



# THE STATE BAR OF CALIFORNIA

FINANCE

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## MEMORANDUM

**DATE:** February 22, 2009  
**TO:** Board of Governors  
**FROM:** Peggy Van Horn, Chief Financial Officer  
**SUBJECT:** Annual Investment Report as of December 31, 2008

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Attached is the annual investment report for the State Bar of California as of December 31, 2008. 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 December, the market value of the State Bar's investment portfolio totaled \$82 million.

The time-weighted average rate of return of the investment portfolio as of the end of the year is 2.88%. Actual investment earnings received through the end of the year were \$4,190,543.

**State Bar of California  
Investment Report Summary  
December 31, 2008**

<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	5,291,977	5,291,977	6.41%	1.01%
- Corporate Bonds	1,046,150	1,004,390	1.22%	5.20%
- Government Bonds	37,764,948	37,817,029	45.83%	2.80%
- Interest Receivable	-	355,896	0.43%	
<b>Subtotal-Securities, Bonds and Notes</b>	<b>44,103,075</b>	<b>44,469,292</b>	<b>53.89%</b>	
Metlife Investment Account	102,349	102,349	0.12%	N.A
Local Agency Investment Fund	37,835,700	37,948,956	45.99%	3.15%
<b>Subtotal-Other Investments</b>	<b>37,938,049</b>	<b>38,051,305</b>	<b>46.11%</b>	
<b>Grand Total</b>	<b>82,041,124</b>	<b>82,520,597</b>	<b>100%</b>	2.88%

**Unrealized Gain/(Loss):**

Market Value of Portfolio	82,164,702
Original Cost of Portfolio	82,041,124
Unrealized Gain/(Loss)	<u>123,578</u>

**State Bar of California**  
**Investment Report - Wells Fargo Custody Account**  
**Balance as of Dec 31, 2008**

<u>Issuer</u>	<u>S&amp;P 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>
CITIGROUP INC	A	Corporate Bonds	1,000,000	1,046,150	1,004,390	29,431	(41,760)	5.20%	01/25/07	01/18/11
<b>TOTAL CORPORATE BONDS AND NOTES:</b>			<b>1,000,000</b>	<b>1,046,150</b>	<b>1,004,390</b>	<b>29,431</b>	<b>(41,760)</b>	<b>5.20%</b>		
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,004,886	2,013,120	21,146	8,234	3.41%	01/09/08	03/16/09
FED NATL MTG CORP	AAA	Government Agency	2,000,000	2,054,360	2,036,880	11,667	(17,480)	3.19%	01/11/08	05/21/09
FED HOME LN BK SER GC09	AAA	Government Agency	3,000,000	3,153,150	3,075,000	14,700	(78,150)	2.36%	02/06/08	06/03/09
FED FARM CREDIT BK	AAA	Government Agency	2,400,000	2,483,232	2,448,744	7,743	(34,488)	2.41%	02/04/08	06/08/09
FED FARM CREDIT BK	AAA	Government Agency	1,500,000	1,533,015	1,530,000	4,266	(3,015)	3.27%	01/10/08	06/10/09
FED HOME LN BK TRANCHE #TR 00426	AAA	Government Agency	1,500,000	1,515,885	1,524,375	3,167	8,490	3.23%	01/10/08	06/12/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,123,630	3,084,390	63,875	(39,240)	2.44%	02/04/08	08/05/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,128,430	3,094,680	48,125	(33,750)	2.52%	02/01/08	09/11/09
FED HOME LN BK CONS BD SER 8I09	AAA	Government Agency	2,500,000	2,557,550	2,577,350	13,576	19,800	2.69%	05/07/08	11/13/09
FED HOME LN BK SER 7I09	AAA	Government Agency	3,000,000	3,032,460	3,087,180	15,333	54,720	3.19%	06/26/08	11/13/09
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,013,460	2,055,620	32,583	42,160	3.10%	01/11/08	01/11/10
FED FARM CREDIT BK	AAA	Government Agency	3,000,000	3,009,000	3,061,890	31,281	52,890	2.47%	02/08/08	02/08/10
FED HOME LN MTG CORP	AAA	Government Agency	2,000,000	2,037,660	2,074,020	17,646	36,360	3.02%	07/08/08	04/14/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,118,230	3,144,390	3,646	26,160	2.66%	02/01/08	06/21/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,000,000	3,009,390	32,750	9,390	3.00%	02/20/08	08/20/10
<b>TOTAL GOVERNMENT BONDS AND NOTES:</b>			<b>36,900,000</b>	<b>37,764,948</b>	<b>37,817,029</b>	<b>321,504</b>	<b>52,081</b>	<b>2.80%</b>		
WELLS FARGO BANK INST.		Money Market	5,291,977	5,291,977	5,291,977	4,961	-	1.01%		
			<b>5,291,977</b>	<b>5,291,977</b>	<b>5,291,977</b>	<b>4,961</b>	<b>-</b>	<b>1.01%</b>		
<b>TOTAL INVESTMENT HELD BY WELLS FARGO</b>			<b>43,191,977</b>	<b>44,103,075</b>	<b>44,113,396</b>	<b>355,896</b>	<b>10,321</b>			
<b>Wells Fargo Custody Total Assets (Mkt Value + Interest Receivable):</b>			<b>44,469,292</b>							