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Stanislaus County
Employees' Retirement Association
(Pension Trust Fund for the County of Stanislaus, California)

Popular Annual Financial Report

For the Fiscal Year Ended
June 30, 2008



TO STANCERA MEMBERS

I am pleased to provide you with the Popular Annual Financial Report (PAFR) of the Stanislaus County Employees' Retirement Association (StanCERA) for the fiscal year ended June 30, 2008. The PAFR is intended to provide you a snapshot and brief discussion of the financial activities of StanCERA for the year. A complete Comprehensive Annual Financial Report (CAFR) can be located on StanCERA's website: www.stncera.org. The CAFR contains more detailed information regarding the financial position of StanCERA.

StanCERA's funding objective is to meet long-term benefit obligations by maintaining a well-funded plan status and obtaining optimum investment returns. The most recent actuarial valuation, conducted as of June 30, 2006, provided StanCERA with a funded ratio of 96.6%. The actuarial valuation is performed annually taking into account the market value of the assets used to determine employer contribution rates and spreading all gains and losses over five years, known as a 5 year smoothing method. Due to a restructuring of StanCERA's former actuary firm and a Request for Proposal for actuary services, a valuation was not performed for fiscal year ending June 30, 2007. The next actuarial valuation is in process for the fiscal year ending June 30, 2008.

Despite the volatility in the stock market, Management believes the Plan remains in a strong financial position to meet its obligations to the Plan Participants and Beneficiaries. For the fiscal year ended June 30, 2008, StanCERA's total portfolio underperformed its policy benchmark of -5.10% with an overall loss of 8.2%. This is a result of the impact of the sub-prime lending crisis, soaring gasoline prices, the falling housing market and a decline in consumer confidence.

The Plan net assets decreased \$150 million as a result of the difficult year in the market. Net investment income decreased by \$329 million and normal contributions (member and employer) decreased by \$10 million. Benefit payments decreased by \$0.1 million over the prior year primarily due to fewer refunds issued. Administrative costs to operate the System increased by 0.1 million.

StanCERA's independent auditor, Brown Armstrong, has audited the financial statements and provided an opinion that the financial statements present fairly, in all material respects, the financial position of StanCERA for the years ended June 30, 2008 and 2007, and the results of its operations for the years then ended in accordance with generally accepted accounting principles.

Sincerely,

Tom Watson

Tom Watson, Retirement Administrator
Stanislaus County Employees' Retirement Association

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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

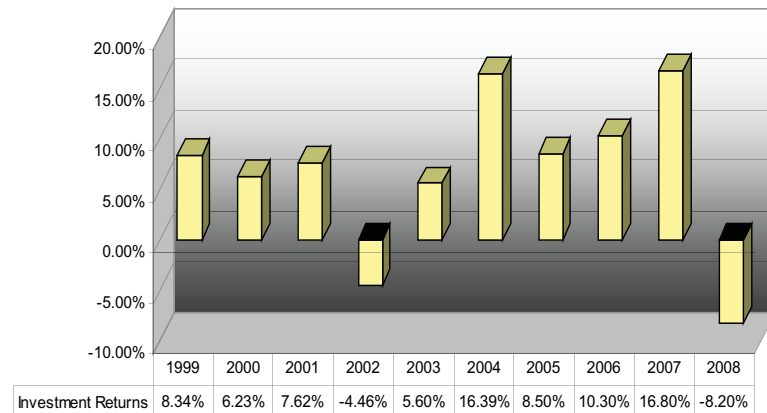
(\$ in millions)

Fiscal Year Ending June 30	Total Fund Net Assets	Increase (Decrease) in Net Assets
2008	\$1,311	(\$150)
2007	1,461	188
2006	1,273	97
2005	1,176	73
2004	1,103	141
2003	962	37
2002	925	(59)
2001	984	47
2000	937	38
1999	899	71

Total Plan Net Assets are the assets at market value available for future payments to retirees less liabilities.

The Plan's investment activity is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Shown below are StanCERA's investment returns for the last ten years and a schedule of investments held by StanCERA at June 30, 2008.

INVESTMENT RETURNS FOR YEARS ENDING JUNE 30



INVESTMENTS HELD AT JUNE 30, 2008

Asset Class	Market Value	Annual Return	Actual Allocation	Target Allocation
Domestic Equities	\$554,233,308	-16.20%	42.64%	46.40%
International Equities	257,949,302	-8.70%	19.85%	20.00%
Fixed Income	449,128,361	4.70%	34.56%	33.60%
Global REIT's	18,214,518	-9.50%	1.40%	3.00%
Cash	20,133,371	4.00%	2.52%	0.00%
TOTAL PORTFOLIO	\$1,299,658,860		100.00%	100.00%

The Total Portfolio is total investments at market value only. These amounts do not include cash in Stanislaus County Treasury or capital assets.

