



The State Bar *of California*

# Q4 2021 Investment Report, Client Security Fund Report

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Finance Committee Meeting, March 24, 2022

# Quarterly Reports

- Quarterly reports include:
  - Q4 2021 Investment Report
  - Q4 2021 Client Security Fund Report



## Q4 2021 Investment Report Highlights

- Highlights:
  - Wells Fargo highly rated securities
    - Government bonds, corporate bonds
  - In compliance with policy
  - Total market value \$96M compared to \$108M as of December 31, 2020
  - Local Agency Investment Fund (LAIF) quarterly rate decreased to 0.21 percent compared to 0.58% in 2020
    - market value \$75.2M
    - part of California's pooled money investment account



# Q4 2021 Investment Report

<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:				
- Government Bonds	13,872,669	13,993,068	14.6%	2.70%
- Corporate Bonds	6,261,498	6,420,754	6.7%	2.57%
- Common Stock-Metlife Inc.	-	197,249	0.2%	N/A
Subtotal-Securities, Bonds and Notes	20,134,167	20,611,071	21.5%	
Interest Receivable	-	161,992	0.2%	0.21%
Local Agency Investment Fund	75,207,695	75,207,695	78.4%	0.21%
Bank of New York Mellon Trust Company, N.A. Investment	15,169,503	15,172,463	15.8%	0.00%
<b>Total</b>	<b>\$ 95,341,862</b>	<b>\$ 95,980,758</b>	<b>100.0%</b>	<b>1.14%</b>

## Unrealized Gain/(Loss):

Market Value of Portfolio -Securities, Bonds and Notes	\$ 20,611,071
Original Cost of Portfolio -Securities, Bonds and Notes	20,134,167
Unrealized Gain/(Loss)	<u>\$ 476,904</u>



## Q4 2021 Client Security Fund Highlights

- Highlights for the twelve months ended December 30, 2021:
  - Total payouts were \$5.7M
  - 611 new applications in the amount of \$30.9M were filed
    - increase of 151.2% from last year
  - 894 applications processed for approximately \$23.4M
    - decrease of 5.3% from last year
  - 1,327 applications pending for processing in the amount of \$43.3M
    - increase of 21.3%
  - Estimated application payout were \$15.7M, an increase of \$1.1M compared to \$14.6M last year



# Q4 2021 Client Security Fund Summary

(\$ in millions)					
Key Indicator Descriptions	2021 Dec YTD	2020 Dec YTD	# Change	% Change	Attachment
New Applications Received #	611	490	121	24.7%	1
New Applications Received \$	\$30.9	\$12.3	\$18.6	151.2%	
Total Applications Processed #	894	1,262	(368)	-29.2%	2
Total Applications Processed \$	\$23.4	\$24.7	(\$1.3)	-5.3%	
% of Paid Applications in # to total in process [1]	13.1%	29.0%			1
% of Paid Applications in \$ to total in process [2]	8.5%	19.4%			
Total Payouts \$	\$5.7	\$11.7	(\$6.0)	(51.3%)	2
Total Applications Pending for Processing #	1,327	1,610	(283)	-17.6%	2
Total Applications Pending for Processing \$	\$43.3	\$35.7	\$7.6	21.3%	
24-month Rolling Average Payout Ratio	36.2%	40.8%			4
Estimated CSF Application Payouts	\$15.7	\$14.6	\$1.1	7.6%	2
Cash and Investments Available for Payouts	\$5.9	\$2.5	\$3.4	136.0%	3

[1] # of total in process represents pending application from prior year plus additional applications 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.

