



The State Bar *of California*

OPEN SESSION

AGENDA ITEM

54-141 MAY 2020

FINANCE COMMITTEE III.B

DATE: May 6, 2020

TO: Members, Board of Trustees

FROM: John Adams, Chief Financial Officer

SUBJECT: 1st Quarter 2020 Reports from the Office of Finance

EXECUTIVE SUMMARY

In adherence with the Board Policy Manual, the Office of Finance has prepared the accompanying financial reports (unaudited) for the 1st quarter ended March 31, 2020, for the Board's review.

BACKGROUND

To increase transparency and to ensure public confidence in the operations of the State Bar at all levels, the Office of Finance prepares quarterly statements that show the financial condition of the State Bar, investments held by the State Bar, and the activity occurring in the Client Security Fund. The Finance Committee is responsible for reviewing quarterly reports prepared by the Office of Finance.

DISCUSSION

The reports for the 1st quarter ended March 31, 2020, are composed of multiple attachments, including: the Investment Report ending as of March 31, 2020, and the 1st Quarter Client Security Fund Report. Complete financial statements for the 1st quarter, including balance sheet and income statements, have been delayed with the implementation of a new financial system and should be complete within the next 30 days. The Financial Statements were reviewed and approved on May 6, 2020, by the Finance Committee. The Finance Committee adopted a resolution that recommends that the Board of Trustees approve the reports.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES OF THE STATE BAR

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & OBJECTIVES

None - compliance

RECOMMENDATIONS

Should the Finance Committee concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve the 2020 First Quarter Financial Report in the form this day before the Board, for the three months ended March 31, 2020, as certified by the Chief Financial Officer, and on file with the San Francisco office of the State Bar.

Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee approve the 2020 First Quarter Financial Report in the form this day before the Board, for the three months ended March 31, 2020, as certified by the Chief Financial Officer, and on file with the San Francisco office of the State Bar.

ATTACHMENT(S) LIST

- A.** Investment Report for the First Quarter Ended March 31, 2020
- B.** Client Security Fund Report for the Quarter Ended March 31, 2020



The State Bar *of California*

OFFICE OF FINANCE

Date: May 6, 2020

To: Members, Finance Committee
Members, Board of Trustees

From: John Adams, Chief Financial Officer

Subject: Investment Report for the 1st Quarter Ended March 31, 2020

Attached is the quarterly Investment Report for the State Bar of California as of March 31, 2020. 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 with the State Treasurer's Local Agency Investment Fund (LAIF). As of March 31, 2020, the market value of the investment portfolio was \$159.0 million compared to \$158.7 million as of March 31, 2019.

The quarterly rate of return of the investment portfolio for this quarter is 2.11 percent. Interest rates are slightly lower in comparison to prior year, the quarterly interest rate on deposits in the LAIF decreased from 2.40 percent for the quarter ended March 31, 2019 to 1.89 percent for the quarter ended March 31, 2020. For the fiscal year, actual investment earnings increased from \$439,574 in 2019 to \$455,828 in 2020.

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.

The State Bar of California
Investment Report Summary
March 31, 2020

<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:				
- Commercial Paper	\$ 17,825,278	\$ 17,922,420	11.3%	N/A
- Government Bonds	36,648,299	37,387,810	23.5%	2.33%
- Corporate Bonds	21,612,342	22,128,724	13.9%	2.24%
- Common Stock-Metlife Inc.	-	96,183	0.1%	N/A
Subtotal-Securities, Bonds and Notes	76,085,919	77,535,137	48.8%	
Interest Receivable	-	340,519	0.2%	1.89%
Local Agency Investment Fund	75,024,363	75,024,363	47.2%	1.89%
Fidelity Money Market	6,069,023	6,069,023	3.8%	2.21%
Total	\$ 157,179,305	\$ 158,969,042	100.0%	2.11%

Unrealized Gain/(Loss):

Market Value of Portfolio -Securities, Bonds and Notes	\$ 77,535,137
Original Cost of Portfolio -Securities, Bonds and Notes	76,085,919
Unrealized Gain/(Loss)	<u>\$ 1,449,218</u>

