

# STATE BAR OF TEXAS - FINANCE DIVISION



## Dashboard of Key Financial Trends

### General Fund Operating Results for the Year Ended May 31, 2019

Chart A contains the State Bar's General Fund Budget to Actual Variance for the financial period. This indicates the overall earnings incurred from current year operations.

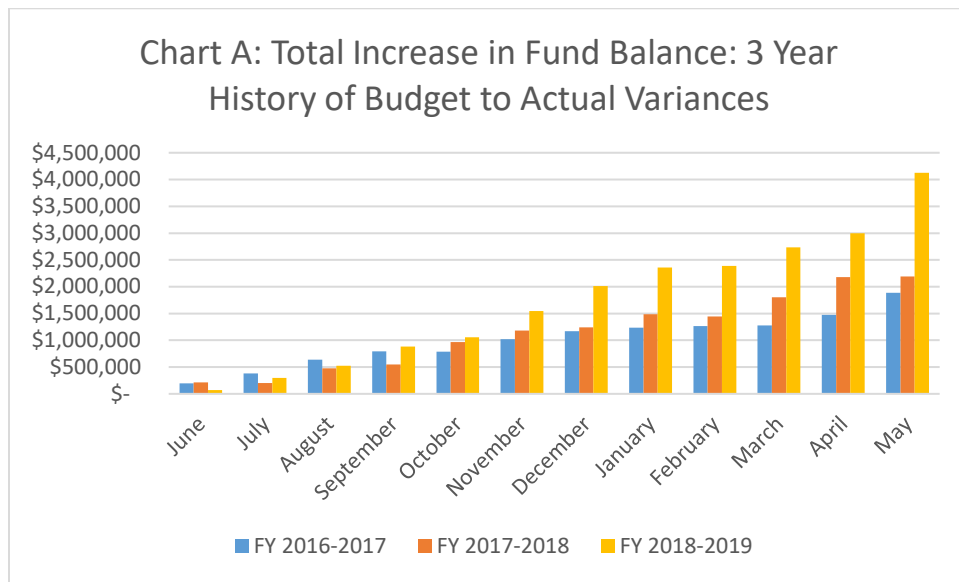


Table 1 contains details of data presented in Chart A above:

### **Operations of General Fund: Budget to Actual Variances (cumulative)**

Table 1	FY 2016-2017	FY 2017-2018	FY 2018-2019
June	\$ 198,231	\$ 216,672	\$ 70,915
July	\$ 378,990	\$ 201,736	\$ 295,712
August	\$ 635,858	\$ 477,125	\$ 524,480
September	\$ 793,116	\$ 546,656	\$ 885,337
October	\$ 788,333	\$ 969,094	\$ 1,056,344
November	\$ 1,020,196	\$ 1,178,479	\$ 1,546,381
December	\$ 1,169,567	\$ 1,242,976	\$ 2,010,521
January	\$ 1,233,650	\$ 1,487,407	\$ 2,359,057
February	\$ 1,263,010	\$ 1,441,399	\$ 2,387,072
March	\$ 1,278,040	\$ 1,804,426	\$ 2,733,334
April	\$ 1,472,727	\$ 2,176,267	\$ 2,999,300
May	\$ 1,886,678	\$ 2,191,275	\$ 4,048,722

