes from last quarter, primarily reflecting new benchmarks that were incorporated into the Investment Policies and Guidelines that were approved April 25, 2007. These changes are described under separate cover.

Performance versus Investment Performance Objectives

The Statement of Investment Policies and Guidelines specifies investment objectives for each asset class. These goals are meant as targets, and one would not expect them to be achieved by every manager over every period. They do provide justification for focusing on sustained manager under-performance. We show the investment objectives and compliance with the objectives on the following page. We also include compliance with objectives in the manager comments. A new investment policy statement was accepted on April 25, 2007. The objectives in the new policy statement are incorporated into this report.

**Summary of Managers Compliance with Investment Performance Objectives
As of June 30, 2007**

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

ASSET ALLOCATION
As of June 30, 2007

	Market Value	% of Portion	% of Total	Target % of Total
EQUITY - DOMESTIC				
Boston Partners	\$ 356,727,985	15.3 %	7.0 %	6.8 %
Delaware Investments	349,404,607	15.0	6.8	6.8
Emerald	164,251,750	7.0	3.2	3.0
ING	295,336,509	12.6	5.8	5.6
Intech - Enhanced Plus	26,802,609	1.1	0.5	0.5
Intech - Large Core	261,589,886	11.2	5.1	5.1
PIMCO	262,767,188	11.3	5.1	3.6
Progress	162,037,325	6.9	3.2	3.0
Rothschild	161,630,559	6.9	3.2	3.0
Wentworth	295,121,485	12.6	5.8	5.6
TOTAL DOMESTIC	\$ 2,335,669,903	100.0 %	45.7 %	43.0 %
			<i>Range:</i>	<i>35 to 55 %</i>
INTERNATIONAL EQUITY				
McKinley Capital	\$ 329,882,190	51.0 %	6.5 %	5.75 %
GMO Intrinsic Value	316,356,317	49.0	6.2	5.75
TOTAL INT'L EQUITY	\$ 646,238,507	100.0 %	12.6 %	11.5 %
			<i>Range:</i>	<i>7 to 13 %</i>
FIXED INCOME - (non hy)				
AFL-CIO	\$ 173,893,261	14.3 %	3.4 %	3.6 %
ING Clarion	1,200,684	0.1	0.0	0.0
ING Clarion II	17,668,094	1.5	0.3	1.8
PIMCO	517,633,152	42.5	10.1	8.8
Western Asset	507,532,798	41.7	9.9	8.8
TOTAL FIXED INCOME	1,217,927,989	100.0 %	23.8 %	23.0 %
			<i>Range:</i>	<i>19 to 35 %</i>
HIGH YIELD				
Nicholas Applegate	\$ 99,884,084	100.0 %	2.0 %	2.0 %
TOTAL HIGH YIELD	99,884,084	100.0 %	2.0 %	2.0 %
			<i>Range:</i>	<i>1 to 4 %</i>
TOTAL U.S. FIXED	\$ 1,317,812,073	100.0 %	25.8 %	25.0 %
INTERNATIONAL FIXED				
Fischer Francis	\$ 193,579,681	100.0 %	3.8 %	4.0 %
TOTAL INT'L FIXED	\$ 193,579,681	100.0 %	3.8 %	4.0 %
			<i>Range:</i>	<i>3 to 7 %</i>

ASSET ALLOCATION
As of June 30, 2007

	<u>Market Value</u>	<u>% of Portion</u>	<u>% of Total</u>	<u>Target % of Total</u>
REAL ESTATE				
Adelante Capital	\$ 249,307,112	58.7 %	4.9 %	- %
BlackRock Realty	31,333,035	7.4	0.6	-
DLJ RECP I	491,996	0.1	0.0	-
DLJ RECP II	12,643,006	3.0	0.2	-
DLJ RECP III	37,498,314	8.8	0.7	-
FFCA	5,506,208	1.3	0.1	-
Fidelity II	34,165,908	8.0	0.7	-
Hearthstone I	-746,000 *	-0.2	0.0	-
Hearthstone II	6,000	0.0	0.0	-
Invesco Fund I	36,225,223	8.5	0.7	-
Prudential SPF II	7,123,767	1.7	0.1	-
Willows Office Property	11,000,000	2.6	0.2	-
TOTAL REAL ESTATE	\$ 424,554,569	100.0 %	8.3 %	9.0 %
			<i>Range:</i>	<i>5 to 12 %</i>
COMMODITIES				
N/A	\$ -	0.0 %	0.0 %	2.0 %
TOTAL COMMODITIES	\$ -	0.0 %	0.0 %	2.0 %
			<i>Range:</i>	<i>0 to 3 %</i>
ALTERNATIVE INVESTMENTS				
Adams Street Partners	\$ 50,861,066	28.6 %	1.0 %	- %
Bay Area Equity Fund	3,732,343	2.1	0.1	-
Energy Investor Fund	30,317,330	17.1	0.6	-
Energy Investor Fund II	32,184,542	18.1	0.6	-
Nogales	11,597,761	6.5	0.2	-
Pathway	35,902,862	20.2	0.7	-
Hancock PT Timber	13,012,779	7.3	0.3	-
TOTAL ALTERNATIVE	\$ 177,608,683	100.0 %	3.5 %	5.0 %
			<i>Range:</i>	<i>0 to 7 %</i>
CASH				
Custodian Cash	\$ 14,729,524	87.9 %	0.3 %	- %
Treasurer's Fixed	2,032,000	12.1	0.0	-
TOTAL CASH	\$ 16,761,524	100.0 %	0.3 %	0.5 %
			<i>Range:</i>	<i>0 to 2 %</i>
TOTAL ASSETS	\$ 5,112,224,940	100.0 %	100.0 %	100.0 %

*For a discussion of the negative asset value of the Hearthstone Fund, please refer to page 81.

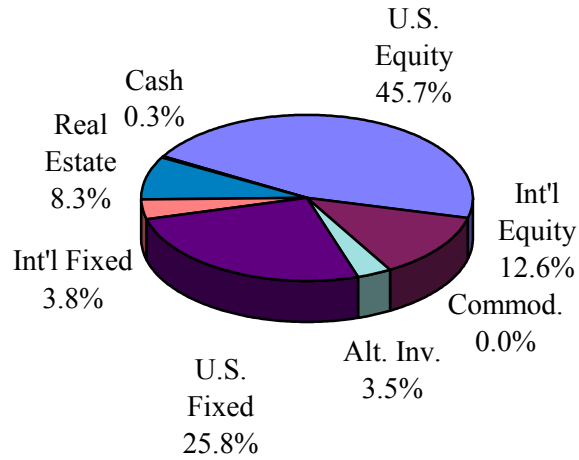
**CCCERA has committed \$85 million to ING Clarion Debt Opportunity Fund II, \$25 million to BlackRock (formerly SSR) Realty; \$15 million to DLJ RECP I; \$40 million to DLJ RECP II; \$75 million to DLJ III, \$12 million to FFCA, \$50 million to Fidelity II; \$75 million to Fidelity III; \$40 million to Prudential's SPF-II; \$40 million to US Realty; \$50 million to INVESCO IREF; \$85 million INVESCO IREF II; \$130 million to Adams Street Partners; \$10 million to Bay Area Equity Fund; \$30 million to Energy Investors USPF I; \$50 million to Energy Investors USPF II; \$15 million to Nogales; \$125 million to Pathway and \$15 million to Hancock PT Timber Fund III.

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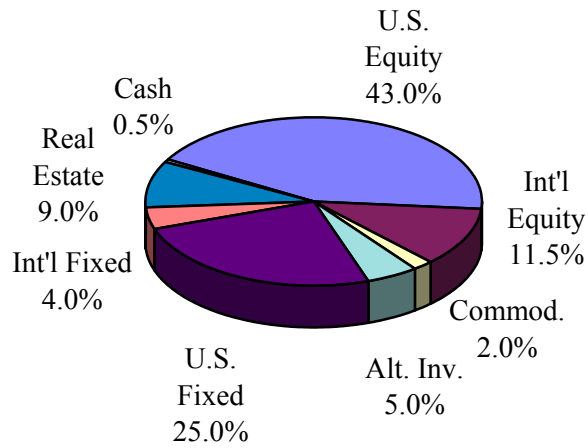
ASSET ALLOCATION

As of June 30, 2007

CCCERA Asset Allocation



Target Asset Allocation



CUMULATIVE PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

DOMESTIC EQUITY	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Boston Partners	7.1 %	7.6 %	16.9 %	23.5 %	19.1 %	16.9 %	18.1 %	13.8 %
<i>Rank vs Equity</i>	27	53	36	14	15	17	33	40
<i>Rank vs Lg Value</i>	22	62	37	23	20	29	36	42
Delaware	4.3	5.0	11.5	10.4	11.0	-	-	-
<i>Rank vs Equity</i>	83	86	86	94	84	-	-	-
<i>Rank vs Lg Growth</i>	88	85	70	96	58	-	-	-
Emerald Advisors	6.8	11.0	17.3	13.2	18.3	13.1	16.4	-
<i>Rank vs Equity</i>	32	19	33	87	20	51	46	-
<i>Rank vs Sm Cap Growth</i>	53	40	58	78	38	57	72	-
ING Investments	6.2	6.8	13.8	20.8	14.3	12.0	13.5	10.5
<i>Rank vs Equity</i>	50	70	73	35	63	63	73	82
<i>Rank vs Lg Core</i>	62	72	72	25	74	52	75	90
Intech - Enhanced Plus	3.9	5.9	12.2	18.0	13.7	12.9	15.3	12.2
<i>Rank vs Equity</i>	86	81	83	65	68	53	56	57
<i>Rank vs Lg Core</i>	97	82	88	83	84	29	28	31
Intech - Large Core	2.2	5.1	-	-	-	-	-	-
<i>Rank vs Equity</i>	93	86	-	-	-	-	-	-
<i>Rank vs Lg Core</i>	99	88	-	-	-	-	-	-
PIMCO Stocks Plus	5.7	6.6	13.8	20.7	14.2	11.6	13.3	-
<i>Rank vs Equity</i>	64	72	72	36	64	72	77	-
<i>Rank vs Lg Core</i>	80	73	71	27	80	84	88	-
Progress	7.6	11.7	21.2	16.7	18.2	14.6	-	-
<i>Rank vs Equity</i>	21	16	14	73	21	39	-	-
<i>Rank vs Small Core</i>	17	24	26	66	37	69	-	-
Rothschild	4.9	9.7	19.2	21.1	20.1	18.0	21.2	-
<i>Rank vs Equity</i>	76	29	22	32	10	11	12	-
<i>Rank vs Sm Cap Value</i>	63	38	36	35	9	25	45	-
Wentworth, Hauser	5.9	8.7	14.4	18.1	12.9	12.0	12.8	10.2
<i>Rank vs Equity</i>	57	40	61	63	73	62	81	84
<i>Rank vs Lg Core</i>	73	14	31	82	90	52	92	93
Total Domestic Equities	5.5	7.5	14.7	18.1	15.0	12.9	14.9	10.5
<i>Rank vs Equity</i>	67	55	58	63	50	52	58	82
Median Equity	6.2	7.8	15.5	19.8	15.0	13.2	16.0	12.9
S&P 500	6.3	7.0	14.1	20.6	14.5	11.7	13.5	10.7
S&P 500 ex-Tobacco	6.3	6.9	14.0	20.4	14.3	11.4	13.3	10.5
Russell 3000®	5.8	7.1	14.7	20.1	14.7	12.4	14.4	11.5
Russell 1000® Value	4.9	6.2	14.7	21.9	16.9	15.9	17.2	13.3
Russell 1000® Growth	6.9	8.1	14.5	19.1	12.4	8.7	10.9	9.3
Russell 2000®	4.4	6.5	15.9	16.4	15.5	13.5	18.1	13.9
INT'L EQUITY								
GMO Intrinsic Value	7.0	12.1	22.4	26.9	27.3	-	-	-
<i>Rank vs Int'l Eq</i>	55	40	55	65	56	-	-	-
McKinley Capital	9.0	16.8	28.4	33.0	-	-	-	-
<i>Rank vs Int'l Eq</i>	23	10	22	24	-	-	-	-
Total Int'l Equities	8.0	14.5	25.4	30.0	31.4	25.8	27.2	20.0
<i>Rank vs Int'l Eq</i>	41	17	35	37	24	24	26	30
Median Int'l Equity	7.2	11.6	23.3	28.6	27.8	23.1	25.2	18.8
MSCI EAFE Index	6.7	11.1	22.6	27.5	27.3	22.7	25.2	18.2
MSCI ACWI ex-US	8.4	12.6	25.2	30.1	29.3	25.0	26.9	19.9
S&P Citi PMI EPAC Value	7.3	11.9	23.4	29.8	29.5	24.6	27.4	19.8
MSCI ACWI ex-US Growth	8.6	13.4	25.4	28.8	28.4	23.6	24.4	17.7

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

CUMULATIVE PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
DOMESTIC FIXED INCOME								
AFL-CIO Housing	-0.8 %	0.8 %	2.2 %	6.3 %	2.9 %	4.4 %	3.4 %	4.8 %
<i>Rank vs Fixed Income</i>	<i>82</i>	<i>77</i>	<i>70</i>	<i>32</i>	<i>58</i>	<i>27</i>	<i>37</i>	<i>39</i>
Nicholas Applegate	0.0	2.9	7.3	11.1	8.0	8.4	8.4	10.3
<i>Rank vs High Yield</i>	<i>46</i>	<i>42</i>	<i>41</i>	<i>35</i>	<i>25</i>	<i>18</i>	<i>37</i>	<i>33</i>
ING Clarion	2.3	12.3	62.2	65.8	40.5	32.0	-	-
<i>Rank vs High Yield</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	-	-
ING Clarion II	1.4	4.4	8.0	-	-	-	-	-
<i>Rank vs High Yield</i>	<i>6</i>	<i>6</i>	<i>37</i>	-	-	-	-	-
PIMCO	-1.2	0.6	1.8	5.9	2.9	4.6	3.8	5.3
<i>Rank vs Fixed Income</i>	<i>87</i>	<i>83</i>	<i>81</i>	<i>50</i>	<i>61</i>	<i>20</i>	<i>19</i>	<i>16</i>
Western Asset	-1.3	0.2	1.7	6.1	2.6	4.5	3.7	5.9
<i>Rank vs Fixed Income</i>	<i>89</i>	<i>92</i>	<i>81</i>	<i>41</i>	<i>75</i>	<i>23</i>	<i>23</i>	<i>12</i>
Total Domestic Fixed	-1.0	0.7	3.7	7.9	4.5	5.8	4.9	6.5
<i>Rank vs Fixed Income</i>	<i>86</i>	<i>81</i>	<i>20</i>	<i>14</i>	<i>17</i>	<i>11</i>	<i>10</i>	<i>10</i>
Median Fixed Income	-0.3	1.4	2.6	5.9	3.0	4.0	3.2	4.6
Median High Yield Mgr.	0.0	2.7	6.9	10.4	7.0	7.7	7.9	10.2
Lehman Universal	-0.5	1.1	2.6	6.6	3.1	4.5	3.7	5.2
Lehman Aggregate	-0.5	1.0	2.2	6.1	2.6	4.0	3.1	4.5
Merrill Lynch HY II	0.3	3.1	7.4	11.7	8.2	9.0	9.3	11.7
Merrill Lynch BB/B	0.1	2.5	6.4	10.7	7.3	8.4	8.4	10.4
T-Bills	1.3	2.6	3.8	5.2	4.6	3.8	3.1	2.8
INT'L FIXED INCOME								
Fischer Francis	-0.7	0.2	0.9	4.2	2.0	4.5	3.6	4.5
Citigroup NonUS Govt Hdg	-0.9	0.0	0.7	4.0	2.1	4.4	3.3	4.1
ALTERNATIVE INVESTMENTS*								
Adams Street**	4.1	16.6	20.3	27.4	25.0	20.7	19.3	12.7
Bay Area Equity Fund**	5.0	31.7	27.6	27.5	12.2	-	-	-
Energy Investor Fund**	1.6	17.2	21.1	24.6	28.3	37.7	-	-
Energy Investor Fund II**	1.8	4.2	6.8	29.4	-	-	-	-
Nogales**	0.6	19.2	21.5	22.5	18.1	16.8	-	-
Pathway**	9.8	29.4	32.7	40.3	39.2	32.5	27.0	18.2
Hancock PT Timber Fund	3.4	5.0	16.3	16.3	12.6	11.3	9.3	7.1
Total Alternative	4.1	16.5	20.4	27.8	25.9	24.9	21.2	14.9
S&P 500 + 400 bps	7.3	9.1	17.5	25.3	19.0	16.1	18.0	15.1

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

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

*** Performance as of March 31, 2007.*

CUMULATIVE PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
REAL ESTATE*								
Adelante Capital REIT	-8.4 %	-4.8 %	4.6 %	13.6 %	19.5 %	24.7 %	26.1 %	21.6 %
<i>Rank vs REITs</i>	<i>66</i>	<i>63</i>	<i>58</i>	<i>53</i>	<i>19</i>	<i>14</i>	<i>21</i>	<i>32</i>
BlackRock Realty	3.4	9.7	14.8	17.1	24.5	-	-	-
<i>Rank</i>	<i>53</i>	<i>17</i>	<i>15</i>	<i>24</i>	<i>9</i>	<i>-</i>	<i>-</i>	<i>-</i>
DLJ RECP I**	0.9	4.7	11.1	48.3	22.1	18.8	18.0	15.5
<i>Rank</i>	<i>73</i>	<i>67</i>	<i>44</i>	<i>1</i>	<i>11</i>	<i>39</i>	<i>35</i>	<i>39</i>
DLJ RECP II**	2.1	22.9	36.2	38.1	42.0	39.8	38.8	34.1
<i>Rank</i>	<i>64</i>	<i>3</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
DLJ RECP III**	-0.6	15.3	21.8	22.2	-	-	-	-
<i>Rank</i>	<i>79</i>	<i>6</i>	<i>6</i>	<i>9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
FFCA	-0.9	2.7	6.3	8.6	16.9	17.1	14.1	13.4
<i>Rank</i>	<i>79</i>	<i>72</i>	<i>72</i>	<i>83</i>	<i>53</i>	<i>54</i>	<i>72</i>	<i>58</i>
Fidelity II	-2.2	0.2	2.3	4.5	10.6	14.0	-	-
<i>Rank</i>	<i>82</i>	<i>79</i>	<i>88</i>	<i>89</i>	<i>84</i>	<i>79</i>	<i>-</i>	<i>-</i>
Invesco Fund I	8.1	12.2	24.6	26.1	28.3	-	-	-
<i>Rank</i>	<i>8</i>	<i>8</i>	<i>5</i>	<i>5</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>-</i>
Prudential SPF II	10.6	15.0	41.3	52.7	52.9	47.1	39.1	32.1
<i>Rank</i>	<i>5</i>	<i>6</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Willows Office Property	0.9	2.1	3.3	5.2	6.3	6.8	2.5	3.8
<i>Rank</i>	<i>73</i>	<i>75</i>	<i>81</i>	<i>88</i>	<i>89</i>	<i>91</i>	<i>98</i>	<i>94</i>
Total Real Estate	-4.2	0.9	9.8	16.8	21.6	24.8	24.7	21.3
<i>Rank</i>	<i>83</i>	<i>77</i>	<i>62</i>	<i>26</i>	<i>12</i>	<i>14</i>	<i>23</i>	<i>20</i>
Median Real Estate	3.5	6.6	11.0	15.0	17.2	17.4	15.8	14.0
Real Estate Benchmark	0.9	4.6	10.5	16.0	17.9	19.4	18.3	15.9
DJ Wilshire REIT	-9.4	-6.0	2.4	11.7	16.7	22.3	23.5	19.2
NCREIF Property Index	4.6	8.4	13.3	17.2	18.0	18.0	16.2	14.4
NCREIF Index + 300 bps	5.7	10.3	16.1	21.0	21.6	21.5	19.6	17.8
NCREIF Index + 500 bps	5.8	11.0	17.3	22.9	23.6	23.6	21.7	19.9
NCREIF Apartment	3.3	6.2	10.1	13.3	16.0	16.4	14.8	13.7
NCREIF Apt + 300 bps	4.0	7.8	12.5	16.6	19.4	19.7	18.1	17.0
CCCERA Total Fund	2.9 %	6.0 %	12.2 %	16.6 %	14.9 %	14.0 %	14.6 %	12.7 %
<i>Rank vs. Total Fund</i>	<i>72</i>	<i>52</i>	<i>47</i>	<i>38</i>	<i>19</i>	<i>10</i>	<i>11</i>	<i>8</i>
<i>Rank vs. Public Fund</i>	<i>77</i>	<i>40</i>	<i>38</i>	<i>28</i>	<i>9</i>	<i>3</i>	<i>5</i>	<i>4</i>
Median Total Fund	4.1	6.1	11.8	15.6	12.1	10.7	11.2	9.8
Median Public Fund	4.0	5.8	11.1	15.1	11.5	10.3	11.1	9.6
CPI + 400 bps	2.5	5.3	5.8	6.8	7.7	7.3	7.4	7.2

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

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

*** Performance as of March 31, 2007.*

REAL ESTATE AND ALTERNATIVE INVESTMENT PORTFOLIO IRR RETURNS

	Gross of Fees		Net of Fees		Inception
	Fund Level IRR	CCCERA IRR	Fund Level IRR	CCCERA IRR	
REAL ESTATE					
BlackRock Realty	23.7%	<i>n/a</i>	20.2%	<i>n/a</i>	11/19/04
DLJ RECP I	17.0%	<i>n/a</i>	<i>n/a</i>	11.0%	05/14/96
DLJ RECP II	31.0%	<i>n/a</i>	<i>n/a</i>	20.0%	09/24/99
DLJ RECP III	37.0%	<i>n/a</i>	<i>n/a</i>	22.0%	06/23/05
FFCA	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	03/11/92
Fidelity Growth Fund II	12.5%	10.4%	10.9%	9.4%	03/10/04
Hearthstone I	<i>n/a</i>	<i>n/a</i>	4.4%	4.4%	06/15/95
Benchmark ¹	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Hearthstone II	<i>n/a</i>	<i>n/a</i>	31.0%	31.0%	06/17/98
Benchmark ²	<i>n/a</i>	<i>n/a</i>	17.0%	17.0%	
Invesco Real Estate I	28.9%	28.9%	21.8%	24.1%	2/1/2005
Prudential SPF II	<i>n/a</i>	13.4%	<i>n/a</i>	11.8%	05/14/96
U.S. Realty	12.0%	12.0%	11.2%	11.2%	10/10/95
ALTERNATIVE INVESTMENTS					
Adams Street Partners	<i>n/a</i>	17.3%	<i>n/a</i>	14.4%	02/12/04
Bay Area Equity Fund	19.9%	18.8%	4.6%	4.8%	06/14/04
EIF US Power Fund I	29.1%	34.7%	24.3%	28.6%	11/26/03
EIF US Power Fund II	10.1%	9.4%	3.9%	3.5%	08/16/05
Nogales	21.2%	18.1%	12.4%	10.9%	02/15/04
Pathway	13.8%	13.8%	11.6%	11.6%	11/09/98
Benchmark ³	13.4%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
Benchmark ⁴	-1.9%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	
PruTimber	<i>n/a</i>	<i>n/a</i>	3.2%	3.3%	12/12/95

Benchmarks:

Hearthstone I Benchmark ¹	Target IRR range per CCCERA agreement
Hearthstone II Benchmark ²	Target IRR range per CCCERA agreement
Pathway Benchmark ³	Venture Economics Buyout Pooled IRR - 1999-2004 as of 6/30/04
Benchmark ⁴	Venture Economics Venture Capital IRR - 1999-2004 as of 6/30/04

AFTER-FEE CUMULATIVE PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>
DOMESTIC EQUITY								
Boston Partners	7.0 %	7.4 %	16.6 %	23.1 %	18.7 %	16.6 %	17.7 %	13.4 %
Delaware	4.2	4.8	11.1	9.9	10.5	-	-	-
Emerald Advisors	6.7	10.7	16.8	12.5	17.6	12.5	15.8	-
ING	6.1	6.7	13.6	20.5	14.0	11.7	13.2	10.2
Intech - Enhanced Plus	3.9	5.7	12.0	17.6	13.4	12.5	14.9	11.9
Intech - Large Core	2.1	4.9	-	-	-	-	-	-
PIMCO Stocks Plus	5.6	6.5	13.6	20.4	13.8	11.2	13.0	-
Progress	7.4	11.4	20.6	15.9	17.4	13.8	-	-
Rothschild	4.8	9.4	18.7	20.4	19.4	17.3	20.5	-
Wentworth, Hauser	5.9	8.6	14.3	17.9	12.7	11.8	12.6	10.0
S&P 500	6.3	7.0	14.1	20.6	14.5	11.7	13.5	10.7
S&P 500 ex-Tobacco	6.3	6.9	14.0	20.4	14.3	11.4	13.3	10.5
Russell 3000®	5.8	7.1	14.7	20.1	14.7	12.4	14.4	11.5
Russell 1000® Value	4.9	6.2	14.7	21.9	16.9	15.9	17.2	13.3
Russell 1000® Growth	6.9	8.1	14.5	19.1	12.4	8.7	10.9	9.3
Russell 2000®	4.4	6.5	15.9	16.4	15.5	13.5	18.1	13.9
INT'L EQUITY								
GMO Intrinsic Value	6.8	11.8	21.8	26.2	26.5	-	-	-
McKinley Capital	8.9	16.5	27.9	32.4	-	-	-	-
MSCI EAFE	6.7	11.1	22.6	27.5	27.3	22.7	25.2	18.2
MSCI ACWI ex-US	8.4	12.6	25.2	30.1	29.3	25.0	26.9	19.9
S&P Citi PMI EPAC Value	7.3	11.9	23.4	29.8	29.5	24.6	27.4	19.8
MSCI ACWI ex-US Growth	8.6	13.4	25.4	28.8	28.4	23.6	24.4	17.7
DOMESTIC FIXED INCOME								
AFL-CIO Housing	-0.9	0.6	1.9	5.9	2.5	4.0	3.0	4.4
Nicholas Applegate	-0.1	2.6	6.9	10.6	7.5	7.9	7.9	9.7
ING Clarion	2.3	12.3	61.9	65.0	38.8	29.8	-	-
ING Clarion II	-1.0	-5.3	-4.6	-	-	-	-	-
PIMCO	-1.2	0.4	1.6	5.7	2.6	4.3	3.6	5.0
Western Asset	-1.3	0.1	1.6	5.9	2.4	4.3	3.5	5.7
Lehman Universal	-0.5	1.1	2.6	6.6	3.1	4.5	3.7	5.2
Lehman Aggregate	-0.5	1.0	2.2	6.1	2.6	4.0	3.1	4.5
Citigroup Mortgage	-0.7	0.9	2.5	6.2	3.3	4.3	3.8	4.2
Merrill Lynch High Yield II	0.3	3.1	7.4	11.7	8.2	9.0	9.3	11.7
T-Bills	1.3	2.6	3.8	5.2	4.6	3.8	3.1	2.8
INT'L FIXED INCOME								
Fischer Francis	-0.8	0.1	0.7	3.9	1.7	4.1	3.3	4.2
Citigroup NonUS Govt Hdg	-0.9	0.0	0.7	4.0	2.1	4.4	3.3	4.1
REIT								
Adelante Capital	-8.6	-5.1	4.2	13.1	18.9	24.1	25.5	21.0
DJ Wilshire REIT	-9.4	-6.0	2.4	11.7	16.7	22.3	23.5	19.2

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

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

DOMESTIC EQUITY	<u>YTD</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Boston Partners	7.6 %	20.2 %	12.0 %	16.6 %	27.1 %	-18.7 %	4.1 %
<i>Rank vs Equity</i>	<i>53</i>	<i>12</i>	<i>14</i>	<i>31</i>	<i>75</i>	<i>32</i>	<i>21</i>
<i>Rank vs Lg Value</i>	<i>62</i>	<i>36</i>	<i>14</i>	<i>32</i>	<i>81</i>	<i>54</i>	<i>22</i>
Delaware	5.0	3.2	-	-	-	-	-
<i>Rank vs Equity</i>	<i>86</i>	<i>91</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Growth</i>	<i>85</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Emerald Advisors	11.0	13.8	10.1	4.1	-	-	-
<i>Rank vs Equity</i>	<i>19</i>	<i>56</i>	<i>25</i>	<i>93</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Growth</i>	<i>40</i>	<i>39</i>	<i>20</i>	<i>86</i>	<i>-</i>	<i>-</i>	<i>-</i>
ING	6.8	15.9	5.4	11.2	26.7	-	-
<i>Rank vs Equity</i>	<i>70</i>	<i>38</i>	<i>61</i>	<i>60</i>	<i>77</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>72</i>	<i>39</i>	<i>40</i>	<i>36</i>	<i>83</i>	<i>-</i>	<i>-</i>
Intech - Enhanced Plus	5.9	14.4	8.9	15.3	29.4	-	-
<i>Rank vs Equity</i>	<i>81</i>	<i>54</i>	<i>34</i>	<i>37</i>	<i>60</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>82</i>	<i>80</i>	<i>14</i>	<i>7</i>	<i>34</i>	<i>-</i>	<i>-</i>
Intech - Large Cap Core	5.1	-	-	-	-	-	-
<i>Rank vs Equity</i>	<i>86</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>88</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
PIMCO Stocks Plus	6.6	15.7	4.6	11.1	29.9	-	-
<i>Rank vs Equity</i>	<i>72</i>	<i>43</i>	<i>75</i>	<i>62</i>	<i>58</i>	<i>-</i>	<i>-</i>
<i>Rank vs Lg Core</i>	<i>73</i>	<i>64</i>	<i>78</i>	<i>15</i>	<i>29</i>	<i>-</i>	<i>-</i>
Progress	11.7	15.4	9.1	-	-	-	-
<i>Rank vs Equity</i>	<i>16</i>	<i>46</i>	<i>32</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Core</i>	<i>24</i>	<i>46</i>	<i>36</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Rothschild	9.7	21.3	11.2	20.7	-	-	-
<i>Rank vs Equity</i>	<i>29</i>	<i>9</i>	<i>18</i>	<i>15</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Rank vs Sm Cap Value</i>	<i>38</i>	<i>19</i>	<i>23</i>	<i>39</i>	<i>-</i>	<i>-</i>	<i>-</i>
Wentworth, Hauser	8.7	7.2	9.6	13.6	27.1	-23.4	-6.7
<i>Rank vs Equity</i>	<i>40</i>	<i>83</i>	<i>28</i>	<i>46</i>	<i>75</i>	<i>65</i>	<i>42</i>
<i>Rank vs Lg Core</i>	<i>14</i>	<i>98</i>	<i>9</i>	<i>15</i>	<i>82</i>	<i>77</i>	<i>11</i>
Total Domestic Equities	7.5	13.5	8.8	13.0	31.0	-28.0	-9.2
<i>Rank vs Equity</i>	<i>55</i>	<i>60</i>	<i>35</i>	<i>49</i>	<i>50</i>	<i>83</i>	<i>48</i>
Median Equity	7.8	15.0	6.5	12.9	31.0	-22.0	-9.7
S&P 500	7.0	15.8	4.9	10.9	28.7	-22.1	-11.9
S&P 500 ex-Tobacco	6.9	15.7	4.6	10.7	28.4	-22.3	-12.1
Russell 3000®	7.1	15.7	6.1	12.0	31.0	-21.6	-11.5
Russell 1000® Value	6.2	22.2	7.0	16.5	30.0	-15.5	-5.6
Russell 1000® Growth	8.1	9.1	5.3	6.3	29.8	-27.9	-20.4
Russell 2000®	6.5	18.4	4.6	18.3	47.3	-20.5	2.5
INT'L EQUITY							
GMO	12.1	26.2	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>40</i>	<i>44</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
McKinley Capital	16.8	-	-	-	-	-	-
<i>Rank vs Int'l Eq</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Int'l Equities	14.5	26.6	20.0	18.1	39.9	-14.6	-18.1
<i>Rank vs Int'l Eq</i>	<i>17</i>	<i>41</i>	<i>32</i>	<i>68</i>	<i>27</i>	<i>45</i>	<i>59</i>
Median Int'l Equity	11.6	25.9	15.9	19.9	36.4	-15.0	-16.5
MSCI EAFE Index	11.1	26.9	14.0	20.7	39.2	-15.7	-21.2
MSCI ACWI ex-US	12.6	27.2	17.1	21.4	41.4	-14.7	-19.5
S&P Citi PMI EPAC Value	11.9	28.1	15.7	23.5	42.1	-13.1	-18.1
MSCI ACWI ex-US Growth	13.4	24.0	17.1	17.1	34.9	-14.7	-23.4

