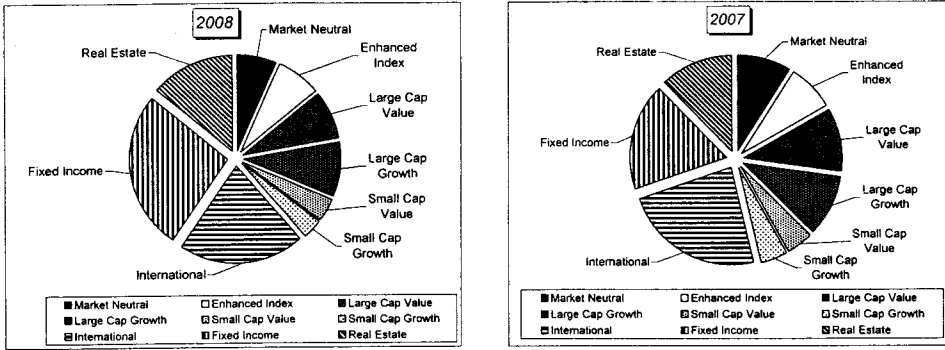


**Marin County Employees' Retirement Association
Investment Portfolio Distribution**



**Marin County Employees' Retirement Association
Statement of Changes in Plan Net Assets
For the Year Ended June 30**

	2008	2007
Additions		
Employer Contributions	\$ 58,069,688	\$ 50,117,033
Employee Contributions	15,881,073	13,488,748
Total Contributions	<u>73,970,761</u>	<u>63,605,781</u>
Investment Income		
Net Appreciation in Fair Market Value of Assets	(115,744,403)	\$ 218,376,915
Interest and Dividends	21,351,241	19,640,737
Real Estate Income (Net)	3,603,771	4,722,322
Other Investment Income	210,228	65,002
Net Securities Lending Income	909,970	208,513
Total Investment Income (Loss)	<u>(89,869,193)</u>	<u>243,013,489</u>
Less Investment Expense	8,987,364	8,190,180
Total Net Investment Income(Loss)	<u>(98,656,557)</u>	<u>234,823,309</u>
Total Additions (Declines)	<u>(24,685,796)</u>	<u>298,429,090</u>
Deductions		
Benefits	72,188,685	67,322,500
Refund of Contributions	530,647	627,743
Administrative Costs	2,929,645	1,830,955
Legal Expense	563,428	36,504
Actuarial Expense	89,641	131,128
	<u>76,302,046</u>	<u>69,948,830</u>
Net Increase (Decrease)	<u>(100,987,842)</u>	<u>228,480,260</u>
Net Assets Beginning of Year	<u>1,516,563,385</u>	<u>1,288,083,125</u>
Net Assets Held in Trust as of June 30	<u>\$ 1,415,575,543</u>	<u>\$ 1,516,563,385</u>

WITHDRAWAL OF CONTRIBUTIONS

Requests for Return of Contributions should be made to the Retirement Office, Room 408, Civic Center. No request will be processed until the final paycheck, payment date and contribution amount have been verified.

TRANSFER TO ANOTHER PUBLIC RETIREMENT SYSTEM

Members who discontinue their employment, leave their contributions on deposit and within 180 days after their discontinuance go to work for another county that is covered by the 1937 Retirement Act, a State agency which is covered by the Public Employees' Retirement System, the State Teacher's Retirement System or the City and County of San Francisco may have the privilege of entering the new system under a reciprocal arrangement. Said election must be made in writing within the 180 day period. Please contact the Retirement Office for benefits available to you under reciprocity.

SERVICE RETIREMENT

Miscellaneous and Safety members who have reached age 70 regardless of credited service and Miscellaneous and Safety members with ten years of credited service who have attained age 50, are eligible to retire. Miscellaneous members with 30 years of service and Safety members with 20 years of service may also retire regardless of age. A retirement option must be selected in writing before any retirement allowance may be paid.

DISABILITY RETIREMENT

Members with five or more years of credited service are eligible to apply for non-service connected disability retirement provided that the member is permanently incapacitated, physically or mentally, from the performance of his or her duties. If the disability is service-connected, the member may make application for service-connected disability retirement regardless of the length of credited service. A retirement option must be selected in writing before any retirement allowance may be paid.

DEATH BENEFITS

In the case of the death of a member before retirement, a designated beneficiary is entitled to receive the member's accumulated contributions with interest, plus an amount equal to one-twelfth of the annual compensation earnable by the deceased during the twelve months immediately preceding death, for each completed year of service under the system, but not to exceed fifty percent of such annual compensation. In the case of service-connected death, contact the Retirement Office.

In the case of a member who is qualified to retire or has at least 5 years of credited service at the date of death, the beneficiary should contact the Retirement Office for available options.