**Chart B presents the total Revenues and Expenditures of the State Bar’s General Fund over the previous three years.**

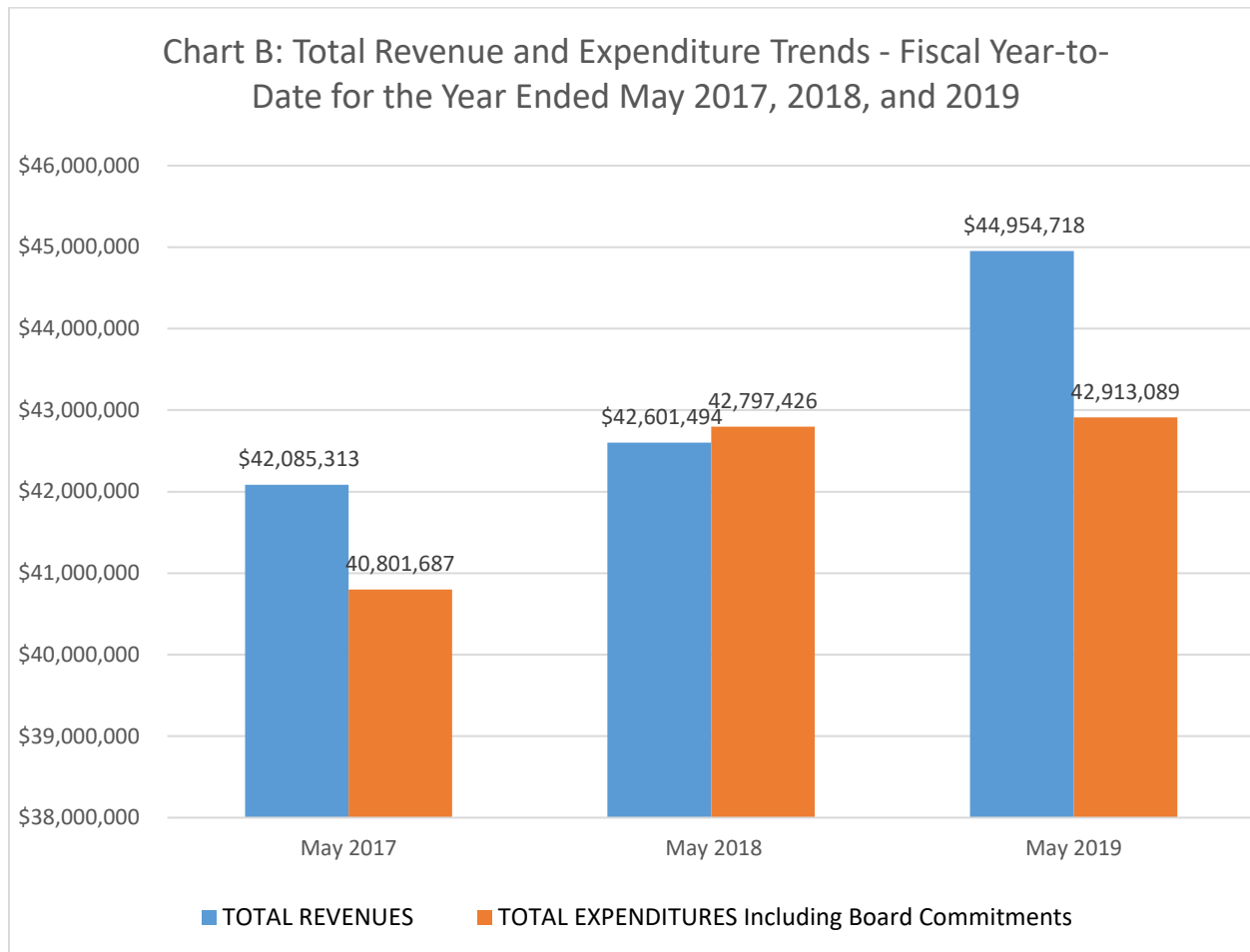


Chart C presents the total revenues by department of the State Bar's General Fund over the previous three years.