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

	<u>YTD</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
DOMESTIC FIXED INCOME							
AFL-CIO Housing	0.8 %	5.1 %	3.0 %	4.6 %	4.2 %	12.1 %	8.6 %
<i>Rank vs Fixed Income</i>	77	28	25	41	66	6	43
Nicholas Applegate	2.9	10.2	3.8	9.1	21.2	4.8	3.6
<i>Rank vs. High Yield</i>	42	32	15	66	68	5	40
ING Clarion	12.3	64.8	15.3	-	-	-	-
<i>Rank vs Fixed Income</i>	1	1	1	-	-	-	-
ING Clarion II	4.4	-	-	-	-	-	-
<i>Rank vs Fixed Income</i>	6	-	-	-	-	-	-
PIMCO	0.6	4.8	3.4	5.6	6.9	-	-
<i>Rank vs Fixed Income</i>	83	37	18	20	21	-	-
Western Asset	0.2	5.2	2.4	6.5	7.1	-	-
<i>Rank vs Fixed Income</i>	92	27	56	15	18	-	-
Total Domestic Fixed	0.7	7.5	3.7	6.3	7.9	9.1	7.2
<i>Rank vs Fixed Income</i>	81	11	14	16	14	52	75
Median Fixed Income	1.4	4.5	2.5	4.4	4.6	9.2	8.4
Median High Yield Mgr.	2.7	9.0	2.5	9.8	24.0	-1.1	2.7
Lehman Universal	1.1	5.0	2.7	5.0	5.8	9.8	8.1
Lehman Aggregate	1.0	4.3	2.4	4.3	4.1	10.3	8.4
Citigroup Mortgage	0.9	5.2	2.7	4.8	3.1	8.8	8.2
ML High Yield II	3.1	11.7	2.7	10.8	28.1	-1.9	
T-Bills	2.6	4.8	3.1	1.3	1.1	1.8	4.4
INT'L FIXED INCOME							
Fischer Francis	0.2	2.6	5.4	6.4	3.5	7.3	5.4
Citigroup NonUS Govt Hdg	0.0	3.1	5.7	5.2	1.9	6.9	6.1
ALTERNATIVE INVESTMENTS							
Adams Street**	16.6	23.5	17.0	13.0	4.5	-10.9	-28.9
Bay Area Equity Fund**	31.7	-6.5	1.9	-	-	-	-
Energy Investor Fund**	17.2	12.7	84.2	-	-	-	-
Energy Investor Fund II**	4.2	-	-	-	-	-	-
Nogales**	19.2	11.0	13.1	-	-	-	-
Pathway**	29.4	21.4	42.5	12.2	0.2	-23.1	-33.9
Hancock PT Timber Fund	5.0	12.1	9.8	6.9	3.8	-1.1	0.2
Total Alternative	16.5	19.2	33.3	11.4	3.5	-9.3	-22.8
S&P 500 + 400 bps	9.1	19.8	8.9	14.9	32.7	-18.1	-7.9

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

** Performance as of March 31, 2007.

YEAR BY YEAR PERFORMANCE STATISTICS
Performance through Second Quarter, 2007

	<u>YTD</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
REAL ESTATE							
Adelante Capital REIT	-4.8 %	38.2 %	16.7 %	36.9 %	36.1 %	4.2 %	- %
<i>Rank</i>	63	13	4	11	53	47	-
BlackRock Realty	9.7	23.8	28.7	-	-	-	-
<i>Rank</i>	17	27	11	-	-	-	-
DLJ RECP I**	4.7	41.2	14.2	11.8	4.2	6.8	9.0
<i>Rank</i>	67	6	62	54	84	39	35
DLJ RECP II**	22.9	35.7	51.3	33.8	25.8	9.9	4.9
<i>Rank</i>	3	17	4	19	28	14	66
DLJ RECP III**	15.3	10.2	-	-	-	-	-
<i>Rank</i>	6	79	-	-	-	-	-
FFCA	2.7	25.3	29.3	14.5	9.6	9.9	10.2
<i>Rank</i>	72	25	11	39	43	13	21
Fidelity II	0.2	16.5	16.1	-	-	-	-
<i>Rank</i>	79	45	51	-	-	-	-
Invesco Fund I	12.2	38.1	-	-	-	-	-
<i>Rank</i>	8	10	-	-	-	-	-
Prudential SPF II	15.0	83.8	38.3	19.7	12.4	6.5	4.1
<i>Rank</i>	6	1	7	30	33	40	68
Willows Office Property	2.1	7.4	7.5	-8.9	7.9	8.2	66.1
<i>Rank</i>	75	87	80	96	67	29	1
Total Real Estate	0.9	33.8	20.4	30.4	25.6	7.5	10.2
<i>Rank</i>	77	20	29	23	28	35	25
Median Real Estate	6.6	15.6	16.7	12.3	9.5	4.8	7.3
DJ Wilshire REIT Index	-6.0	36.0	13.8	33.1	36.2	3.6	12.2
NCREIF Property Index	8.4	16.6	20.1	14.5	9.0	6.7	6.3
CCCERA Total Fund	6.0	15.3	10.8	13.38	23.5	-9.5	-2.4
<i>Rank vs. Total Fund</i>	52	13	5	15	20	63	54
<i>Rank vs. Public Fund</i>	40	11	2	8	19	69	47
Median Total Fund	6.1	12.0	6.1	10.4	19.1	-8.1	-1.6
Median Public Fund	5.8	11.9	6.0	10.0	20.4	-8.0	-2.4
CPI + 400 bps	5.3	6.6	7.6	7.4	6.5	6.5	5.5

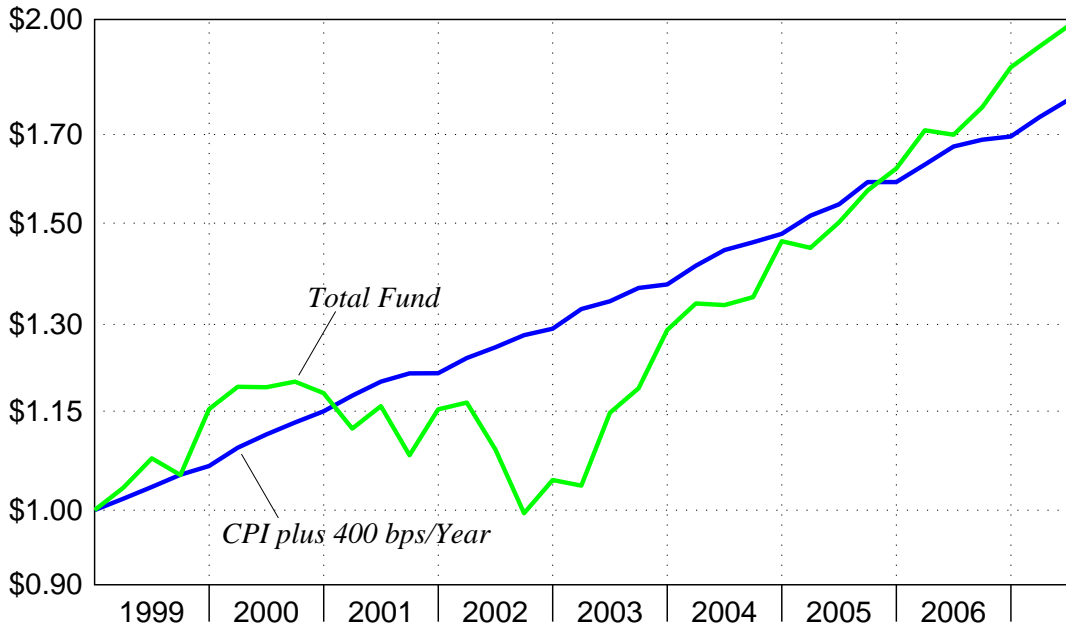
** Performance as of March 31, 2007.

TOTAL FUND PERFORMANCE

Total Fund

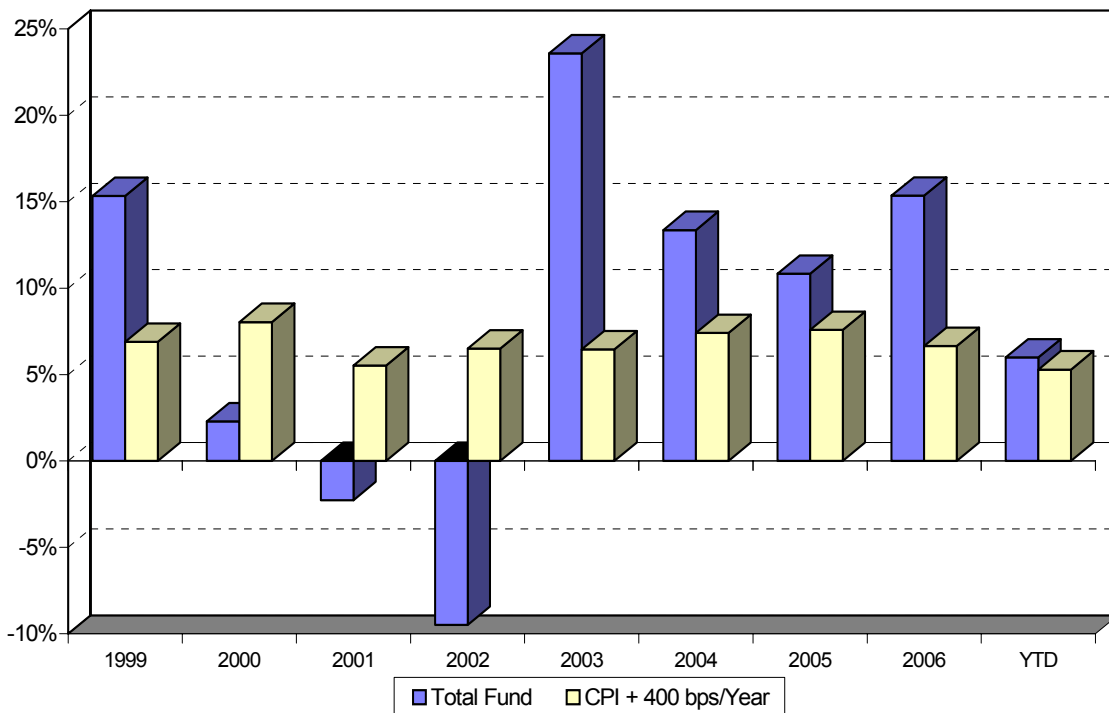
Total Fund vs. CPI plus 400 bps/Year

Cumulative Value of \$1 (Gross of Fees)

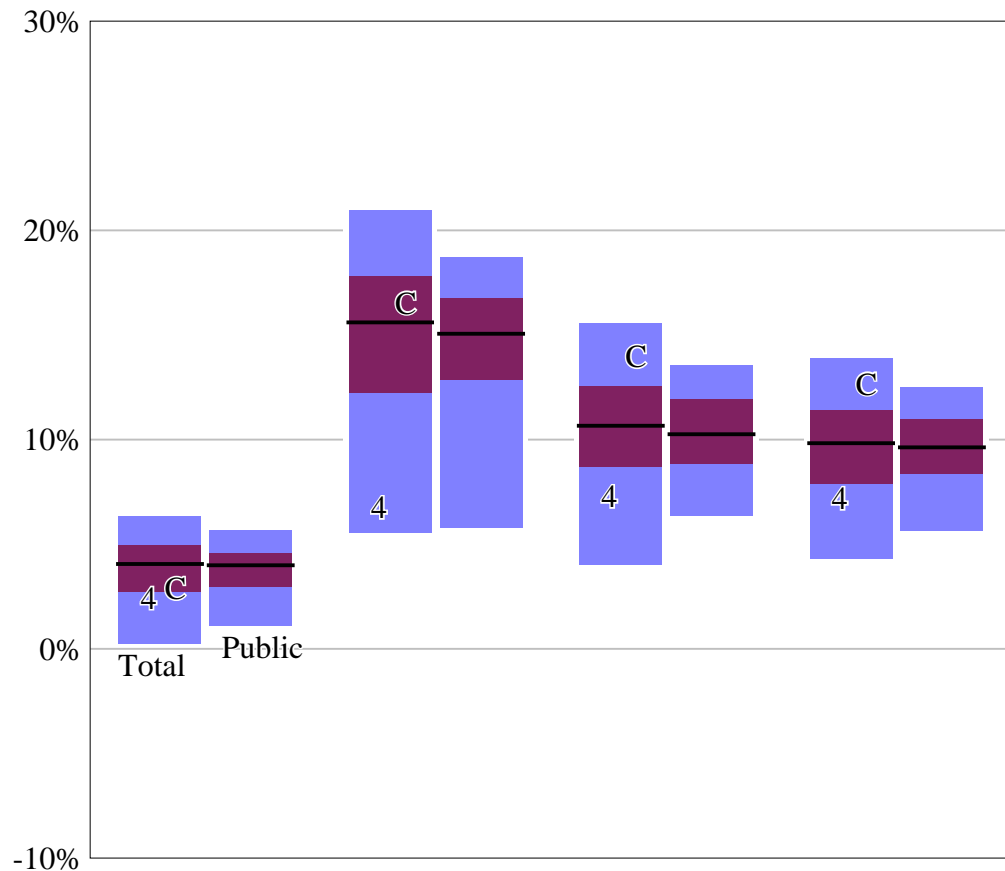


Total Fund vs. CPI plus 400 bps/Year

Year by Year Performance



Total Fund



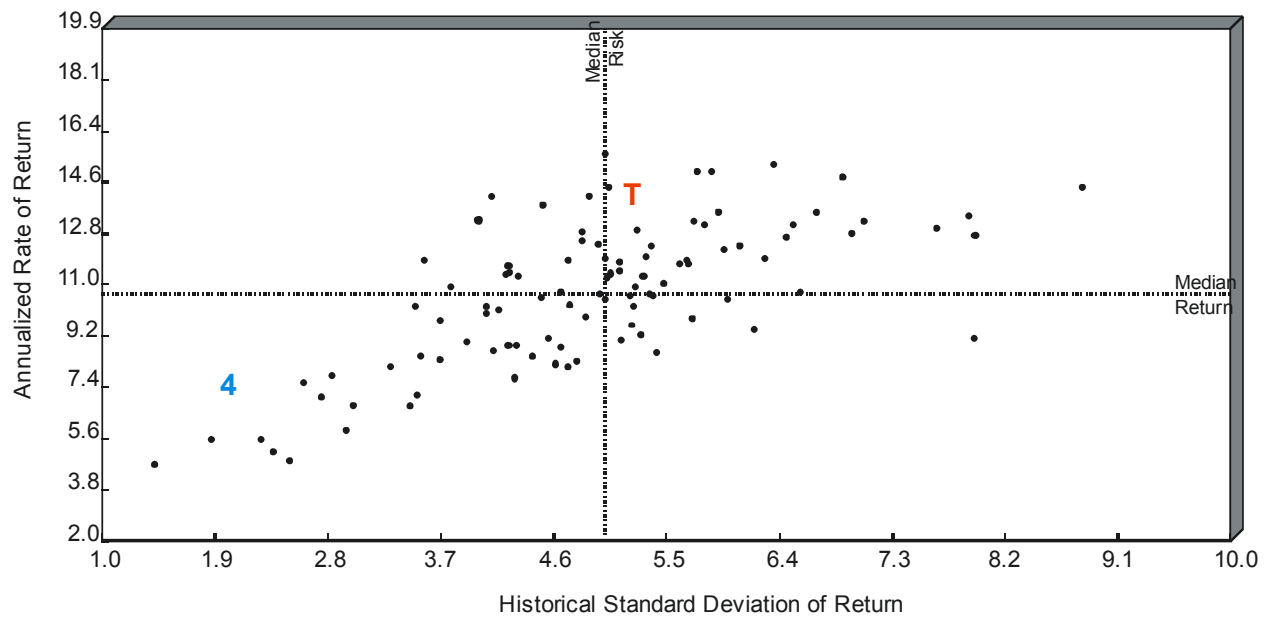
	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Fund (C)	2.9	16.6	14.0	12.7
Rank v. Total	72	38	10	8
Rank v. Public	77	28	3	4
CPI plus 400bp (4)	2.5	6.8	7.3	7.2
Total Fund Median	4.1	15.6	10.7	9.8
Public Fund Median	4.0	15.1	10.3	9.6

CCCERA Total Fund returned 2.9% in the second quarter, below the 4.1% return of the median total fund and the 4.0% return of the median total public fund. For the one-year period, the Total Fund returned 16.6%, above 15.6% for the median total fund and 15.1% for the median public fund. Over the longer periods CCCERA has performed much better than both fund medians. As illustrated in the charts on the following two pages, CCCERA has exceeded the median total fund with a slightly higher risk level over the past three and five year periods. CCCERA Total Fund also exceeded the CPI plus 400 basis points over the past five years.

TOTAL FUND PERFORMANCE

Performance and Variability

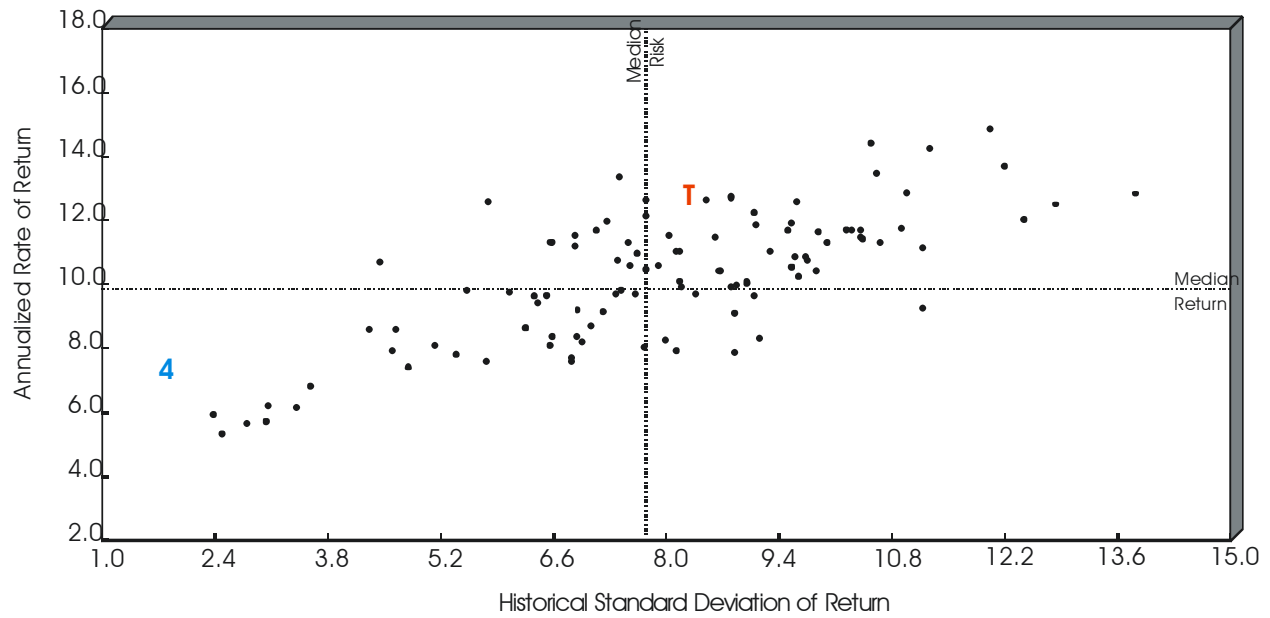
Three Years Ending June 30, 2007



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
T Total Fund	14.02	10	5.26	58
4 CPI + 400bps/yr	7.32	82	2.05	8
Median	10.67		5.01	

Performance and Variability

Five Years Ending June 30, 2007



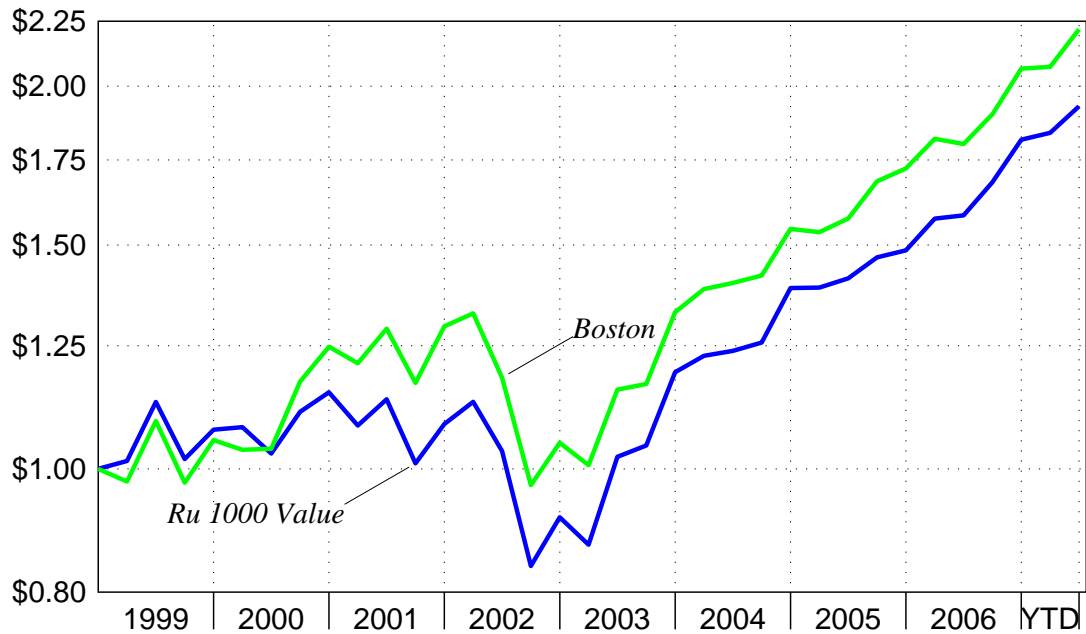
	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
T Total Fund	12.70	8	8.38	64
4 CPI + 400bps/yr	7.23	80	1.87	3
Median	9.83		7.75	

MANAGER COMMENTS – DOMESTIC EQUITY

Boston Partners

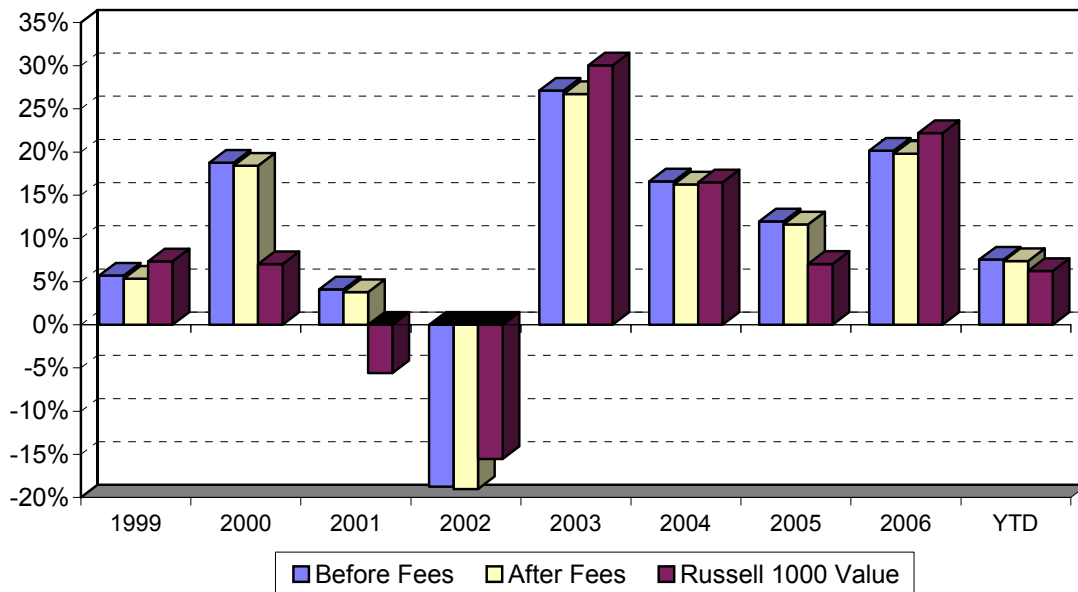
Boston Partners vs. Russell 1000 Value

Cumulative Value of \$1 (Net of Fees)

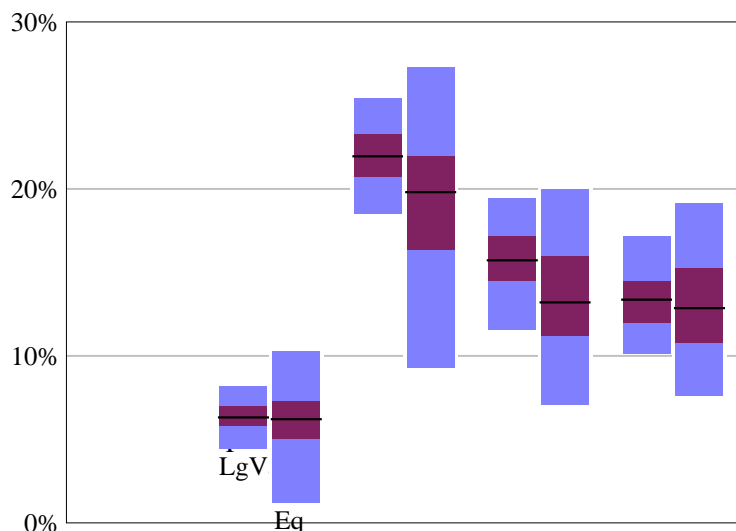


Boston vs. Russell 1000® Value

Year by Year Performance



Boston Partners



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Boston (B)	7.1	23.5	16.9	13.8
Rank v. Lg Value	22	23	29	42
Rank v. Equity	27	14	17	40
Rus. 1000® Val. (r)	4.9	21.9	15.9	13.3
Lg Value Median	6.3	22.0	15.7	13.4
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Boston Partners	Russell 1000® Value
Eq Mkt Value (\$Mil)	348.8	N/A
Wtd. Avg. Cap (\$Bil)	90.8	113.0
Beta	1.01	0.95
Yield (%)	1.82	2.37
P/E Ratio	15.76	15.34
Cash (%)	2.2	0.0
Number of Holdings	87	626
Turnover Rate (%)	59.3	-

Sector	Boston Partners	Russell 1000® Value
Energy	11.5 %	13.2 %
Materials	1.4	4.0
Industrials	9.2	10.4
Cons. Discretionary	12.0	8.2
Consumer Staples	4.0	7.5
Health Care	9.7	6.9
Financials	30.1	33.8
Info Technology	16.7	3.6
Telecom Services	3.7	6.5
Utilities	1.7	6.0

Boston Partners' second quarter return of 7.1% exceeded the 4.9% return of the Russell 1000® Value Index and ranked in the 22nd percentile of large value managers. For the one-year period, Boston Partners returned 23.5%, above the 21.9% return of the Russell 1000® Value Index. Over both the three and five year periods, Boston Partners' performance was above the median large value equity manager and exceeded the Russell 1000® Value Index. Boston Partners is in compliance with CCCERA's performance objectives.

The portfolio had a slightly higher beta and P/E ratio than the index and a yield that was below the value index. It included 87 stocks, concentrated in the large to mid capitalization sectors. Boston Partners' largest economic sector over-weightings were in the information technology, consumer discretionary and health care sectors, while the largest under-weightings were in the utilities, financials and consumer staples sectors. Boston's annual portfolio turnover rate for the year ended June 30, 2007 was 59.3%, down from last quarter's rate of 60.6%.

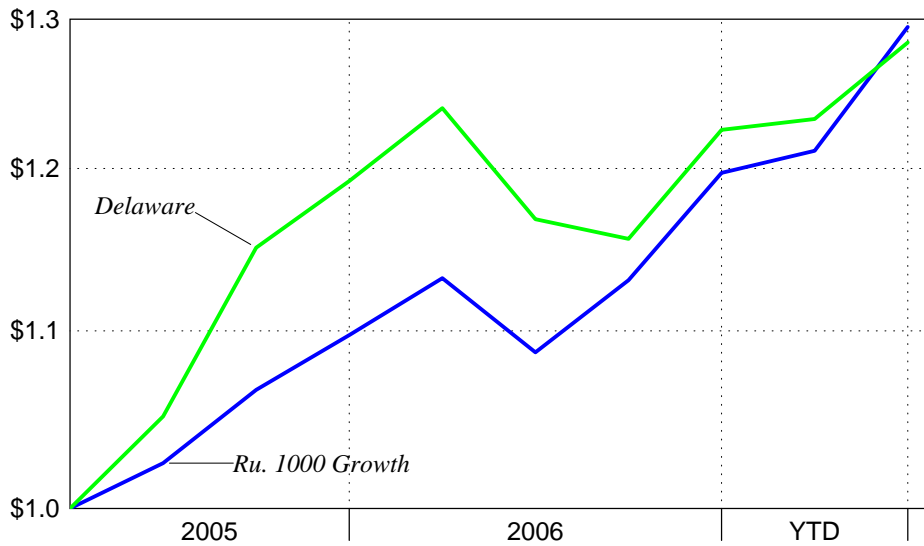
Boston Partners' second quarter performance relative to the Russell 1000® Value Index was helped by stock selection and sector allocation decisions. Stock selection decisions in the financials and information technology sectors had the strongest positive impacts on the portfolio. Top performing holdings included Groupe Cgi (+29%), Vodafone (+29%) and Nokia (+25%), while the worst performing holdings included Sun Microsystems (-12%), Ross Stores (-10%) and Sanofi-Aventis (-6%).

MANAGER COMMENTS – DOMESTIC EQUITY

Delaware

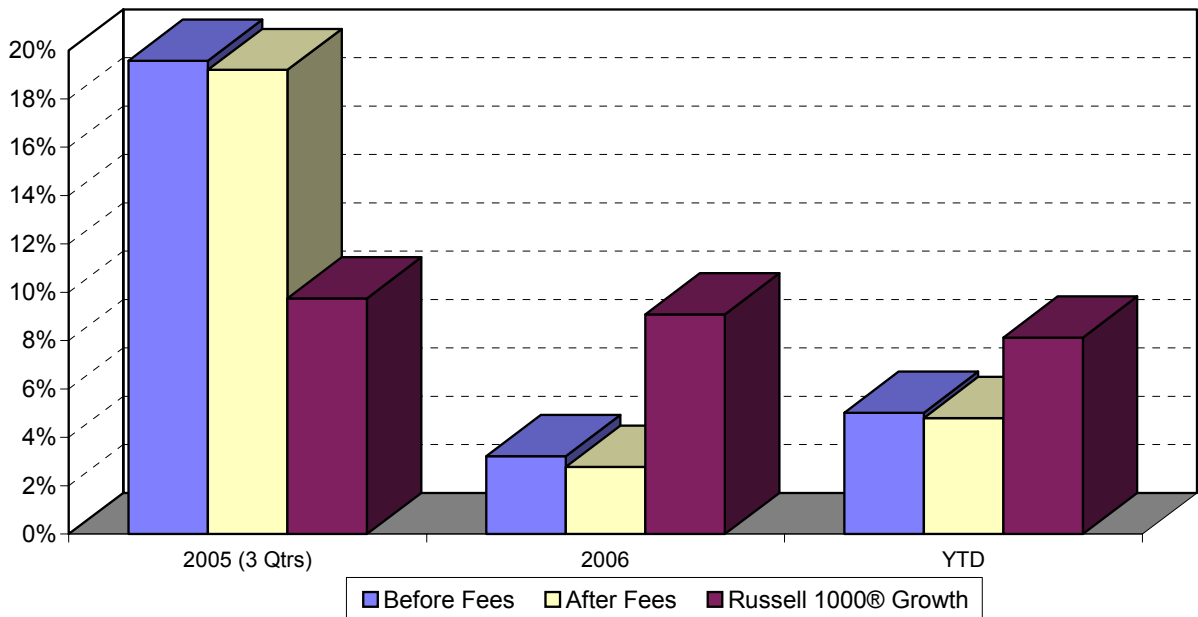
Delaware vs. Ru. 1000 Growth

Cumulative Value of \$1 (Net of Fees)

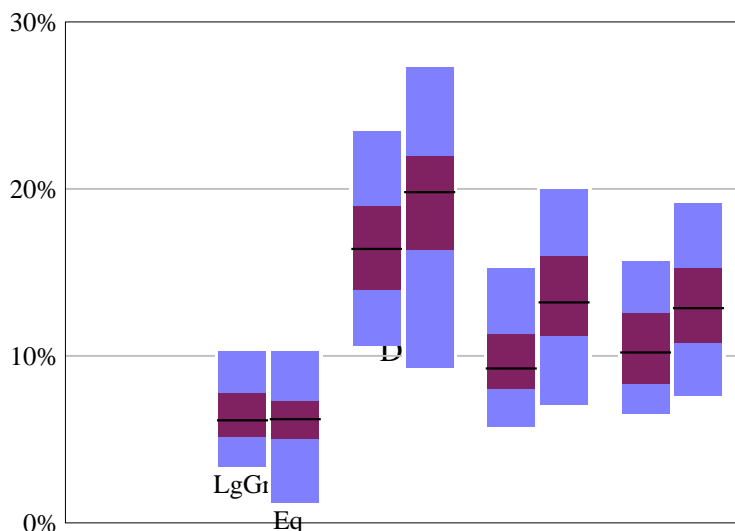


Delaware vs. Russell 1000® Growth

Year by Year Performance



Delaware



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Delaware (D)	4.3	10.4	-	-
Rank v. Lg Growth	88	96	-	-
Rank v. Equity	83	94	-	-
Ru 1000® Gro (R)	6.9	19.1	8.7	9.3
Lg Growth Median	6.1	16.4	9.3	10.2
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Delaware	Russell 1000® Growth
Eq Mkt Value (\$Mil)	347.63	N/A
Wtd. Avg. Cap (\$Bil)	49.19	67.3
Beta	1.03	1.08
Yield (%)	0.75	1.08
P/E Ratio	28.93	22.81
Cash (%)	0.5	0.0
Number of Holdings	27	708
Turnover Rate (%)	18.0	-

Sector	Delaware	Russell 1000® Growth
Energy	0.0 %	8.0 %
Materials	4.1	3.0
Industrials	7.3	12.9
Cons. Discretionary	13.8	13.7
Consumer Staples	11.0	9.6
Health Care	16.5	16.0
Financials	9.6	7.5
Info Technology	35.4	26.9
Telecom Services	2.3	0.9
Utilities	0.0	1.6

Delaware's return of 4.3% for the second quarter was below the 6.9% return of the Russell 1000® Growth Index, ranking in the 88th percentile in the universe of large growth equity managers. Over the past year, the portfolio returned 10.4%, trailing the Russell 1000® Growth Index return of 19.1%, and ranked in the 96th percentile of large growth equity managers. Delaware got off to a good start in early 2005; since inception performance trails the Russell 1000® Growth Index by a small margin. (Delaware indicates that this underperformance has been reversed since June 30.