Investment Month End Report - Wells Fargo Custody Account
Balance as of March 31, 2020

<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>Market Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>
EXXON MOBILE CORP CPDN	30229ADV8	A-1+	Commercial Paper Discount	3,000,000	2,981,227	2,997,180	-	15,953	-	12/23/19	04/29/20
MUFG BANK LTD NY BRAN CPDN	62479LEJ0	A-1	Commercial Paper Discount	3,000,000	2,977,073	2,993,940	-	16,867	-	08/23/19	05/18/20
MUFG BANK LTD NY BRAN CPDN	62479LFQ3	A-1	Commercial Paper Discount	3,000,000	2,972,093	2,989,020	-	16,928	-	10/28/19	06/24/20
COCA-COLA COMPANY	19121AM73	A-1	Commercial Paper Discount	3,000,000	2,958,707	2,976,030	-	17,323	-	02/06/20	12/07/20
MUFG BANK LTD NY BRAN CPDN	62479LHS7	A-1	Commercial Paper Discount	3,000,000	2,972,898	2,984,430	-	11,532	-	02/05/20	08/26/20
PRUDENTIAL PLC CPDN	7443M2L53	A-1	Commercial Paper Discount	3,000,000	2,963,280	2,981,820	-	18,540	-	02/06/20	11/05/20
TOTAL COMMERCIAL PAPER :				18,000,000	17,825,278	17,922,420	-	97,143	0.00%		
STATE OF CALIFORNIA	13063DAD0	AA-	Municipal Bond	3,035,000	2,993,269	3,090,692	35,919	97,424	2.37%	02/28/18	04/01/22
RIVERSIDE CA UNIF SCH DIST	769059A22	AA-	Municipal Bond	1,250,000	1,250,000	1,281,825	7,154	31,825	1.98%	12/17/19	02/01/24
TOTAL MUNICIPAL BONDS AND NOTES:				4,285,000	4,243,269	4,372,517	43,073	129,249	2.25%		
FED HOME LN BANK	313383HU8	AA+	Government Agency	3,125,000	3,091,484	3,133,625	16,558	42,141	1.75%	02/28/18	06/12/20
FED HOME LN BANK	313370US5	AA+	Government Agency	3,125,000	3,171,513	3,161,313	4,991	(10,200)	2.88%	02/28/18	09/11/20
FED HOME LN BK	3130ADUY6	AA+	Government Agency	3,000,000	3,007,116	3,030,870	2,042	23,754	2.45%	04/04/18	09/21/20
FED HOME LN BK	3130ADW32	AA+	Government Agency	3,500,000	3,506,636	3,537,415	715	30,779	2.45%	04/13/18	09/28/20
FED HOME LN BK	3130ADXP2	AA+	Government Agency	3,000,000	3,005,430	3,033,270	35,117	27,840	2.45%	04/04/18	10/09/20
FED HOME LN MTG CORP	3134GBA69	AA+	Government Agency	3,000,000	2,978,490	3,135,540	10,292	157,050	2.38%	04/04/18	08/09/22
FED HOME LN BK	313383WD9	AA+	Government Agency	6,500,000	6,650,911	6,931,210	12,413	280,300	3.13%	04/04/18	09/09/22
FED FARM CREDIT BK	3133ELEF7	AA+	Government Agency	2,000,000	1,999,360	2,036,680	1,008	37,320	1.65%	12/20/19	09/20/21
FED HOME LN BK	3133834H1	AA+	Government Agency	2,000,000	1,998,744	2,004,120	8,326	5,376	1.38%	02/05/20	06/12/20
FED NATL MTG ASSN	3136G3NR2	AA+	Government Agency	3,000,000	2,995,347	3,011,250	13,860	15,903	1.32%	02/10/20	11/25/20
TOTAL FEDERAL BONDS AND NOTES:				32,250,000	32,405,030	33,015,293	105,322	610,262	2.34%		
MICROSOFT CORP	594918AH7	AAA	Corporate Bond	3,125,000	3,169,647	3,152,906	46,875	(16,741)	3.00%	02/28/18	10/01/20
APPLE INC	037833BS8	AA+	Corporate Bond	3,125,000	3,093,869	3,156,500	7,422	62,631	2.25%	02/28/18	02/23/21
CHEVRON CORP.	166764BG4	AA-	Corporate Bond	3,125,000	3,071,041	3,126,031	24,609	54,991	2.10%	02/28/18	05/16/21
MICROSOFT CORP	594918BP8	AAA	Corporate Bond	3,125,000	3,016,372	3,146,750	7,131	130,378	1.55%	02/28/18	08/08/21
APPLE INC	037833BF6	AA+	Corporate Bond	3,215,000	3,201,015	3,398,094	33,275	197,080	2.70%	02/28/18	05/13/22
TOYOTA MOTOR CREDIT CORP	89236TEC5	AA-	Corporate Bond	1,500,000	1,452,690	1,492,080	2,060	39,390	2.15%	02/28/18	09/08/22
TOYOTA MOTOR CREDIT CORP	89236TEL5	AA-	Corporate Bond	1,625,000	1,607,793	1,634,913	9,750	27,120	2.70%	02/28/18	01/11/23
INTL BK RECON & DEVELOP	45905UP32	N/A	Corporate Bond	3,000,000	2,999,916	3,021,450	2,457	21,534	1.56%	02/10/20	09/12/20
TOTAL CORPORATE BONDS:				21,840,000	21,612,342	22,128,724	133,580	516,382	2.24%		
BRIGHTHOUSE FINANCIAL INC	10922N103	N/A	Common Stock	-	-	6,429	-	6,429			
METLIFE INC	59156R108	N/A	Common Stock	-	-	89,754	-	89,754			
TOTAL COMMON STOCKS:				-	-	96,183	-	96,183			
TOTAL INVESTMENT HELD BY WELLS FARGO:				76,375,000	76,085,918	77,535,137	281,974	1,449,218			