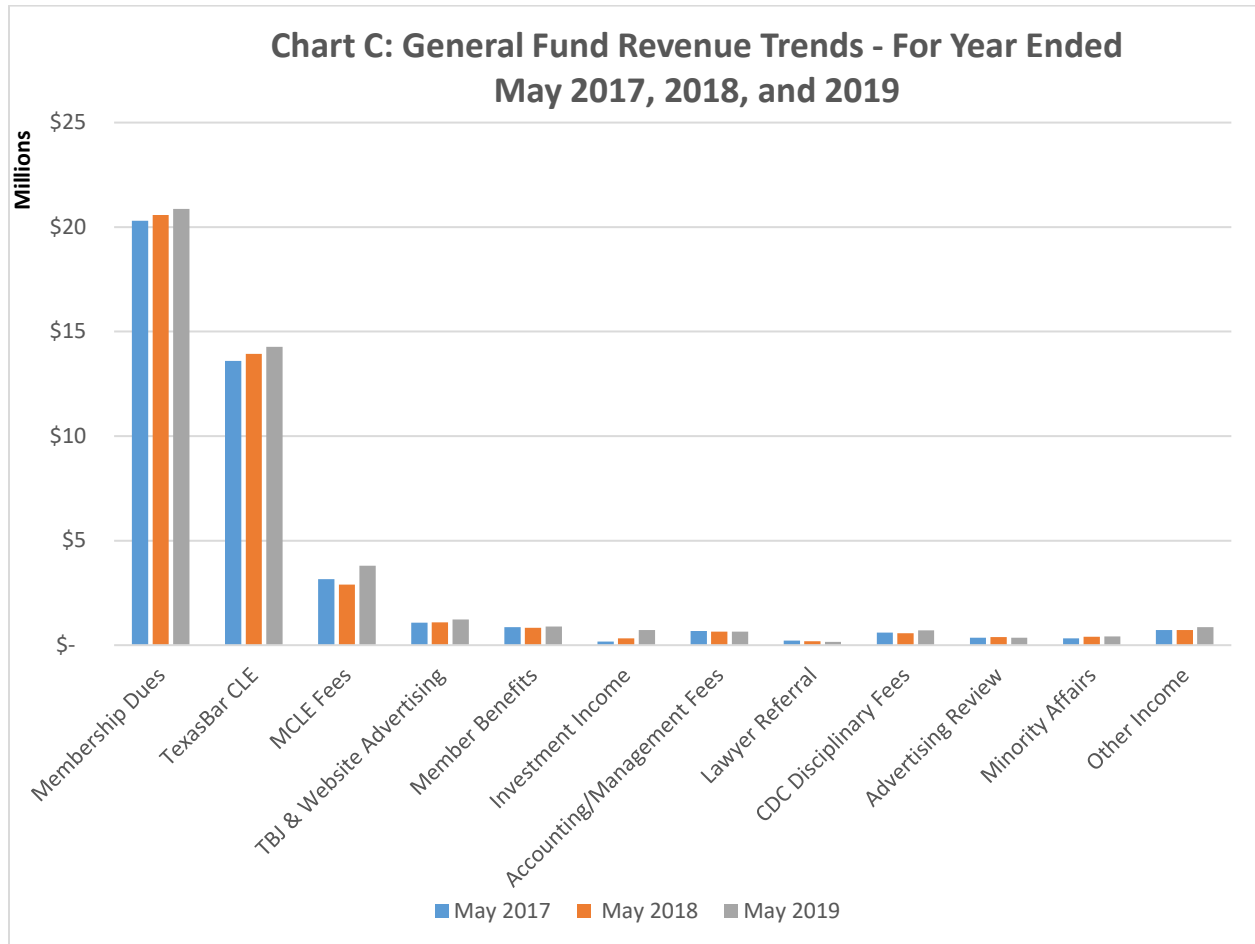
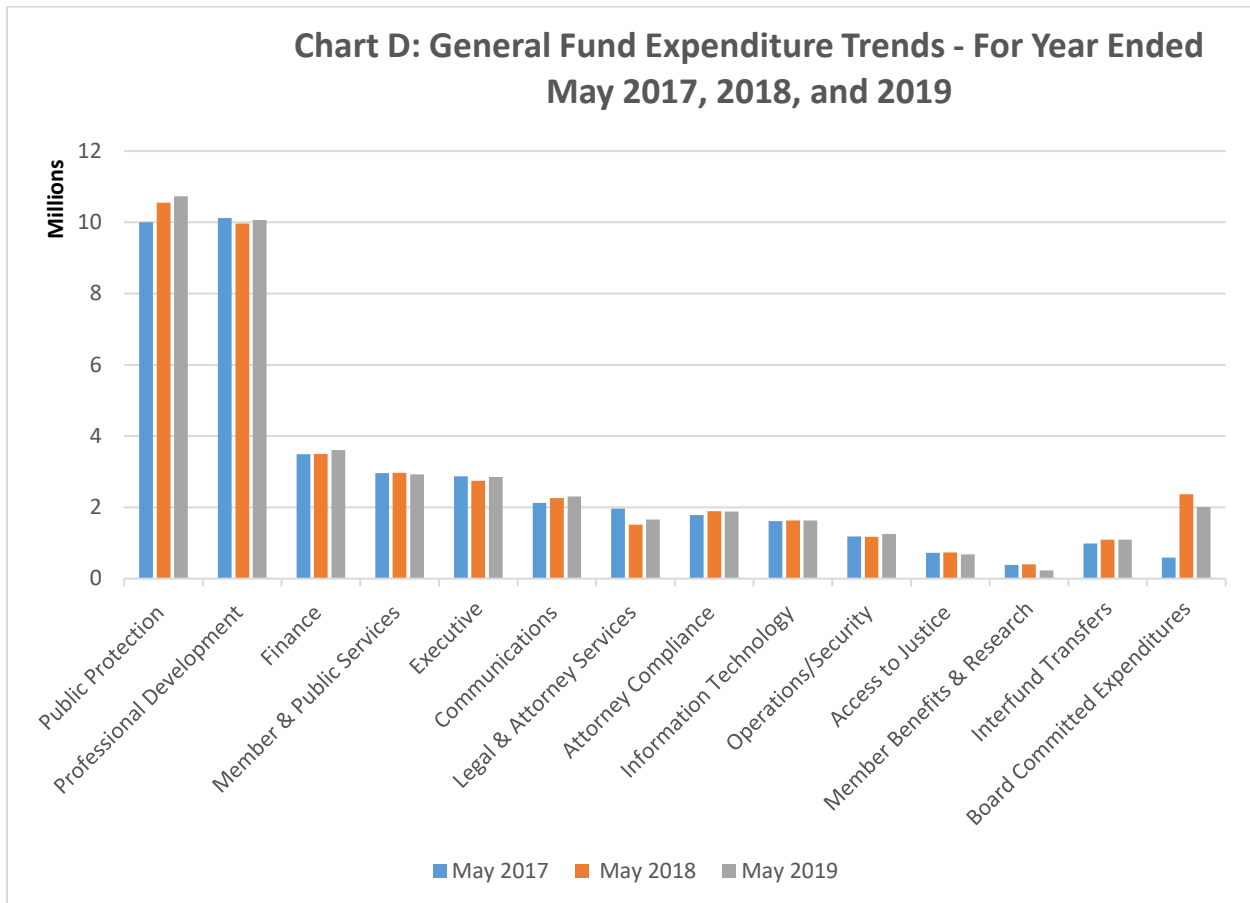