The portfolio (compared to the Russell 1000® Growth Index) had a below-index yield and an above-index P/E ratio. It included 27 stocks, concentrated in the large and mid capitalization sectors. Delaware's largest economic sector over-weightings relative to the S&P 500 were in the information technology, financials and telecom sectors, while the largest under-weightings were in the energy, industrials and utilities sectors.

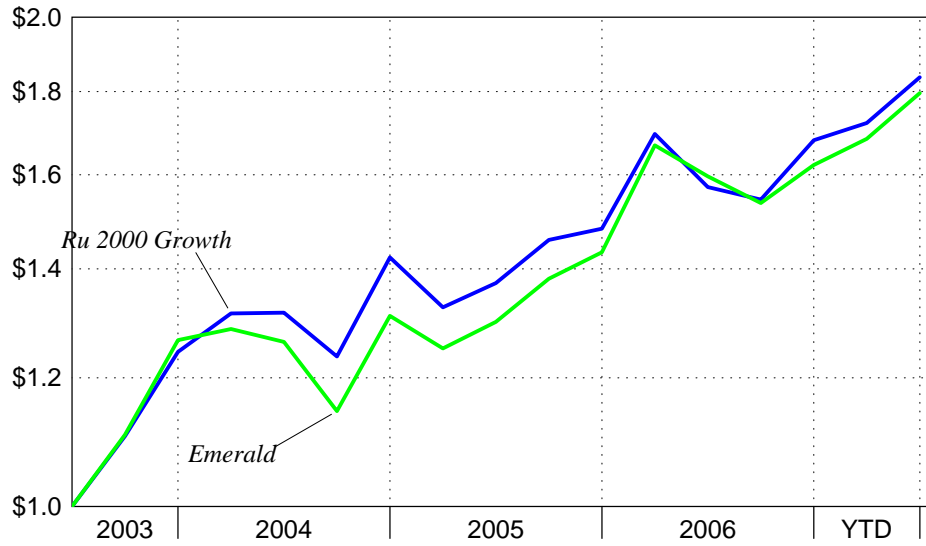
Delaware's second quarter performance relative to the Russell 1000® Growth Index was hurt by both stock selection and sector allocation decisions. Stock selection in the information technology and health care sectors had the most negative impacts. Underweighting the energy sector had a substantial negative impact on performance. Trading decisions had a small positive impact on performance for the quarter. The top performing holdings included Research in Motion (+47%), Intercontinental Exchange (+21%) and MGM Grand (+19%). The worst performing holdings included Staples (-8%), Genentech (-8%) and Seagate Technologies (-6%).

MANAGER COMMENTS – DOMESTIC EQUITY

Emerald

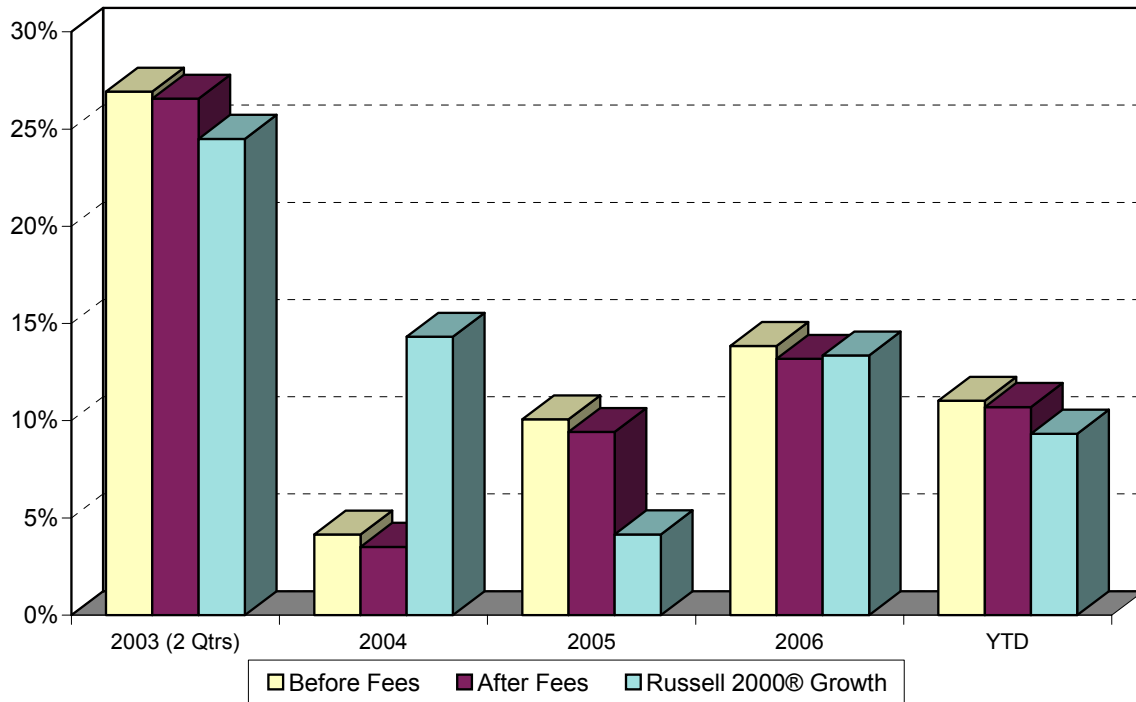
Emerald vs. Rus. 2000 Growth

Cumulative Value of \$1 (Net of Fees)

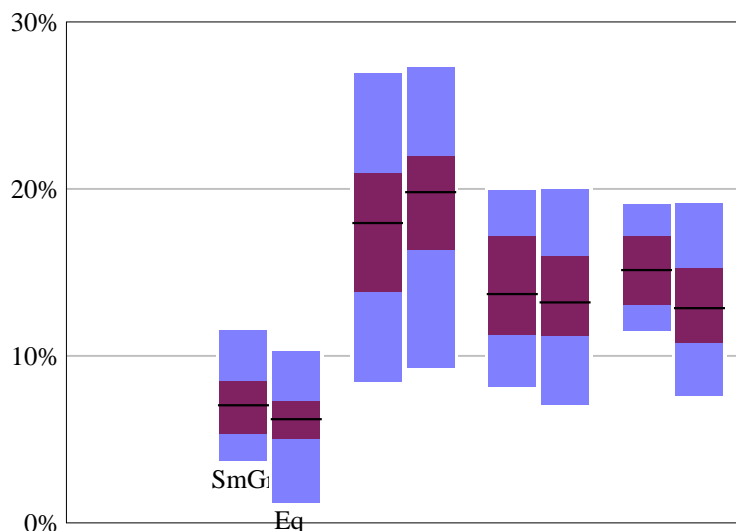


Emerald vs. Russell 2000® Growth

Year by Year Performance



Emerald



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Emerald (E)	6.8	13.2	13.1	-
Rank v. Sm. Gro	53	78	57	-
Rank v. Equity	32	87	51	-
Ru 2000® Gro (R)	6.7	16.8	11.8	13.1
Sm. Gro Median	7.1	18.0	13.7	15.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Emerald	Russell 2000® Growth
Eq Mkt Value (\$Mil)	159.84	N/A
Wtd. Avg. Cap (\$Bil)	1.61	1.35
Beta	1.51	1.35
Yield (%)	0.15	0.55
P/E Ratio	40.48	55.73
Cash (%)	2.7	0.0
Number of Holdings	126	1,255
Turnover Rate (%)	98.4	-

Sector	Emerald	Russell 2000® Growth
Energy	4.8 %	6.1 %
Materials	3.2	3.3
Industrials	18.7	17.5
Cons. Discretionary	18.2	17.4
Consumer Staples	2.1	2.6
Health Care	16.9	19.2
Financials	4.8	9.0
Info Technology	29.4	23.1
Telecom Services	1.9	1.5
Utilities	0.0	0.4

Emerald's return of 6.8% for the second quarter was slightly above the 6.7% return of the Russell 2000® Growth index and ranked in the 53rd percentile in the universe of small growth equity managers. For the one-year period, Emerald returned 13.2%, below the 16.8% return of the Russell 2000® Growth and ranked in the 78th percentile in the universe of small growth equity managers. Over the three year period, Emerald returned 13.1%, above the 11.8% return of the index, but ranked in the 57th percentile of small growth managers. Emerald is not in compliance with the CCCERA's ranking objective over the past three years.

The portfolio has a beta of 1.51x compared to 1.35x for the Russell 2000® Growth Index and has a well below-index yield. It includes 126 stocks, concentrated in the small capitalization sector. Emerald's largest economic sector over-weightings relative to the Russell 2000® Growth Index are in the information technology and industrials sectors. The largest under-weightings are in the financials, health care and energy sectors. Annual portfolio turnover was 98.4%.

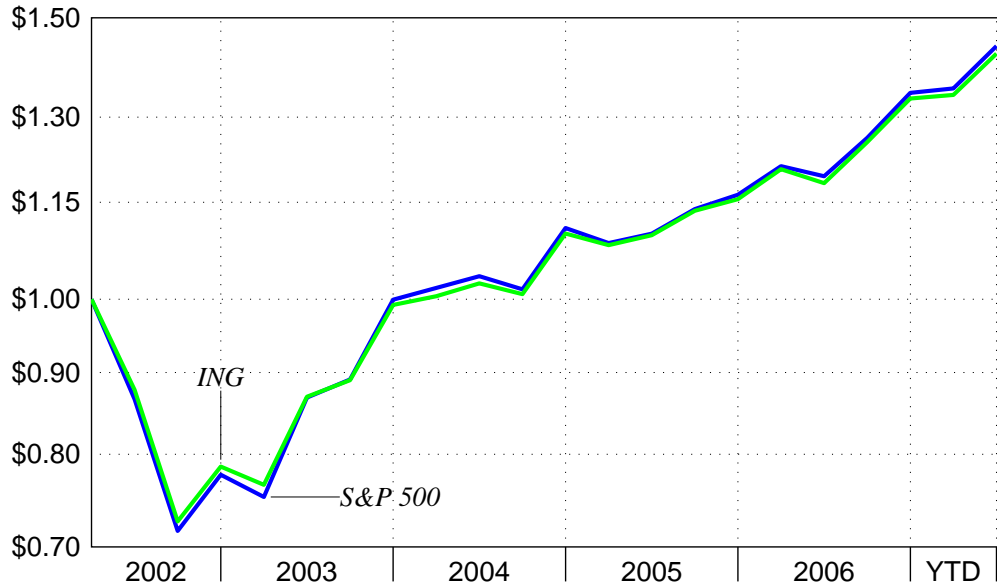
Emerald's second quarter performance relative to the Russell 2000® Growth Index was hindered by stock selection but helped by sector allocation decisions. Stock selection was strongest in the consumer discretionary sector. This was offset by underperformance in the information technology sector. Trading decisions had a positive impact on performance for the quarter. The top performing holdings included Crocs (+82%), Taser International (+74%) and Novatel Wireless (+62%). The worst performing holdings included Environment Tectonics (-40%), SRS Labs (-30%) and Semitool Inc (-26%).

MANAGER COMMENTS – DOMESTIC EQUITY

ING Investment

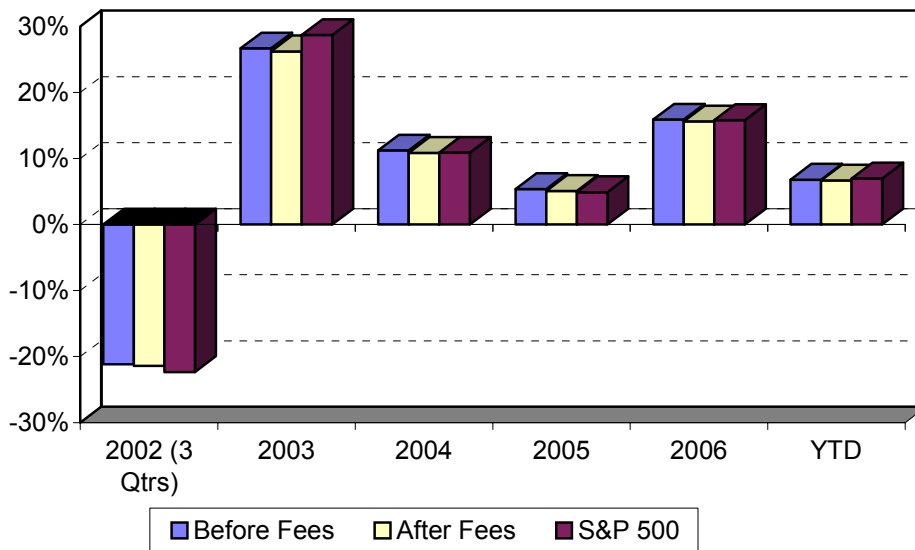
ING vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

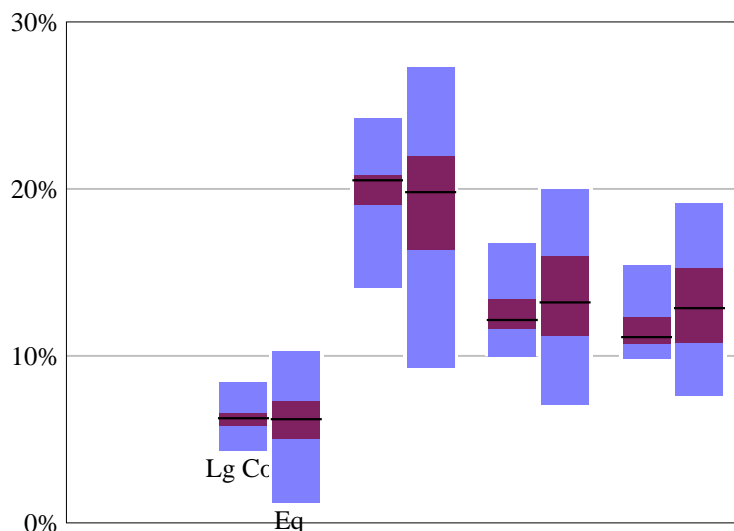


ING vs. S&P 500

Year by Year Performance



ING Investment Management



	Last Qtr	1 Yr	3 Yrs	5 Yrs
ING (I)	6.2	20.8	12.0	10.5
Rank v. Lg Core	62	25	52	90
Rank v. Equity	50	35	63	82
S&P 500 x-Tob (T)	6.3	20.4	11.4	10.5
S&P 500 (S)	6.3	20.6	11.7	10.7
Lg Core Median	6.3	20.5	12.2	11.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio

Characteristics	ING	S&P 500
Eq Mkt Value (\$Mil)	295.21	N/A
Wtd. Avg. Cap (\$Bil)	102.89	102.99
Beta	0.99	1.00
Yield (%)	1.78 %	1.82 %
P/E Ratio	16.25	17.64
Cash (%)	0.0 %	0.0 %

Number of Holdings	273	500
Turnover Rate (%)	65.4	-

Sector	ING	S&P 500
Energy	11.9 %	10.8 %
Materials	3.2	3.1
Industrials	11.4	11.0
Cons. Discretionary	10.1	10.2
Consumer Staples	7.4	9.3
Health Care	10.7	11.8
Financials	22.0	21.0
Info Technology	16.0	15.5
Telecom Services	3.5	3.8
Utilities	3.8	3.5

ING's return of 6.2% for the second quarter was slightly below the 6.3% return of the S&P 500 and the 6.3% return of the S&P 500 ex-Tobacco, and ranked in the 62nd percentile in the universe of large core equity managers. For the one-year period, ING returned 20.8%, above the 20.6% for the S&P 500 and also above the Tobacco-free Index return of 20.4%. ING has exceeded the S&P 500 over the past three years but slightly trailed the index over the past five years. ING is not in compliance with CCCERA's performance objectives over the past five years. As of June 2005, ING stopped using Innovest's rankings, but the portfolio is still tobacco-free (as are all CCCERA US equity portfolios).

The portfolio had a slightly below-market beta, a marginally lower yield and a below-market P/E ratio. It included 273 stocks, concentrated in large capitalization sectors. The portfolio closely resembles the S&P 500. ING's largest economic sector over-weightings were in the energy and financials sectors, while the largest under-weightings were in the consumer staples and health care sectors. Portfolio turnover was at an annual rate of 65.4% this quarter.

ING's performance for the second quarter relative to the S&P 500 was hindered by stock selection decisions. Trading decisions during the quarter had a positive impact on performance. The largest portfolio holdings at the end of the quarter were Exxon Mobil (4.4%), General Electric (2.2%) and Bank of America (2.2%). The best performing holdings during the quarter included Amazon.com (+72%), Nvidia (+44%) and Avaya (+43%), while the worst performing holdings included Network Appliance (-20%), General Growth (-17%) and Starbucks (-16%).

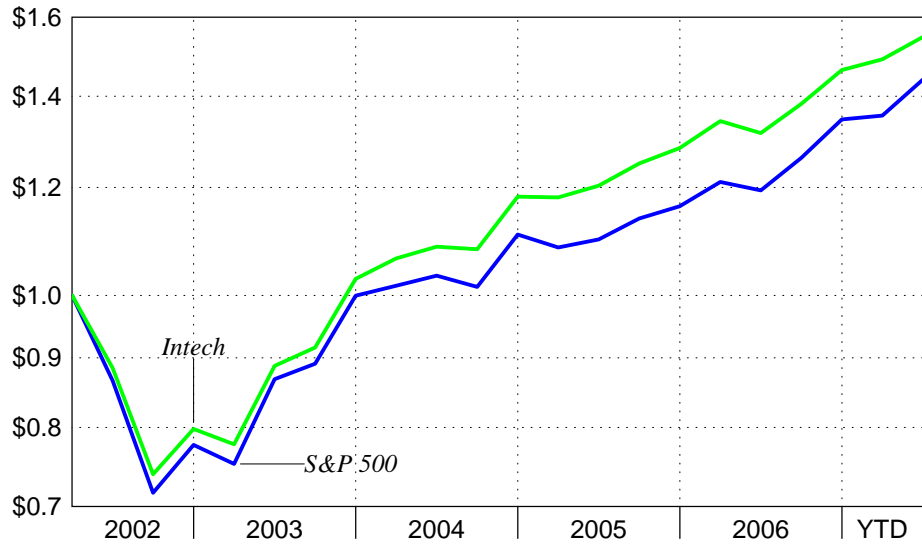
Vincent Costa reported that the valuation factors of the ING strategy worked well through May while earnings quality had mixed performance. Market recognition factors such as longer term price momentum and earnings estimate revision have been a drag on performance. Only pure growth signals, such as earnings and revenue trends, performed well in June. The strategy has struggled thus far in the third quarter, experiencing a higher than expected tracking error. ING has responded by cutting its targeted tracking error in half.

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Enhanced Plus

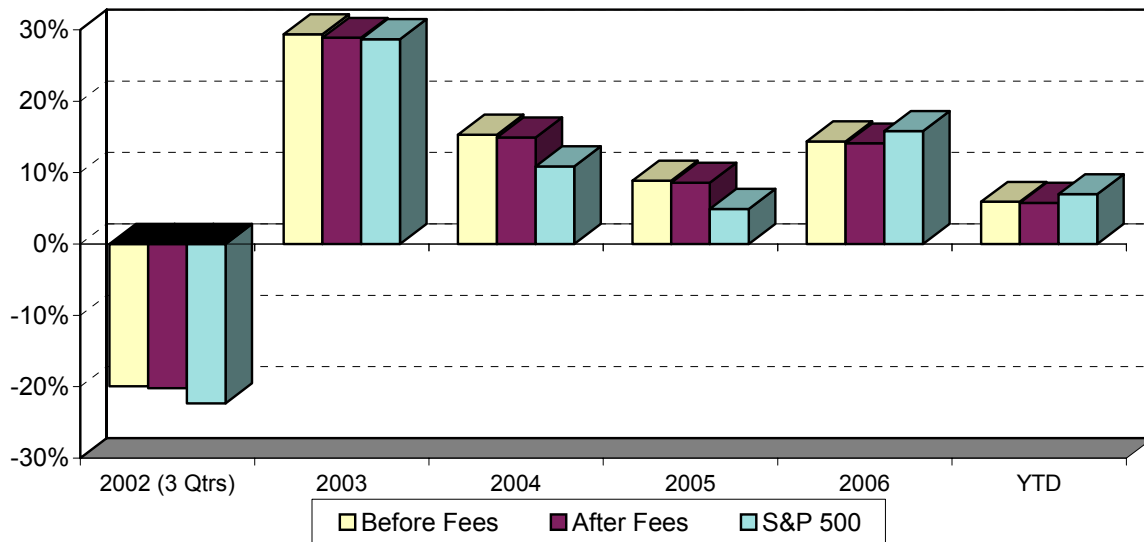
Intech Enhanced Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

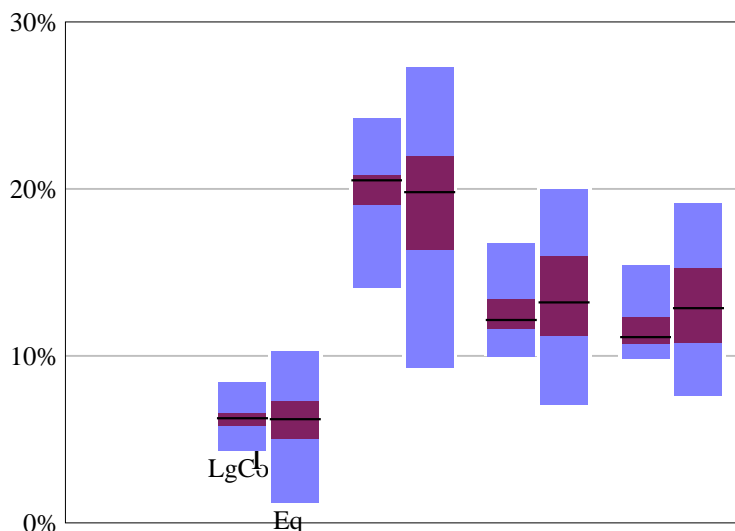


Intech Enhanced Plus vs. S&P 500

Year by Year Performance



Intech - Enhanced Plus



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Intech Enhanced (I)	3.9	18.0	12.9	12.2
Rank v. Lg Core	97	83	29	31
Rank v. Equity	86	65	53	57
S&P 500 (S)	6.3	20.6	11.7	10.7
Lg Core Median	6.3	20.5	12.2	11.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Intech - Enhanced	
	Plus	S&P 500
Eq Mkt Value (\$Mil)	26.64	N/A
Wtd. Avg. Cap (\$Bil)	79.98	102.99
Beta	0.96	1.00
Yield (%)	1.72 %	1.82 %
P/E Ratio	19.21	17.64
Cash (%)	0.6 %	0.0 %
Number of Holdings	362	500
Turnover Rate (%)	241.8	-

Sector	Intech - Enhanced	
	Plus	S&P 500
Energy	5.5 %	10.8 %
Materials	3.8	3.1
Industrials	8.3	11.0
Cons. Discretionary	17.5	10.2
Consumer Staples	10.7	9.3
Health Care	12.5	11.8
Financials	17.8	21.0
Info Technology	11.0	15.5
Telecom Services	4.5	3.8
Utilities	8.6	3.5

Intech's return of 3.9% for the second quarter was below the 6.3% return of the S&P 500, ranking in the 97th percentile in the universe of large core equity managers. For the one-year period, Intech returned 18.0%, trailing 20.6% for the S&P 500 and ranking in the 83rd percentile.

Over the past five years, Intech returned 12.2%, above the 10.7% return of the S&P 500, and ranked in the 31st percentile of large core equity managers. Over the past three and five years, Intech's performance exceeded the median large core equity manager and the S&P 500. Intech is in compliance with CCCERA's performance objectives.

The portfolio has a below-market beta of 0.96x, a lower yield and an above-market P/E ratio. The portfolio has 362 holdings concentrated in large capitalization sectors. The largest economic sector over-weightings were in the consumer discretionary, utilities and consumer staples sectors, while largest under-weightings were in the energy, information technology and financials sectors. Second quarter portfolio turnover was at an annual rate of 241.8%.

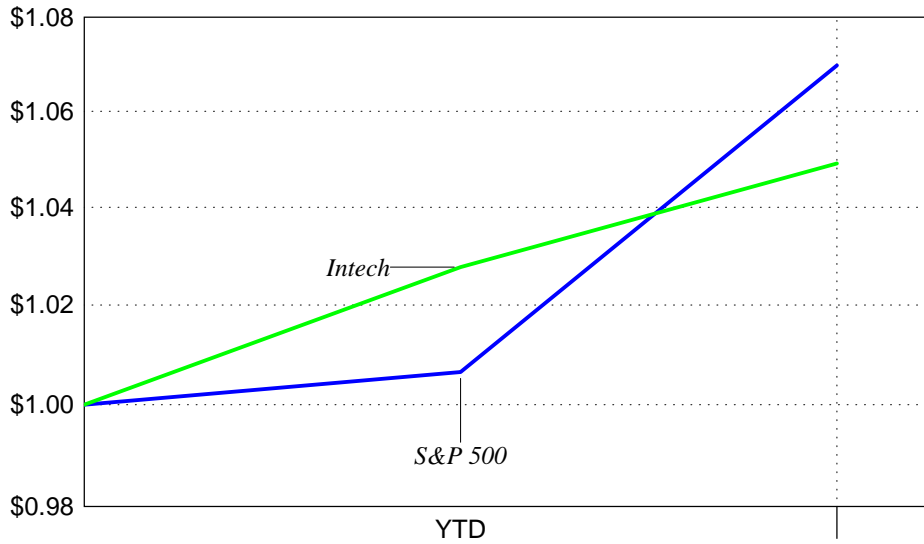
Intech's second quarter performance relative to the S&P 500 was hindered by both stock selection and sector allocation decisions. Active trading decisions also had a negative impact on performance. An underweight to the energy sector and stock selection in the consumer discretionary sector detracted the most from second quarter performance. The best performing portfolio stocks included Amazon.com (+72%), Dow Jones (+68%) and Nvidia (+44%), while the worst performing holdings during the quarter included Officemax (-25%), Kimco Realty (-21%) and Network Appliances (-20%).

MANAGER COMMENTS – DOMESTIC EQUITY

Intech - Large Cap Core

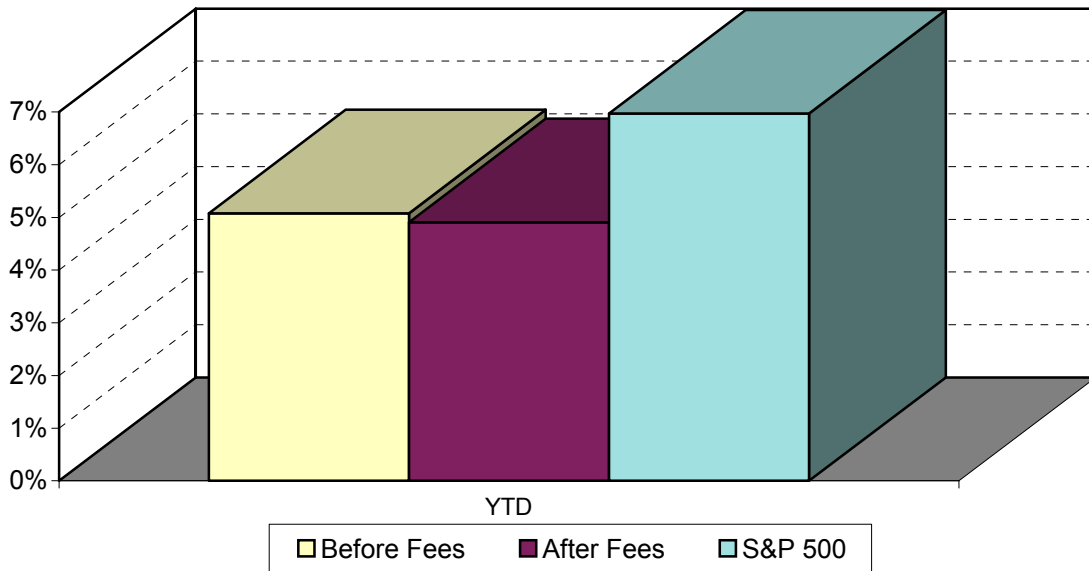
Intech Large Cap Core vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

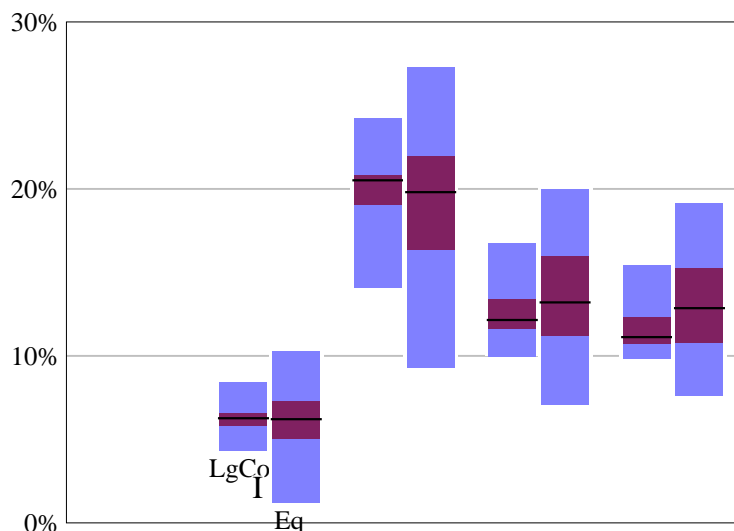


Intech Large Cap Core vs. S&P 500

Year by Year Performance



Intech - Large Cap Core



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Intech Lg Core (I)	2.2	-	-	-
Rank v. Lg Core	99	-	-	-
Rank v. Equity	93	-	-	-
S&P 500 (S)	6.3	20.6	11.7	10.7
Lg Core Median	6.3	20.5	12.2	11.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Intech - Large Cap	S&P 500
Eq Mkt Value (\$Mil)	259.42	N/A
Wtd. Avg. Cap (\$Bil)	56.19	102.99
Beta	0.96	1.00
Yield (%)	1.61 %	1.82 %
P/E Ratio	20.52	17.64
Cash (%)	0.8 %	0.0 %
Number of Holdings	280	500
Turnover Rate (%)	-	-

Sector	Intech - Large Cap	S&P 500
Energy	2.7 %	10.8 %
Materials	4.6	3.1
Industrials	7.7	11.0
Cons. Discretionary	22.2	10.2
Consumer Staples	10.7	9.3
Health Care	12.7	11.8
Financials	11.6	21.0
Info Technology	8.5	15.5
Telecom Services	6.1	3.8
Utilities	13.3	3.5

Intech's Large Cap Core return of 2.2% for the second quarter was well below the 6.3% return of the S&P 500 and ranked in the 99th percentile in the universe of large core equity managers. This has been a difficult quarter, following a good start for the portfolio in the first quarter.