BENEFICIARY

When members enter the retirement system, they designate a beneficiary. Should they desire to change their beneficiary, they must apply in writing and complete the required form which is available from the Retirement Office.



**Marin County Employees'
Retirement Association**

ANNUAL REPORT

June 30, 2008

Members of the Board of Retirement

Maya Gladstem	Miscellaneous Member, 2nd
Sandra White	Miscellaneous Member, 3rd
James Hufford	Safety Member, 7th
Karen Wofford	Safety Alternate
Allen Haim	Retiree, 8th
Josh Thomas	Retiree, Alternate
Peter Arrigoni	BOS Appointee, 4th
James Phillips	BOS Appointee, 6th
Gerald Richardson	BOS Appointee, 5th
Bernadette Bolger	BOS Appointee, 9th
Michael J. Smith	Treasurer Ex-officio, 1st

Legal Counsel

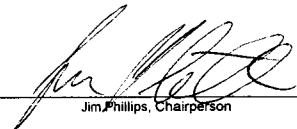
Ashley Dunning, Esq. Manatt, Phelps and Phillips

Staff

Chanel K. Benner, CFP, Retirement Administrator

To the Association Members:

Submitted herein is the condensed financial statement of the MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION presenting its financial position for the years ended June 30, 2008 and 2007. Any questions should be directed to the Retirement Office.


 Jim Phillips, Chairperson

**Marin County Employees' Retirement Association
Statement of Plan Net Assets
As of June 30**

	2008		2007
Assets			
Cash and Short Term Investments	\$ 51,958,299		\$ 65,447,652
Receivables			
Contributions	\$ 4,644,531		\$ 1,418,324
Interest and Dividends	2,151,790		2,172,237
Investments Receivable	8,105,837		5,260,254
Other Receivables	121,516		135,796
Total Receivables	15,023,674		8,986,611
Investments at Fair Market Value			
Domestic Equities	664,531,571		725,665,541
International Equities	330,617,261		401,029,249
Domestic Fixed Income	163,300,085		144,698,157
International Fixed Income	13,851,238		7,682,522
Real Estate	196,082,634		178,869,801
Total Investments	1,368,382,789		1,457,945,270
Other Assets			
Collateral for Loaned Securities	109,220,513		108,163,050
Prepaid Insurance	631,927		757,380
Total Other Assets	109,852,440		108,920,430
Total Assets	1,545,217,202		1,641,299,963
Liabilities			
Accounts Payable	\$ 3,226,177		\$ 2,067,681
Investments Payable	15,533,786		7,450,271
Rental security deposits	661,183		753,740
Retiree payroll payable	0		6,301,836
Health Insurance Payable	1,000,000		0
Collateral for Loaned Securities	109,220,513		108,163,050
Total Liabilities	129,641,659		124,736,578
Net Assets Held In Trust for Pension Benefits	\$ 1,415,575,543		\$ 1,516,563,385

**Investment Portfolio Performance
As of June 30, 2008**

Annualized Returns	
1 Year	-6.12%
3 Years	7.82%
5 Years	10.34%

**Portfolio Distribution
As of June 30**

	2008	2007
Stocks		
Market Neutral	6.56%	8.77%
Enhanced Index	7.72%	7.81%
Large Cap Value	8.02%	10.63%
Large Cap Growth	8.98%	10.35%
Small Cap Value	4.04%	4.38%
Small Cap Growth	3.29%	4.51%
International	20.83%	23.28%
	59.44%	69.73%
Fixed Income	26.55%	18.08%
Real Estate	14.01%	12.19%
	100.00%	100.00%

Member Agencies

LAFCO
Marin County
Marin County Courts
City of San Rafael
San Rafael Redevelopment
Marin/Sonoma Mosquito and Vector Control District
Marin City Community Service District
Novato Fire Protection District
Southern Marin Fire District
Tamalpais Community Service District

Membership Statistics

Number of:	June 30 2008
Safety Members	703
Miscellaneous Members	2,541
Deferred Members	366
Retired Members	1,946
Survivors & Beneficiaries	274
	5,830

Notes to Members

- The complete financial statements for June 30, 2008 and 2007 about which the auditor has issued a clean opinion are available in the Retirement Office for your review
- Retirement law provides that retirement records are confidential. Such records may not be disclosed to anyone other than the member, except in the administration of the law or upon order of a court of competent jurisdiction. Therefore, to protect this trust, no information on a member account will be given over the telephone.
- All members should notify the Retirement Office of any change in beneficiary. County of Marin and City of San Rafael employees should change their address and name through their department. All other employees should notify the Retirement Office of any address or name change.
- Interest is credited to members' accounts each June 30 and December 31 on the accumulated contribution balance which has been on deposit for the previous six months.
- Members should submit retirement applications to the Retirement Office no earlier than 60 days prior to their date of retirement.