



THE STATE BAR OF CALIFORNIA

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

FINANCE

TEL (415) 538-2200

MEMORANDUM

DATE: November 28, 2007
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Quarterly Investment Report as of September 30, 2007

Attached is the quarterly investment report for the State Bar of California as of September 30, 2007. The report is presented in a format that conforms to the investment policy adopted by the Board of Governors in May 2005. As of the end of September, the market value of the State Bar's investment portfolio totaled \$79.7 million.

The time-weighted average rate of return of the investment portfolio as of the end of the third quarter is 4.52%. Actual investment earnings received through the end of the third quarter were \$4,408,810.

**State Bar of California
Investment Report Summary
September 30, 2007**

<u>Asset Group</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Weighted Average Yield</u>
Wells Fargo Custody Account:				
- Money Market	4,242,978	4,242,978	5.32%	5.04%
- Commercial Paper	1,952,867	1,952,867	2.45%	2.36%
- Corporate Bonds	9,460,510	9,524,145	11.95%	4.23%
- Government Bonds	19,995,625	19,885,340	24.95%	4.01%
- Interest Receivable	-	468,919	0.59%	
Subtotal-Securities, Bonds and Notes	35,651,979	36,074,248	45.26%	
Metlife Investment Account	174,340	174,340	0.22%	N.A
BOA Post-Retirement Account	3,234,242	3,234,242	4.06%	3.60%
Local Agency Investment Fund	40,224,601	40,224,601	50.47%	5.17%
Subtotal-Other Investments	43,633,183	43,633,183	54.74%	
Grand Total	79,285,162	79,707,431	100%	4.52%

Unrealized Gain/(Loss):

Market Value of Portfolio	35,605,329
Original Cost of Portfolio	35,651,979
Unrealized Gain/(Loss)	<u>(46,650)</u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of September 30, 2007

Issuer	Rating	Type	Par Value	Cost	Mkt Value	Interest Receivable	Unrealized Gain/(Loss)	Yield	Purchase Date	Maturity Date
AMERICAN EXPRESS CO	A+	Corporate Bonds	1,500,000	1,482,840	1,497,795	20,469	14,955	3.75%	02/01/07	11/20/07
FLEETBOSTON FINL CORP MED TERM NOTE	AA	Corporate Bonds	2,000,000	1,984,600	1,996,680	28,233	12,080	4.20%	02/08/07	11/10/07
CITIGROUP INC	AA-	Corporate Bonds	1,000,000	1,046,150	1,039,780	13,181	(6,370)	6.25%	01/25/07	01/18/11
WELLS FARGO & CO	AA-	Corporate Bonds	3,000,000	2,970,180	2,998,020	51,875	27,840	3.75%	01/30/07	10/15/07
AMERICAN INTL GROUP INC	AA	Corporate Bonds	1,000,000	970,300	983,910	10,861	13,610	2.92%	01/25/07	05/15/08
JOHN HANCOCK	AA	Corporate Bonds	1,000,000	1,006,440	1,007,960	18,750	1,520	5.58%	01/25/07	12/01/08
TOTAL CORPORATE BONDS AND NOTES:			9,500,000	9,460,510	9,524,145	143,369	63,635	4.23%		
UBS FINANCE (DELW) CPDN		Comm Paper	2,000,000	1,952,867	1,952,867	44,608	0	N.A.	01/25/07	10/10/07
TOTAL COMMERCIAL PAPER:			2,000,000	1,952,867	1,952,867	44,608	-	N.A.		
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	1,996,250	1,988,760	24,325	(7,490)	4.19%	12/16/04	06/16/09
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	2,000,000	19,111	0	5.37%	01/27/06	01/27/11
FED HOME LN BK	AAA	Government Agency	2,000,000	1,999,375	1,991,880	13,931	(7,495)	4.26%	02/02/05	02/02/09
FED HOME LN BK	AAA	Government Agency	1,000,000	1,000,000	998,750	14,792	(1,250)	3.75%	02/09/05	11/09/07
FED HOME LN BK	AAA	Government Agency	1,000,000	1,000,000	1,000,310	21,111	310	4.99%	04/29/05	04/29/10
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,991,880	34,878	(8,120)	4.31%	05/05/04	05/05/09
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,974,380	14,833	(25,620)	3.03%	07/02/03	07/02/08
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,975,000	12,056	(25,000)	3.13%	07/21/03	07/21/08
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,977,500	11,251	(22,500)	3.35%	07/30/03	07/30/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,000,000	1,990,620	13,063	(9,380)	4.14%	02/04/05	08/04/08
FED NATL MTG ASSN SER 1	AAA	Government Agency	2,000,000	2,000,000	1,996,260	25,333	(3,740)	4.00%	03/07/05	12/07/07
TOTAL GOVERNMENT BONDS AND NOTES:			20,000,000	19,995,625	19,885,340	204,683	(110,285)	4.01%		
WELLS FARGO BANK INST.		Money Market	2,242,218	2,242,218	2,242,218	9,125	-	4.82%		
ROYAL BANK OF CANADA		CDSs & Saving	2,000,000	2,000,760	2,000,760	67,133	-	5.29%		
			4,242,218	4,242,978	4,242,978	76,259	-	5.04%		
TOTAL INVESTMENT HELD BY WELLS FARGO			35,742,218	35,651,979	35,605,329	468,919	(46,650)			