



**THE STATE BAR
OF CALIFORNIA**

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: September 3, 2010
TO: Board of Governors
FROM: The Office of Finance
SUBJECT: Quarterly Investment Report as of June 30, 2010

Attached is the quarterly investment report for the State Bar of California as of June 30, 2010. 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 June, the market value of the State Bar's investment portfolio totaled \$100.6 million.

The time-weighted average rate of return of the investment portfolio for the reported quarter is 0.69%, compared to 1.67% for the same period in the prior year. Actual investment earnings decreased approximately 40% from \$776,716 at the second quarter in 2009 to \$458,694 for the reported quarter in 2010. This decrease is due primarily to lower short-term interest rates and duration-shortening actions taken to protect the portfolio from interest rate risk associated with longer term investments.

**The State Bar of California
Investment Report Summary
June 30, 2010**

<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:				
- Corporate Bonds	1,046,150	1,024,170	1.02%	5.20%
- Government Bonds	49,680,240	49,241,809	48.97%	0.72%
- Common Stock-Metlife Inc.	110,863	110,863	0.11%	N.A
- Interest Receivable	-	250,508	0.25%	N.A
Subtotal-Securities, Bonds and Notes	<u>50,837,254</u>	<u>50,627,351</u>	<u>50.35%</u>	
Local Agency Investment Fund	49,776,162	49,926,627	49.65%	0.56%
Subtotal-Other Investments	<u>49,776,162</u>	<u>49,926,627</u>	<u>49.65%</u>	
Grand Total	<u>100,613,416</u>	<u>100,553,978</u>	<u>100%</u>	0.69%

Unrealized Gain/(Loss)-Securities, Bonds and Notes:

Market Value of Portfolio	50,376,843
Original Cost of Portfolio	<u>50,837,254</u>
Unrealized Gain/(Loss):	<u><u>(460,411)</u></u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of Jun 30, 2010

<u>Issuer</u>	<u>CUSIP #</u>	<u>S&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>Trade/Purchase Date</u>	<u>Maturity Date</u>
CITIGROUP INC	172967BC4	AA	Corporate Bonds	1,000,000	1,046,150	1,024,170	29,431	(21,980)	5.20%	01/25/07	01/18/11
TL CORP BONDS AND NOTES:				1,000,000	1,046,150	1,024,170	29,431	(21,980)	5.20%		
FED HOME MTG CORP M-T NOTE	3128X4DQ1	AAA	Government Agency	1,541,000	1,612,425	1,541,909	33,709	(70,516)	1.19%	02/05/09	07/06/10
FED HOME LN BK	3133XT6D3	AAA	Government Agency	2,000,000	2,003,940	2,001,260	10,906	(2,680)	1.16%	02/25/09	07/30/10
FED HOME MTG CORP M-T NOTE	3128X4FK2	AAA	Government Agency	1,000,000	1,051,560	1,004,670	18,736	(46,890)	1.16%	02/25/09	08/09/10
FED HOME LN BK	3133XTTQ9	AAA	Government Agency	2,000,000	1,999,500	2,001,880	4,394	2,380	0.72%	06/12/09	09/08/10
FED FARM CREDIT BK	31331GPQ6	AAA	Government Agency	2,000,000	2,000,580	2,003,760	7,778	3,180	1.23%	03/09/09	09/09/10
FED HOME LN BK	3133XGLE2	AAA	Government Agency	2,000,000	2,119,400	2,020,000	31,604	(99,400)	1.34%	02/03/09	09/10/10
FED FARM CREDIT BK	31331XE40	AAA	Government Agency	3,000,000	3,192,690	3,029,070	47,250	(163,620)	1.25%	01/26/09	09/13/10
FED HOME LN MTG CORP	3128X4QK0	AAA	Government Agency	1,500,000	1,593,390	1,520,460	15,208	(72,930)	1.33%	01/27/09	10/18/10
FED HOME LN BK	3133XVL90	AAA	Government Agency	3,000,000	3,004,350	3,001,890	2,363	(2,460)	0.21%	03/18/10	10/28/10
FED HOME LN BK	3133XV5G2	AAA	Government Agency	3,000,000	3,007,530	3,004,680	95	(2,850)	0.25%	03/15/10	12/29/10
FED HOME LN BK	3133XUBV4	AAA	Government Agency	3,000,000	3,015,720	3,006,570	11,807	(9,150)	0.27%	03/09/10	01/20/11
FED FARM CREDIT BK	31331JCY7	AAA	Government Agency	2,000,000	2,002,000	1,999,380	2,917	(2,620)	0.24%	03/01/10	02/11/11
FED FARM CREDIT BK	31331JCY7	AAA	Government Agency	2,000,000	2,000,700	1,999,380	2,917	(1,320)	0.31%	03/09/10	02/11/11
FED HOME MTG CORP M-T NOTE	3137EABZ1	AAA	Government Agency	2,000,000	2,025,580	2,020,000	5,868	(5,580)	0.44%	03/25/10	04/26/11
FED HOME LN BK	3133XTJ64	AAA	Government Agency	2,000,000	1,998,640	2,016,260	3,438	17,620	1.41%	06/12/09	05/16/11
FED HOME LN BK	31331YQ45	AAA	Government Agency	1,500,000	1,545,225	1,535,625	5,513	(9,600)	0.51%	03/25/10	05/19/11
FED FARM CREDIT BK	31331GXR5	AAA	Government Agency	3,000,000	2,987,040	3,019,680	2,204	32,640	1.37%	06/09/09	06/08/11
FED HOME LN BK	3133XVTL5	AAA	Government Agency	2,000,000	2,005,860	2,004,380	1,322	(1,480)	0.44%	04/08/10	05/27/11
FED HOME LN BK	3133XXUB1	AAA	Government Agency	2,000,000	2,000,280	1,999,380	1,979	(900)	0.36%	04/08/10	03/25/11
FED HOME LN BK	3133XXEL7	AAA	Government Agency	3,000,000	2,998,800	2,997,180	2,604	(1,620)	0.30%	05/11/10	02/25/11
FED HOME LN BK	3133XYMV4	AAA	Government Agency	2,500,000	2,506,900	2,507,825	1,667	925	0.61%	06/11/10	12/01/11
FED FARM CREDIT BK	31331JFT5	AAA	Government Agency	3,000,000	3,008,130	3,006,570	6,800	(1,560)	0.45%	06/23/10	09/01/11
TOTAL GOVERNMENT BONDS AND NOTES:				49,041,000	49,680,240	49,241,809	221,078	(438,431)	0.72%		
TOTAL FIXED INCOME INVESTMENT HELD BY WELLS FARGO:				50,041,000	50,726,390	50,265,979	250,508	(460,411)			
METLIFE INC	59156R108	N/A	Common Stock	-	-	110,863	-	110,863			N/A
TL Common Stock:				-	-	110,863	-	110,863			
TOTAL INVESTMENT HELD BY WELLS FARGO:				50,041,000	50,726,390	50,376,843	250,508	(349,548)	-		

Wells Fargo Custody Total Assets [Mkt Value (incl MetLife) + Interest Receivable]:

50,627,351