Chart D presents the total revenues by department of the State Bar's General Fund over the previous three years.





**State Bar of Texas General Fund  
Financial Highlights  
For the Twelve Months Ended May 31, 2019  
(PREPARED FROM UNAUDITED FINANCIAL REPORTS)**

**Total General Fund results** – As of May 31, 2019, the General Fund had a net excess of revenues over expenditures and transfers of \$4,127,658 compared to a budgeted net excess of \$0. This resulted in a positive overall variance of \$4,127,658.

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Total Revenues	\$44,954,719	\$42,111,891	\$2,842,828	7%
Total Expenditures and Transfers	40,905,997	42,111,891	1,205,894	3%
<b>Net Excess</b>	<b>\$4,048,722</b>	<b>\$0</b>	<b>\$4,048,722</b>	

**Revenues**

For the year ending May 31, 2019, total revenues exceeded the budget by \$2,842,828 or 7%, thereby producing a positive actual to budget variance. An analysis of the revenues shows that the following departments had a positive revenue variance in excess of \$10,000 and 10% or more than \$100,000 for the year ending May 31, 2019.

- Texas Bar Journal – Total Positive Revenue Variance: \$67,639 or 12% - This positive variance results primarily from higher than anticipated advertising sales.
- Member Dues – Total Positive Revenue Variance: \$497,264 or 2% - This positive variance results primarily from higher than anticipated dues collection.
- MCLE Department – Total Positive Revenue Variance: \$688,908 or 22% - This positive variance results primarily from higher than anticipated number of course applications, accreditation and late fees. There are also more new sponsors and courses this year than in the previous year.
- Investment Income – Total Positive Revenue Variance: \$546,489 or 295% - This positive revenue variance is due to a higher than anticipated yield on the State Bar's investment portfolio for the current fiscal year.
- CDC Disciplinary Fees – Total Positive Revenue Variance: \$168,979 or 32% - This positive variance results primarily from a 22% increase in attorney fees over last year.
- Minority Affairs – Total Positive Revenue Variance: \$78,301 or 23% - This positive revenue variance results from a higher than expected number of sponsorships and attendees for the Texas Minority Counsel Program.

- Website Management - Total Positive Revenue Variance: \$223,025 or 61% - This positive revenue variance results from higher than expected revenue generated in connection with law firm employment advertising.
- Texas Young Lawyers Association – Total Positive Revenue Variance: \$21,716 or 36% - This positive revenue variance results from higher than anticipated revenue from National Trial Competition.
- Miscellaneous, Sales Tax Discounts, Etc. – Total Positive Revenue Variance: \$48,109 or 67% - This positive variance is primarily due to the collection of hotel occupancy tax refunds.
- Credit Card Processing Fees – Total Positive Revenue Variance: \$83,970 or 29% - This positive variance results from the convenience fee charged for membership dues credit card transactions. The number of attorneys paying by credit card was greater than anticipated. The convenience fee revenue is completely offset by credit card fees charged by the State Bar's merchant service provider.

An analysis of the revenues shows that the following departments had a negative revenue variance in excess of (\$10,000) and 10% for the year ending May 31, 2018:

- Lawyer Referral – Total Negative Revenue Variance: (39,096) or (21%) – This negative revenue variance results from lower than anticipated referral case fees, due in part to a software malfunction in the first quarter of the year.

### **Expenditures**

For the period ending May 31, 2019, total expenditures were under the allocated budget by \$1,205,894 or 3%, which resulted in a positive actual to budget variance.

An analysis of the expenditures shows that seven departments, Deputy Executive Director, Member & Public Services Director, Local Bars, Texas Lawyers Assistance Program, Membership, Access to Justice and Printing had large positive expenditure variances in excess of \$10,000 and 10% in salaries and benefits for the primarily resulting from open and reduced positions.