The Large Cap Core portfolio follows a somewhat more aggressive investment approach than the Intech Enhanced Plus portfolio. The portfolio has a below-market beta of 0.96x, a lower yield and an above-market P/E ratio. The portfolio has 280 holdings concentrated in large capitalization sectors. The largest economic sector over-weightings were in the consumer discretionary, utilities and telecom sectors, while largest under-weightings were in the financials, energy and information technology sectors.

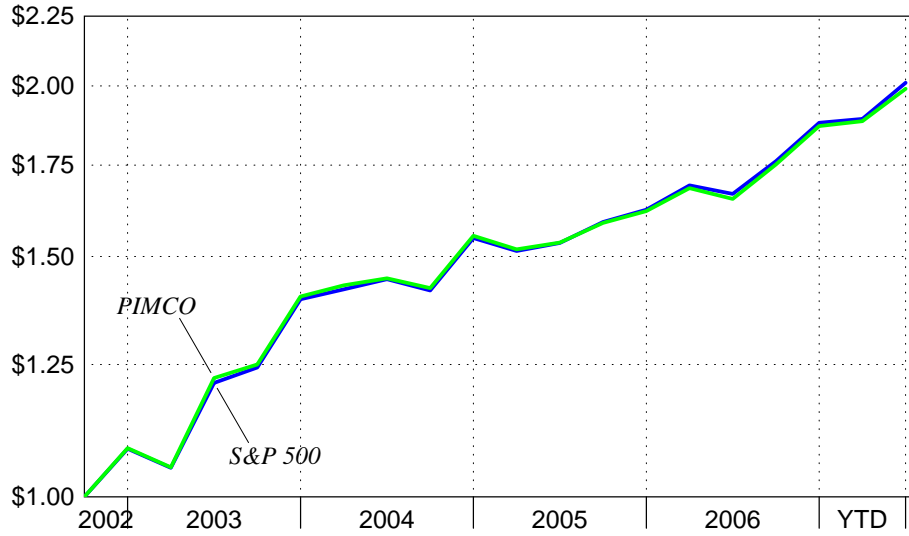
Intech's second quarter performance relative to the S&P 500 was hindered by both stock selection and sector allocation decisions. Active trading decisions had a negative impact on performance. An underweight to the energy sector and stock selection in the financials sector hurt performance the most during the quarter. The best performing portfolio stocks included Amazon.com (+72%), Dow Jones (+68%) and Nvidia (+44%), while the worst performing holdings during the quarter included Officemax (-25%), Kimco Realty (-21%) and Network Appliances (-20%).

MANAGER COMMENTS – DOMESTIC EQUITY

PIMCO

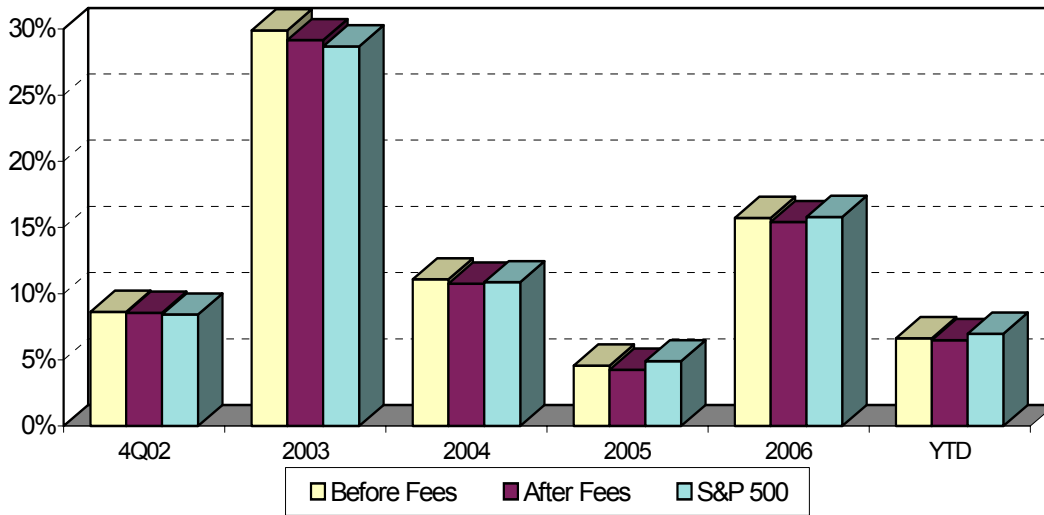
PIMCO Stocks Plus vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

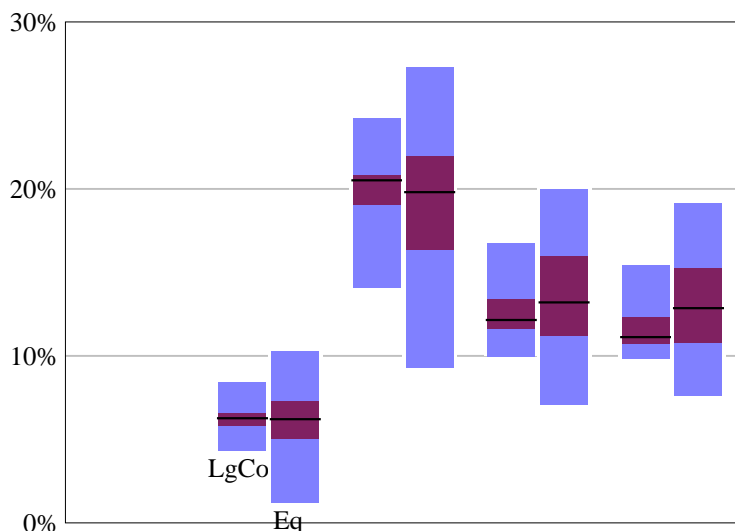


PIMCO vs. S&P 500

Year by Year Performance



PIMCO



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
PIMCO (P)	5.7	20.7	11.6	-
Rank v. Lg Core	80	27	84	-
Rank v. Equity	64	36	72	-
S&P 500 (S)	6.3	20.6	11.7	10.7
Lg Core Median	6.3	20.5	12.2	11.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio

Characteristics	PIMCO	S&P 500
Eq Mkt Value (\$Mil)	262.8	N/A
Wtd. Avg. Cap (\$Bil)	*	102.99
Beta	*	1.00
Yield (%)	* %	1.82 %
P/E Ratio	*	17.64
Cash (%)	3.6 %	0.0 %

Number of Holdings	*	500
Turnover Rate (%)	848.3	-

Sector

Sector	PIMCO	S&P 500
Energy	* %	10.8 %
Materials	*	3.1
Industrials	*	11.0
Cons. Discretionary	*	10.2
Consumer Staples	*	9.3
Health Care	*	11.8
Financials	*	21.0
Info Technology	*	15.5
Telecom Services	*	3.8
Utilities	*	3.5

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

PIMCO's StocksPLUS (futures plus cash) portfolio returned 5.7% for the second quarter, trailing the 6.3% return of the S&P 500 and ranking in the 80th percentile of large core managers. For the one-year period, PIMCO returned 20.7%, above the 20.6% return of the S&P 500, and ranking in the 27th percentile. Over the past three years, the portfolio return of 11.6% slightly trailed the 11.7% return of the S&P 500 and ranked in the 84th percentile of large core managers. The portfolio has not met the objective of exceeding the S&P 500 over the past three years, but has essentially matched the S&P 500 before fees since inception.

PIMCO's mix of fixed income strategies trailed the benchmark in the second quarter. Several strategies detracted from quarterly returns, including duration exposure in the U.S. and abroad, exposure to short maturities via Eurodollar futures, mortgage holdings and exposure to short maturity U.K. interest rates and the Japanese yen. Strategies that added value included holdings in short maturity corporates, holdings of high quality floating rate asset-backed securities, and strategies designed to benefit from a steeper yield curve in the U.S., Europe and the U.K., as longer maturity rates moved higher.

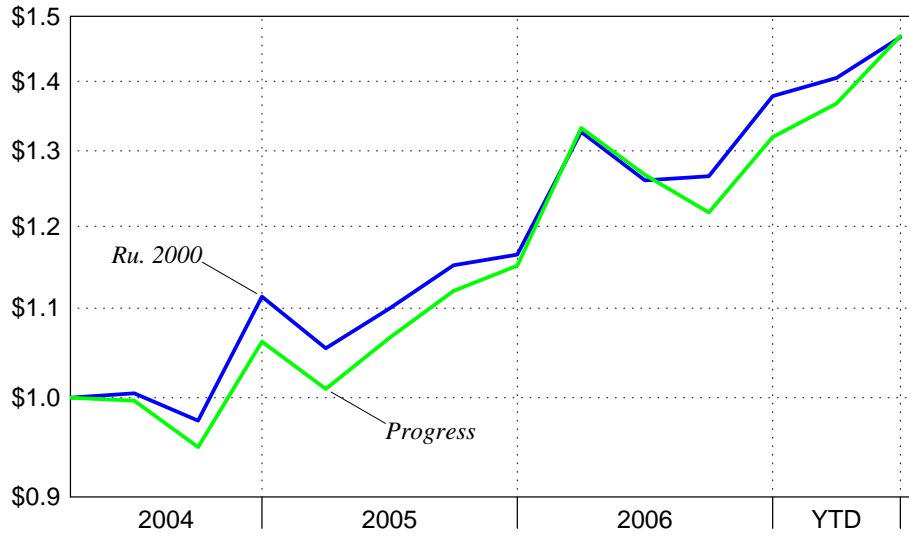
PIMCO will manage StocksPLUS portfolios to take advantage of investment opportunities arising from long run global prosperity and cyclical U.S. weakness. The firm plans to emphasize shorter maturities in the U.S. that should gain as markets anticipate Fed easing and a steeper yield curve, utilize high quality mortgages, limit corporate debt holdings and hold high quality short-term asset-backed bonds that offer credit enhancement and payment priority.

MANAGER COMMENTS – DOMESTIC EQUITY

Progress

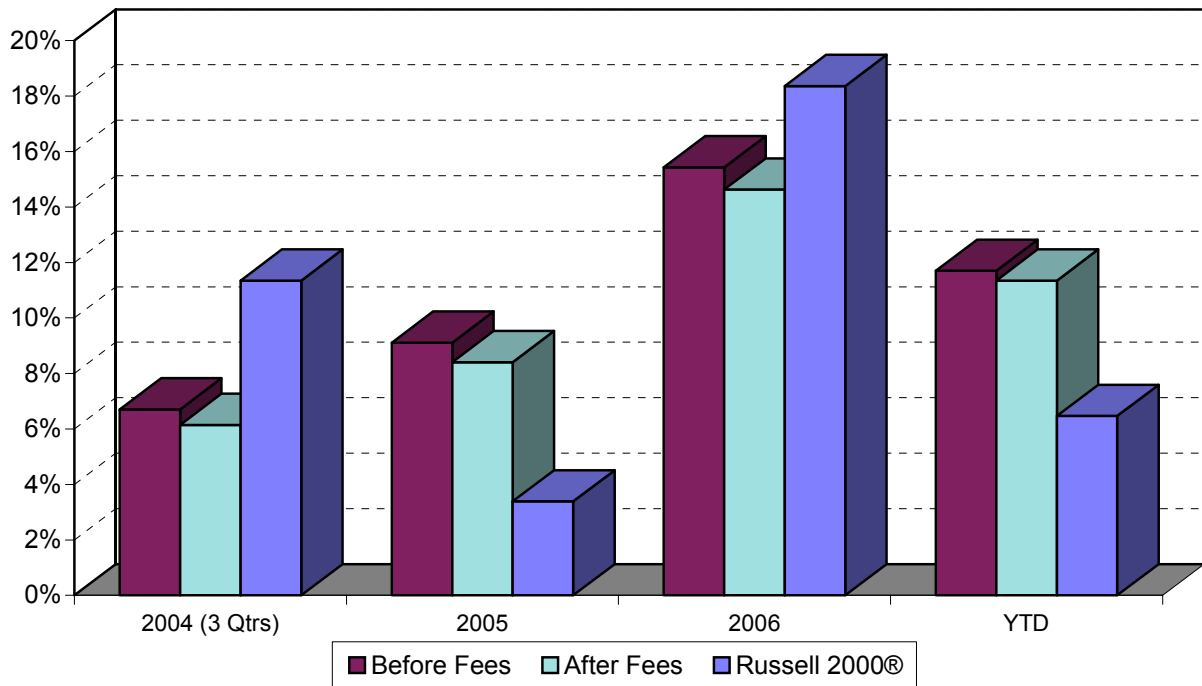
Progress vs. Russell 2000

Cumulative Value of \$1 (Net of Fees)

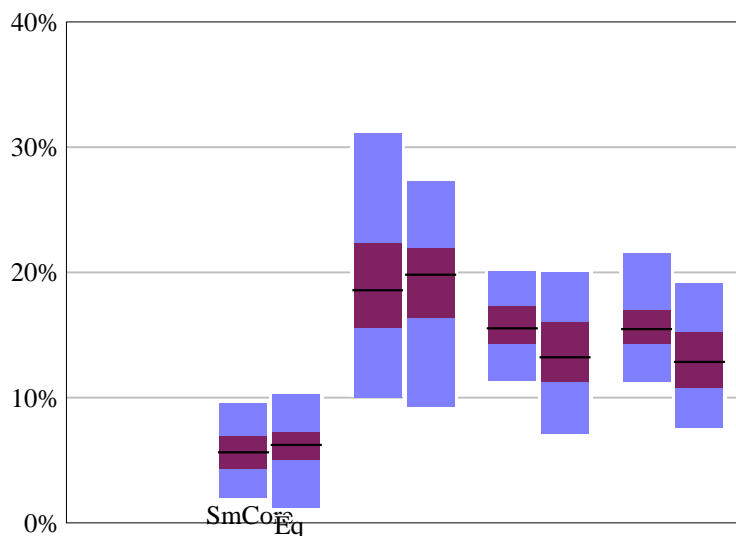


Progress vs. Russell 2000®

Year by Year Performance



Progress



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Progress (P)	7.6	16.7	14.6	-
Rank v. Small Core	17	66	69	-
Rank v. Equity	21	73	39	-
Russell 2000® (R)	4.4	16.4	13.5	13.9
Small Cap Median	5.6	18.6	15.5	15.5
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Progress	Russell 2000®
Eq Mkt Value (\$Mil)	162.04	N/A
Wtd. Avg. Cap (\$Bil)	1.83	1.28
Beta	1.26	1.21
Yield (%)	1.02 %	1.19 %
P/E Ratio	27.89	35.88
Cash (%)	0.0 %	0.0 %
Number of Holdings	615	1,953
Turnover Rate (%)	0.6	-

Sector	Progress	Russell 2000®
Energy	6.3 %	5.6 %
Materials	5.8	4.7
Industrials	15.8	15.2
Cons. Discretionary	15.8	15.7
Consumer Staples	2.1	3.0
Health Care	11.6	12.0
Financials	19.2	21.2
Info Technology	17.3	18.3
Telecom Services	2.9	1.6
Utilities	3.3	2.6

Progress, a manager of emerging managers that invest in small capitalization stocks, returned 7.6% for the second quarter, exceeding the 4.4% return of the Russell 2000® Index and ranking in the 17th percentile of small core managers. Over the past year, Progress has returned 16.7%, slightly above the 16.4% return of the Russell 2000® Index, but ranked in the 66th percentile of small cap equity managers. Over the past three years, Progress has exceeded its benchmark but has ranked below median in the small core universe. Therefore, Progress is not in compliance with some of the CCCERA performance objectives.

The portfolio had a beta of 1.26x compared to 1.21x for the Russell 2000® Index, a below-market yield and a below-market P/E ratio. It included 615 stocks, concentrated in the small and mid capitalization sectors. Progress' largest economic sector over-weightings relative to the Russell 2000® were in the telecom services and materials sectors, while the largest under-weightings were in the financials and information technology sectors.

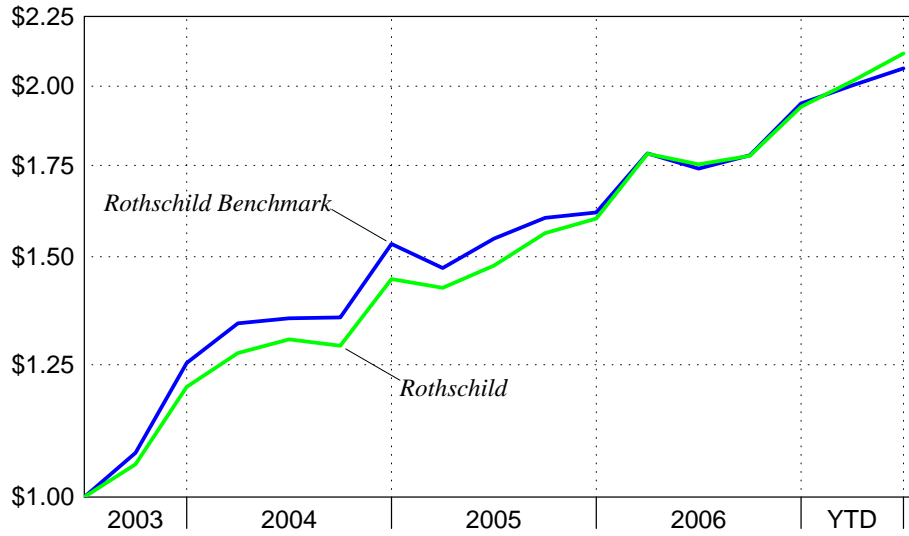
The portfolio's second quarter performance was boosted relative to the Russell 2000® by stock selection decisions. Stock selection in the financials, industrials and information technology sectors had the largest positive impacts on second quarter performance. Aggregate trading decisions had a significantly positive impact on performance. During the quarter, the best performing holdings included Life Partners (+175%), KMG (+130%) and Flotek (+110%). The worst performing holdings included Applied Micro Circuits (-32%), Global Crossing (-32%) and Cutera (-31%).

MANAGER COMMENTS – DOMESTIC EQUITY

Rothschild

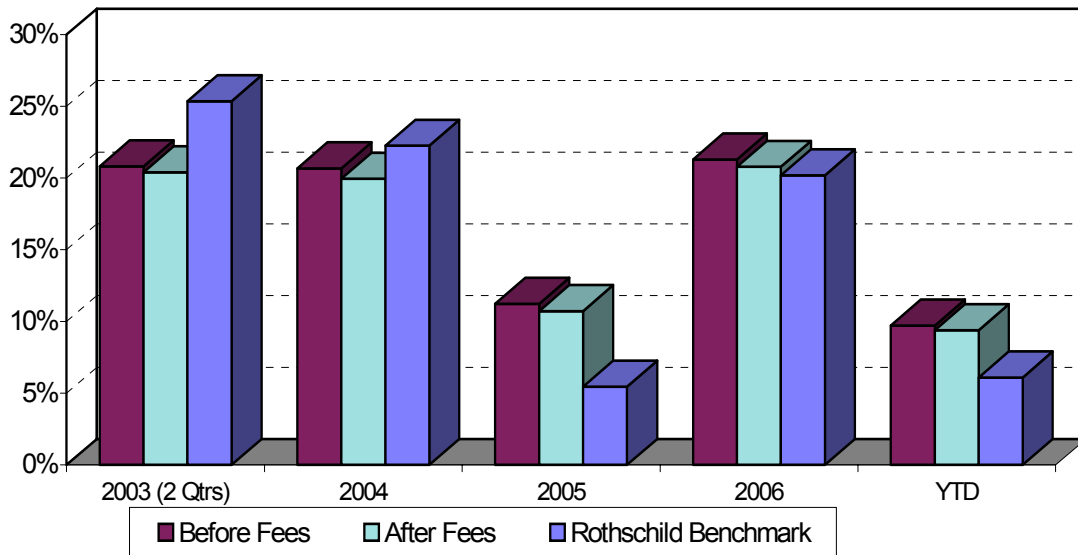
Rothschild vs. Custom Bench

Cumulative Value of \$1 (Net of Fees)



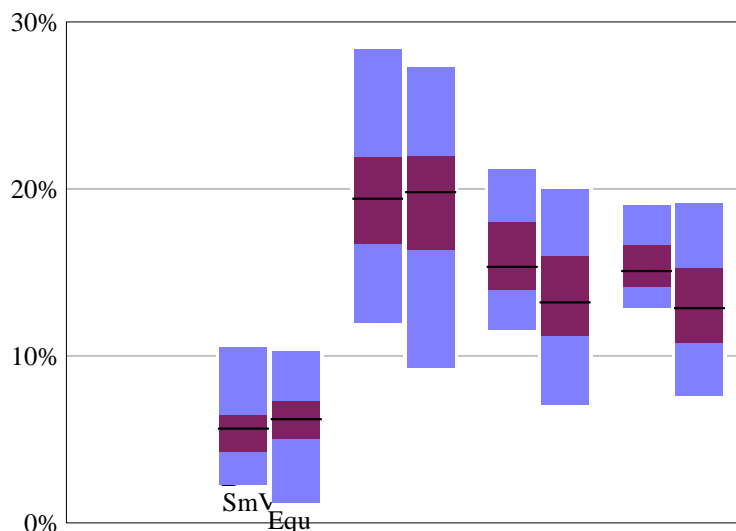
Rothschild vs. Custom Benchmark

Year by Year Performance



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

Rothschild



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Rothschild (R)	4.9	21.1	18.0	-
Rank v. Sm. Value	63	35	25	-
Rank v. Equity	76	32	11	-
Custom Bench (B)	2.9	18.4	15.1	14.7
Sm. Value Median	5.6	19.4	15.3	15.1
Equity Median	6.2	19.8	13.2	12.9

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

Rothschild's return of 4.9% for the second quarter exceeded the 2.9% return of the Russell 2500™ Value Index but ranked in the 63rd percentile in the universe of small value equity managers. For the one-year period, Rothschild returned 21.1%, exceeding the custom benchmark return of 18.4% and ranked in the 35th percentile. Over the past three years, Rothschild has exceeded its custom benchmark. This portfolio is in compliance with the CCCERA performance objectives.

The portfolio had a beta of 1.03x versus 1.01x for the Index, a below-index yield and a below-index P/E ratio. It included 152 stocks, concentrated in the small and mid capitalization sectors. Rothschild's largest economic sector over-weightings relative to the Russell 2500™ were in the industrials, health care and consumer staples sectors, while the largest under-weightings were in the financials, consumer discretionary and utilities sectors. Second quarter portfolio turnover was at an annual rate of 99.5%, up from last quarter's rate of 88.6%.

Rothschild's second quarter performance relative to the Russell 2500™ Value index was helped by both stock selection and sector allocation decisions. Trading decisions also had a positive impact on performance. Stock selection in the materials sector had the largest positive impact on the portfolio during the second quarter. The best performing portfolio stocks were Terra Industries (+45%), Nash Finch (+44%) and Asiainfo Holdings (+41%). The worst performing holdings included Capital Trust (-23%), Pacific Capital Bancorp (-15%) and Regency Centers (-15%).

Portfolio Characteristics	Rothschild	Russell 2500™ Value
Eq Mkt Value (\$Mil)	159.84	N/A
Wtd. Avg. Cap (\$Bil)	2.61	2.63
Beta	1.03	1.01
Yield (%)	1.24 %	1.93 %
P/E Ratio	18.87	21.27
Cash (%)	1.1 %	0.0 %
Number of Holdings	152	1,609
Turnover Rate (%)	99.5	-

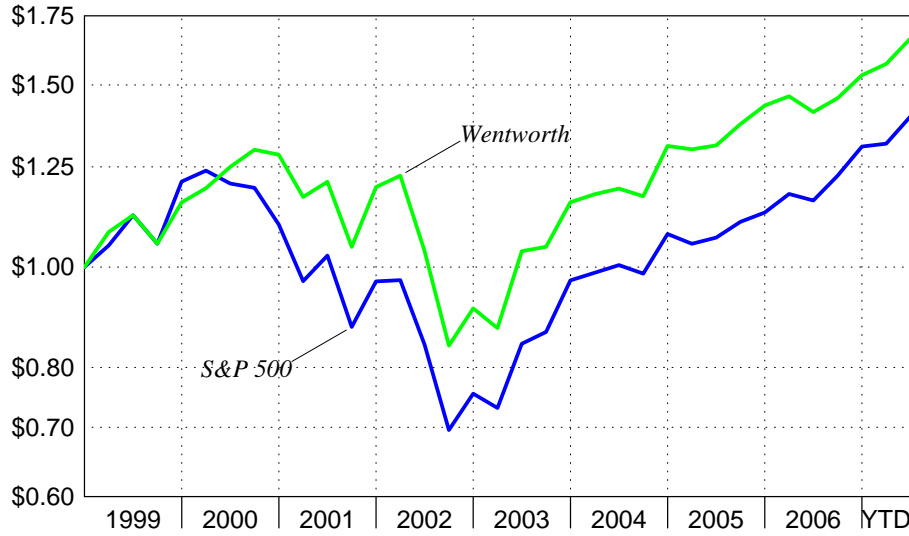
Sector	Rothschild	Russell 2500™ Value
Energy	5.7 %	5.0 %
Materials	8.5	7.9
Industrials	17.8	11.6
Cons. Discretionary	10.3	12.6
Consumer Staples	4.8	3.8
Health Care	7.6	5.2
Financials	25.1	32.6
Info Technology	10.8	10.7
Telecom Services	1.2	1.7
Utilities	8.4	8.9

MANAGER COMMENTS – DOMESTIC EQUITY

Wentworth, Hauser and Violich

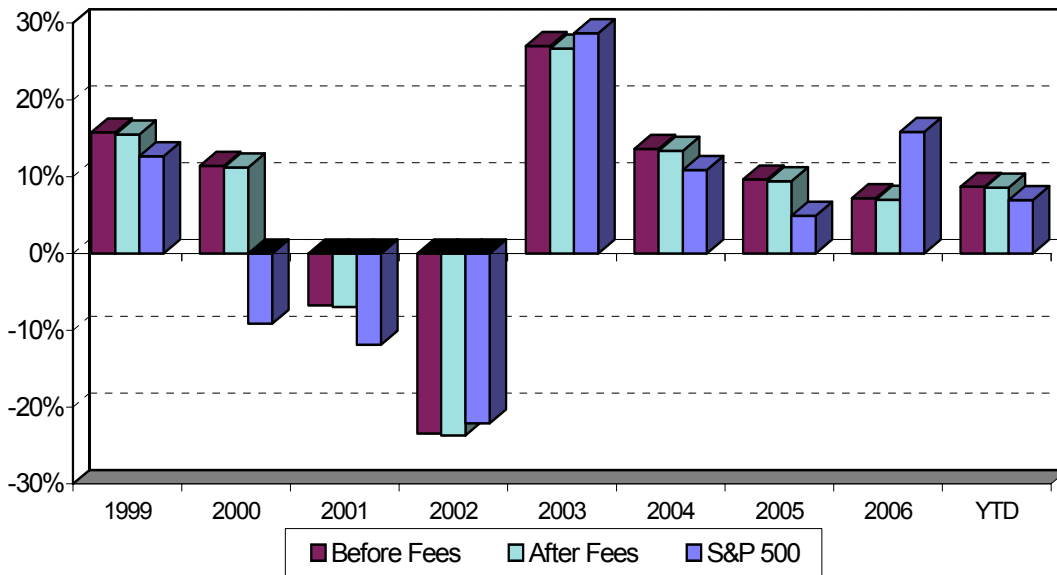
Wentworth, Hauser vs. S&P 500

Cumulative Value of \$1 (Net of Fees)

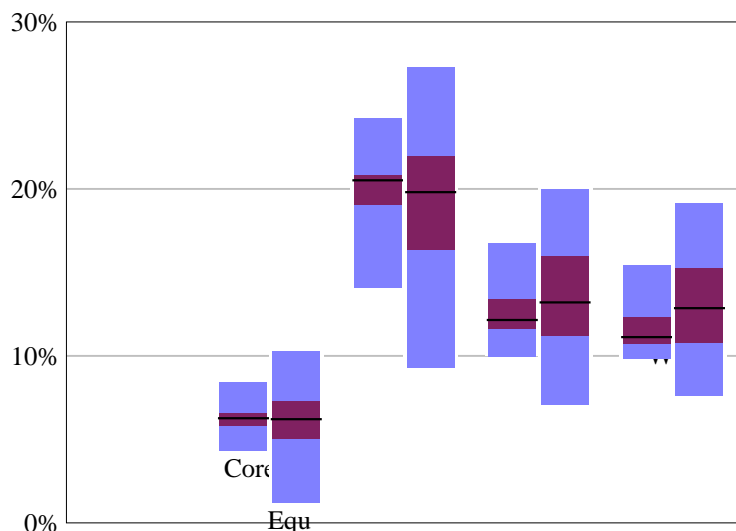


Wentworth vs. S&P 500

Year by Year Performance



Wentworth, Hauser and Violich



	Last Qtr	1 Yr	3 Yrs	5 Yrs
Wentworth (W)	5.9	18.1	12.0	10.2
Rank v. Lg Core	73	82	52	93
Rank v. Equity	57	63	62	84
S&P 500 (S)	6.3	20.6	11.7	10.7
Lg Core Median	6.3	20.5	12.2	11.1
Equity Median	6.2	19.8	13.2	12.9

Portfolio

Characteristics	Wentworth	S&P 500
Eq Mkt Value (\$Mil)	290.91	N/A
Wtd. Avg. Cap (\$Bil)	86.47	102.99
Beta	1.09	1.00
Yield (%)	1.64	1.82
P/E Ratio	16.77	17.64
Cash (%)	1.4	0.0
Number of Holdings	38	500
Turnover Rate (%)	28.6	-

Sector	Wentworth	S&P 500
Energy	15.6 %	10.8 %
Materials	0.0	3.1
Industrials	13.2	11.0
Cons. Discretionary	10.1	10.2
Consumer Staples	9.5	9.3
Health Care	13.4	11.8
Financials	23.7	21.0
Info Technology	12.5	15.5
Telecom Services	0.0	3.8
Utilities	2.1	3.5

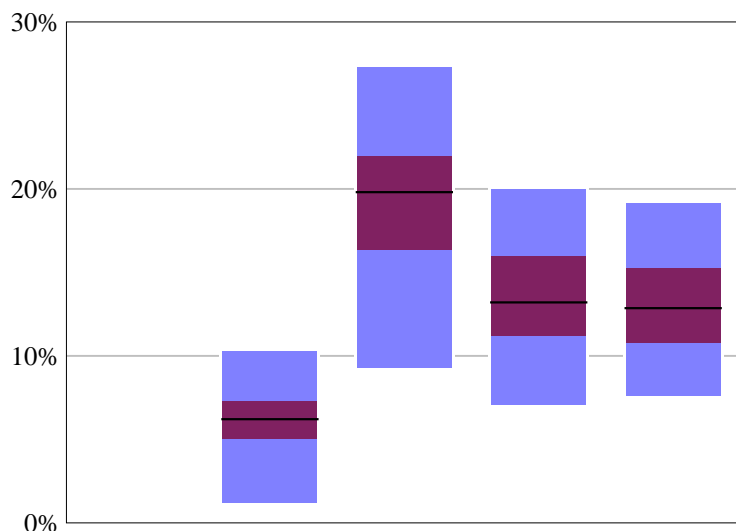
Wentworth's return of 5.9% for the second quarter was below the 6.3% return of the S&P 500 and ranked in the 73rd percentile of large core managers. For the one-year period, Wentworth returned 18.1%, trailing the 20.6% return of the S&P 500 and ranking in the 82nd percentile. Wentworth has exceeded the S&P 500 over the past three years, but trailed the index over the past five years. The portfolio has ranked below the median of the large core universe over both time periods. Wentworth is not in compliance with some of the CCCERA performance guidelines.

