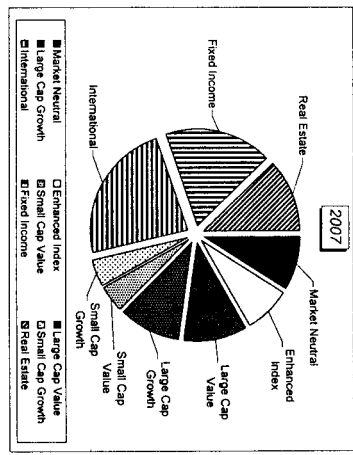
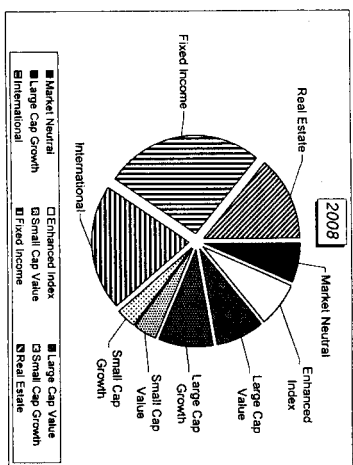


**Marin County Employees' Retirement Association
Investment Portfolio Distribution**



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

	2008	2007
Additions		
Employer Contributions	\$ 58,089,688	\$ 50,117,033
Employee Contributions	15,881,073	13,488,748
Total Contributions	73,970,761	63,605,781
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	908,970	208,513
Total Investment Income (Loss)	(89,669,193)	243,013,489
Less Investment Expense	8,997,364	8,190,180
Total Net Investment Income (Loss)	(98,666,557)	234,823,309
Total Additions (Decreases)	(24,695,796)	298,429,090
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
Actual Expense	89,641	131,128
Net Increase (Decrease)	(100,987,642)	228,480,260
Net Assets Beginning of Year	1,516,563,385	1,288,083,125
Net Assets Held in Trust as of June 30	\$ 1,415,575,543	\$ 1,516,563,385

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 Teachers' 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.

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 Glasien - Miscellaneous Member, 2nd
 - Sandra White - Miscellaneous Member, 3rd
 - James Huford - Safety Member, 7th
 - Karen Wilford - Safety Alternate
 - Allen Hamm - Retiree, 8th
 - Josh Thomas - Retiree, Alternate
 - Peter Arngoni - BOS Appointee, 4th
 - James Phillips - BOS Appointee, 5th
 - Gerard Richards - BOS Appointee, 5th
 - Bernadette Boller - BOS Appointee, 5th
 - Michael J. Smith - Treasurer Ex-officio, 1st

Legal Counsel:

Ashley Dunning, Esq., Marrett, Phelps and Phillips

Sign

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
Jim Phillips, Chairman

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

	2008	2007
Assets		
Cash and Short Term Investments	\$ 51,956,299	\$ 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	661,163	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%
Fixed Income	26.55%	18.08%
Real Estate	14.01%	12.19%
	100.00%	100.00%

Member Agencies

- LAFCD
- 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
- Tamapais 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	214
	<u>5,830</u>

Notes to Members

1. 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.
2. 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.
3. 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.
4. 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.
5. Members should submit retirement applications to the Retirement Office no earlier than 60 days prior to their date of retirement.