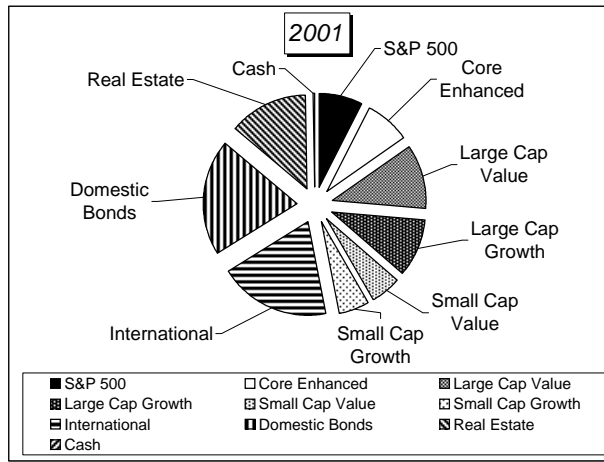
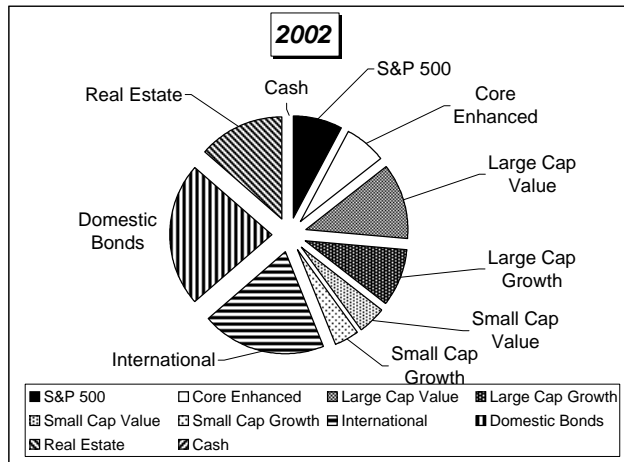


**Marin County Employees' Retirement Association
Investment Portfolio Distribution**



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

	2002	2001
Additions		
Employer Contributions	\$ 21,985,559	\$ 18,064,244
Employee Contributions	8,316,789	7,324,467
Total Contributions	<u>30,302,348</u>	<u>25,388,711</u>
Investment Income		
Net Appreciation in Fair Market Value of Assets	(80,299,057)	\$ (55,319,675)
Interest	10,208,069	14,424,411
Dividends	2,906,541	2,004,816
Real Estate Income (Net)	10,062,625	10,820,990
Soft Dollar Recapture	28,366	631
Miscellaneous Income	0	2,771
Security Lending Income	94,829	38,764
	<u>(56,998,627)</u>	<u>(28,027,292)</u>
Less Investment Expense	(4,285,103)	2,637,894
Net Investment Income	<u>(61,283,730)</u>	<u>(30,665,186)</u>
Total Additions	<u>(30,981,382)</u>	<u>(5,276,475)</u>
Deductions		
Benefits	39,729,885	34,599,410
Health/Life Insurance	4,786,117	4,028,003
Refund of Contributions	439,306	309,322
Administrative Costs	797,743	686,393
Actuarial Costs	85,834	80,200
Transfer to PERS	481,786	-
	<u>46,320,671</u>	<u>39,703,328</u>
Net Increase	<u>(77,302,053)</u>	<u>(44,979,803)</u>
Net Assets beginning of year	<u>911,123,573</u>	<u>956,103,376</u>
Net Assets Held in Trust as of June 30	<u>\$ 833,821,520</u>	<u>\$ 911,123,573</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 has 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, or 55 for miscellaneous County members whose date of membership is after 6/30/80, 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 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 a change of beneficiary, they must file the required form with the Retirement Office.



ANNUAL REPORT

Marin County Employees'
Retirement Association

June 30, 2002

Members of the Board of Retirement

Michael Smith	Treasurer Ex-officio, 1st
Hank Jen	Miscellaneous Member, 2nd
Sandra White	Miscellaneous Member, 3rd
Peter Arrigoni	BOS Appointee, 4th
John Kress	BOS Appointee, 5th
James Phillips	BOS Appointee, 6th
Ken Froberg	Safety Member, 7th
Joseph Coffrini	Retiree, 8th
Milbrey Jones	BOS Appointee, 9th
Allen Haim	Alternate Retiree

Legal Counsel

Patrick Faulkner, County Counsel

Staff

Norman Klein, Retirement Administrator
Maggie Johnston, Retirement Manager

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, 2002 and 2001. Any questions should be directed to the retirement office.

NORMAN KLEIN, Retirement Administrator

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

	<u>2002</u>		<u>2001</u>	
Assets				
Cash and Short Term Investments	\$	63,529,225	\$	8,578,368
Receivables				
Contributions	\$	743,922	\$	458,857
Interest		1,878,807		2,320,748
Investments Receivable		23,636,991		1,386,637
Dividends		289,647		181,488
Other		<u>761,974</u>		<u>766</u>
		27,311,341		4,348,496
Investments at Fair Market Value				
Domestic Equities		349,051,193		422,477,555
International Equities		164,122,139		176,650,450
Domestic Fixed Income		204,118,827		182,617,254
First Deeds of Trust		13,282		104,397
Real Estate		<u>113,250,000</u>		<u>125,450,000</u>
		830,555,441		907,299,656
Other Assets				
Collateral for Loaned Securities		48,501,207		21,048,187
Prepaid Insurance		<u>416,793</u>		<u>256,337</u>
Total Assets		970,314,007		941,531,044
Liabilities				
Security Deposits	\$	766,031	\$	834,789
Advisor Fees Payable		617,806		547,631
Investments Payable		86,591,252		7,778,906
Other Payables		16,191		197,958
Collateral for Loaned Securities		<u>48,501,207</u>		<u>21,048,187</u>
		136,492,487		30,407,471
Net Assets Held In Trust for Pension Benefits				
	\$	<u>833,821,520</u>	\$	<u>911,123,573</u>

**Investment Portfolio Performance
As of June 30**

Annualized Returns		
1 Year	-6.33%	
3 Years	0.32%	
5 Years	5.53%	

**Portfolio Distribution
As of June 30**

	<u>2002</u>	<u>2001</u>
Stocks		
S&P 500	7.64%	7.62%
Core Enhanced	6.84%	7.54%
Large Cap Value	12.01%	11.12%
Large Cap Growth	8.98%	10.21%
Small Cap Value	4.56%	5.04%
Small Cap Growth	3.85%	5.31%
International	<u>19.74%</u>	<u>19.34%</u>
	<u>63.62%</u>	<u>66.18%</u>
Bonds		
Domestic	<u>22.76%</u>	<u>19.85%</u>
Real Estate	<u>13.62%</u>	<u>13.83%</u>
Cash	<u>0.00%</u>	<u>0.14%</u>
	<u>100.00%</u>	<u>100.00%</u>

Member Agencies

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

Membership Statistics

	June 30
	<u>2002</u>
Number of:	
Safety Members	732
Miscellaneous Members	2,436
Deferred Members	513
Retired Members	1,524
Survivors & Beneficiaries	<u>232</u>
	<u>5,437</u>

Notes to Members

- The complete financial statements for June 30, 2002 and 2001 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, the Marin County Courts 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.