The portfolio has an above-market beta of 1.09x, a below-market yield and a below-market P/E ratio. The portfolio has 38 holdings concentrated in large and mid capitalization sectors. The largest economic sector over-weightings are in the energy, financials and industrials sectors, while largest under-weightings are in the telecom services, materials and information technology sectors. Second quarter portfolio turnover was at an annual rate of 28.6%, down from last quarter's rate of 43.0%.

Wentworth's second quarter performance relative to the S&P 500 was hurt by stock selection decisions but helped by sector allocation decisions. Stock selection in the consumer staples and information technology sectors was particularly weak. The best performing portfolio stocks included Intel (+25%), Schlumberger (+23%) and Weatherford International (+22%) while the worst performing holdings included Broadcom (-9%), Wachovia (-6%) and Walgreens (-5%).

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Total Domestic Equity



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Equity (B)	5.5	18.1	12.9	10.5
Rank v. Equity	67	63	52	82
Russell 3000® (R)	5.8	20.1	12.4	11.5
Equity Median	6.2	19.8	13.2	12.9

Portfolio Characteristics	Total Fund	Russell 3000®
Eq Mkt Value (\$Mil)	2,313.07	N/A
Wtd. Avg. Cap (\$Bil)	64.43	82.54
Beta	1.07	1.03
Yield (%)	1.40 %	1.68 %
P/E Ratio	21.49	19.14
Cash (%)	1.4 %	0.0 %
Number of Holdings	1,312	2,976
Turnover Rate (%)	166.0	-

Sector	Total Fund	Russell 3000®
Energy	8.0 %	10.1 %
Materials	3.4	3.6
Industrials	11.4	11.9
Cons. Discretionary	13.4	11.3
Consumer Staples	7.4	8.1
Health Care	12.4	11.5
Financials	19.1	20.7
Info Technology	18.3	15.5
Telecom Services	2.9	3.5
Utilities	3.8	3.7

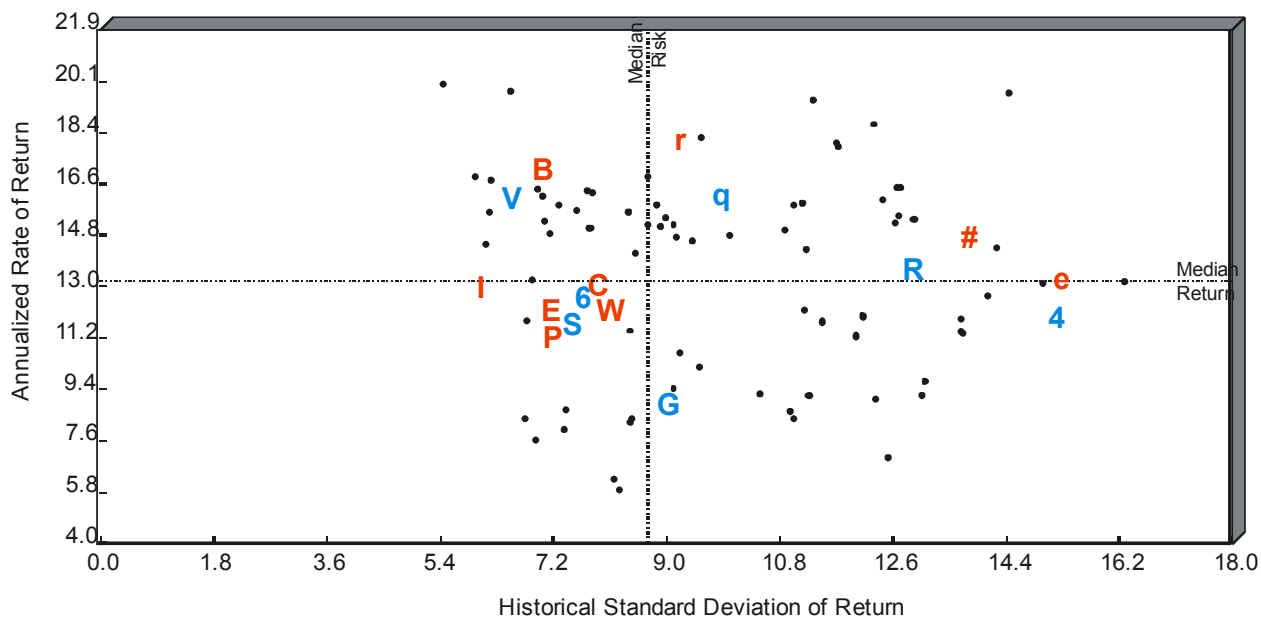
CCCERA total domestic equities returned 5.5% in the second quarter, below the 5.8% return of the Russell 3000® Index, and ranked in the 67th percentile of all equity managers. For the one-year period, the CCCERA equity return of 18.1% trailed the 20.1% return of the Russell 3000® and the 19.8% return of the median manager. Over the past three years, CCCERA domestic equities exceed the Russell 3000® index. Over the past five years, affected by departed managers, the domestic equities have trailed the Russell 3000® index.

The combined domestic equity portfolio has a beta of 1.07x, a below-index yield and an above-index P/E ratio. The portfolio is broadly diversified with 1,312 stocks. The combined portfolio's largest economic sector over-weightings are in the information technology and consumer discretionary sectors, while the largest under-weightings are in the energy and financials sectors.

MANAGER COMMENTS – DOMESTIC EQUITY

Domestic Equity Performance and Variability

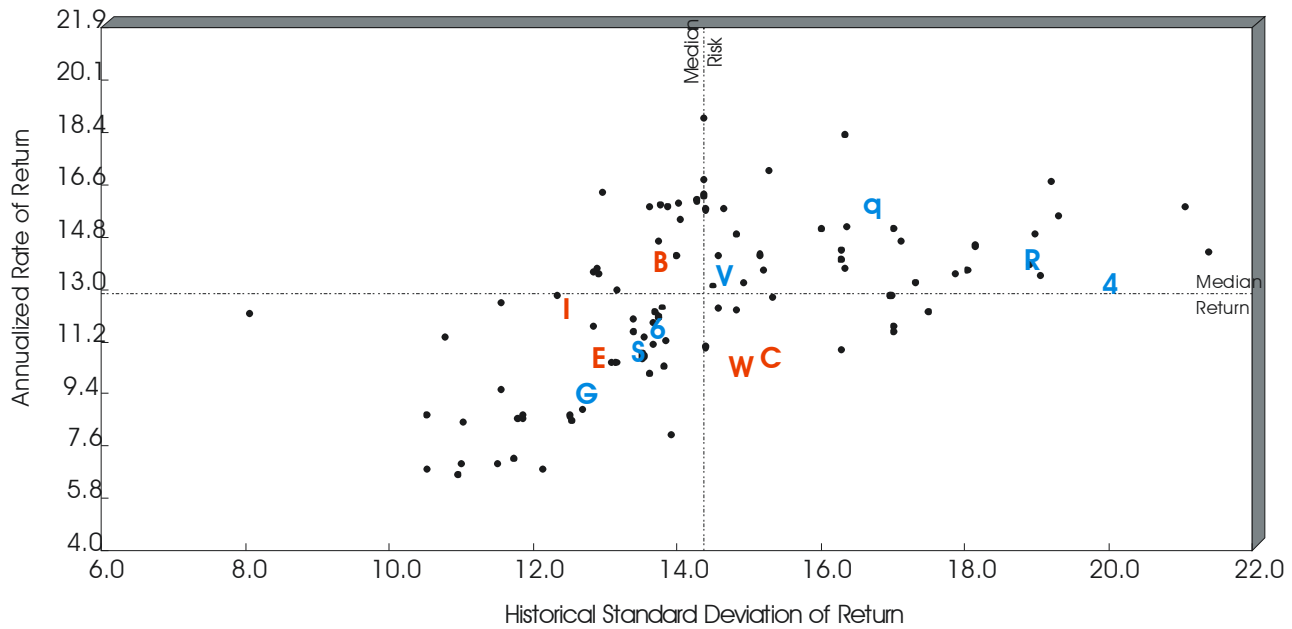
Three Years Ending June 30, 2007



		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	16.92	17	7.08	19
e	Emerald Advisors	13.12	51	15.35	96
E	ING Investment Mgmt	11.95	63	7.35	23
I	Intech Enhanced Plus	12.85	53	6.18	8
P	PIMCO StocksPLUS	11.56	72	7.36	24
#	Progress Investment Mgmt Co	14.56	39	13.90	92
r	Rothschild Asset Management	18.02	11	9.34	58
W	Wentworth, Hauser & Violich	12.03	62	8.09	44
C	Domestic Equity	12.90	52	7.95	43
6	Russell 3000®	12.44	57	7.75	39
S	Standard & Poors 500	11.67	68	7.41	29
G	Russell 1000 Growth ®	8.72	88	9.04	55
V	Russell 1000 Value ®	15.92	25	6.59	11
R	Russell 2000®	13.45	48	12.96	86
4	Russell 2000 Growth®	11.76	65	15.26	95
q	Russell 2500 Value ®	16.10	23	9.94	63
	Median	13.22		8.70	

Domestic Equity Performance and Variability

Five Years Ending June 30, 2007



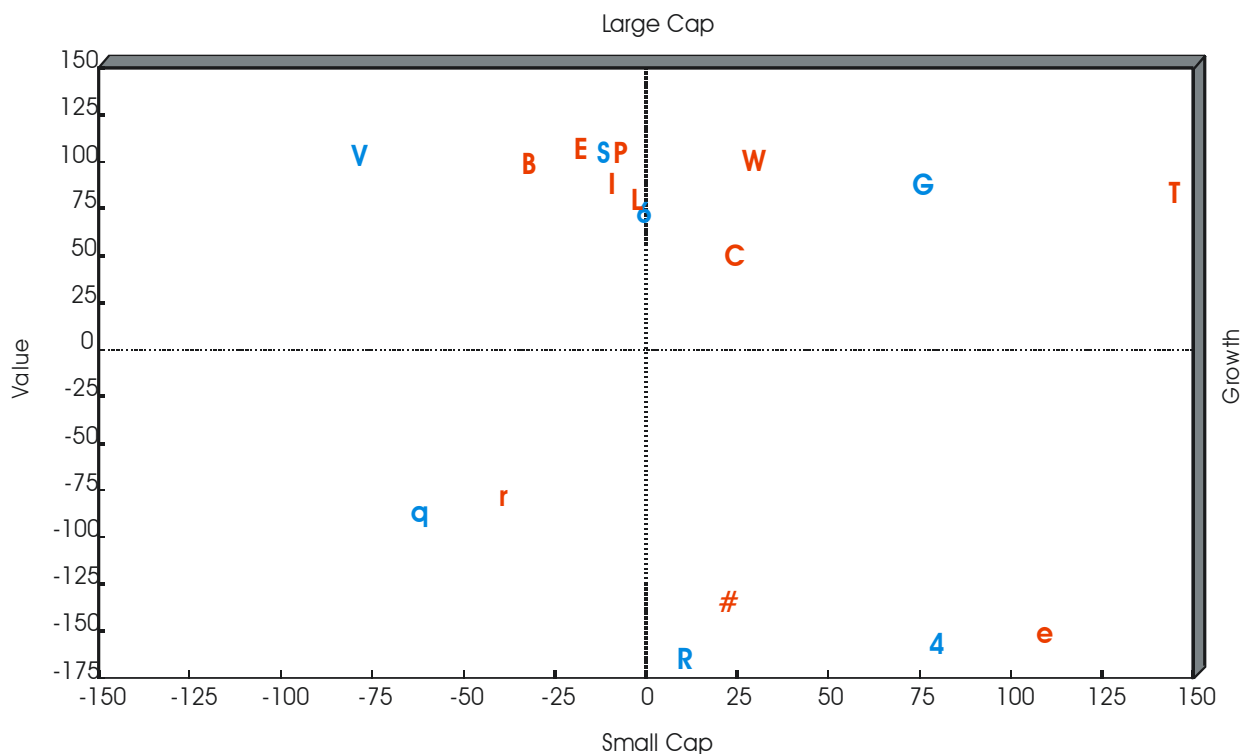
		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
B	Boston Partners	13.81	40	13.84	44
E	ING Investment Mgmt	10.49	82	12.99	22
I	Intech Enhanced Plus	12.18	57	12.58	17
W	Wentworth, Hauser & Violic	10.21	84	14.90	59
C	Domestic Equity	10.49	82	15.33	63
6	Russell 3000®	11.53	64	13.80	43
S	Standard & Poors 500	10.70	77	13.54	36
G	Russell 1000 Growth®	9.29	88	12.78	19
V	Russell 1000 Value®	13.30	46	14.74	57
R	Russell 2000®	13.88	39	19.02	92
4	Russell 2000 Growth®	13.08	48	20.08	94
q	Russell 2500 Value®	15.80	20	16.77	77
	Median	12.86		14.37	

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MANAGER COMMENTS - DOMESTIC EQUITY

Domestic Equity Style Map

As of June 30, 2007



	Growth-Value	Size
B Boston Partners	-30.76	96.80
T Delaware	146.92	81.55
e Emerald Advisors	110.39	-153.12
E ING Investment Management	-16.27	105.08
I Intech Enhanced Plus	-7.04	86.73
L Intech Large Cap Core	-0.34	77.61
P PIMCO StocksPLUS	-9.30	102.76
# Progress Investment Mgmt Co	23.14	-136.29
r Rothschild Asset Management	-36.75	-79.55
W Wentworth, Hauser & Violich	29.98	98.73
C Domestic Equity	24.90	48.27
S Standard & Poors 500	-9.80	102.71
G Russell 1000 Growth®	76.66	85.73
V Russell 1000 Value®	-76.89	101.04
R Russell 2000®	12.02	-166.37
4 Russell 2000 Growth®	80.99	-159.17
q Russell 2500 Value®	-60.97	-88.32
6 Russell 3000®	0.88	71.18

PORTFOLIO PROFILE REPORT

	Russell 3000® 6/30/2007	Combined Equity 6/30/2007	Russell 1000® Value 6/30/2007	Boston 6/30/2007	Russell 1000® Growth 6/30/2007	Delaware 6/30/2007
Equity Market Value		2,313,070,925		348,774,509		347,633,308
Beta	1.03	1.07	0.95	1.01	1.08	1.03
Yield	1.68	1.40	2.37	1.82	1.08	0.75
P/E Ratio	19.14	21.49	15.34	15.76	22.81	28.93
Standard Error	1.03	2.79	1.30	1.48	1.58	4.88
R ²	0.98	0.84	0.96	0.96	0.95	0.59
Wtd Cap Size (\$Mil)	82,544.4	64,434.57	112,988	90,803	67,331	49,192
Avg Cap Size (\$Mil)	1,245.6	19,253.92	5,703	24,469	6,086	18,636
Number of Holdings	2,976	1,312	626	87	708	27
Economic Sectors						
Energy	10.14	7.97	13.17	11.52	7.95	0.00
Materials	3.64	3.36	4.04	1.40	3.04	4.14
Industrials	11.94	11.43	10.39	9.19	12.86	7.29
Consumer Discretionary	11.34	13.37	8.21	12.01	13.66	13.77
Consumer Staples	8.06	7.39	7.47	4.02	9.59	10.98
Health Care	11.48	12.39	6.85	9.65	16.01	16.45
Financials	20.68	19.07	33.77	30.09	7.47	9.60
Information Technology	15.51	18.27	3.61	16.66	26.92	35.44
Telecom. Services	3.51	2.93	6.50	3.73	0.87	2.33
Utilities	3.71	3.82	5.99	1.73	1.63	0.00

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
Equity Market Value		295,205,209	26,642,517	259,419,643	262,767,188	290,909,296
Beta	1.00	0.99	0.96	0.96	1.00	1.09
Yield	1.82	1.78	1.72	1.61	1.82	1.64
P/E Ratio	17.64	16.25	19.21	20.52	17.64	16.77
Standard Error	0.57	0.78	1.37	2.07	0.57	2.04
R ²	0.99	0.99	0.96	0.90	0.99	0.92
Wtd Cap Size (\$Mil)	102,991	102,888	79,981	56,194	102,991.15	86,471
Avg Cap Size (\$Mil)	13,712	19,680	15,695	15,447	13,711.91	51,619
Number of Holdings	500	273	362	280	500.00	38
Economic Sectors						
Energy	10.78	11.91	5.45	2.67	10.78	15.56
Materials	3.11	3.20	3.81	4.57	3.11	0.00
Industrials	11.04	11.35	8.28	7.67	11.04	13.17
Consumer Discretionary	10.19	10.12	17.53	22.23	10.19	10.10
Consumer Staples	9.28	7.36	10.66	10.74	9.28	9.47
Health Care	11.82	10.72	12.46	12.65	11.82	13.43
Financials	20.99	22.01	17.75	11.59	20.99	23.66
Information Technology	15.53	15.95	11.01	8.47	15.53	12.48
Telecom. Services	3.75	3.53	4.49	6.08	3.75	0.00
Utilities	3.51	3.84	8.55	13.33	3.51	2.12

PORTFOLIO PROFILE REPORT

	Russell 2000® 6/30/2007	Progress 6/30/2007	Russell 2500™ Value 6/30/2007	Rothschild 6/30/2007	Russell 2000® Growth 6/30/2007	Emerald 6/30/2007
Equity Market Value		162,037,325		159,837,703		159,844,227
Beta	1.21	1.26	1.01	1.03	1.35	1.51
Yield	1.19	1.02	1.93	1.24	0.55	0.15
P/E Ratio	35.88	27.89	21.27	18.87	55.73	40.48
Standard Error	4.99	5.44	3.52	4.34	6.21	7.07
R ²	0.70	0.68	0.76	0.69	0.65	0.64
Wtd Cap Size (\$Mil)	1,283	1,830	2,629	2,606	1,350	1,614
Avg Cap Size (\$Mil)	692	1,315	873	1,848	709	1,001
Number of Holdings	1,953	615	1,609	152	1,255	126
Economic Sectors						
Energy	5.63	6.27	5.00	5.68	6.11	4.84
Materials	4.73	5.75	7.91	8.48	3.28	3.15
Industrials	15.24	15.82	11.56	17.78	17.47	18.70
Consumer Discretionary	15.69	15.80	12.63	10.25	17.35	18.21
Consumer Staples	3.03	2.10	3.79	4.77	2.58	2.10
Health Care	12.00	11.60	5.22	7.61	19.22	16.88
Financials	21.21	19.24	32.57	25.06	8.96	4.84
Information Technology	18.25	17.30	10.70	10.78	23.13	29.41
Telecom. Services	1.58	2.86	1.70	1.19	1.52	1.87
Utilities	2.63	3.27	8.92	8.39	0.38	0.00

PORTFOLIO PROFILE REPORT

	Russell 3000® 6/30/2007	Combined Equity 6/30/2007	Russell 1000® Value 6/30/2007	Boston 6/30/2007	Russell 1000® Growth 6/30/2007	Delaware 6/30/2007
Beta Sectors						
1 0.0 - 0.9	49.22	46.78	56.76	49.27	43.35	49.89
2 0.9 - 1.1	10.46	11.52	9.31	9.68	11.33	16.32
3 1.1 - 1.3	13.27	10.70	9.90	10.88	16.96	6.11
4 1.3 - 1.5	8.41	9.44	10.84	10.89	5.97	3.83
5 Above 1.5	18.64	21.57	13.19	19.28	22.39	23.85
Yield Sectors						
1 Above 5.0	21.84	28.92	7.26	14.29	30.00	40.61
3 3.0 - 5.0	29.11	30.15	21.97	30.91	38.36	37.08
3 1.5 - 3.0	30.74	27.85	38.80	35.51	26.28	22.31
4 0.0 - 1.5	16.61	11.76	29.82	17.47	4.97	0.00
5 0.0	1.70	1.32	2.16	1.83	0.39	0.00
P/E Sectors						
1 0.0 - 12.0	16.37	15.07	26.21	26.37	5.36	2.33
2 12.0 -20.0	39.69	36.78	48.91	49.00	32.82	17.42
3 20.0 -30.0	28.60	27.55	18.42	17.44	40.05	35.54
4 30.0 - 150.0	13.58	19.28	5.32	6.09	19.90	44.71
5 N/A	1.77	1.31	1.14	1.10	1.87	0.00
Capitalization Sectors						
1 Above 20.0 (\$Bil)	60.78	52.78	69.61	70.04	63.37	55.26
2 10.0 - 20.0	14.05	16.25	14.08	9.48	16.66	39.09
3 5.0 - 10.0	8.50	7.83	7.74	13.42	10.85	3.09
4 1.0 - 5.0	13.27	17.37	8.57	7.06	9.11	2.56
5 0.5 - 1.0	2.24	3.96	0.00	0.00	0.00	0.00
6 0.1 - 0.5	1.15	1.81	0.00	0.00	0.00	0.00
7 0.0 - 0.1	0.00	0.02	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	14.04	11.90	16.93	10.58	9.23	4.55
2 0.0 -10.0	25.98	24.57	25.62	24.61	25.98	17.51
3 10.0 -20.0	30.14	33.25	26.17	28.02	35.01	44.26
4 Above 20.0	29.84	30.29	31.27	36.79	29.78	33.69

PORTFOLIO PROFILE REPORT

	S&P 500		Intech	Intech	PIMCO	
	Cap Wtd	ING	Enhanced	Large Cap	StocksPLUS	Wentworth
	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
Beta Sectors						
1 0.0 - 0.9	50.68	51.65	53.30	51.91	50.68	39.52
2 0.9 - 1.1	9.91	9.29	12.14	12.95	9.91	9.93
3 1.1 - 1.3	14.10	12.84	12.69	10.90	14.10	14.16
4 1.3 - 1.5	8.80	9.11	10.06	12.01	8.80	13.79
5 Above 1.5	16.51	17.12	11.81	12.24	16.51	22.59
Yield Sectors						
1 Above 5.0	14.57	14.73	18.26	21.24	14.57	14.57
3 3.0 - 5.0	30.09	28.75	32.06	32.23	30.09	38.23
3 1.5 - 3.0	35.69	38.64	31.52	27.70	35.69	37.06
4 0.0 - 1.5	18.90	17.20	16.85	17.54	18.90	8.03
5 0.0	0.74	0.67	1.31	1.29	0.74	2.11
P/E Sectors						
1 0.0 - 12.0	15.46	19.72	11.30	9.43	15.46	18.25
2 12.0 - 20.0	43.56	45.69	43.90	41.90	43.56	37.85
3 20.0 - 30.0	29.63	26.41	31.89	34.08	29.63	29.72
4 30.0 - 150.0	10.46	8.05	11.00	12.10	10.46	14.17
5 N/A	0.89	0.13	1.90	2.49	0.89	0.00
Capitalization Sectors						
1 Above 20.0 (\$Bil)	76.40	75.98	56.72	51.68	76.40	72.15
2 10.0 - 20.0	15.64	15.66	24.14	27.86	15.64	13.13
3 5.0 - 10.0	6.34	5.87	14.06	15.46	6.34	10.10
4 1.0 - 5.0	1.62	2.50	5.07	5.01	1.62	4.63
5 0.5 - 1.0	0.00	0.00	0.00	0.00	0.00	0.00
6 0.1 - 0.5	0.00	0.00	0.00	0.00	0.00	0.00
7 0.0 - 0.1	0.00	0.00	0.00	0.00	0.00	0.00
5 Yr Earnings Growth						
1 N/A	12.22	10.21	15.10	19.58	12.22	8.01
2 0.0 - 10.0	26.61	22.99	29.96	26.29	26.61	21.05
3 10.0 - 20.0	30.63	32.55	29.95	29.61	30.63	39.97
4 Above 20.0	30.54	34.25	24.99	24.52	30.54	30.98

PORTFOLIO PROFILE REPORT

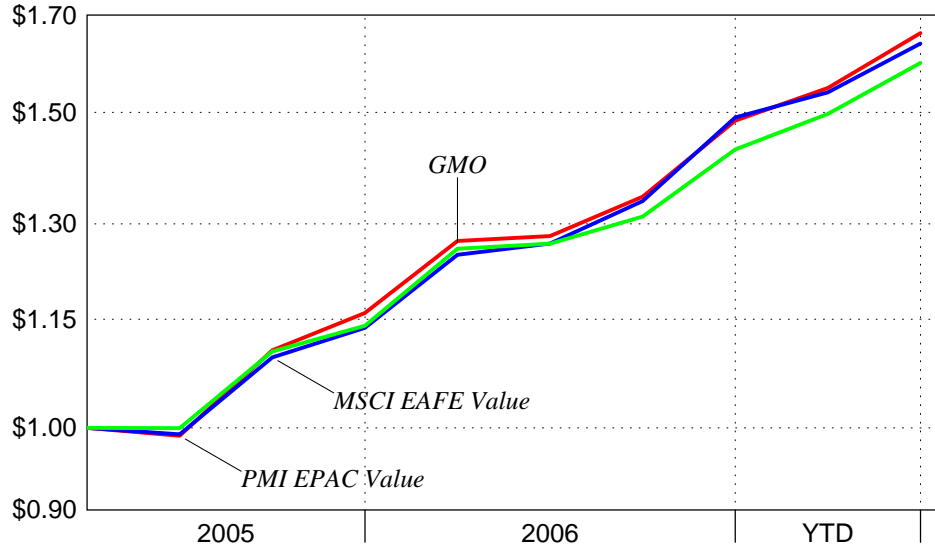
	Russell 2000® 6/30/2007	Progress 6/30/2007	Russell 2500TM Value 6/30/2007	Rothschild 6/30/2007	Russell 2000® Growth 6/30/2007	Emerald 6/30/2007
Beta Sectors						
1 0.0 - 0.9	40.62	36.51	52.50	53.43	32.18	26.70
2 0.9 - 1.1	11.89	13.80	11.95	10.01	11.51	11.47
3 1.1 - 1.3	11.35	11.01	9.79	8.98	11.89	5.14
4 1.3 - 1.5	8.59	8.13	6.80	5.44	9.45	13.28
5 Above 1.5	27.54	30.55	18.96	22.14	34.96	43.41
Yield Sectors						
1 Above 5.0	56.16	58.20	32.26	42.92	72.26	81.88
3 3.0 - 5.0	17.97	17.32	21.57	25.09	16.10	15.83
3 1.5 - 3.0	11.52	12.41	20.78	14.39	6.18	2.29
4 0.0 - 1.5	8.12	7.90	15.43	15.30	2.88	0.00
5 0.0	6.23	4.17	9.95	2.30	2.58	0.00
P/E Sectors						
1 0.0 - 12.0	22.83	15.41	25.71	13.46	19.82	14.14
2 12.0 -20.0	27.26	30.06	40.04	43.74	17.38	13.05
3 20.0 -30.0	21.49	20.37	20.11	26.95	22.21	23.58
4 30.0 - 150.0	23.85	29.48	11.11	15.85	34.84	43.46
5 N/A	4.57	4.68	3.02	0.00	5.76	5.76
Capitalization Sectors						
1 Above 20.0 (\$Bil)	0.00	0.15	0.00	0.00	0.00	0.00
2 10.0 - 20.0	0.00	0.18	0.00	0.00	0.00	1.43
3 5.0 - 10.0	0.00	3.08	8.82	7.08	0.00	0.00
4 1.0 - 5.0	60.43	66.57	70.94	79.56	63.11	58.70
5 0.5 - 1.0	26.12	19.35	13.12	11.06	24.85	26.56
6 0.1 - 0.5	13.45	10.43	7.12	2.30	12.04	13.29
7 0.0 - 0.1	0.00	0.23	0.00	0.00	0.00	0.02
5 Yr Earnings Growth						
1 N/A	24.62	20.26	26.25	17.98	21.36	12.85
2 0.0 -10.0	28.10	27.19	28.87	32.17	27.02	31.80
3 10.0 -20.0	25.55	27.81	22.84	25.23	29.24	34.04
4 Above 20.0	21.73	24.73	22.04	24.63	22.37	21.30

MANAGER COMMENTS – INTERNATIONAL EQUITY

Grantham, Mayo, van Otterloo & Co

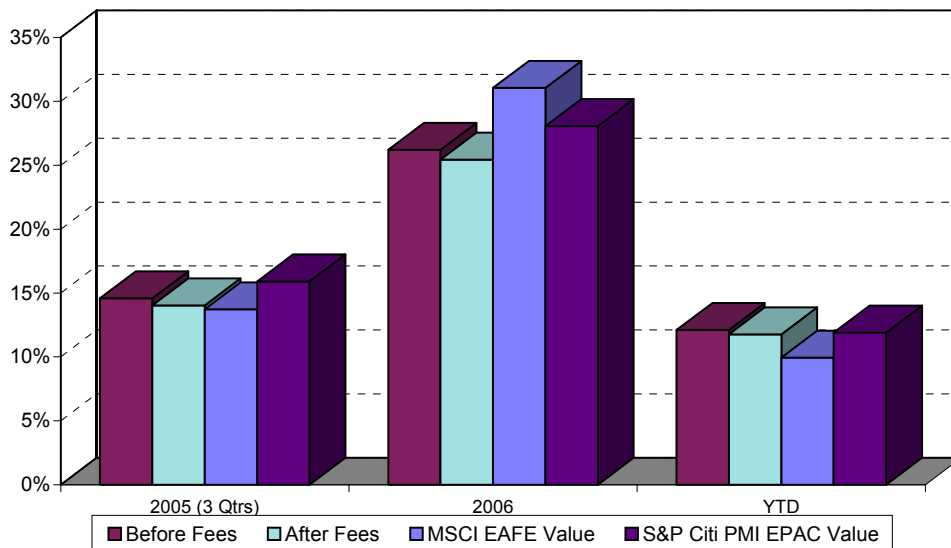
GMO vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

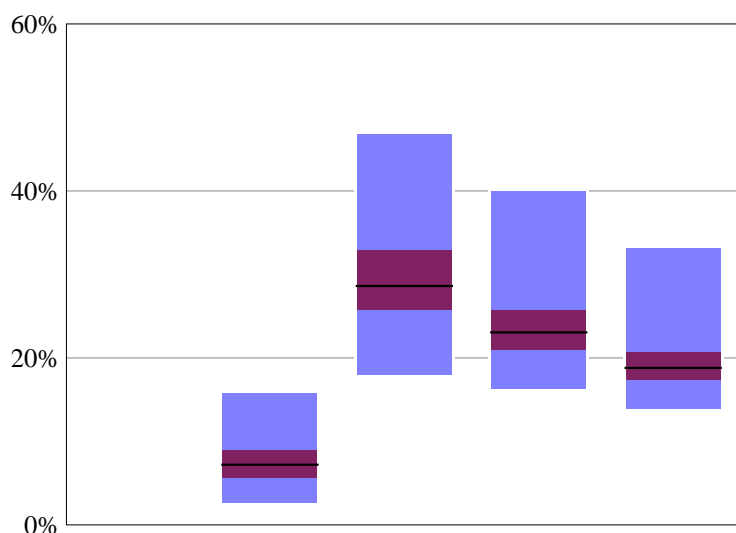


GMO vs. Benchmarks

Year by Year Performance



Grantham, Mayo, van Otterloo & Co



Portfolio Characteristics	GMO	MSCI EAFE
IEq Mkt Value (\$Mil)	316.4	N/A
Cash	0.0 %	0.0 %

Over-Weighted Countries	GMO	MSCI EAFE
Netherlands	8.7 %	4.1 %
Japan	23.8	21.2
United States	2.0	0.0

Under-Weighted Countries	GMO	MSCI EAFE
Australia	2.3 %	6.0 %
Switzerland	3.8	6.6
Spain	1.7	4.0

	Last Qtr	1 Yr	3 Yrs	5 Yrs
GMO (G)	7.0	26.9	-	-
Rank v. Intl Eq	55	65	-	-
PMI EPAC Val (V)	7.3	29.8	24.6	19.8
EAFE Value (E)	6.5	29.3	24.4	20.6
Int'l Median	7.2	28.6	23.1	18.8

The GMO value international portfolio returned 7.0% in the second quarter, below the 7.3% return of the S&P Citigroup PMI EPAC Value Index, and ranked in the 55th percentile of international equity managers. Over the past year, the portfolio has returned 26.9%, trailing the S&P Citigroup PMI EPAC Value Index return of 29.8% and ranked in the 65th percentile.

