



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: November 8, 2010
TO: Board of Governors
FROM: The Office of Finance
SUBJECT: Quarterly Investment Report as of September 30, 2010

Attached is the quarterly investment report for the State Bar of California as of September 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 September, the market value of the State Bar's investment portfolio totaled \$86.9 million.

The time-weighted average rate of return of the investment portfolio for the reported quarter is 0.60%, compared to 1.51% for the same period in the prior year. Actual investment earnings decreased approximately 39% from \$1,093,473 at the third quarter in 2009 to \$659,206 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
September 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	1,016,750	1.17%	5.20%
- Government Bonds	35,700,145	35,614,210	40.99%	0.54%
- Common Stock-Metlife Inc.	112,889	112,889	0.13%	N.A
- Interest Receivable	-	131,310	0.15%	N.A
Subtotal-Securities, Bonds and Notes	36,859,184	36,875,159	42.44%	
Local Agency Investment Fund	49,844,807	50,004,627	57.56%	0.54%
Subtotal-Other Investments	49,844,807	50,004,627	57.56%	
Grand Total	86,703,991	86,879,786	100%	0.60%

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

Market Value of Portfolio	36,743,849
Original Cost of Portfolio	36,859,184
Unrealized Gain/(Loss):	<u>(115,335)</u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of September 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	1,016,750	13,181	(29,400)	5.20%	01/25/07	01/18/11
TL CORP BONDS AND NOTES:				1,000,000	1,046,150	1,016,750	13,181	(29,400)	5.20%		
FED HOME LN MTG CORP	3128X4QK0	AAA	Government Agency	1,500,000	1,593,390	1,503,255	33,958	(90,135)	1.33%	01/27/09	10/18/10
FED HOME LN BK	3133XVL90	AAA	Government Agency	3,000,000	3,004,350	3,000,930	5,738	(3,420)	0.21%	03/18/10	10/28/10
FED HOME LN BK	3133XV5G2	AAA	Government Agency	3,000,000	3,007,530	3,002,820	4,370	(4,710)	0.25%	03/15/10	12/29/10
FED HOME LN BK	3133XUBV4	AAA	Government Agency	3,000,000	3,015,720	3,004,680	5,207	(11,040)	0.27%	03/09/10	01/20/11
FED FARM CREDIT BK	31331JCY7	AAA	Government Agency	2,000,000	2,002,000	2,000,620	1,167	(1,380)	0.24%	03/01/10	02/11/11
FED FARM CREDIT BK	31331JCY7	AAA	Government Agency	2,000,000	2,000,700	2,000,620	1,167	(80)	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	2,015,000	13,993	(10,580)	0.44%	03/25/10	04/26/11
FED HOME LN BK	3133XTJ64	AAA	Government Agency	2,000,000	1,998,640	2,013,120	10,313	14,480	1.41%	06/12/09	05/16/11
FED HOME LN BK	31331YQ45	AAA	Government Agency	1,500,000	1,545,225	1,527,195	17,325	(18,030)	0.51%	03/25/10	05/19/11
FED FARM CREDIT BK	31331GXR5	AAA	Government Agency	3,000,000	2,987,040	3,016,890	10,829	29,850	1.37%	06/09/09	06/08/11
FED HOME LN BK	3133XVTL5	AAA	Government Agency	2,000,000	2,005,860	2,005,000	4,822	(860)	0.44%	04/08/10	05/27/11
FED HOME LN BK	3133XXUB1	AAA	Government Agency	2,000,000	2,000,280	2,001,260	125	980	0.36%	04/08/10	03/25/11
FED HOME LN BK	3133XXEL7	AAA	Government Agency	3,000,000	2,998,800	3,000,930	750	2,130	0.30%	05/11/10	02/25/11
FED HOME LN BK	3133XYMV4	AAA	Government Agency	2,500,000	2,506,900	2,512,500	6,667	5,600	0.61%	06/11/10	12/01/11
FED FARM CREDIT BK	31331JFT5	AAA	Government Agency	3,000,000	3,008,130	3,009,390	1,700	1,260	0.45%	06/23/10	09/01/11
TOTAL GOVERNMENT BONDS AND NOTES:				35,500,000	35,700,145	35,614,210	118,129	(85,935)	0.54%		
TOTAL FIXED INCOME INVESTMENT HELD BY WELLS FARGO:				36,500,000	36,746,295	36,630,960	131,310	(115,335)			
METLIFE INC	59156R108	N/A	Common Stock	-	-	112,889	-	112,889			N/A
TL Common Stock:				-	-	112,889	-	112,889			
TOTAL INVESTMENT HELD BY WELLS FARGO:				36,500,000	36,746,295	36,743,849	131,310	(2,446)	-		

Wells Fargo Custody Total Assets [Mkt Value (incl MetLife) + Interest Receivable]: **36,875,159**