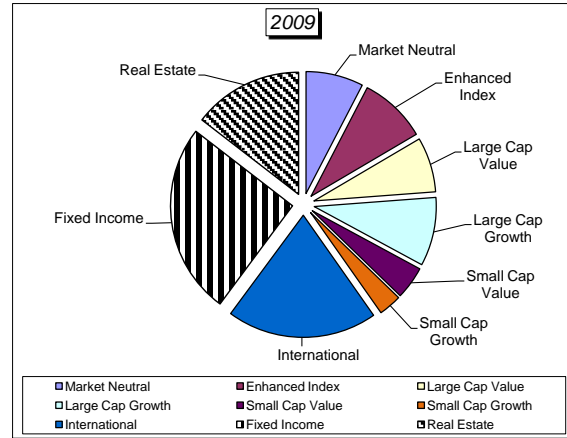
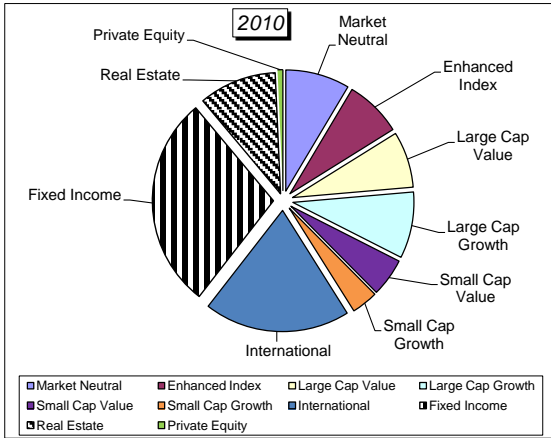


**Marin County Employees' Retirement Association
Investment Portfolio Distribution**



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

	2010	2009
Additions		
Employer Contributions	\$ 56,270,346	\$ 54,555,518
Employee Contributions	17,419,684	17,397,816
Total Contributions	<u>73,690,030</u>	<u>71,953,334</u>
Investment Income		
Net Appreciation in Fair Market Value of Assets	80,864,466	\$ (296,120,833)
Interest and Dividends	15,662,211	21,857,378
Real Estate Income (Net)	7,191,292	5,045,796
Other Investment Income	483,780	510,941
Net Securities Lending Income	233,169	830,442
Total Investment Income (Loss)	104,434,918	(267,876,276)
Less Investment Expense	<u>8,462,445</u>	<u>7,955,952</u>
Total Net Investment Income(Loss)	<u>95,972,473</u>	<u>(275,832,228)</u>
Total Additions (Declines)	169,662,503	(203,878,894)
Deductions		
Benefits	83,704,078	77,417,556
Refund of Contributions	993,559	1,065,627
Administrative Costs	2,961,121	2,701,167
Legal Expense	595,410	762,963
Litigation Settlement	0	13,000
Actuarial Expense	199,401	103,113
Total Deductions	<u>88,453,569</u>	<u>82,063,426</u>
Net Increase (Decrease)	81,208,934	(285,942,320)
Net Assets Beginning of Year	1,130,021,285	1,415,575,543
Prior Period Adjustment	<u>-</u>	<u>388,062</u>
	<u>\$ 1,211,230,219</u>	<u>\$ 1,130,021,285</u>



**Marin County Employees'
Retirement Association**

ANNUAL REPORT

June 30, 2010

Members of the Board of Retirement

Maya Gladstern	Miscellaneous Member, 2nd
Sherry Sweet	Miscellaneous Member, 3rd
James Hufford	Safety Member, 7th
Karen Wofford	Safety Alternate
Allen Haim	Retiree, 8th
Sean Webb	Retiree, Alternate
Greg Brenk	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
Roy Given	Ex-Officio Alternate

Legal Counsel

Ashley Dunning, Esq. Manatt, Phelps and Phillips

Staff

Jeff Wickman, 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, 2010 and 2009. Any questions should be directed to the Retirement Office.

Jim Phillips, Chairperson

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

	<u>2010</u>		<u>2009</u>
Assets			
Cash and Short Term Investments	\$ 135,783,006		\$ 118,021,449
Receivables			
Contributions	\$ 3,199,854		\$ 1,971,016
Interest and Dividends	1,929,369		1,845,957
Investments Receivable	1,894,835		3,173,376
Other Receivables	<u>1,083,897</u>		<u>825,830</u>
Total Receivables	8,107,955		7,816,179
Investments at Fair Market Value			
Domestic Equities	523,754,964		474,172,067
International Equities	237,228,105		237,693,275
Domestic Fixed Income	161,598,315		124,423,217
International Fixed Income	16,348,909		9,953,463
Private Equity	8,442,491		3,958,762
Real Estate	<u>121,341,849</u>		<u>155,324,370</u>
Total Investments	1,068,714,633		1,005,525,154
Capital Assets (net of accumulated depreciation)	7,189,149		6,104,088
Other Assets			
Collateral for Loaned Securities	85,912,381		48,596,264
Prepaid Insurance	<u>618,351</u>		<u>699,085</u>
Total Other Assets	86,530,732		49,295,349
Total Assets	1,306,325,475		1,186,762,219
Liabilities			
Accounts Payable	\$ 1,525,847		\$ 1,883,639
Investments Payable	5,987,937		4,543,172
Rental security deposits	669,091		717,859
Health Insurance Payable	1,000,000		1,000,000
Collateral for Loaned Securities	<u>85,912,381</u>		<u>48,596,264</u>
Total Liabilities	95,095,256		56,740,934
Net Assets Held In Trust for Pension Benefits	\$ <u>1,211,230,219</u>		\$ <u>1,130,021,285</u>

Investment Portfolio Performance
As of June 30, 2010

Annualized Returns	<u>2010</u>	<u>2009</u>
1 Year	8.88%	-19.32%
3 Years	-6.26%	-3.52%
5 Years	1.91%	2.18%

Portfolio Distribution
As of June 30

	<u>2010</u>	<u>2009</u>
Stocks		
Market Neutral	8.55%	7.62%
Enhanced Index	7.58%	8.91%
Large Cap Value	7.50%	7.28%
Large Cap Growth	8.84%	9.07%
Small Cap Value	5.08%	4.34%
Small Cap Growth	3.50%	3.02%
International	<u>19.46%</u>	<u>19.89%</u>
Sub-total Stocks	60.51%	60.13%
Fixed Income	<u>28.40%</u>	<u>25.31%</u>
Real Estate	<u>10.38%</u>	<u>14.56%</u>
Private Equity	<u>0.71%</u>	<u>0.00%</u>
Total Fund	<u>100.00%</u>	<u>100.00%</u>

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:	<u>June 30</u> <u>2010</u>
Active Members	2,628
Deferred Members	596
Receiving Benefits	2,431
	<u>5,655</u>

Notes to Members

- The complete financial statements for June 30, 2010 and 2009 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.