The portfolio's largest country over-weightings were the Netherlands, Japan and the United States, while the largest under-weightings were in Australia, Switzerland and Spain.

Stock selection decision contributed to second relative quarter returns vs. EAFE while country allocation decisions detracted slightly from returns. Stock selection was particularly strong in France. Trading decisions had a large negative impact on second quarter performance.

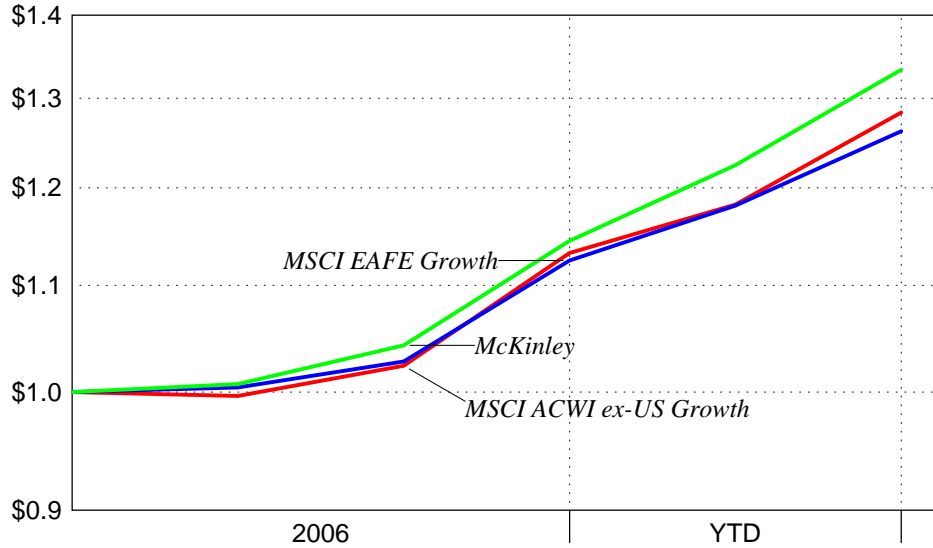
GMO's investment discipline had positive results in the second quarter as all strategy components added value. The intrinsic value portion performed the best, followed by quality-adjusted value and momentum portions of the strategy. Positions in European oil companies Total and ENI, British wireless provider Vodafone, and French automaker Renault helped this quarter's return. Stocks that detracted included British drug maker GlaxoSmithKline, French drug maker Sanofi-Aventis, and Japanese wireless provider NTT DoCoMo.

MANAGER COMMENTS – INTERNATIONAL EQUITY

McKinley Capital

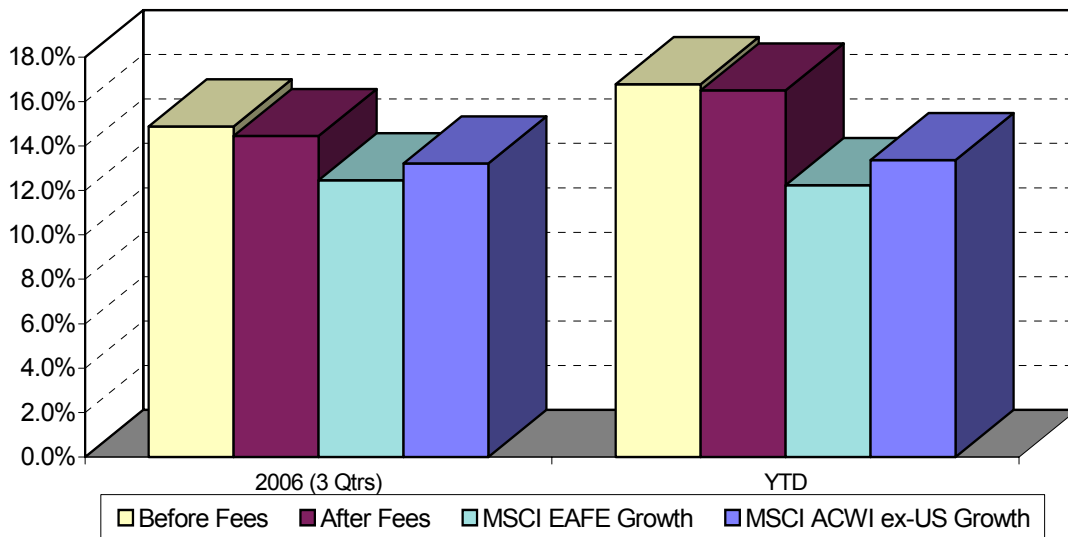
McKinley Capital vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

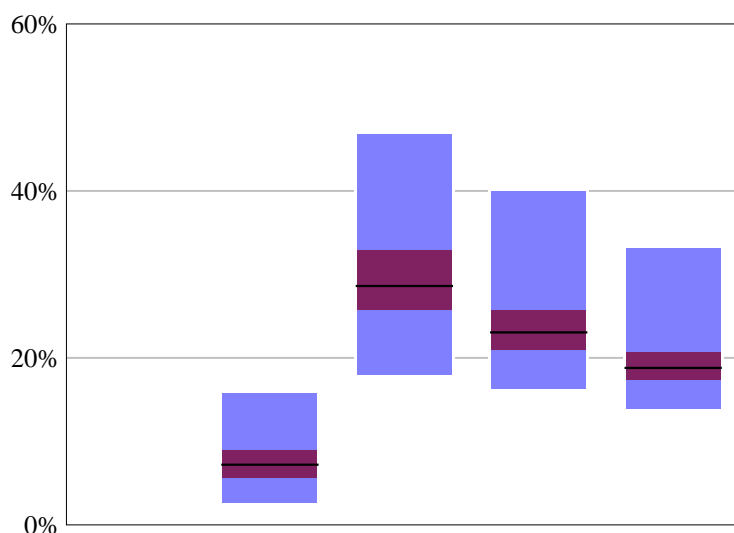


McKinley vs. Benchmarks

Year by Year Performance



McKinley Capital



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
McKinley (M)	9.0	33.0	-	-
Rank v. Intl Eq	23	24	-	-
ACWI x-US Gr (G)	8.6	28.8	23.6	17.7
EAFE Growth (E)	6.9	25.7	21.1	15.8
Int'l Median	7.2	28.6	23.1	18.8

Portfolio Characteristics	McKinley Capital	MSCI EAFE
IEq Mkt Value (\$Mil)	329.9	N/A
Cash	2.7 %	0.0 %

Over-Weighted Countries	McKinley Capital	MSCI EAFE
France	14.3 %	9.8 %
Canada	4.1	0.0
Mexico	3.6	0.0

Under-Weighted Countries	McKinley Capital	MSCI EAFE
Japan	10.9 %	21.2 %
United Kingdom	15.4	23.2
Switzerland	4.2	6.6

The McKinley Capital portfolio returned 9.0% in the second quarter, exceeding the 8.6% return of the MSCI ACWI ex-US Growth Index. This return ranked in the 23rd percentile of international equity managers. Over the past year, McKinley has returned 33.0%, well above the 28.8% return of the MSCI ACWI ex-US Growth Index, and ranked in the 24th percentile of international equity managers.

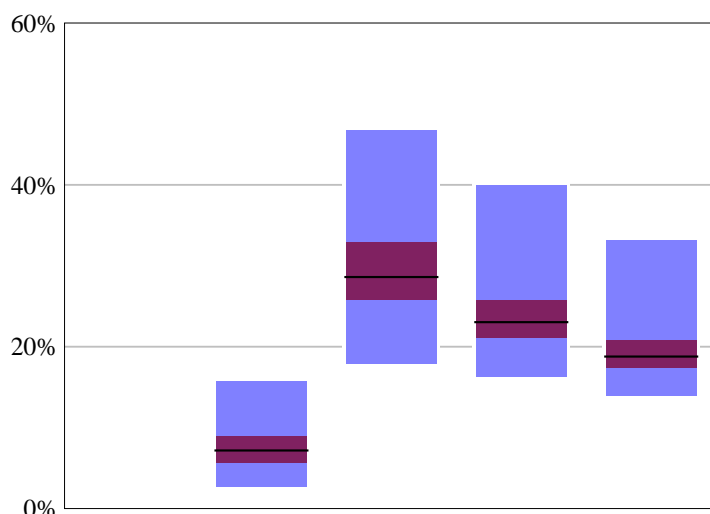
The portfolio's largest country over-weightings were in France, Canada and Mexico, while the largest under-weightings were in Japan, the United Kingdom and Switzerland.

Stock selection in aggregate contributed strongly to second quarter performance vs. EAFE while country allocation decisions detracted slightly from returns. Stock selection was particularly strong in Canada, Taiwan and Mexico. On a country allocation basis, the non-benchmark positions in Canada and Mexico proved to be a drag on performance. Active trading had a positive impact on second quarter returns.

McKinley reports that holdings in Japan Steel Works (Japan), Fiat (Italy) and Vodafone (United Kingdom) positively impacted second quarter performance. The firm's investment process is currently identifying relatively more companies in the Materials, Industrials and Energy sectors, and – on a country basis – in South Korea and Germany.

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Total International Equity



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Total Int'l Eq (I)	8.0	30.0	25.8	20.0
Rank v. Intl Eq	41	37	24	30
EAFE (E)	6.7	28.8	23.6	17.7
ACWI ex-US (A)	8.4	30.1	25.0	19.9
Int'l Median	7.2	28.6	23.1	18.8

Portfolio Characteristics	Total International	MSCI EAFE
IEq Mkt Value (\$Mil)	646.2	N/A
Cash	1.4 %	0.0 %

Over-Weighted Countries	Total International	MSCI EAFE
France	12.9 %	9.8 %
Netherlands	6.8	4.1
Canada	2.2	0.0

Under-Weighted Countries	Total International	MSCI EAFE
United Kingdom	18.8 %	23.2 %
Japan	17.2	21.2
Switzerland	4.0	6.6

The total international equity composite returned 8.0% in the second quarter, exceeding the 6.7% return of the MSCI EAFE Index. This return ranked in the 41st percentile of international equity managers. Over the past year, total international equity has returned 30.0%, above the 28.8% return of the MSCI EAFE Index, and ranked in the 37th percentile of international equity managers. Over the past three and five years the total international equity composite has exceeded the return of the MSCI EAFE Index and has ranked well above median in the international equity universe.

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

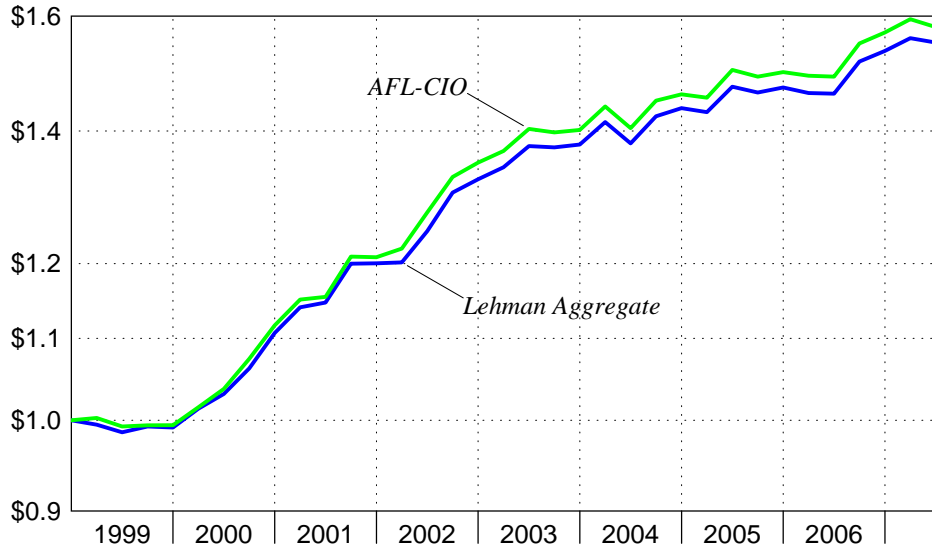
Stock selection in aggregate contributed strongly to second quarter performance vs. EAFE while country allocation decisions detracted slightly from returns. Stock selection was particularly strong in Canada, Japan and Taiwan. On a country allocation basis, the non-benchmark position in Canada proved to be a drag on performance. Active trading had a negative impact on second quarter returns.

MANAGER COMMENTS – FIXED INCOME

AFL-CIO Housing Investment Trust

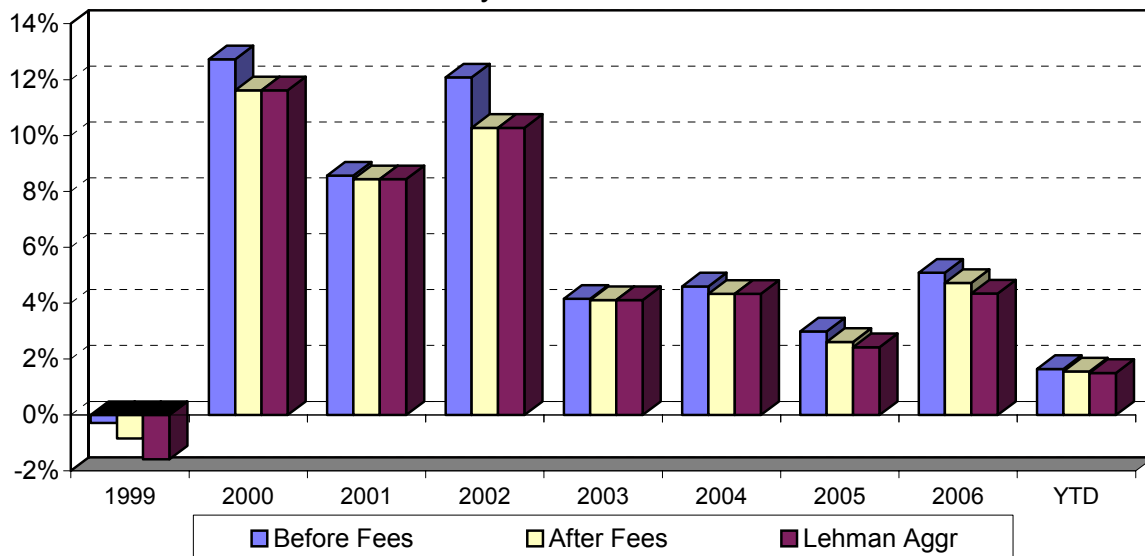
AFL-CIO vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

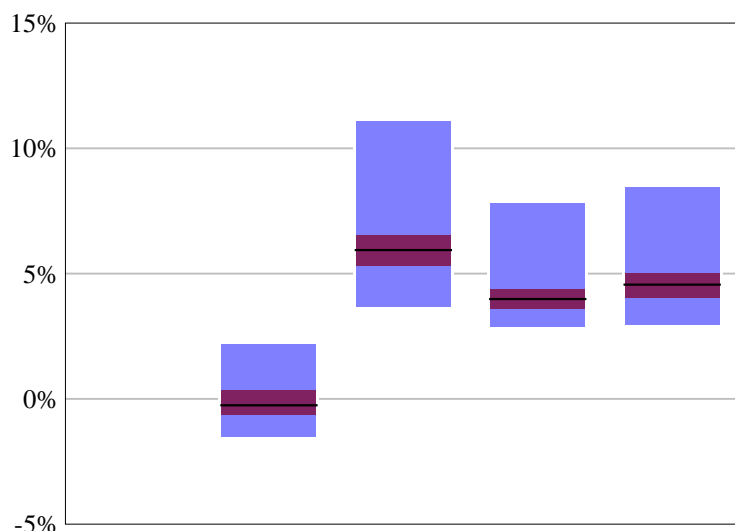


AFL-CIO vs. Lehman Aggregate

Year by Year Performance



AFL-CIO Housing Investment Trust



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
AFL-CIO (A)	-0.8	6.3	4.4	4.8
<i>Rank</i>	82	32	27	39
LB Agg (L)	-0.5	6.1	4.0	4.5
Fixed Median	-0.3	5.9	4.0	4.6

Portfolio Characteristics	AFL CIO	Lehman Aggregate
Mkt Value (\$Mil)	173.9	n/a
Yield to Maturity (%)	5.4 %	5.7 %
Duration (yrs)	5.6	4.7
Avg. Quality	AAA	AA+

Sectors	AFL CIO	Lehman Aggregate
Treasury/Agency	2 %	34 %
Single-Family MBS	32	34
Multi-Family MBS	58	0
Corporates	0	19
High Yield	0	0
Asset-Backed	0	0
CMBS	6	0
International	0	14
Cash	1	0

AFL-CIO returned -0.8% in the second quarter, below the -0.5% return of the Lehman Aggregate. The portfolio ranked in the 82nd percentile of fixed income managers. For the past year, AFL-CIO returned 6.3%, which was better than the 6.1% return of the Lehman Aggregate and ranked in the 32nd percentile. Over the past five years, AFL-CIO has exceeded the Lehman Aggregate and the median, meeting performance objectives.

At the end of the second quarter, the AFL-CIO Housing Investment Trust had 2% to US Treasury notes, 32% of the portfolio allocated to single-family mortgage backed securities, 58% allocated to multi-family mortgage back securities, 6% to commercial mortgage backed securities and 1% to short-term. The AFL-CIO portfolio duration at the end of the second quarter was 5.6 years and the current yield of the portfolio was 5.4%.

During the second quarter, the AFL-CIO Housing Investment Trust committed \$28.4 million to six multifamily investments having 731 units, plus an additional \$11.4 million to a Pooled Housing Deal. During the quarter, 88 single family loans, totaling \$23.7 million, were issued in New York City under the HIT HOME program in collaboration with Chase and the Union Plus Mortgage Program.

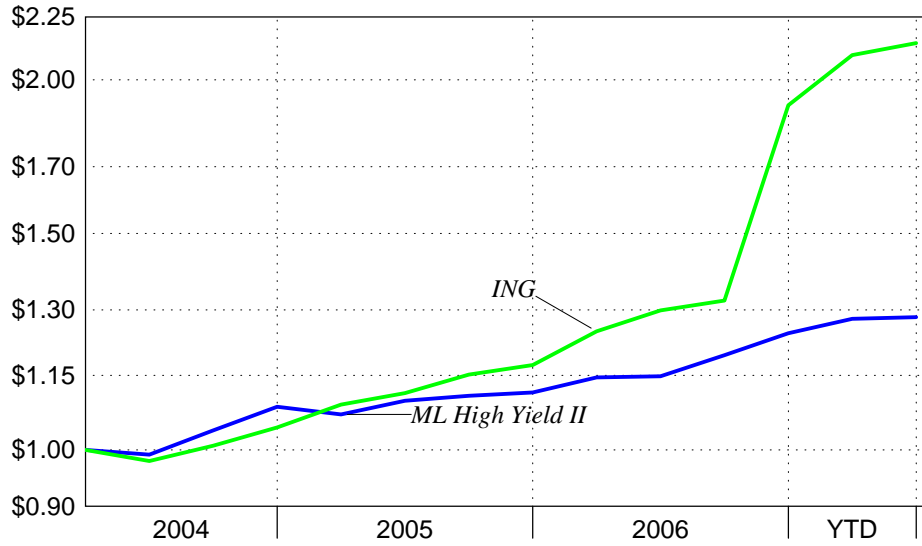
The Trust has kept the same risk management strategy in place for several years. In the near term, the Trust expects to continue its long-term strategy of overweighting agency-credit quality multifamily MBS in the period ahead, since this sector has a record of outperforming other investments with similar credit ratings. The Trust anticipates that maintaining its strategy of effective interest rate neutrality relative to its benchmark will help to minimize interest rate risk given the recent increases in uncertainty about the likely path of interest rates in the coming year. In addition, if the slowdown in the residential housing market continues throughout 2007, the Trust's ongoing strategy of underweighting the lower-quality sectors of the investment-grade fixed income market should continue to serve its investors well. The absence of any HIT investments in pools of sub-prime mortgage loans is also expected to contribute positively.

MANAGER COMMENTS – FIXED INCOME

ING Clarion

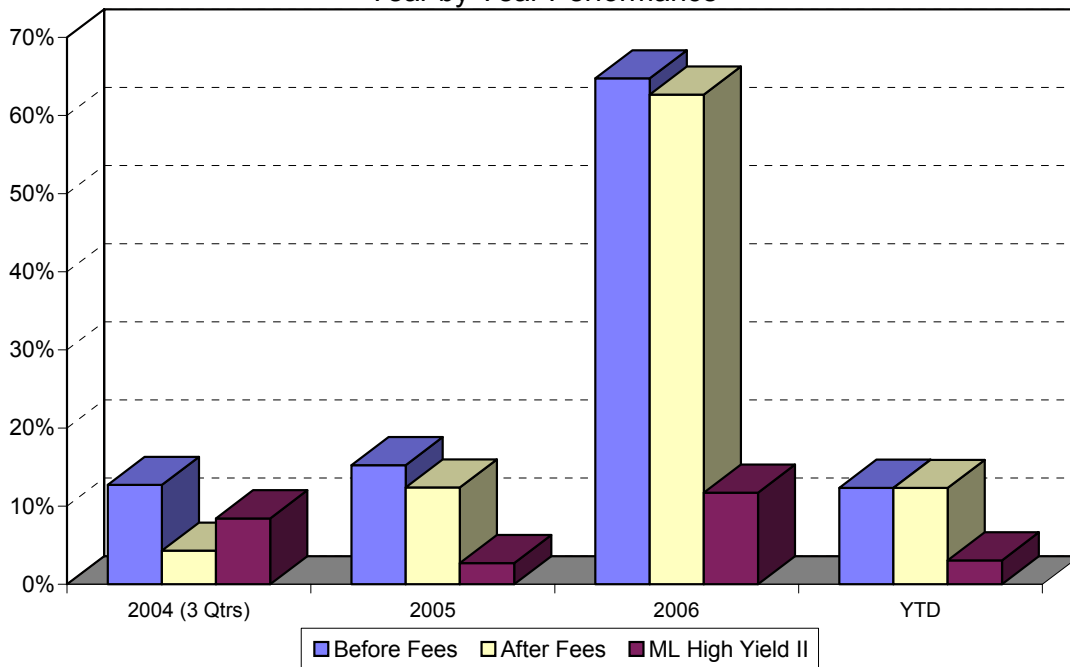
ING Clarion vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

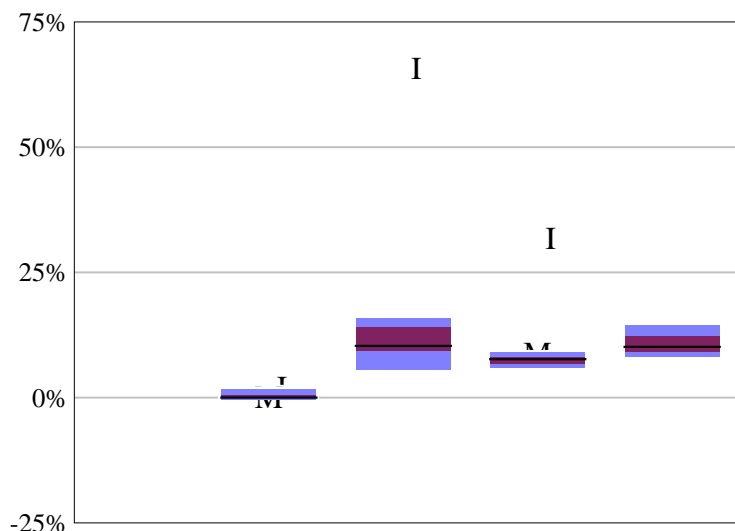


ING Clarion vs. ML High Yield II

Year by Year Performance



ING Clarion



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
ING Clarion (I)	2.3	65.8	32.0	-
Rank v. High Yield	1	1	1	-
ML HY II (M)	0.3	11.7	9.0	11.7
Hi Yield Median	0.0	10.4	7.7	10.2

Portfolio Characteristics	ING Clarion	ML High Yield II
Mkt Value (\$Mil)	1.2	n/a
Yield to Maturity (%)	33.2 %	8.1 %
Duration (yrs)	4.4	4.9
Avg. Quality	BB-	BB

Quality Distribution	ING Clarion	ML High Yield II
A	0 %	0 %
BBB	0	0
BB	0	41
B	72	41
CCC	0	18
Not Rated	13	0
Cash	15	0

ING Clarion returned 2.3% for the second quarter. This return was well above the Merrill Lynch High Yield Master II Index return of 0.3% and ranked in the first percentile of high yield portfolios. Over the past year, the portfolio has returned 65.8%, again well above the ML High Yield II return of 11.7%, and ranked in the 1st percentile. Over the past three years, the portfolio has returned 32.0%, well above the ML High Yield II return of 9.0% and once again ranked in the 1st percentile. This has been an extremely successful investment.

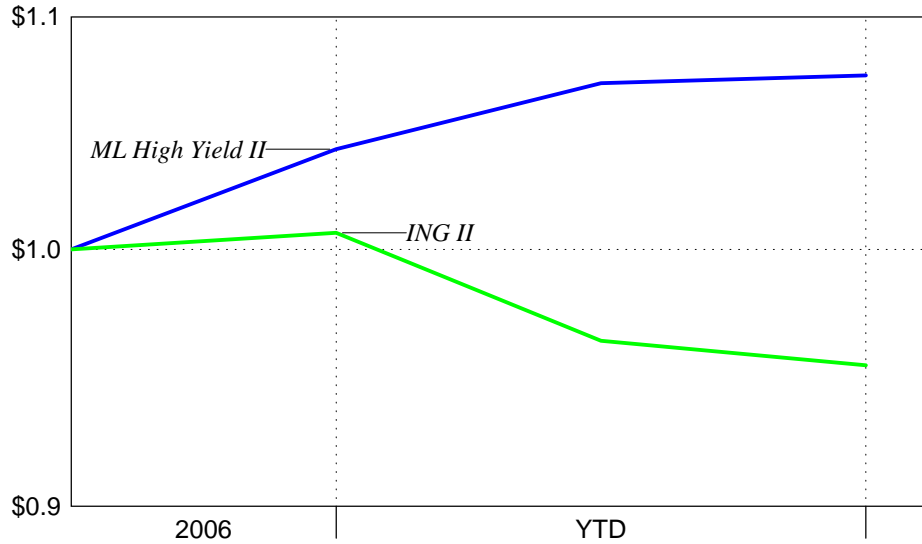
The fund continues to hold a small, residual interest in Ansonia CDO 2006-1, which as of June 30, 2007 consisted of seven tranches of the CDO issue, for a total face amount of \$162.4 million and coupons ranging from 1.00% to 1.25%. This position was valued at \$5.3 million as of June 30, 2007. CCCERA's portion of this position was valued at \$1.2 million.

MANAGER COMMENTS – FIXED INCOME

ING Clarion II

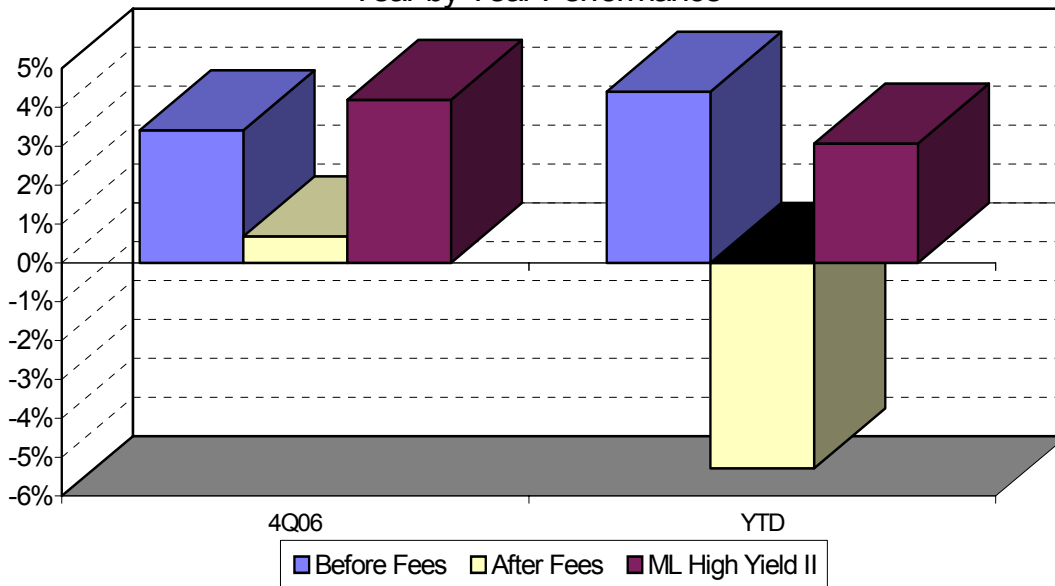
ING Clarion II vs. ML High Yield II

Cumulative Value of \$1 (Net of Fees)

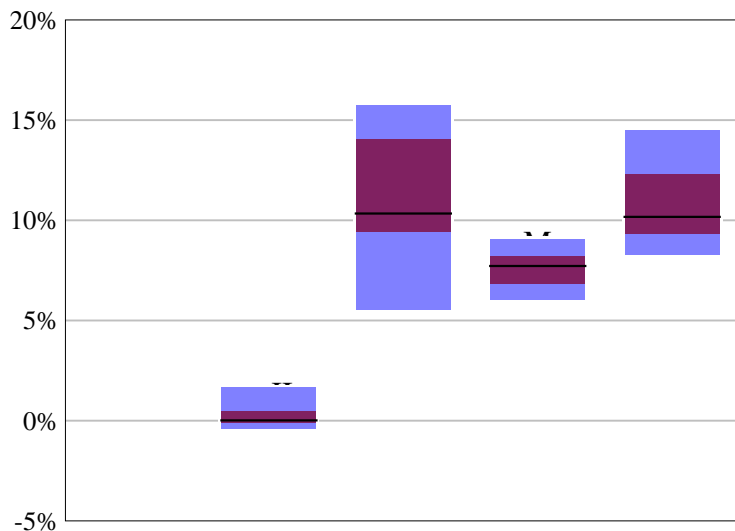


ING Clarion II vs. ML High Yield II

Year by Year Performance



ING Clarion II



Portfolio Characteristics	ING Clarion II	ML High Yield II
Mkt Value (\$Mil)	17.4	n/a
Yield to Maturity (%)	11.3 %	8.1 %
Duration (yrs)	3.4	4.9
Avg. Quality	BB-	BB

Quality Distribution	ING Clarion II	ML High Yield II
A	0 %	0 %
BBB	9	0
BB	0	41
B	12	41
CCC	0	18
Not Rated	48	0
Cash	20	0

	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
ING Clarion II (II)	1.4	-	-	-
Rank v. High Yield	6	-	-	-
ML HY II (M)	0.3	11.7	9.0	11.7
Hi Yield Median	0.0	10.4	7.7	10.2

CCCERA funded the ING Clarion Debt Opportunity Fund II (ING Clarion II) on September 28, 2006 as a follow on to the very successful ING Clarion Fund that was substantially liquidated in the fourth quarter of 2006. ING Clarion II returned 1.4% for the second quarter, which was above the Merrill Lynch High Yield Master II return of 0.3%, and ranked in the 6th percentile in the universe of high yield portfolios.

ING Clarion invests in lower quality mortgages purchased at a significant discount. As of June 30, 2007, the portfolio consisted of the subordinate classes of two CMBS transactions and three B-note/mezzanine transactions.

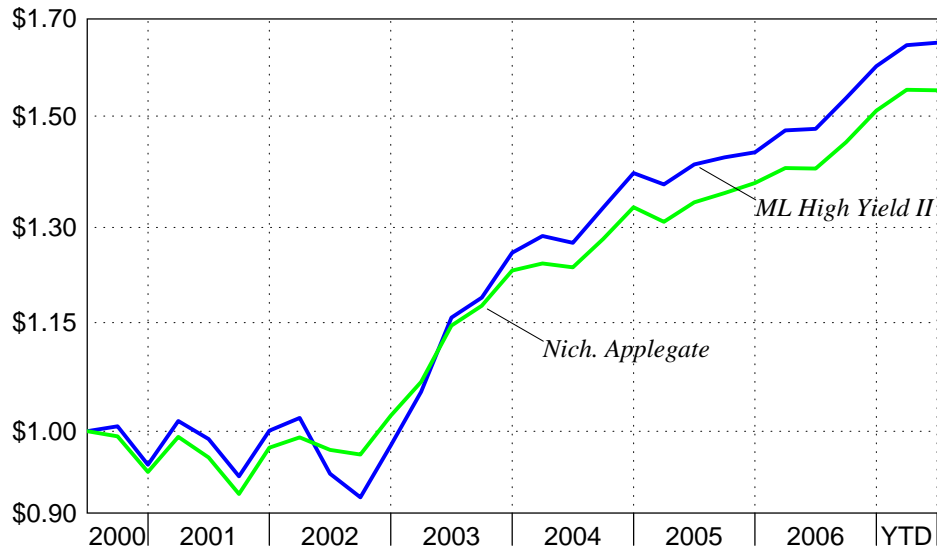
According to Dan Heflin, the current market uncertainty has presented the team with multiple opportunities to pick up distressed debt. The fund has called capital in the third quarter in order to take advantage of these opportunities.