The State Bar of California

OFFICE OF FINANCE

Date: May 6, 2020

To: Members, Finance Committee
Members, Board of Trustees

From: John Adams, Chief Financial Officer

Subject: Client Security Fund Report for the Quarter Ended March 31, 2020

Attached for your review are a series of reports for the applications activity within the Client Security Fund (CSF) for the quarter ended March 31, 2020. These reports include:

- Status on Applications Activity for the quarter ended March 31, 2020
- Applications Aging Report
- Cumulative Applications Aging Report
- 24 Month Rolling Average of Applications Paid out Ratio
- Analysis of New Applications Paid, Rejected or Withdrawn

As of March 31, a total of 152 new applications in the amount of \$4.0 million were filed. The number of applications filed has decreased by 24 percent compared to 200 applications filed last year. The application amount decreased by \$0.2 million, or 4.7 percent compared to \$4.2 million filed in 2019.

For the quarter ended March 31, 2020, total applications processed are 306 for approximately \$6.0 million. Total payouts for 2020 are \$3.3 million, increased by \$1.5 million compared to \$1.8 million last year. Total applications pending for processing as of March 31, 2020 are 2,227 in the amount of \$45.8 million, and for the same period in 2019, there were 2,779 pending applications in the amount of \$50.8 million.

For this report, the Office of Finance estimated the application payout amount based on a rolling average of 24 month historical applications payout ratio, currently 39.1 percent. Total applications outstanding as of March 31, 2020 are 2,227 for \$45.8 million. Applying the rolling average applications payout ratio to the outstanding application amounts, the estimated

application payout as of March 31, 2020 is \$17.9 million and there is a decrease of \$1.5 million or 7.7 percent compared to \$19.4 million last year.

As of March 31, 2020, cash and investments available for applications reimbursement in the CSF are approximately \$11.8 million compared to \$6.1 million last year.

