

5.10 Approval of 2025 Quarter One Investment Report



The State Bar of California

OPEN SESSION

AGENDA ITEM

4.2 MAY 2025

FINANCE COMMITTEE

DATE: May 22, 2025

TO: Members, Finance Committee
Members, Board of Trustees

FROM: Aracely Montoya-Chico, Chief Financial Officer

SUBJECT: Approval of 2025 Quarter One Investment Report

EXECUTIVE SUMMARY

This staff report presents the Investment Report for the three months ended March 31, 2025, for approval by the Finance Committee.

RECOMMENDED ACTION

That the Finance Committee approve the 2025 Quarter One Investment Report for the three months ended March 31, 2025, in the form presented this day.

DISCUSSION

The charter of the Finance Committee directs the committee to thoroughly examine the State Bar's finances on a quarterly basis to ensure a functional and detailed understanding of the State Bar's revenue streams, expenditures, and overall fiscal conditions and issues. This staff report provides the Finance Committee with a report it needs to fulfill these responsibilities.

The report for review and approval by the committee is the 2025 Quarter One Investment Report for the three months ended March 31, 2025, which provides the committee with an overview of the State Bar's investments held and purchased and interest rates/yields earned on those investments.

The report is presented in a format that conforms to the investment policy adopted by the Board of Trustees. The State Bar's investment portfolio consists of fixed income securities and deposits with Wells Fargo Bank and the State Treasurer's Local Agency Investment Fund (LAIF).

As of March 31, 2025, the market value of the investment portfolio was \$351.1 million, compared to \$308.7 million as of March 31, 2024.

The quarterly rate of return of the investment portfolio for this quarter is 4.37 percent. Interest rates are lower in comparison to the prior year at 4.99 percent. The quarterly interest rate on deposits in the LAIF increased from 4.30 percent for the quarter ended March 31, 2024, to 4.34 percent for the quarter ended March 31, 2025. As of March 31, 2025, the daily rate at LAIF is 4.30 percent. Year-to-date investment earnings resulted in a \$3.6 million gain in 2025, a decrease from the \$4.0 million gain earned in the same period in 2024.

The State Bar's investment strategy is to purchase bonds and hold them until maturity to realize the full value of the investment. Unrealized gains or losses in the portfolio would only be recognized if a security was sold before maturity. Temporary price changes or market value fluctuations in the portfolio of held-to-maturity securities are recorded in the State Bar's quarterly financials.

PREVIOUS ACTION

None

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

None – compliance

RESOLUTIONS

Should the Finance Committee concur, it is:

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve the 2025 Quarter One Investment Report for the three months ended March 31, 2025, in the form presented this day.

Should the Board of Trustees concur, it is:

RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee approve the 2025 Quarter One Investment Report for the three months ended March 31, 2025, in the form presented this day.

ATTACHMENT LIST

- A.** Investment Report for the First Quarter Ended March 31, 2025

The State Bar of California
2025 Quarter One Investment Report
Summary as of March 31, 2025

<u>Asset Group</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Weighted Average Yield</u>
Wells Fargo Safekeeping Investment Account:				
- Commercial Paper	19,387,549	19,777,536	5.6%	4.63%
- Money Market Mutual Fund	166,214,798	166,214,798	47.3%	4.28%
- Government Bonds and Notes	133,471,938	134,003,354	38.2%	4.24%
Subtotal - CP, MMF, Bonds and Notes	319,074,285	319,995,688	91.2%	
Interest Receivable	-	191,600	0.1%	N/A
Local Agency Investment Fund	30,901,900	30,928,142	8.8%	4.34%
Total	349,976,185	351,115,430	100%	4.37%

Unrealized Gain/(Loss):

Market Value of Portfolio - CP, MMF, Bonds and Notes	319,995,688	
Cost of Portfolio - CP, MMF, Bonds and Notes	319,074,285	
Unrealized Gain/(Loss)	921,403	Gain

The State Bar of California
Investment Quarter End Report - Wells Fargo Safekeeping Accounts
Balance as of March 31, 2025

Issuer	CUSIP #	S&P Rating	Type	Par Value	Original Cost	Market Value	Unrealized Gain/(Loss)	Yield	Settlement Date	Maturity Date
UNITED STATES TREASURY BILL	912797NP8	NR	Government Agency	130,000,000	128,665,875	129,012,797	346,922	4.21%	03/07/25	06/05/25
Government Agency (LSTF)				130,000,000	128,665,875	129,012,797	346,922	4.21%		
UNITED STATES TREASURY BILL	912797KS5	NR	Government Agency	5,000,000	4,806,063	4,990,557	184,494	5.03%	07/01/24	04/17/25
Government Agency				5,000,000	4,806,063	4,990,557	184,494	5.03%		
TOTAL GOVERNMENT BONDS AND NOTES:				135,000,000	133,471,938	134,003,354	531,416	4.24%		
MUFG BANK LTD/NY DISCOUNTED CP62479LRG2	A-1	Commercial Paper	5,000,000	4,816,808	4,990,422	173,614	5.16%	07/23/24	04/16/25	
MUFG BANK LTD/NY DISCOUNTED CP62479LT96	A-1	Commercial Paper	5,000,000	4,839,347	4,957,620	118,273	4.47%	09/13/24	06/09/25	
MUFG BANK LTD/NY DISCOUNTED CP62479LUA1	A-1	Commercial Paper	5,000,000	4,873,986	4,939,273	65,287	4.46%	12/11/24	07/10/25	
MUFG BANK LTD/NY DISCOUNTED CP62479LX34	A-1	Commercial Paper	5,000,000	4,857,408	4,890,221	32,813	4.42%	02/04/25	10/03/25	
TOTAL COMMERCIAL PAPER :				20,000,000	19,387,549	19,777,536	389,987	4.63%		
SE STATE ST US GOVT FD OPPTY	85749T517	N/A	Money Market Mutual Fund	166,214,798	166,214,798	166,214,798	-	4.28%	Various	N/A
TOTAL MONEY MARKET MUTUAL FUND :				166,214,798	166,214,798	166,214,798	-	4.28%		
TOTAL INVESTMENT HELD BY WELLS FARGO:				321,214,798	319,074,285	319,995,688	921,403			