MANAGER COMMENTS – FIXED INCOME

Nicholas Applegate

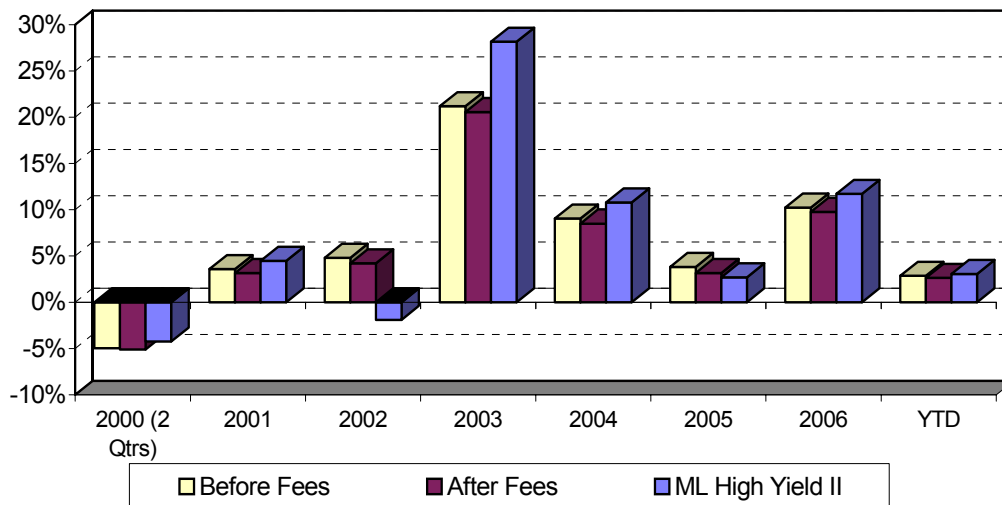
Nicholas-Applegate vs. Benchmarks

Cumulative Value of \$1 (Net of Fees)

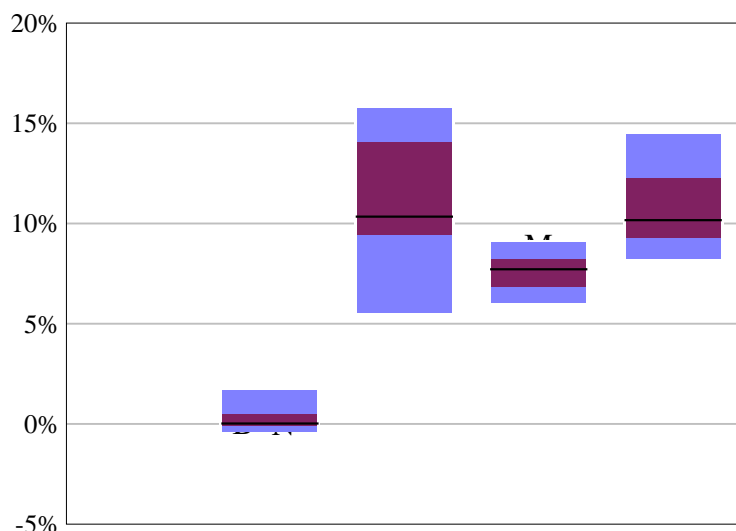


Nicholas Applegate vs. Benchmarks

Year by Year Performance



Nicholas Applegate



Portfolio Characteristics	Nicholas Applegate	ML High Yield II
Mkt Value (\$Mil)	99.9	n/a
Yield to Maturity (%)	8.1 %	8.1 %
Duration (yrs)	4.1	4.9
Avg. Quality	BB	B

Quality Distribution	Nicholas Applegate	ML High Yield II
A	0 %	0 %
BBB	1	0
BB	29	41
B	65	41
CCC	5	18

	Last Qtr	1 Yr	3 Yrs	5 Yrs
Nich. Appl. (N)	0.0	11.1	8.4	10.3
Rank v. High Yield	46	35	18	33
ML HY II (M)	0.3	11.7	9.0	11.7
ML BB/B (B)	0.1	10.7	8.4	10.4
Hi Yield Median	0.0	10.4	7.7	10.2

Nicholas Applegate's high yield fixed income portfolio returned 0.0% for the second quarter, below the 0.3% return of the Merrill Lynch High Yield II Index, but ranked in the 46th percentile of high yield managers. Nicholas Applegate returned 11.1% in the past year versus 11.7% for the ML High Yield II Index and 10.4% for the median. For the five-year period, Nicholas Applegate's return of 10.3% was below the 11.7% return of the ML High Yield II Index.

As of June 30, 2007, the Nicholas Applegate high yield portfolio was allocated 1% to BBB rated securities vs. 0% for the ML High Yield II Index, 29% to BB rated issues versus 41% for the Index, 65% to B rated issues versus 41% in the Index and 5% to CCC rated securities versus 18% for the Index. The portfolio's June 30, 2007 duration was 4.1 years, shorter than 4.9 years for the ML High Yield II Index.

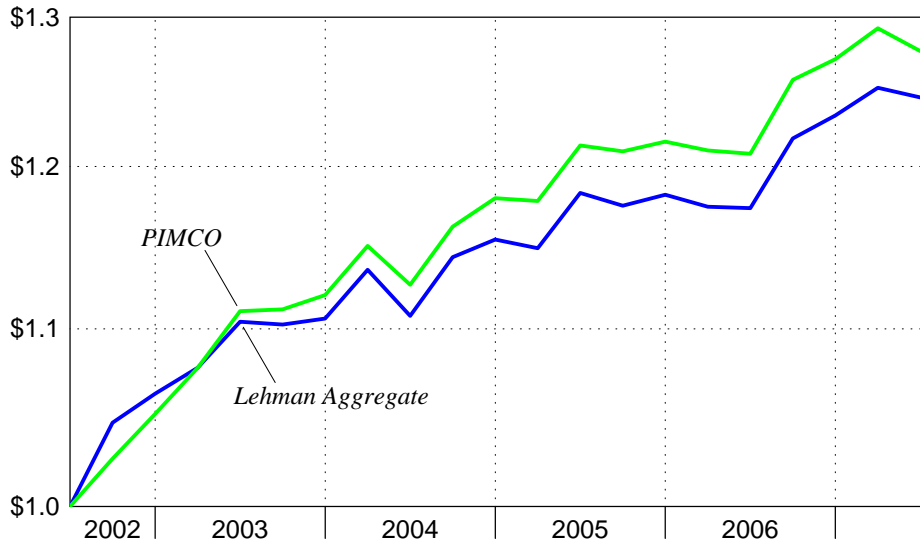
Positive movers included Neenah Paper Inc., PNA Group and United Rentals. Neenah posted a surprisingly strong quarter; PNA Group was up on a strong quarter; and impending IPO and gains were taken in United Rentals after the company announced it would "seek strategic alternatives". Negative performers included Dynegy Inc., Edison Mission Energy and Burlington Coat. Dynegy and Edison were impacted by interest rate moves and Burlington Coat sold off because of its consumer spending exposure. The Burlington position was reduced during the quarter. There were sixteen positive rating actions in the quarter. The positive changes were across several industries and issuer types. Several new positions were added in the quarter. These purchases came from both new issues and the secondary market. The firm's fundamental outlook for the high yield market is similar to that of the previous quarter. The asset class remains a compelling investment versus other fixed income options. The economy is healthy, corporate balance sheets are solid, and defaults are low. Interest rates did have an impact on the market in the quarter. Material moves in Treasury rates will have an impact on the high yield market.

MANAGER COMMENTS – FIXED INCOME

PIMCO

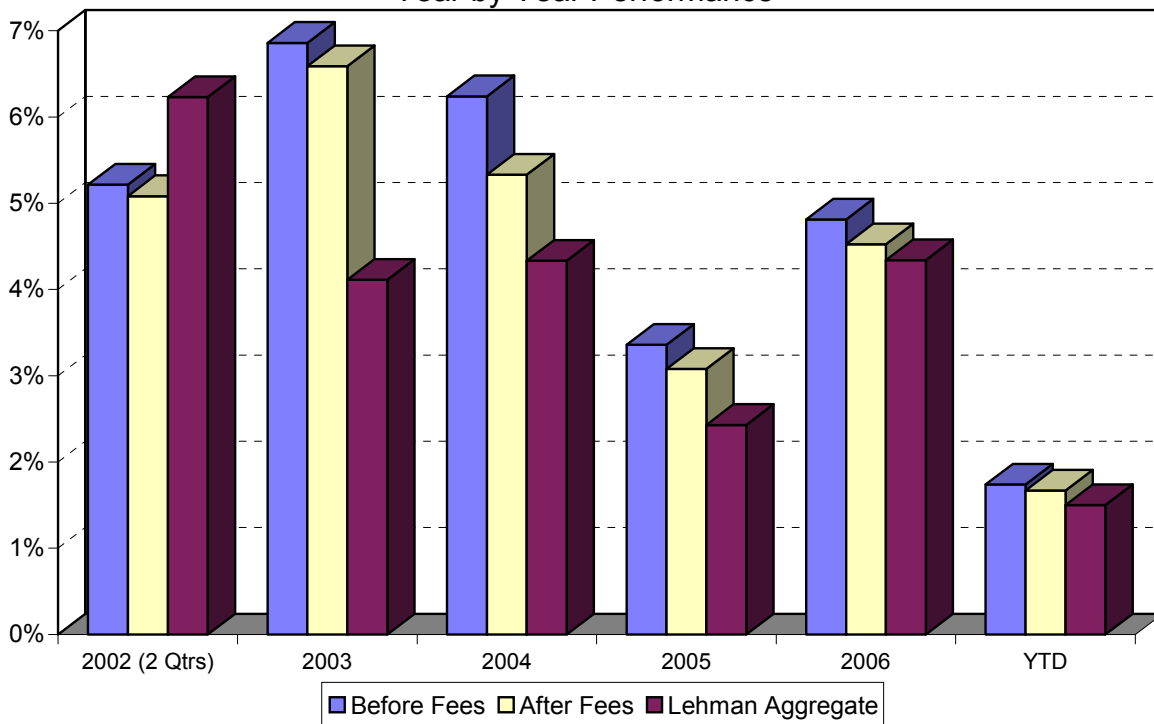
PIMCO vs. Lehman Aggregate

Cumulative Value of \$1 (Net of Fees)

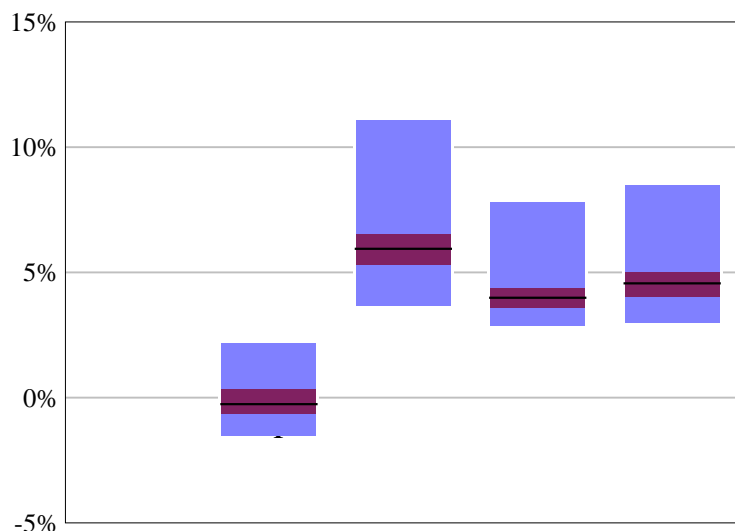


PIMCO vs. Lehman Aggregate

Year by Year Performance



PIMCO



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
PIMCO (P)	-1.2	5.9	4.6	5.3
Rank	87	50	20	16
LB Agg (L)	-0.5	6.1	4.0	4.5
LB Univ (U)	-0.5	6.6	4.5	5.2
Fixed Median	-0.3	5.9	4.0	4.6

Portfolio Characteristics	PIMCO	Lehman Aggregate
Mkt Value (\$Mil)	517.6	n/a
Yield to Maturity (%)	6.0 %	5.7 %
Duration (yrs)	4.7	4.7
Avg. Quality	AAA-	AA+

Sectors	PIMCO	Lehman Aggregate
Treasury/Agency	27 %	34 %
Mortgages	41	34
Corporates	5	19
High Yield	0	0
Asset-Backed	0	0
CMBS	0	0
International	8	14
Emerging Markets	5	0
Other	1	0
Cash	13	0

PIMCO's return of -1.2% for the second quarter was below the -0.5% return of the Lehman Aggregate and ranked in the 87th percentile in the universe of fixed income managers. For the one-year period, PIMCO's return of 5.9% lagged the 6.1% return of the Lehman Aggregate and ranked in the 50th percentile. Over the past five years, the portfolio has returned 5.3%, above the Lehman Aggregate return of 4.5%, and ranked in the 16th percentile.

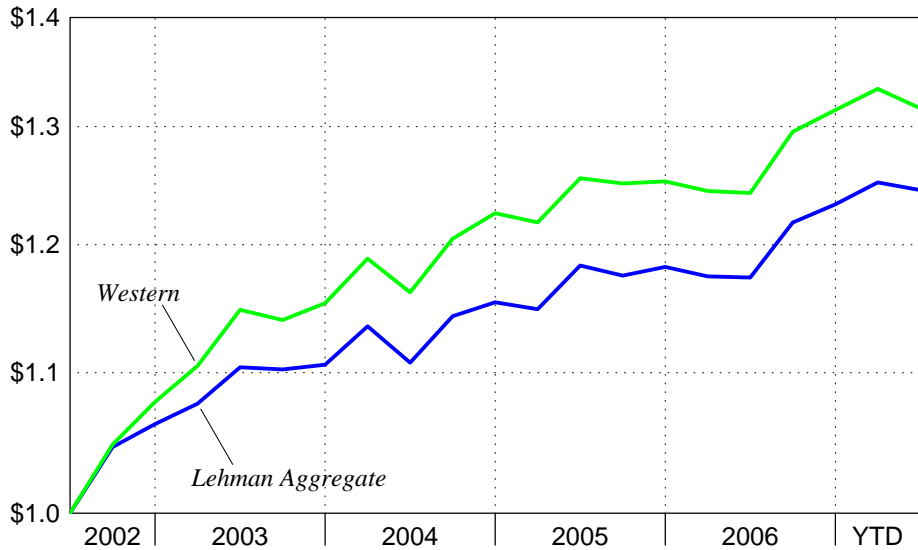
During the second quarter, PIMCO made a number of changes to the portfolio. The allocation to treasuries and agencies decreased by 12%, mortgages increased by 6%, international bonds increased by 2% and emerging markets increased by 3%. The allocations to corporate and other bonds were unchanged. The cash allocation was up 1%. All other sectors were unchanged. The duration of the PIMCO fixed income portfolio at the end of the second quarter was 4.7 years, shorter than last quarter's duration and in line with the benchmark.

Second quarter performance was hurt by an above-benchmark duration for most of the quarter as interest rates rose. Other detractors included exposure to short maturities via Eurodollar futures, underweight to corporate bonds and exposure to short maturity U.K. interest rates and the Japanese yen. Strategies that helped in the second quarter included increased exposure to local emerging market bonds and emerging market currencies and tactical shifts in mortgage allocations. Looking forward, PIMCO plans to cut overall duration in anticipation of higher long-term rates, seek to add value with high quality mortgage allocations, retain the corporate underweight and look to profit from expected U.S. dollar weakness with currency positions comprised largely of emerging markets.

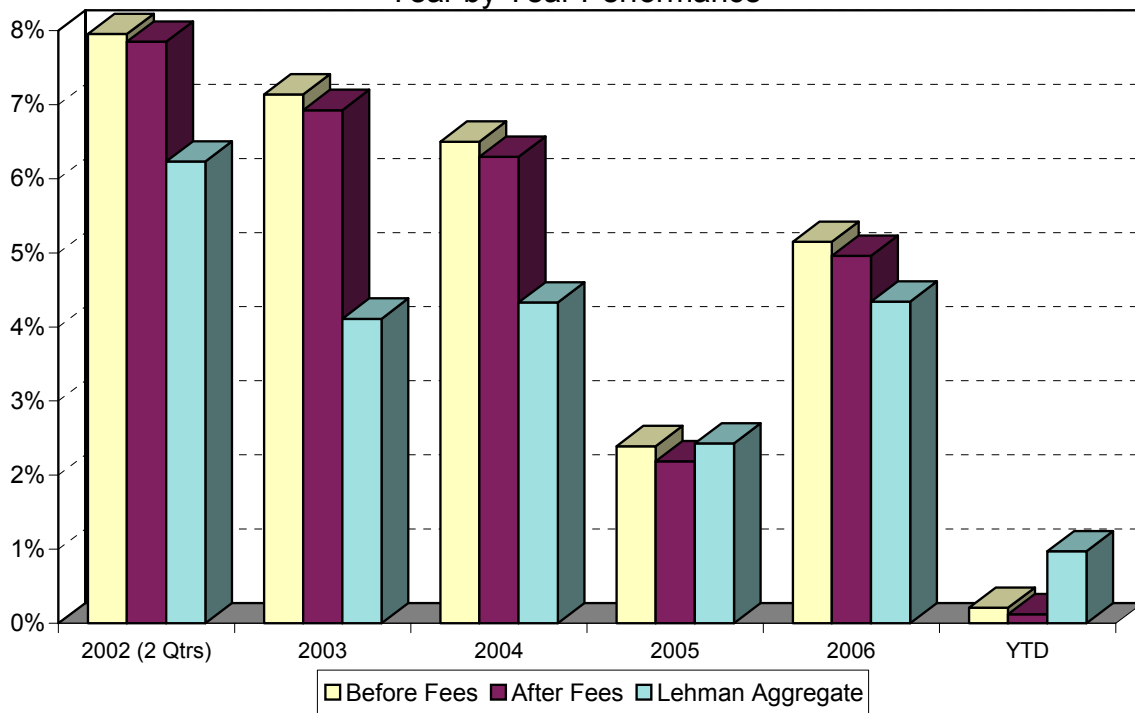
MANAGER COMMENTS – FIXED INCOME

Western Asset Management

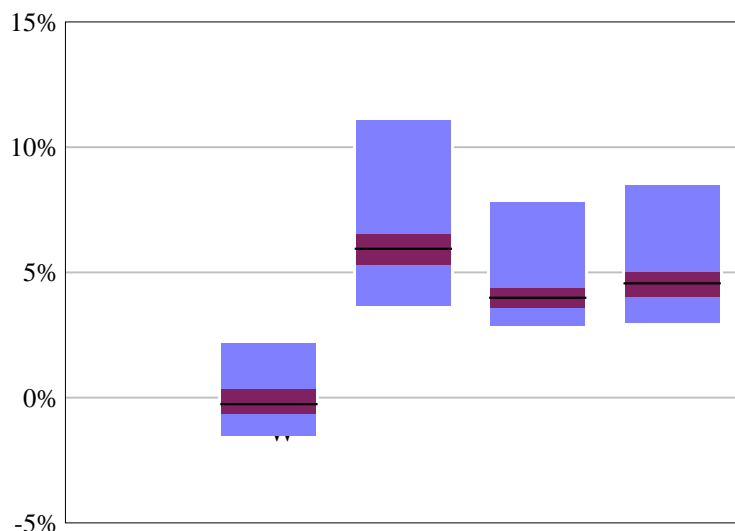
Western Asset Mgmt vs. Lehman Aggregate
 Cumulative Value of \$1 (Net of Fees)



Western Asset vs. Lehman Aggregate
 Year by Year Performance



Western Asset Management



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Western Asset (W)	-1.3	6.1	4.5	5.9
Rank	89	41	23	12
LB Agg (L)	-0.5	6.1	4.0	4.5
LB Univ (U)	-0.5	6.6	4.5	5.2
Fixed Median	-0.3	5.9	4.0	4.6

Portfolio Characteristics	Western Asset	Lehman Aggregate
Mkt Value (\$Mil)	507.5	n/a
Yield to Maturity (%)	5.7 %	5.7 %
Duration (yrs)	5.0	4.7
Avg. Quality	AA+	AA+

Sectors	Western Asset	Lehman Aggregate
Treasury/Agency	20 %	34 %
Mortgages	49	34
Corporates	15	19
High Yield	6	0
Asset-Backed	1	0
CMBS	2	0
International	5	14
Emerging Markets	0	0
Other	0	0
Cash	2	0

Western Asset Management's return of -1.3% for the second quarter trailed the -0.5% return of the Lehman Aggregate and ranked in the 89th percentile in the universe of fixed income managers. For the one-year period, Western's return of 6.1% matched the return of the Lehman Aggregate and ranked in the 41st percentile. Over the past five years, Western returned 5.9%, above the Lehman Aggregate return of 4.5%, and ranked in the 12th percentile.

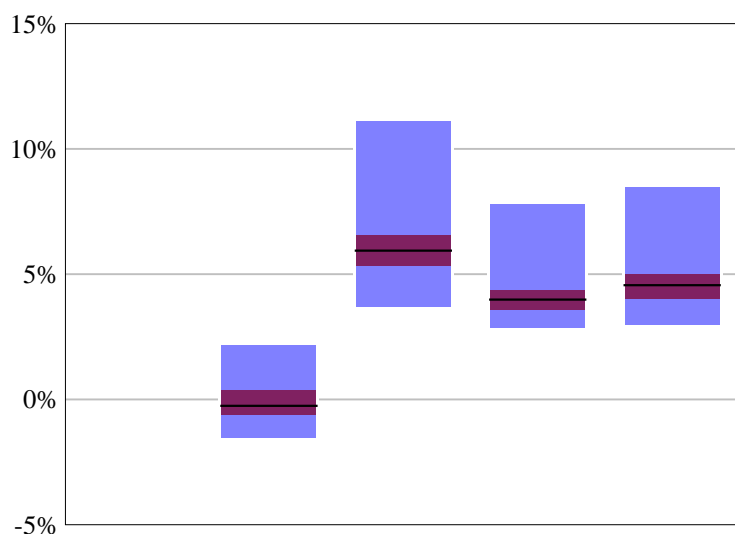
During the second quarter, Western Asset made few changes to the portfolio. The allocations to treasuries/agencies decreased by 1% and mortgage securities were unchanged. Corporates were down 2%, high yield was up 3%, CMBS was up 1% and cash was down 1%. All other sectors were unchanged. The duration of the Western Asset fixed income portfolio at the end of the second quarter was 5.0 years, slightly shorter than the 5.2 year duration at the end of the previous quarter, but still longer than that of the index.

Western Asset Management's second quarter performance was hurt by a longer-than-benchmark duration, an overweight to mortgages and a moderate exposure to non-dollar bonds. A modestly bulleted exposure to the front end of the yield curve and modest exposure to high yield securities boosted performance in the quarter. Western Asset intends to target a tactically neutral duration posture with a view that inflation is reasonably contained and economic growth is unlikely to be sufficiently strong or weak to provoke a Fed response in the near future.

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MANAGER COMMENTS – FIXED INCOME

Total Domestic Fixed Income



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
CCC Total (C)	-1.0	7.9	5.8	6.5
Rank	86	14	11	10
LB Univ (U)	-0.5	6.6	4.5	5.2
LB Agg (L)	-0.5	6.1	4.0	4.5
Fixed Median	-0.3	5.9	4.0	4.6

Portfolio Characteristics	Total Fixed	Lehman Universal
Mkt Value (\$Mil)	1,317.6	n/a
Yield to Maturity (%)	6.1 %	5.9 %
Duration (yrs)	4.9	4.7
Avg. Quality	AA	AA

Sectors	Total Fixed	Lehman Universal
Treasury/Agency	19 %	29 %
Mortgages	48	32
Corporates	8	25
High Yield	11	0
Asset-Backed	0	0
CMBS	1	0
International	5	14
Emerging Markets	2	0
Other	0	0
Cash	6	0

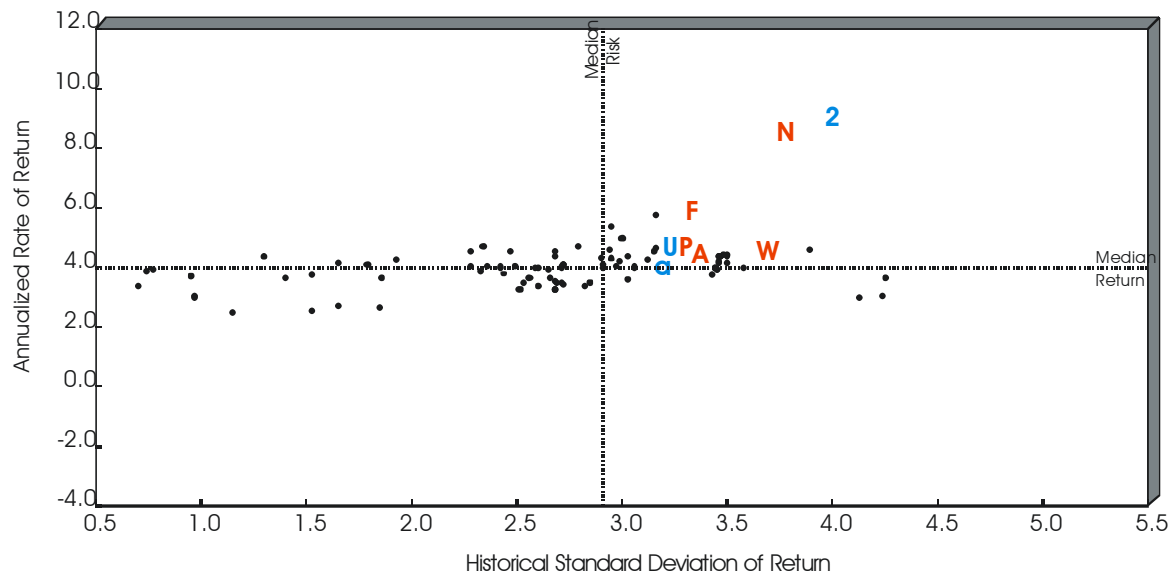
CCCERA total fixed income returned -1.0% in the second quarter, which was below the -0.5% return of the Lehman Universal and the -0.5% return of the Lehman Aggregate, ranking in the 86th percentile in the universe of fixed income managers. For the one-year period, CCCERA's total fixed income returned 7.9%, significantly better than the 6.6% return of the Lehman Universal and the 6.1% return of the Lehman Aggregate. Much of the past year's strong performance was generated by the large ING Clarion liquidation distributions in December 2006. The CCCERA total fixed income returns have significantly exceeded the Aggregate and the median fixed income manager over both the three and five year periods.

During the second quarter, the allocations to treasury/agency and mortgage securities were unchanged, corporate debt was down 1%, high yield was up 1% and cash increased by 1%. All other sector allocations were unchanged. The duration of the total fixed income portfolio at the end of the second quarter was 4.9 years, slightly longer than the 4.7 year duration of the index.

MANAGER COMMENTS – FIXED INCOME

Domestic Fixed Income Performance and Variability

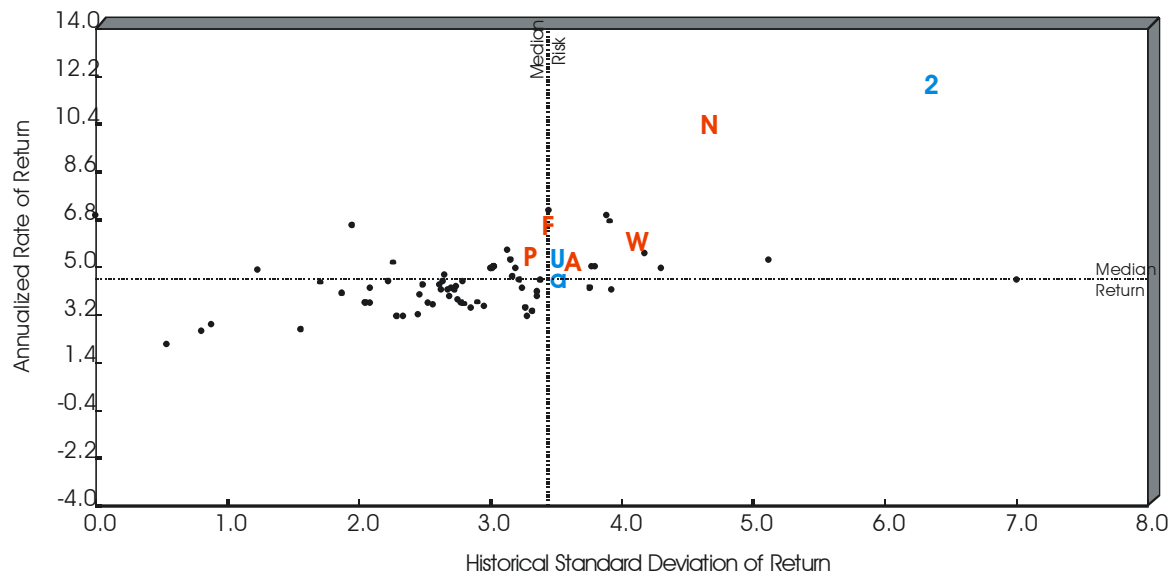
Three Years Ending June 30, 2007



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
A AFL-CIO	4.37	27	3.39	76
N Nicholas Applegate	8.44	3	3.79	88
P PIMCO	4.55	20	3.32	72
W Western Asset Management	4.45	23	3.70	87
F Total Fixed Income	5.78	11	3.35	74
a LB Aggregate	3.98	52	3.21	65
2 ML High Yield II	8.96	2	4.02	91
U Lehman Universal	4.54	21	3.26	70
Median	3.99		2.91	

Domestic Fixed Income Performance and Variability

Five Years Ending June 30, 2007



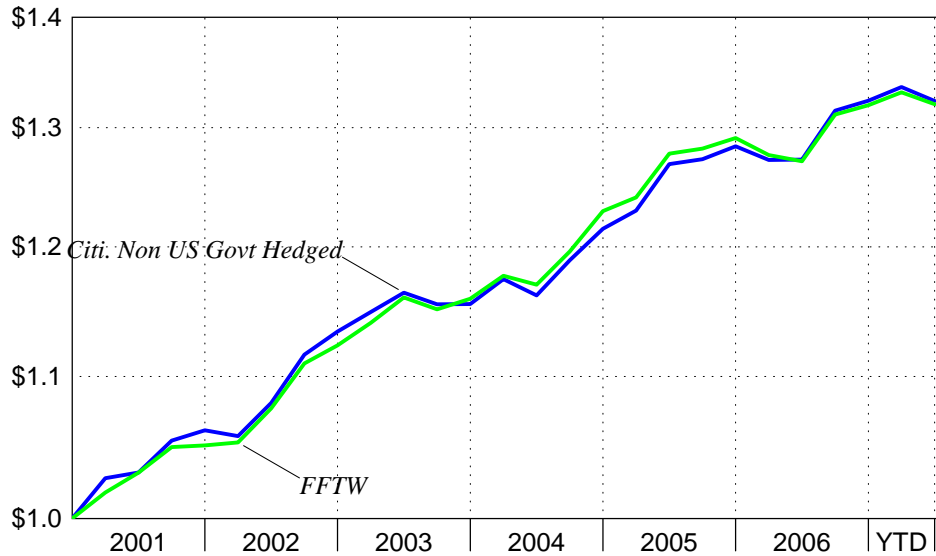
		Annualized Return		Standard Deviation	
		Value	Rank	Value	Rank
A	AFL-CIO	4.76	39	3.65	72
N	Nicholas Applegate	10.27	2	4.69	90
P	PIMCO	5.29	16	3.35	46
W	Western Asset Management	5.85	12	4.12	83
F	Total Fixed Income	6.47	10	3.47	53
a	LB Aggregate	4.48	55	3.55	62
2	ML High Yield II	11.73	1	6.39	96
U	Lehman Universal	5.17	19	3.54	61
	Median	4.56		3.44	

MANAGER COMMENTS – INTERNATIONAL FIXED INCOME

Fischer Francis Trees & Watts

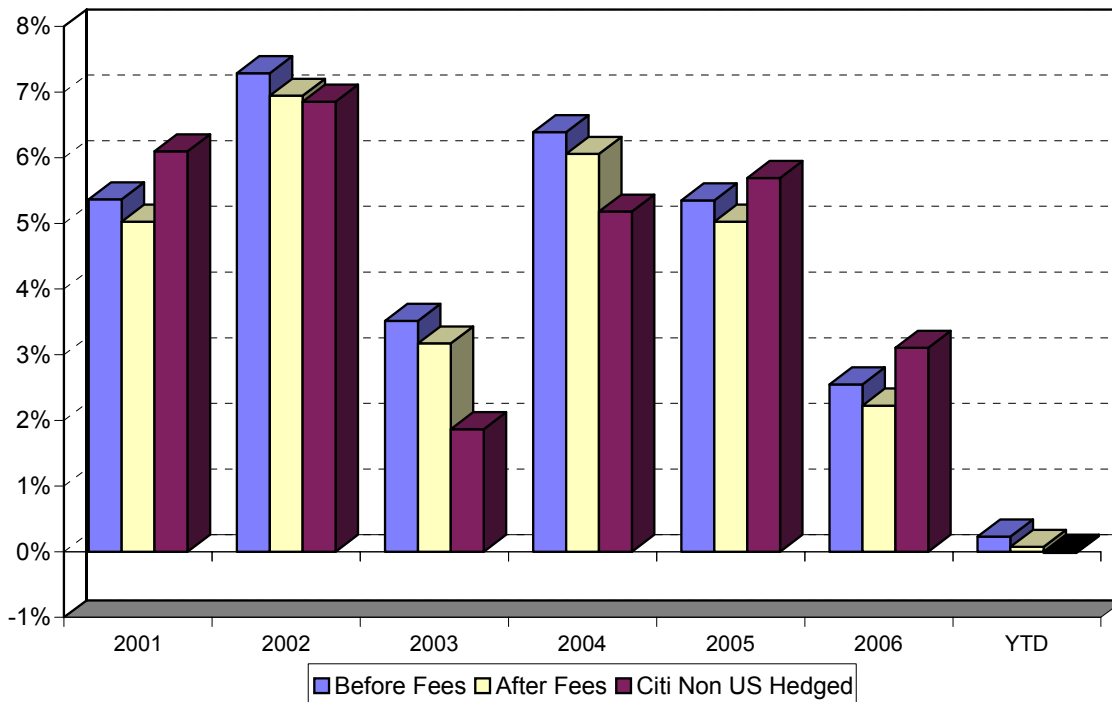
FFTW vs. Citi. Non US Govt Hedged

Cumulative Value of \$1 (Net of Fees)



FFTW vs. Citi Non-US Govt Hedged

Year by Year Performance



Fischer Francis Trees & Watts

Performance

	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
FFTW	-0.7%	4.2%	4.5%	4.5%
Citi. NonUS Hdg	-0.9	4.0	4.4	4.1

Over-Weighted

<u>Countries</u>	<u>FFTW</u>	<u>Citigroup NonUS</u>
Germany	26%	13%
United States	12	0

Portfolio

<u>Characteristics</u>	<u>FFTW</u>	<u>Citi. NonUS</u>
Mkt. Value (\$mil)	193.6	N/A
Duration (years)	6.2	6.1

Under-Weighted

<u>Countries</u>	<u>FFTW</u>	<u>Citigroup NonUS</u>
Italy	0%	11%
Japan	26	34

Securities

	<u>FFTW</u>	<u>Citigroup NonUS</u>
Non-US Collateralized	5%	0%
US ABS	2	0
Non-US Credit	1	0
US Credit	7	0
Non-US Gov/Agency	82	100
US Gov/Agency	3	0

The Board terminated Fischer Francis Trees & Watts (FFTW) during the second quarter and selected Lazard to manage a global aggregate fixed income mandate. The Fischer Francis Trees & Watts (FFTW) portfolio returned -0.7% for the second quarter, slightly better than the -0.9% return of the Citigroup Non US Government Hedged Index. For the past year, FFTW returned 4.2%, above the 4.0% return of the Index. For the five-year period, FFTW's return of 4.5% was above the 4.1% return of the Index. The portfolio is in compliance with the three- and five-year performance objectives.