Key indicators for the CSF application process as of March 31, 2020 and 2019 are shown below:

Key Indicator Descriptions	2020 Q1	2019 Q1	Attachment
New Applications Received #/\$ (in million)	152/\$4.0	200/\$4.2	1
Total Applications Processed #/\$ (in million)	306/\$6.0	312/\$5.2	2
% of Paid Applications in # to total in process ¹	8.3%	5.4%	1
% of Paid Applications in \$ to total in process ²	6.4%	3.1%	1
Total Payouts \$ (in million)	\$3.3	\$1.8	2
Total Applications Pending for Processing #/\$ (in million)	2,227/\$45.8	2,779/\$50.8	2
24-month Rolling Average Payout Ratio	39.10%	38.24%	4
Estimated CSF Application Liabilities (in million)	\$17.9	\$19.4	2
Net Assets as of March 31 (in million)	\$11.8	\$6.1	3

¹ # of total in process represents pending application from prior year plus additional application filed in current fiscal year.

² \$ of total in process represents total application amount pending for processing from prior year plus additional applications filed in current fiscal year.

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON APPLICATIONS ACTIVITIES
March 31, 2020
YEAR TO DATE ACTIVITIES

Attachment 1

	<u>\$1 - 2,500</u>		<u>\$2,501 - 5,000</u>		<u>\$5,001 - 10,000</u>		<u>\$10,001 - 25,000</u>		<u>\$25,001 - 49,999</u>		<u>\$50,000</u>		<u>\$50,001 - 100,000</u>		<u>TOTAL</u>		(A)	(B)
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount		
Prior Years' Applications	434	744,510	690	2,684,305	436	3,238,756	333	5,786,481	139	5,037,890	30	1,153,800	319	29,080,800	2,381	47,726,542		
New Applications	27	46,105	31	127,497	24	182,807	28	455,940	10	331,105	2	100,000	30	2,792,716	152	4,036,169		
Paid Applications	(41)	(70,991)	(60)	(193,048)	(38)	(250,974)	(31)	(456,193)	(10)	(229,868)	(3)	(100,000)	(26)	(2,019,659)	(209)	(3,320,733)	8.3%	6.4%
Rejected Applications	0	(4,940)	(1)	(37,212)	(2)	(65,289)	-	(155,047)	(2)	(107,097)	-	(50,000)	(4)	(783,022)	(9)	(1,202,606)	0.4%	2.3%
Withdrawn Applications	(22)	(33,175)	(24)	(92,722)	(17)	(142,568)	(9)	(163,080)	(4)	(149,202)	(4)	(200,000)	(8)	(704,042)	(88)	(1,484,789)	3.5%	2.9%
Applications Outstanding	398	\$ 681,508	636	\$ 2,488,819	403	\$ 2,962,733	321	\$ 5,468,101	133	\$ 4,882,828	25	\$ 903,800	311	\$ 28,366,793	2,227	\$ 45,754,583		
New applications % to total	17.76%	1.14%	20.39%	3.16%	15.79%	4.53%	18.42%	11.30%	6.58%	8.20%	1.32%	2.48%	19.74%	69.19%	100.00%	100.00%		
Applications paid % to total	19.62%	2.14%	28.71%	5.81%	18.18%	7.56%	14.83%	13.74%	4.78%	6.92%	1.44%	3.01%	12.44%	60.82%	100.00%	100.00%		
Applications rejected or withdrawn % to total	22.68%	1.42%	25.77%	4.83%	19.59%	7.73%	9.28%	11.84%	6.19%	9.54%	4.12%	9.30%	12.37%	55.33%	100.00%	100.00%		
Applications outstanding % to total	17.87%	1.49%	28.56%	5.44%	18.10%	6.48%	14.41%	11.95%	5.97%	10.67%	1.12%	1.98%	13.96%	62.00%	100.00%	100.00%		

(A) % of # of paid applications, rejected applications and withdrawn applications to # of total applications in process in 2020 Q1

(B) % of paid applications, rejected applications and withdrawn applications in \$ to the total applications \$ in process in 2020 Q1