An analysis of the expenditures shows that three departments, Associate Executive Director, MCLE and Special Financial Advisor, had large negative expenditure variances in excess of (\$10,000) and (10%) in salaries and benefits. The MCLE department variance is primarily the result of additional labor costs to implement a new information system. The Special Financial Advisor is a new position.

An analysis of the expenditures shows that the following departments had positive expense variances in excess of \$10,000 and 10% for the year ending May 31, 2019:

- Membership – This Positive Expenditure Variance: \$128,549 or 15% results, in part from a positive salary and benefit variance of over \$59k due to the reduction of a full-time

position, and in part from a reduction in printing costs of \$53k resulting from online dues payment process.

- Officers & Directors – This Positive Expenditure Variance: \$149,608 or 18% results from lower than expected costs for meetings and travel due to more local meetings and cost-cutting measures.
- Access to Justice Commission – This Positive Expenditure Variance: \$144,838 or 18% results, in part, from salaries and benefits in the amount of \$47k from open positions, and, in part, from \$47k in travel due to fewer reimbursement requests than anticipated from task force volunteers. Also, professional services, printing and postage costs were lower due to the open Development and Communications Manager position and due to a delay in contracting for a public relations consultant.
- Member Benefits – This Positive Expenditure Variance: \$284,052 or 83% results from a reorganization and reclassification of expenditures, addressed in the FY20 budget.
- Public Information – This Positive Expenditure Variance: \$26,394 or 16% is primarily the result of lower than expected professional services costs. Contracted services with an outside communication firm were not utilized as anticipated.
- Web Management – This Positive Expenditure Variance: \$79,089 or 20% is primarily due to delayed payment of webcast expenses, as work is not planned until FY20.
- Grievance Oversight Committee – This Positive Expenditure Variance: \$10,066 or 21% is due to fewer meetings this year and cost-cutting measures.

An analysis of the expenditures shows that the following department had negative expenditure variances in excess of (\$10,000) and (10%) for the period ending May 31, 2019:

- Minority Affairs – Total Negative Expenditure Variance: (\$88,486) or (19%) – This negative variance results from an increase in conference expenses which were added as a result of additional revenue collected from sponsorships and contributions.

### **TexasBarCLE (TBCLE)**

For the year ending May 31, 2019, TexasBarCLE's net revenues over expenditures amount was over its budget target by \$1,153,261 or 32%, thereby producing a positive actual to budget variance.

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
TBCLE Revenues	\$14,275,158	\$13,777,842	\$497,316	4%
TBCLE Expenditures	9,518,197	10,174,142	655,945	6%
<b>Net TBCLE Income</b>	<b>\$4,756,961</b>	<b>\$3,603,700</b>	<b>\$1,153,261</b>	<b>32%</b>



In comparing TBCLE's performance to previous years, it is appropriate to make two comparisons: (1) compare the current fiscal year 18-19 to the previous fiscal year 17-18; and (2) compare the current fiscal year 18-19 to fiscal year 16-17. Fiscal years ending in odd numbers are considered to be "non-legislative years", in other words, they do not follow a legislative session. Fiscal years ending in even numbers are considered to be "legislative years" because they do follow a legislative session and TBCLE generally sees a surge in revenues following a legislative year. The surge in revenue generally results from legal issues arising during the legislative process; thereby creating a need for new or revised CLE programs.

In comparing actual revenues and expenditure amounts for the period ending May 31, 2019 to the prior period ending May 31, 2018, we see an increase in revenues of \$333,308 or 2%, and an increase in expenditures of \$54,288 or 1% for an overall increase in net revenues of \$279,020 or 6%. This is showing the difference between financial performances based on a comparison of a "legislative year" to a "non-legislative year".

In comparing actual revenues and expenditure amounts for the current period ending May 31, 2019, to the period ending May 31, 2017, we see an increase in revenue of \$683,540 or 5% and a decrease in expenditures of (\$132,765) or (1%) for an overall increase in net revenues of \$816,305 or 21%. This is showing the difference between financial performances based on a comparison of two "non-legislative years."

### **Salaries and Benefits**

For FY 2019-2019, the salaries and benefits budget totals \$23,988,383 or 55% of the overall \$43,331,890 General Fund budget after budgeted board commitments. The \$23,988,383 includes a 4% vacancy rate. The actual vacancy factor for the period ending May 31, 2019 was 5.5%. The actual salary and benefit expenditures had a (\$228,024) negative variance to budget at the end of May 2019. Additional information on salary and benefit variances is reported in the expenditures section above.