As of June 30, 2007, the portfolio's largest country over-weightings remain Germany and the United States, while the largest under-weightings continue to be in Italy and Japan. The portfolio contained 5% non-US collateralized securities, 2% US asset backed securities, 1% other non-US credits, 7% US Credits and 3% US government securities. The portfolio's second quarter duration was 6.2 years, slightly longer than the 6.1 year duration of the Citigroup Non US Government Index.

In exceeding the benchmark, FFTW had good performance in its global interest rate and foreign exchange strategies, marginal contributions from its corporate credit strategy and mortgage-backed security strategies detracted from overall performance. The bulk of the interest rate out-performance came from the firm's underweight in European bonds in favor of both Japanese and long US bonds. The foreign exchange contribution was largely the result of being underweight the US dollar versus the Australia dollar, the Canadian dollar, New Zealand dollar, euro and UK sterling. The impact of credit was marginal, as the portfolio had only moderate exposure. FFTW had a modest allocation to European corporates. Finally, the portfolio was overweight to the MBS and CMBS portions of the market, which detracted from second quarter performance. FFTW believes that the risk in the next few quarters is inflation. In the meantime, we regard the recent moves in government bond yields as a repricing (evidenced by its swiftness) of monetary policy risk (from dovish to neutral), and thus expect stabilization in markets to return. The firm continues to believe receiving carry (higher yields) is still an appropriate strategy.

MANAGER COMMENTS – REAL ESTATE

Adelante Capital Management - \$249,307,112

Adelante Capital Management reported a return of -8.4% for the second quarter better than the -9.4% of the DJ Wilshire Index and ranking in the 43rd percentile in the universe of REIT portfolios. Adelante's one-year return of 13.6% out-performed the NAREIT Equity Index return of 12.6%.

As of June 30, the portfolio consisted of 26 holdings. Office properties comprised 24.0% of the portfolio, apartments made up 21.6%, retail represented 23.3%, industrials accounted for 6.9%, 8.2% is accounted for as diversified/specialty, hotels accounted for 13.7%, and 2.3% is cash. The properties were diversified regionally with 6.5% in the East North Central region, 14.5% in the Mideast, 8.0% in the Mountain, 30.3% in the Northeast, 22.0% in the Pacific region, 9.6% in the Southeast, 5.8% in the Southwest region, 2.2% in the West North Central region, international made up 0.5% and 0.6% unclassified.

Despite more privatization activity, REITs underperformed in the second quarter 2007. There were several brief periods of REIT strength. A sharp run-up in REIT shares in anticipation of the Equity Office transaction and the announcement of Tishman Speyer and Lehman Brother's \$22.2 billion acquisition of Archstone-Smith gave a brief boost to REIT shares. However, declines in bond prices eventually dragged the REIT market down. In the end, the DJ Wilshire REIT Index was down -9.4% in the second quarter 2007, significantly worse than the S&P 500 Index and the Russell 2000® Indices which advanced 6.3% and 4.4%, respectively.

BlackRock Realty - \$31,333,035

BlackRock Realty Apartment Value Fund III (AVF III) reported a second quarter total return of 3.4%. Over the one-year period, BlackRock has returned 17.1%. CCCERA has an 18.7% interest in the AVF III.

As of June 30, 2007, the fund held seventeen investments. The portfolio consisted of 100% apartment properties. The properties were distributed regionally as follows: 46% in the Pacific, 11% in the Northeast, 5% in the Mideast, 18% in the East North Central, 4% in the Southwest and 16% in the Southeast. Average portfolio occupancy rate of developed existing properties is near 91%.

There will be no further acquisitions for the AVF III. The fund purchased its final asset, Olde Forge West, during the first quarter of 2007.

Due to higher general vacancy and aggressive concessions on the Fund properties undergoing renovation or lease-up, AVF III's total property net operating income was below budget by 15% for the second quarter.

As of the second quarter, 34% of the AVF III portfolio assets have reached stabilization. Two additional assets are expected to reach stabilization by the end of the third quarter, which is expected to increase the income component of the fund.

DLJ Real Estate Capital Partners - \$491,996

DLJ Real Estate Capital Partners (RECP) reported a return of 0.9% in the quarter ending March 31, 2007. (Performance lags by one quarter due to the availability of financial reporting.) Over the one-year period, RECP has returned 48.3%. CCCERA has a 3.8% ownership interest in RECP.

As of March 31, the portfolio consisted of 100% land development. The properties were diversified regionally with 29.3% in the Pacific, 67.0% in the Southwest and 3.7% in the Southeast.

RECP I completed its investment activities in 1999 and has since emphasized asset management and asset realizations. By the end of 2006, RECP I has essentially realized its entire portfolio of 49 investments. Residual value remains in a handful of assets, with the majority of these proceeds expected to be realized in 2007, including these residual values. RECP I received approximately \$56 million of proceeds to date in 2007, substantially from two investments; Glennloch Farms and Maremagnum.

DLJ Real Estate Capital Partners II - \$12,643,006

DLJ Real Estate Capital Partners II (RECP II) reported a return of 2.1% in quarter of ending March 31, 2007. (Performance lags by one quarter due to financial reporting constraints.) Over the one-year period, RECP II has returned 38.1%. CCCERA has a 3.4% ownership interest in RECP II.

As of March 31, the portfolio consisted of 9.5% office properties, hotels accounted for 23.0%, residential accounted for 22.7%, land development made up 7.8%, retail made up 32.0%, sub-performing loans made up 4.1% and “other” made up 0.9%. The properties were diversified regionally with 27.0% in the Pacific, 14.0% in the Northeast, 0.2% in the Southeast, 35.8% internationally, and 23.0% listed as “Various U.S.”.

The RECP II Fund has acquired 51 investments with total capital committed of \$981 million. RECP II’s investment activities were completed in 2004 and the focus thereafter has been on the management, positioning and realization of the portfolio.

The Fund has received substantial proceeds as partial realizations on their remaining portfolio. These partial proceeds, together with the fully realized transaction, have allowed the Fund to distribute \$1.64 billion, representing 167% of the capital invested by the Fund.

To date, the Fund has fully realized 35 of its 51 investments, generating profits of \$802.4 million. The Fund expects to continue to harvest the majority of the portfolio over the next 6-18 months.

DLJ Real Estate Capital Partners III - \$37,498,314

DLJ Real Estate Capital Partners III (RECP III) reported a return of -0.6% in quarter of ending March 31, 2007. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, RECP III has returned 22.2%. CCCERA has a 6.7% ownership interest in RECP III.

As of March 31, 2007 the portfolio consisted of 1.8% office properties, hotels accounted for 11.2%, residential accounted for 22.3%, land development made up 7.6%, retail made up 6.8%, mixed use development accounted for 26.9%, vacation home development company made up 15.0%, sub-performing loans made up 4.6% and “other” made up 3.8%. The properties were diversified regionally with 17.9% in the Pacific, 19.5% in the Northeast, 7.8% in the Southeast, 53.6% internationally, and 1.2% listed as “Various U.S.”.

RECP III made five investments in 2007 to date, the Fund completed 41 investments, in locations across Asia, Europe, the U.S. and the Caribbean, with total commitments of \$733 million. In addition, RECP III realized six investments generating profits of \$111.2 million.

The Fund has completed 41 investments, committing \$733 million of equity. The Fund has attractive pipeline of approximately \$300 million of transactions in the later stages of the acquisition process.

FFCA Co-Investment Limited Partnership – \$5,506,208

FFCA reported a second quarter total return of -0.9%. For the one-year period, FFCA reported a total return of 8.6%. CCCERA has a 33% interest in the Co-Investment.

The Co-Investment wired \$652,309.13 into the Fund’s account on July 31, 2007. Of this amount, \$262,922 is from operations and \$389,386.94 is described as return of capital. The Fund continues to receive the contractual payments on these properties. Rental income decreased by \$181,338 for the six-month period ended June 30, 2007. This was primarily due to property sales in Q1 and Q2 2007. Gains on property sales increased by \$1,650,244 due to increase of outstanding cash balances at the end of the period, which resulted in interest income of \$67,236. The remaining change in other income was due to the right of way taking in Q1 2007.

Fidelity Investments US Growth Fund II - \$34,165,908

Fidelity Investments reported a return of -2.2% for the second quarter of 2007. For the one-year period, Fidelity reported a total return of 4.5%

As of March 31, the fund was comprised of forty five investments. The portfolio consisted of 27% apartment properties, office space accounted for 3%, retail accounted for 6%, for sale housing accounted for 26%, hotels accounted for 8%, self storage made up of 1%, land made up 5%, student housing accounted for 21%, industrials accounted for 1%, and golf courses made up the remaining 2% of the portfolio. The properties were diversified regionally with 20% in the Pacific, 6% in the Northeast, 26% in the Southeast, 14% in the Mideast, 13% in the Mountain region, 17% in the Midwest and 4% in the Southwest.

Hearthstone I & II (-\$746,000 & \$6,000)

The two Hearthstone homebuilding funds are approaching completion. Both funds have shown negative asset values for several quarters, although Hearthstone II has a positive value this quarter. The reason for the negative values is that the liabilities associated with those values are due in the future. Funds required to pay the liabilities either are associated with still existing projects or have been advanced to the fund participants. When the liabilities become due, CCCERA will have to return the advances and/or the liabilities will be paid from future profits from the few remaining projects.

Given the negative asset values, ongoing calculation of quarterly time-weighted performance for the two funds is not meaningful. (We do include the income in the combined real estate and the total fund performance.) As always for closed-end funds, the best measure of performance is the internal rate of return (IRR), shown on page 13. By this measure, the first fund has been a disappointing performer and the second fund a strong one.

Invesco Real Estate Fund I - \$36,225,223

Invesco Real Estate Fund I (“IREF”) reported a second quarter total return of 8.1%. Over the past year, Invesco Real Estate Fund I returned 26.1%. CCCERA has a 15.1% interest in the Real Estate Fund I.

As of June 30, the portfolio consisted of twelve properties. The portfolio consisted of 28% retail, 16% industrial properties, 18% office and 38% multi-family. The properties were diversified regionally with 13.7% in the Mountain, 24.5% in the North East, 8.4% in the Midwest, 7.4% in the Southeast, 6.9% in the Southwest and 39.0% in the “Various”. High yield debt (CMBS) not included in the calculations.

The Fund has committed 103% of its equity capital and has called 80%. Accounting for equity returned to date via dispositions, the Fund’s net called capital stands at 58%. Since inception, IREF I has made fifteen investments, twelve of which are currently held in the portfolio and three which have been sold at disposition pricing in excess of the Fund’s overall return target. The Fund is now in its operating and redemption phase.

Prudential Strategic Performance Fund II - \$7,123,767

For the second quarter, the Prudential Strategic Performance Fund-II (SPF-II) reported a total return of 10.6%, 14.9% from income and -4.3% from appreciation. Over the one year period, the fund returned 52.7%, 28.8% from income and 23.9% from appreciation. CCCERA accounts for 16.2% of SPF-II.

As of June 30, the portfolio was invested in seven properties: one office properties (9.7%) and five residential complexes (90.3%). The regional distribution of the portfolio is 9.7% in the Southeast, 22.5% Northeast, and 67.8% Mideast. The residential properties are 97% leased, slightly lower than the last quarter.

SPF-II’s investor equity commitments total approximately \$237.3 million. The Fund can leverage up to 40% of gross market value of its assets. On September 8, 2006, the Fund notified the investors that it does not intend to make any further capital calls and therefore released the \$31.8 million outstanding capital commitment.

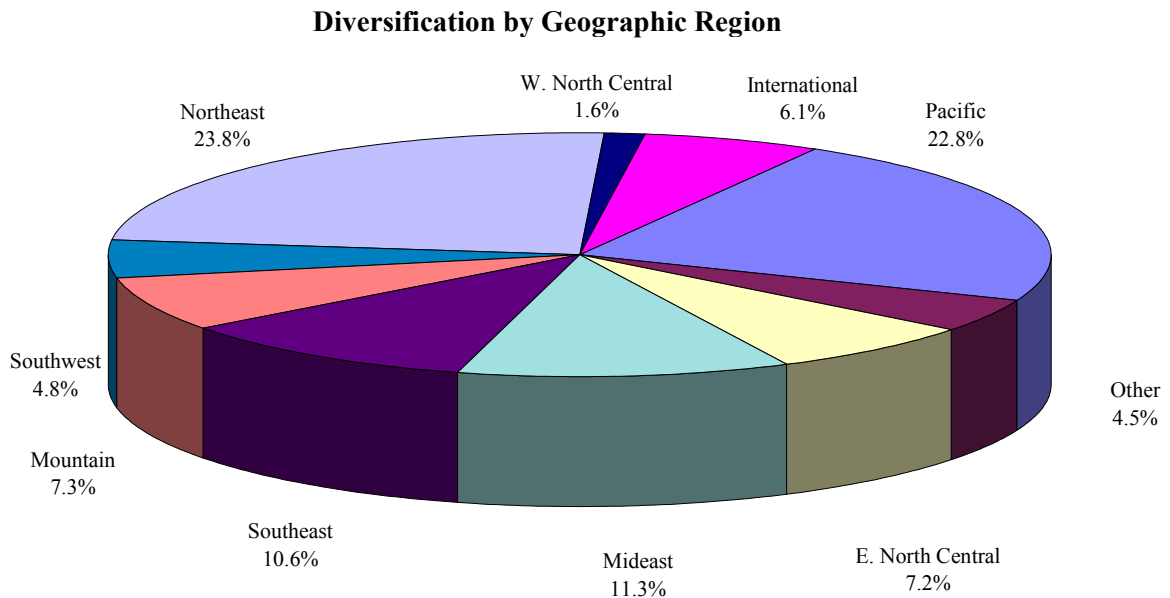
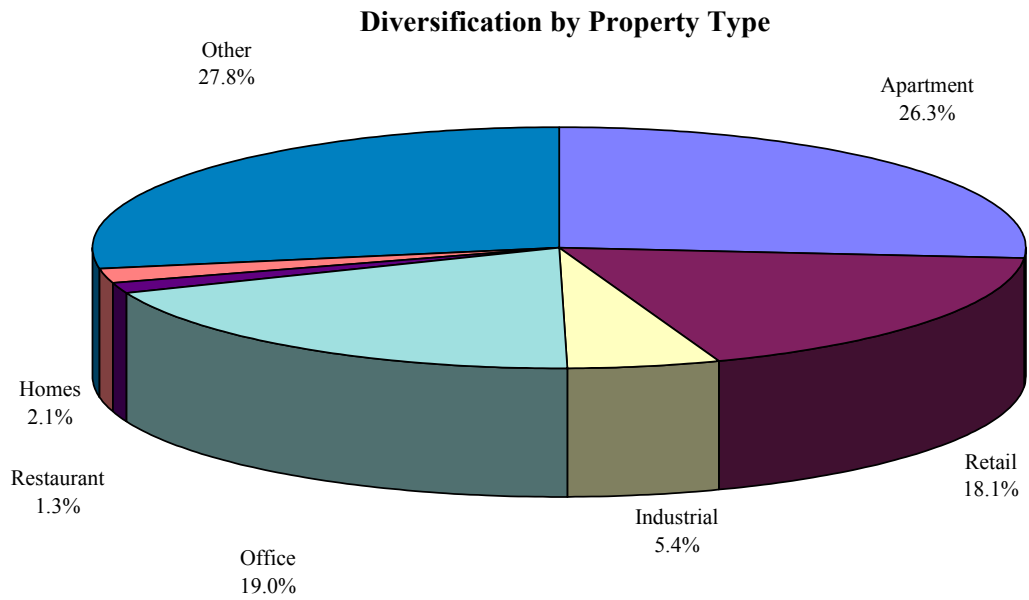
From inception to March 31, 2007, SPF-II has drawn down approximately \$205.5 million (86.6%) of the capital committed by the investors.

As of June 30, 2007, SPF-II declared a dividend of \$282.76 per share or approximately \$16.6 million for the second quarter 2007. The dividend was paid to investors on July 31, 2007. Since inception, SPF-II has paid dividends of approximately \$214.1 million or 104.2% of the total capital called from investors.

Since inception, SPF-II has returned \$142.4 million of capital representing \$69.3 of the total capital called from investors.

MANAGER COMMENTS – REAL ESTATE

Total Real Estate Diversification



MANAGER COMMENTS - ALTERNATIVE INVESTMENTS

Adams Street Partners - \$50,861,066.17

Adams Street reported a first quarter return of 4.1% for the CCCERA's investments. For the one-year period, Adams Street has returned 27.4%. (Performance lags by one quarter due to financial reporting constraints, which is typical for this type of investment vehicle.) The portfolio continues in acquisition mode.

The Adam's portfolio is comprised of 40.1% venture capital funds, 6.4% in mezzanine funds, 37.4% in buyout funds, 11.1% in special situation funds, and 4.9% in restructuring/distressed debt. Geographically, 75.3% of the commitment is in the U.S.

Bay Area Equity Fund - \$3,732,343

Bay Area Equity Fund reported a first quarter return of 5.0% (Performance lags by one quarter due to financial reporting constraints). For the one-year period, Bay Area Equity Fund has returned 27.5%. CCCERA has a 13.3% ownership interest in the Fund.

As of March 31, 2007, the Bay Area Equity Fund has fourteen investments in private companies in the 10-county Bay Area, which are located in or near low- to middle-income neighborhoods.

BAEF's investment manager is anticipating an ownership change. The BAEF team is negotiating the spin-out of the Fund from J.P. Morgan to occur in the Fall of 2007. At the time of the spin-out Mike Dorsey and Nancy Pfund, the co-managing partners of BAEF, will buy out H&Q Venture Management the J.P. Morgan entity that is the investment manager of BAEF and which owns a controlling share of the General Partnership of the Fund. After the spin-out the investment process and investment personnel, including the investment committee, will remain unchanged.

Energy Investors - US Power Fund I - \$30,317,330

The Energy Investors Fund Group (EIF) reported a first quarter return of 1.6%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, EIF reports a total return of 24.6%. CCCERA has a 12.0% ownership interest in Fund I.

With consent from 100% of the Limited Partners, the EIF Fund successfully closed on a \$300 million recapitalization of the Fund on April 11, 2007. USPF Holdings, LLC, a wholly-owned subsidiary of USPF, issued seven-year senior secured credit facilities consisting of a \$288 million loan and a \$12 million letter of credit facility. The recapitalization allowed the Fund to make a \$275 million cash distribution on April 12, 2007.

During the first quarter, the Fund received \$3.3 million in project cash distribution including \$1.7 million from Glen Park, \$750,000 from Hamakua Energy Partners and \$532,000 from Mustang Station. The Fund also received additional proceeds from the sale of the Linden and Path 15 investments, totaling \$315,000. The Fund made a \$5 million distribution to partners on March 29,

2007.

In March 2007, the Fund made its first monthly equity contribution to the Neptune Transmission Project in the amount of \$6.0 million, utilizing the Fund's credit facility. In June, the Fund made a capital call of \$50 million to fully fund the Neptune equity investment. Neptune achieved commercial operation on or about July 1st.

Energy Investors - US Power Fund II - \$32,184,542

Energy Investors reported a first quarter return of 1.8% for US Power Fund II. (Performance lags by one quarter due to financial reporting constraints.) Over the past year, the fund returned 29.4%. CCCERA has a 19.7% ownership interest in USPF-II.

During the first quarter of 2007, the Fund and USPF II, LP, invested approximately \$44 million in two new investment opportunities. In February, the Funds acquired an 83.5% interest in Gateway Pipeline Company, LLC for \$28.5 million. Gateway is a regulated natural gas pipeline system that spans 266 miles and serves utility customers in eastern, southeastern and south central portions of Missouri. Also in February, the Funds acquired a 31.5% ownership in BL England for \$15.9 million. BL England, located in southeastern New Jersey, consists of two operating coal units totaling 285 MW, a 155 MW oil unit and four diesel units totaling 8 MW.

During the first quarter, the Fund distributed \$19.3 million to its partners, bringing total distributions since inception to \$24.8 million.

Nogales Investors Fund I - \$11,597,761

The Nogales Investors Fund I reported a first quarter return of 0.64%. (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, Nogales has returned 22.5%. CCCERA makes up 15.2% of the Fund.

During the 1st quarter 2007, Nogales Investors provided a preliminary 4th quarter return of 22.5%. (Performance lags by one quarter due to financial reporting constraints). In the 2nd quarter, Nogales revised its 4th quarter return to 18.5%. Due to the revised performance return, the total alternative investment composite return for the 1st quarter changed from 12.3% to 11.9%.

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

On January 5, 2007, the Fund distributed \$171,357 to the Partners in connection with the Fund's investment in GIJ, Video King, and Chick's.

On January 31, 2007, the Fund's investment in GIJ was realized. Gross proceeds to the Fund totaled \$28,765,452, of which \$1,883,700 was retained subjected to the expiration of a two-year indemnity holdback. Immediately available proceeds of \$26,881,752 were distributed to the Partners on February 13, 2007.

The Fund distributed \$82,355 and \$74,873, to the Partners in the connection with the Fund's

investment in Video King and Chick's on February 6th and March 2nd.

The Pathway Private Equity Fund (PPEF) reported a first quarter return of 9.8% (Performance lags by one quarter due to financial reporting constraints.) For the one-year period, PPEF reports a total return of 40.3%. PPEF contains a mixture of acquisition-related, venture capital, and other special equity investments.

During the first quarter, the PPEF portfolio received \$3.3 million in distributions, increasing the total distribution received to \$24.7 million, which represents 55% of the fund's total contribution.

PT Timber Fund III - \$13,012,799

John Hancock reported for Fund III a second quarter return of 3.4%. For the one-year period, John Hancock reports a total return of 14.1%. CCCERA makes up 16.3% of the Fund III.

As of the end of the first quarter, PT-3's timberland portfolio is comprised of five properties: Covington in Alabama and Florida; Bonifay in Florida; Choctaw in Mississippi; Alexander Plantations LLC in Alabama, Louisiana and Mississippi; and Hamakua in Hawaii.

Cash generated at the property level is now running at 9 percent ahead of budget, and they are now projecting an additional \$4.5 million this year than budgeted. Timber revenue on the Choctaw property, in particular, caught up to expected volume production, while realizing 24 percent better-than-expected prices. Even if prices subside somewhat in the second half of the year, which they expect, these positive variances should persist.

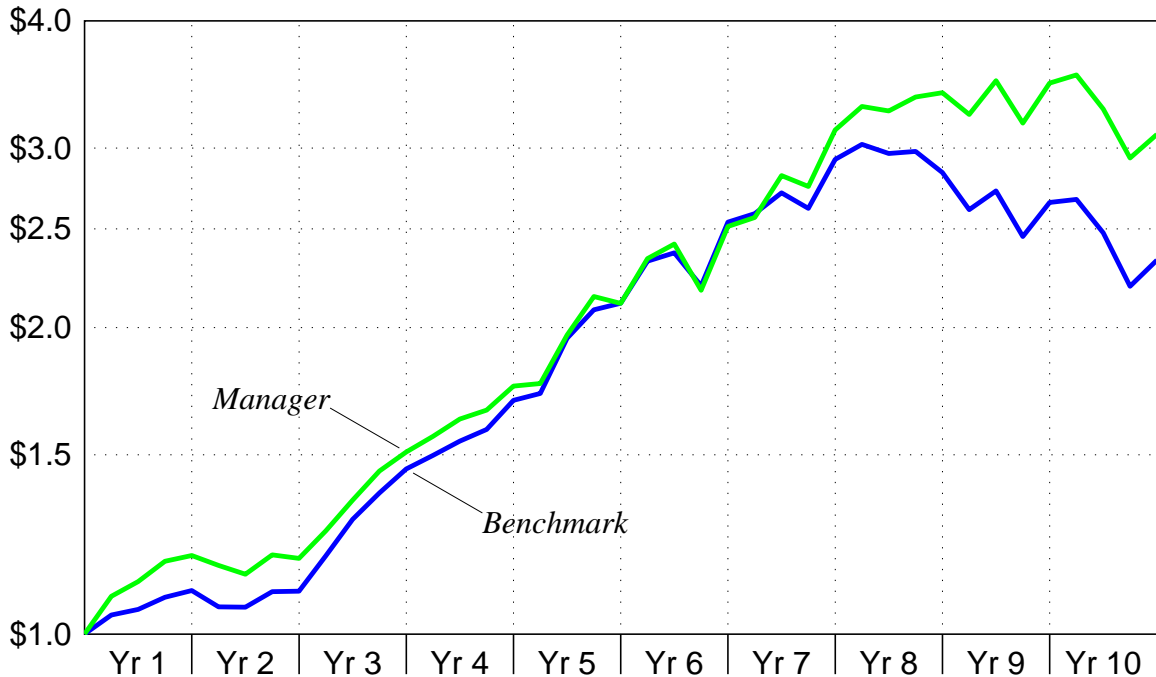
Alexander Plantations, which contributes approximately half of the portfolio's cash flows, continue to perform well. Alexander Plantations' blended average timber price grew to \$34.04 ton, 21% above budget, offsetting fewer tons of production than expected. By year-end, production is still expected to meet budgeted levels. The favorable prices are largely attributable to relatively wet weather in the Gulf States compared to the bulk of the U.S. South, which at times limited timber availability and supported prices.

APPENDIX – EXAMPLE CHARTS

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

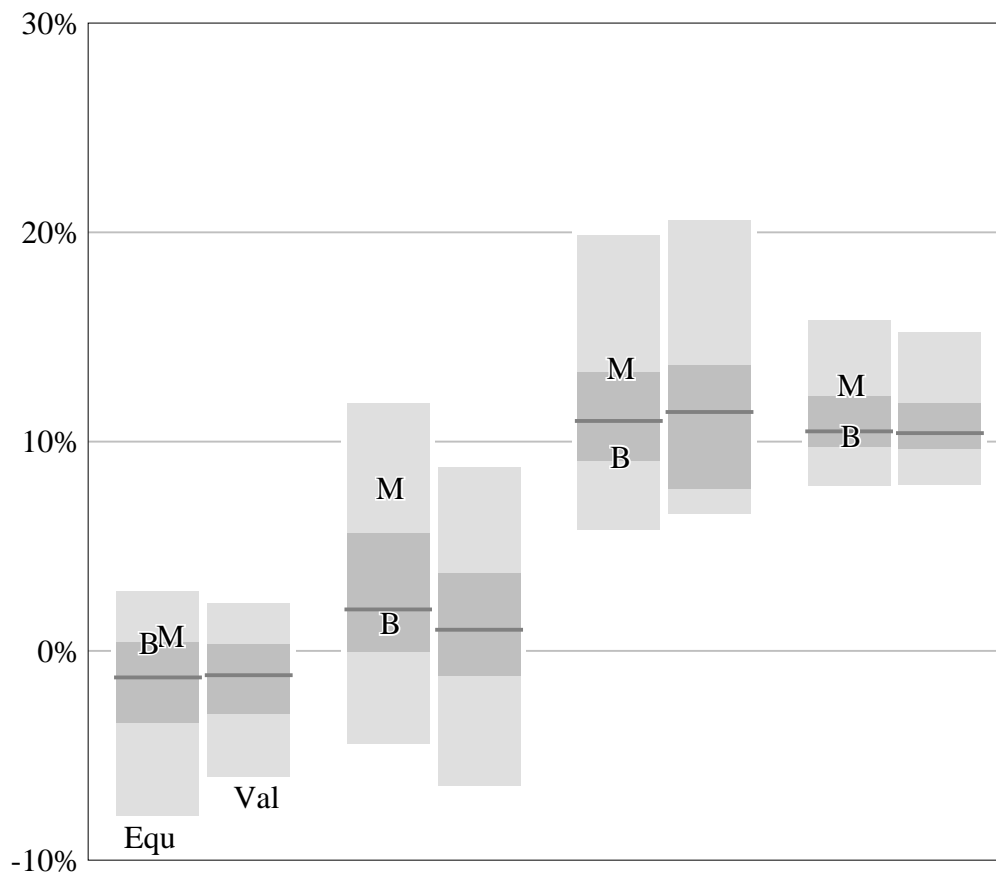


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter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

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

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

How to Read The Floating Bar Chart:



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

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

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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