THE STATE BAR OF CALIFORNIA

Attachment 2

CLIENT SECURITY FUND

APPLICATIONS AGING REPORT

AS OF MARCH 31, 2020

<u>Year</u> <u>Application</u> <u>Filed</u>	<u>Gross Applications Prior</u>		<u>Current Year</u>		<u>Applications Paid</u>		<u>Applications Rejected or</u> <u>Withdrawn</u>		<u>Total Applications</u> <u>Processed</u>		<u>Applications Outstanding</u>	
	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>
2011	1	25,220							-	-	1	25,220
2012	14	135,816			0	-	(3)	(9,500)	(3)	(9,500)	11	126,316
2013	30	242,417			(2)	(8,500)	-	(1,000)	(2)	(9,500)	28	232,917
2014	246	1,344,459			0	-	-	-	-	-	246	1,344,459
2015	101	1,070,788			(3)	(90,082)	(1)	(49,918)	(4)	(140,000)	97	930,788
2016	184	5,274,175			(38)	(417,674)	(12)	(560,191)	(50)	(977,865)	134	4,296,310
2017	560	11,183,038			(112)	(1,549,878)	(8)	(545,311)	(120)	(2,095,189)	440	9,087,850
2018	621	15,640,930			(38)	(985,263)	(25)	(601,396)	(63)	(1,586,659)	558	14,054,270
2019	624	12,809,698			(16)	(269,336)	(48)	(920,078)	(64)	(1,189,414)	560	11,620,283
2020			152	4,036,169							152	4,036,169
TOTAL	2,381	47,726,542	152	4,036,169	(209)	(3,320,733)	(97)	(2,687,395)	(306)	(6,008,127)	2,227	45,754,583

Applications Outstanding **45,754,583**

Estimated Application Payout Ratio **39.10%**

Estimated Application Payouts **\$17,889,796**

THE STATE BAR OF CALIFORNIA

Attachment 3

CLIENT SECURITY FUND

CUMULATIVE APPLICATIONS AGING REPORT

AS OF MARCH 31, 2020

<u>Year Application</u>	<u>Gross Applications Prior</u>						<u>Applications Rejected</u>		<u>Total Applications</u>			
<u>Filed</u>	<u>Years</u>		<u>Current Year</u>		<u>Applications Paid</u>		<u>and Withdrawn</u>		<u>Processed</u>		<u>Applications Outstanding</u>	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
2010-2011	1	25,220			-	-	-	-	-	-	1	25,220
2010-2012	15	161,036			-	-	(3)	(9,500)	(3)	(9,500)	12	151,536
2010-2013	45	403,454			(2)	(8,500)	(3)	(10,500)	(5)	(19,000)	40	384,454
2010-2014	291	1,747,913			(2)	(8,500)	(3)	(10,500)	(5)	(19,000)	286	1,728,913
2010-2015	392	2,818,701			(5)	(98,582)	(4)	(60,418)	(9)	(159,000)	383	2,659,701
2010-2016	576	8,092,876			(43)	(516,256)	(16)	(620,609)	(59)	(1,136,865)	517	6,956,011
2010-2017	1,136	19,275,914			(155)	(2,066,134)	(24)	(1,165,920)	(179)	(3,232,054)	957	16,043,861
2010-2018	1,757	34,916,844			(193)	(3,051,397)	(49)	(1,767,316)	(242)	(4,818,713)	1,515	30,098,131
2010-2019	2,381	47,726,542	-	-	(209)	(3,320,733)	(97)	(2,687,395)	(306)	(6,008,127)	2,075	41,718,414
			152	4,036,169							2,227	45,754,583
	1,757	34,916,844	-	-	(209)	(3,320,733)	(97)	(2,687,395)	(306)	(6,008,127)	2,227	45,754,583

Net Asset in Client Security Fund:

As of : 3/31/2020 \$ 11.8 (in Millions)

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
24 MONTH ROLLING AVERAGE APPLICATIONS PAIDOUT RATIO
APRIL 2018 THROUGH MARCH 2020