Budget	\$ 23,988,383
Actual	<u>24,216,407</u>
Variance	<u><u>\$ (228,024)</u></u>

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Twelve Months Ending May 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
REVENUES:									
Membership Dues	\$20,372,039	\$20,372,039	\$20,869,303	\$497,264	2%	\$20,547,688	\$20,571,688	\$24,000	0%
Accounting/Management Fees	650,351	650,351	650,351			650,351	650,351		
Texas Bar Journal	580,600	580,600	648,238	67,638	12%	551,200	661,912	110,712	20%
Leadership SBOT	10,000	10,000	3,500	(6,500)	(65%)	10,000		(10,000)	(100%)
MCLE Fees	3,115,250	3,115,250	3,804,158	688,908	22%	3,103,800	2,903,787	(200,013)	(6%)
TexasBar CLE	13,777,842	13,777,842	14,275,158	497,316	4%	13,613,424	13,941,850	328,426	2%
Investment Income	185,000	185,000	731,489	546,489	295%	110,000	326,166	216,166	197%
Lawyer Referral	190,000	190,000	150,904	(39,096)	(21%)	190,000	191,649	1,649	1%
Member Benefits	915,766	915,766	899,972	(15,794)	(2%)	724,852	831,891	107,039	15%
CDC Disciplinary Fees	535,000	535,000	703,979	168,979	32%	474,732	577,315	102,583	22%
Membership	13,000	13,000	13,675	675	5%	12,250	15,203	2,953	24%
Local Bars	12,500	12,500	17,550	5,050	40%	11,500	13,300	1,800	16%
Minority Affairs	335,000	335,000	413,301	78,301	23%	347,700	409,437	61,737	18%
Information Technology Dept.	1,200	1,200	1,200			1,200	1,200		
Website	365,000	365,000	588,026	223,026	61%	360,000	429,304	69,304	19%
Legal Access Division	11,000	11,000	16,800	5,800	53%	20,000	9,100	(10,900)	(55%)
Law Related Education	15,500	15,500	14,550	(950)	(6%)	18,000	11,781	(6,219)	(35%)
TYLA	60,000	60,000	81,716	21,716	36%	50,000	66,479	16,479	33%
Law Student Division	6,000	6,000	7,100	1,100	18%	6,000	5,925	(75)	(1%)
Purchasing & Facilities	49,403	49,403	45,102	(4,301)	(9%)	49,403	42,374	(7,029)	(14%)
Advertising Review	370,000	370,000	351,895	(18,105)	(5%)	378,500	385,975	7,475	2%
Miscellaneous, Sales Tax Discounts, Etc.	72,000	72,000	120,109	48,109	67%	50,000	65,394	15,394	31%
Credit Card Processing Fees	290,000	290,000	373,970	83,970	29%	270,000	316,790	46,790	17%
Rent	179,440	179,440	172,673	(6,767)	(4%)	179,440	172,673	(6,767)	(4%)
<b>TOTAL REVENUES</b>	<b>42,111,891</b>	<b>42,111,891</b>	<b>44,954,719</b>	<b>2,842,828</b>	<b>7%</b>	<b>41,730,040</b>	<b>42,601,544</b>	<b>871,504</b>	<b>2%</b>
EXPENDITURES									
Executive Division									
Executive Director	627,410	627,410	634,644	(7,234)	(1%)	638,120	603,648	34,472	5%
Deputy Executive Director						259,367	83,613	175,754	68%
Associate Executive Director/Legal Counsel	518,566	518,566	578,667	(60,101)	(12%)	381,577	534,162	(152,585)	(40%)
Deputy Executive Director	222,945	222,945	206,736	16,209	7%	214,229	204,602	9,627	4%
Deputy Executive Director/External Affairs	274,165	274,165	247,424	26,741	10%	313,928	238,903	75,025	24%
Special Financial Advisor	75,000	75,000	164,789	(89,789)	(120%)				
Officers & Directors	836,836	836,836	687,228	149,608	18%	836,836	748,916	87,920	11%
Human Resources	280,789	280,789	295,483	(14,694)	(5%)	314,551	301,448	13,103	4%
Training/Tuition	71,133	71,133	40,032	31,101	44%	71,133	28,426	42,707	60%
<b>Total Executive Division</b>	<b>2,906,844</b>	<b>2,906,844</b>	<b>2,855,003</b>	<b>51,841</b>	<b>2%</b>	<b>3,029,741</b>	<b>2,743,718</b>	<b>286,023</b>	<b>9%</b>