SCHEDULE OF FUNDING PROGRESS – PENSION BENEFIT PLAN FOR THE TEN YEARS ENDING JUNE 30, 2006

GASB 25
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets *	Actuarial Accrued Liability (AAL) Entry Age *	Unfunded AAL (UAAL)	Funded Ratio *
Date	(a)	(b)	(b-a)	(a/b)
6/30/1998	590,598	558,462	(32,136)	105.80%
6/30/1999	638,180	610,280	(27,900)	104.60%
6/30/2000	679,421	666,114	(13,307)	102.00%
6/30/2001	784,114	781,495	(2,619)	100.30%
6/30/2002	878,821	870,768	(8,053)	100.90%
6/30/2003	937,797	958,095	20,298	97.90%
6/30/2004	993,180	1,035,345	42,165	95.90%
6/30/2005	1,049,691	1,116,310	66,619	94.00%
6/30/2006	1,154,048	1,194,904	40,856	96.60%
6/30/2007	N/A	N/A	N/A	N/A

* Actuarial valuation was not performed for fiscal year ended June 30, 2007

HISTORICAL MEMBERSHIP

Fiscal Year Ending June 30	Number of Active Members	Number of Deferred & In-Active Members	Number of Retired Members & Beneficiaries	Average Monthly Benefit
2008	4,450	1,062	2,732	\$2,080
2007	4,435	1,093	2,545	\$2,181
2006	4,391	886	2,445	\$2,068
2005	4,338	924	2,273	\$1,994
2004	4,248	832	2,217	\$1,801
2003	4,263	841	2,067	\$1,751
2002	4,507	745	1,963	\$1,618
2001	4,235	767	1,861	\$1,566
2000	4,045	602	1,780	\$1,504
1999	3,749	550	1,683	\$1,398

StanCERA's membership consists of full and percentage time (working over 50% time) employees, members who have left service and have deferred their receipt of retirement benefits, and retirees and their beneficiaries from the County of Stanislaus, Stanislaus Superior Court, the City of Ceres, Stanislaus Council of Governments, Eastside Mosquito Abatement District, Hills Ferry Cemetery, Keyes Community Service District, and Salida Sanitary District.

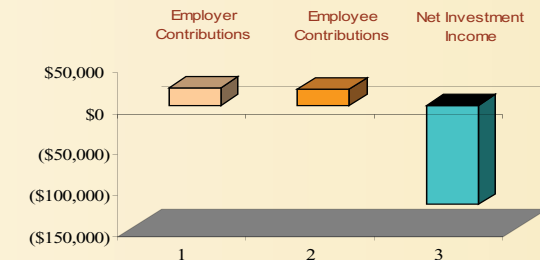
Full CAFR is available at:
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FUND REVENUE

(\$ in thousands)

Fiscal Year ending June 30	Employer Contributions	Employee Contributions	Net Investment Income (Loss)
2008	\$22,555	\$20,689	(\$121,409)
2007	32,562	20,543	207,192
2006	22,549	19,861	117,273
2005	19,793	19,088	90,703
2004	17,114	18,942	155,269
2003	16,207	18,521	48,560
2002	11,341	13,940	(43,386)
2001	7,509	11,227	68,423
2000	5,899	10,140	58,374
1999	5,338	9,349	86,808

StanCERA Revenue fiscal year ending June 30, 2008



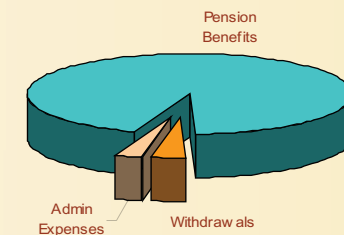
The primary sources to finance the benefits StanCERA provides are accumulated through return on investments and through the collection of member and employer contributions. Net investment income is the total interest, dividends and net realized and unrealized gains or losses on all investments less investment fees.

FUND EXPENSES

(\$ in thousands)

Fiscal Year ending June 30	Benefits	Withdrawals	Administrative Expense
2008	\$67,785	\$2,442	\$2,044
2007	67,599	2,730	1,981
2006	58,130	2,482	1,599
2005	53,176	2,347	1,405
2004	47,926	1,327	1,301
2003	43,435	1,561	1,147
2002	38,118	1,548	1,082
2001	34,966	1,163	965
2000	32,130	1,729	869
1999	28,232	1,280	665

StanCERA Expenses fiscal year ending June 30, 2008



The primary uses of StanCERA's assets are in payment of benefits to retirees and their beneficiaries, refunds of contributions to terminated employees, and the costs of administering the Plan. Administrative costs increased over the prior year due to an increase in annual salaries and an increase in County Support services.