Attachment 4

Month Covered	<u>PAID APPLICATIONS</u>		<u>REJECTED/ WITHDRAWN APPLICATIONS</u>	<u>PROCESSED</u>
	Amount	Monthly Average Payout Ratio	Amount	Amount
Apr18	486,908	30.10%	1,135,316	1,622,223
May18	555,611	21.38%	2,043,237	2,598,848
June18	1,084,605	65.34%	575,374	1,659,979
July18	233,352	15.31%	1,290,696	1,524,048
Aug18	843,046	35.92%	1,503,880	2,346,926
Sep18	651,994	41.59%	915,793	1,567,787
Oct18	1,822,797	58.99%	1,266,955	3,089,752
Nov18	989,509	40.05%	1,481,305	2,470,815
Dec18	674,954	65.13%	361,308	1,036,263
Jan19	502,309	25.50%	1,467,298	1,969,607
Feb19	502,898	32.61%	1,039,394	1,542,292
Mar19	746,987	43.70%	962,516	1,709,504
Apr19	813,969	36.35%	1,425,378	2,239,347
May19	619,336	22.52%	2,130,501	2,749,837
June19	580,329	55.54%	464,556	1,044,885
July19	942,256	34.23%	1,810,774	2,753,029
Aug19	818,478	61.82%	505,507	1,323,985
Sep19	334,251	30.61%	757,824	1,092,075
Oct19	357,579	51.16%	341,385	698,964
Nov19	618,018	17.23%	2,969,348	3,587,366
Dec19	83,374	24.89%	251,643	335,017
Jan20	2,266,254	60.25%	1,495,016	3,761,270
Feb20	697,500	71.18%	282,350	979,850
Mar20	356,979	28.17%	910,028	1,267,007
	Total: 17,583,293		Total: 27,387,384	44,970,677
24 Month Rolling Average PaidOut Ratio:			39.10%	

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
ANALYSIS OF NEW APPLICATIONS PAID, REJECTED
OR WITHDRAWN, ESTIMATED
APPLICATIONS PAYOUTS PER ACTIVE ATTORNEY**

Attachment 5

March 31, 2020

	<u>1ST QTR</u>
Beginning Balance	2381
Add: Reinstated Applications and New Applications	152
Less: Paid / Rejected or Withdrawn	306
TOTAL	2,227
 APPLICATIONS OUTSTANDING AMT.	 45,754,583
# Of Active Attorneys	189,884
Cost Per Active Attorney	\$241
 ESTIMATED APPLICATIONS LIAB.	
Applications Payout Ratio	39.10%
Estimated Application Amount *	\$17,889,796
# of Active Attorneys	189,629
Cost per Active Attorney	\$94
 APPLICATION ACTIVITIES IN %:	
 NEW APPLICATIONS - YTD	
1 - 2,500	1.14%
2,501 - 5,000	3.16%
5,001 - 10,000	4.53%
10,001 - 25,000	11.30%
25,001 - 49,999	8.20%
50,000	2.48%
50,001 - 100,000	69.19%
 APPLICATIONS PAID - YTD	
1 - 2,500	2.14%
2,501 - 5,000	5.81%
5,001 - 10,000	7.56%
10,001 - 25,000	13.74%
25,001 - 49,999	6.92%
50,000	3.01%
50,001 - 100,000	60.82%
 REJ./WDRAWN - YTD	
1 - 2,500	1.42%
2,501 - 5,000	4.83%
5,001 - 10,000	7.73%
10,001 - 25,000	11.84%
25,001 - 49,999	9.54%
50,000	9.30%
50,001 - 100,000	55.33%
 APPLICATIONS O/S-CUM. - YTD	
1 - 2,500	1.49%
2,501 - 5,000	5.44%
5,001 - 10,000	6.48%
10,001 - 25,000	11.95%
25,001 - 49,999	10.67%
50,000	1.98%
50,001 - 100,000	62.00%
 NET ASSET, END OF PERIOD	 \$ 11,842,558
PROJECTED NET ASSETS	(\$6,047,238)

*Based upon 24 month rolling weighted average of applications payout ratio (See page 4)