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Twelve Months Ending May 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
Member & Public Services Division									
Member & Public Services Division Director	118,324	118,324		118,324	100%	171,834	145,284	26,550	15%
Center for Legal History	149,785	149,785	144,038	5,747	4%	146,169	138,993	7,176	5%
Law Related Education	508,232	508,232	500,057	8,175	2%	493,194	450,329	42,865	9%
Governmental Relations	156,607	156,607	163,604	(6,997)	(4%)	253,678	173,623	80,055	32%
Texas Young Lawyers Association	927,418	927,418	915,272	12,146	1%	929,664	913,389	16,275	2%
LeadershipSBOT	94,000	94,000	100,150	(6,150)	(7%)	94,000	94,869	(869)	(1%)
Sections	318,519	318,519	313,717	4,802	2%	317,337	309,633	7,704	2%
Local Bars	446,571	446,571	364,382	82,189	18%	443,448	416,043	27,405	6%
Special Events	73,604	73,604	92,143	(18,539)	(25%)	73,604	70,706	2,898	4%
Law Student Department	20,266	20,266	16,383	3,883	19%	20,266	19,065	1,201	6%
SBOT Volunteer Committees	289,467	289,467	311,473	(22,006)	(8%)	231,980	237,319	(5,339)	(2%)
Total Member & Public Services Division	3,102,793	3,102,793	2,921,219	181,574	6%	3,175,174	2,969,253	205,921	6%
Legal & Attorney Services Division									
Legal & Attorney Services Division Director	222,971	222,971	218,968	4,003	2%	217,902	211,632	6,270	3%
Texas Lawyers Assistance Program	455,312	455,312	408,716	46,596	10%	406,621	431,360	(24,739)	(6%)
Legal Access Division	1,036,508	1,036,508	1,028,097	8,411	1%	903,764	875,613	28,151	3%
Total Legal & Attorney Services Division	1,714,791	1,714,791	1,655,781	59,010	3%	1,528,287	1,518,605	9,682	1%
Access to Justice Commission	827,206	827,206	682,368	144,838	18%	850,972	736,977	113,995	13%
Member Benefits	343,218	343,218	59,166	284,052	83%	202,338	255,091	(52,753)	(26%)
Research & Analysis	167,645	167,645	167,827	(182)	(0%)	163,305	147,255	16,050	10%
Professional Development Division									
Texas Bar CLE	10,174,142	10,174,142	9,518,197	655,945	6%	9,931,052	9,463,912	467,140	5%
Minority Affairs	460,478	460,478	548,964	(88,486)	(19%)	463,169	500,482	(37,313)	(8%)
Total Professional Development	10,634,620	10,634,620	10,067,161	567,459	5%	10,394,221	9,964,394	429,827	4%
Attorney Compliance Division									
Office of Attorney Compliance Director	176,564	176,564	168,848	7,716	4%	172,507	167,056	5,451	3%
Advertising Review	182,597	182,597	182,465	132	0%	182,611	183,473	(862)	(0%)
Client Attorney Assistance Program	547,352	547,352	531,420	15,932	3%	572,585	532,809	39,776	7%
Lawyer Referral	353,692	353,692	356,154	(2,462)	(1%)	346,182	347,682	(1,500)	(0%)
MCLE	579,699	579,699	640,613	(60,914)	(11%)	583,339	664,310	(80,971)	(14%)
Total Attorney Compliance Division	1,839,904	1,839,904	1,879,500	(39,596)	(2%)	1,857,224	1,895,330	(38,106)	(2%)
Operations/Security Division									
Purchasing & Facilities	1,240,950	1,240,950	1,256,653	(15,703)	(1%)	1,240,885	1,172,139	68,746	6%
Total Operations/Security Division	1,240,950	1,240,950	1,256,653	(15,703)	(1%)	1,240,885	1,172,139	68,746	6%

