



THE STATE BAR OF CALIFORNIA

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

FINANCE

TEL (415) 538-2200

MEMORANDUM

DATE: February 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Quarterly Investment Report as of December 31, 2007

Attached is the quarterly investment report for the State Bar of California as of December 31, 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 December 31, 2007, the market value of the State Bar's investment portfolio totaled \$78.5 million, compared to \$62.4 million in 2006.

The time-weighted average rate of return of the investment portfolio for the year ended 2007 is 4.68%. Actual investment earnings received through the end of the year of 2007 were \$5,128,057, compared to \$4,192,163 in 2006.

**State Bar of California
Investment Report Summary
December 31, 2007**

Asset Group	Original Cost	Market Value	Portfolio Percentage	Weighted Average Yield
Wells Fargo Custody Account:				
- Money Market	3,318,252	3,318,252	4.23%	4.29%
- Commercial Paper	1,951,183	1,951,183	2.49%	2.36%
- Corporate Bonds	3,022,890	3,043,880	3.88%	4.94%
- Government Bonds	31,037,555	30,973,650	39.45%	4.12%
- Interest Receivable	-	347,191	0.44%	
Subtotal-Securities, Bonds and Notes	39,329,880	39,634,157	50.48%	
Metlife Investment Account	179,771	179,771	0.23%	N.A
BOA Post-Retirement Account	-	-	0.00%	3.60%
Local Agency Investment Fund	38,702,361	38,702,361	49.29%	5.17%
Subtotal-Other Investments	38,882,132	38,882,132	49.52%	
Grand Total	78,212,012	78,516,289	100%	4.68%

Unrealized Gain/(Loss):

Market Value of Portfolio	39,286,965
Original Cost of Portfolio	39,329,880
Unrealized Gain/(Loss)	<u>(42,915)</u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of December 31, 2007

<u>Issuer</u>	<u>Rating</u>	<u>Type</u>	<u>Par Value</u>	<u>Cost</u>	<u>Mkt Value</u>	<u>Interest Receivable</u>	<u>Unrealized Gain/(Loss)</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>
AMERICAN INTL GROUP INC	AA	Corporate Bonds	1,000,000	970,300	989,880	3,674	19,580	2.92%	01/25/07	05/15/08
JOHN HANCOCK	AA	Corporate Bonds	1,000,000	1,006,440	1,009,790	4,688	3,350	5.57%	01/25/07	12/01/08
CITIGROUP INC	AA	Corporate Bonds	1,000,000	1,046,150	1,044,210	29,431	(1,940)	6.22%	01/25/07	01/18/11
TOTAL CORPORATE BONDS AND NOTES:			3,000,000	3,022,890	3,043,880	37,792	20,990	4.94%		
GENERAL ELEC CAPT CORP CPDN		Comm Paper	2,000,000	1,951,183	1,951,183	7,733	0	N.A.	11/30/07	06/19/08
TOTAL COMMERCIAL PAPER:			2,000,000	1,951,183	1,951,183	7,733	-	N.A.		
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,012,140	2,006,880	4,667	(5,260)	5.23%	11/30/07	06/15/08
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,986,260	29,833	(13,740)	3.02%	07/02/03	07/02/08
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,986,260	27,556	(13,740)	3.12%	07/21/03	07/21/08
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	1,988,120	27,851	(11,880)	3.33%	07/30/03	07/30/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,000,000	1,996,880	33,688	(3,120)	4.13%	02/04/05	08/04/08
FED HOME LN BK	AAA	Government Agency	2,000,000	1,998,160	1,994,380	27,771	(3,780)	3.88%	12/05/07	08/22/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,015,760	2,010,620	33,882	(5,140)	5.09%	11/29/07	09/02/08
FED HOME LN BK	AAA	Government Agency	3,000,000	3,017,310	3,009,390	31,219	(7,920)	4.61%	12/13/07	10/10/08
FED HOME LN BK	AAA	Government Agency	1,500,000	1,501,725	1,499,535	5,672	(2,190)	4.12%	12/11/07	11/28/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	1,987,180	1,988,120	3,000	940	3.39%	12/18/07	12/15/08
FED HOME LN BK CONS BD SER 2SOB	AAA	Government Agency	1,500,000	1,504,875	1,504,695	2,188	(180)	4.36%	12/18/07	12/19/08
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,004,780	2,001,260	1,594	(3,520)	4.09%	12/28/07	12/24/08
FED HOME LN BK	AAA	Government Agency	2,000,000	1,999,375	2,000,620	35,181	1,245	4.24%	02/02/05	02/02/09
FED HOME LN BK	AAA	Government Agency	2,000,000	2,000,000	2,000,000	13,378	0	4.30%	05/05/04	05/05/09
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	1,996,250	2,000,000	3,475	3,750	4.17%	12/16/04	06/16/09
FED HOME LN BK	AAA	Government Agency	1,000,000	1,000,000	1,000,630	8,611	630	4.99%	04/29/05	04/29/10
TOTAL GOVERNMENT BONDS AND NOTES:			31,000,000	31,037,555	30,973,650	289,564	(63,905)	4.12%		
WELLS FARGO BANK INST.		Money Market	3,318,252	3,318,252	3,318,252	12,102	-	4.29%		
			3,318,252	3,318,252	3,318,252	12,102	-	4.29%		
TOTAL INVESTMENT HELD BY WELLS FARGO			39,318,252	39,329,880	39,286,965	347,191	(42,915)			