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Twelve Months Ending May 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
Finance Division									
Accounting	936,017	936,017	972,063	(36,046)	(4%)	1,008,446	1,050,825	(42,379)	(4%)
Membership	832,080	832,080	703,531	128,549	15%	857,365	778,327	79,038	9%
Other Administrative	1,770,550	1,770,550	1,932,022	(161,472)	(9%)	1,659,583	1,669,697	(10,114)	(1%)
Total Finance Division	<u>3,538,647</u>	<u>3,538,647</u>	<u>3,607,616</u>	<u>(68,969)</u>	<u>(2%)</u>	<u>3,525,394</u>	<u>3,498,849</u>	<u>26,545</u>	<u>1%</u>
Information Technology Division									
Information Technology	1,304,534	1,304,534	1,230,266	74,268	6%	1,347,148	1,247,350	99,798	7%
Customer Service	370,930	370,930	399,408	(28,478)	(8%)	371,166	381,711	(10,545)	(3%)
Total Information Technology Division	<u>1,675,464</u>	<u>1,675,464</u>	<u>1,629,674</u>	<u>45,790</u>	<u>3%</u>	<u>1,718,314</u>	<u>1,629,061</u>	<u>89,253</u>	<u>5%</u>
Communications Division									
Office of Communications Director	249,259	249,259	237,264	11,995	5%	250,572	233,249	17,323	7%
Bar Journal	1,210,030	1,210,030	1,302,338	(92,308)	(8%)	1,300,562	1,210,826	89,736	7%
Printing	165,407	165,407	134,959	30,448	18%	167,012	169,711	(2,699)	(2%)
Graphics	162,342	162,342	169,362	(7,020)	(4%)	165,256	166,245	(989)	(1%)
Public Information	169,455	169,455	143,062	26,393	16%	126,512	123,241	3,271	3%
Web Management	395,862	395,862	316,773	79,089	20%	396,220	360,218	36,002	9%
Total Communications Division	<u>2,352,355</u>	<u>2,352,355</u>	<u>2,303,758</u>	<u>48,597</u>	<u>2%</u>	<u>2,406,134</u>	<u>2,263,490</u>	<u>142,644</u>	<u>6%</u>
Public Protection Division									
Chief Disciplinary Counsel	9,829,435	9,829,435	9,898,237	(68,802)	(1%)	9,712,355	9,754,647	(42,292)	(0%)
Grievance Oversight Committee	48,800	48,800	38,734	10,066	21%	48,800	44,193	4,607	9%
Unauthorized Practice of Law	170,000	170,000	184,373	(14,373)	(8%)	170,000	163,563	6,437	4%
Professional Ethics Commission	11,080	11,080	9,152	1,928	17%	11,080	12,272	(1,192)	(11%)
Board of Disciplinary Appeals	619,339	619,339	600,975	18,364	3%	607,016	573,999	33,017	5%
Total Public Protection Division	<u>10,678,654</u>	<u>10,678,654</u>	<u>10,731,471</u>	<u>(52,817)</u>	<u>(0%)</u>	<u>10,549,251</u>	<u>10,548,674</u>	<u>577</u>	<u>0%</u>
TOTAL EXPENDITURES	<u>41,023,091</u>	<u>41,023,091</u>	<u>39,817,197</u>	<u>1,205,894</u>	<u>3%</u>	<u>40,641,240</u>	<u>39,342,836</u>	<u>1,298,404</u>	<u>3%</u>
Transfers to:									
Bldg & Equip Fund	288,800	288,800	288,800			288,800	288,800		
Technology Fund	500,000	500,000	500,000			500,000	500,000		
Client Security Fund	300,000	300,000	300,000			300,000	300,000		
TOTAL TRANSFERS	<u>1,088,800</u>	<u>1,088,800</u>	<u>1,088,800</u>			<u>1,088,800</u>	<u>1,088,800</u>		
TOTAL EXPENDITURES & TRANSFERS	<u>42,111,891</u>	<u>42,111,891</u>	<u>40,905,997</u>	<u>1,205,894</u>	<u>3%</u>	<u>41,730,040</u>	<u>40,431,636</u>	<u>1,298,404</u>	<u>3%</u>
Excess (Deficit) of Revenues Over Expenditures & Transfers			<u>4,048,722</u>	<u>4,048,722</u>			<u>2,169,908</u>	<u>2,169,908</u>	

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Twelve Months Ending May 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
BOARD COMMITMENTS									
Board Commitment - SLRAP	350,000	350,000	350,000			350,000	350,000		
Board Commitment - Sheeran-Crowley Memorial Trust						250,000	250,000		
Board Commitment - Client Security Fund	800,000	800,000	800,000						
Board Commitment - Technology Fund						750,000	750,000		
Board Commitment - Texas Opportunity & Justice Incubator Program	755,278	755,278	184,190	571,088	76%	1,000,000	244,722	755,278	76%
Board Commitment - Presidential Initiatives	157,867	157,867	31,226	126,641	80%	301,753	143,886	157,867	52%
Board Commitment - Statewide Pro Bono Campaign	159,060	159,060	10,899	148,161	93%	178,883	19,823	159,060	89%
Board Commitment - LAD 2018 Board Commitments	556,772	556,772	555,790	982	0%	545,929	502,659	43,270	8%
Board Commitment - Referendum Reserve	100,000	100,000		100,000	100%	100,000		100,000	100%
Board Commitment - Run-Off Election Reserve	70,000	70,000		70,000	100%				
Board Commitment - Ethics Initiatives	12,431	12,431	488	11,943	96%	17,131	4,700	12,431	73%
Board Commitment - Supreme Court Equipment Replacement						100,000	100,000		
Board Commitment - Document Preservation	50,000	50,000	50,000			50,000		50,000	100%
Board Commitment - Archives Digitization Project	100,000	100,000	24,500	75,500	76%	100,000		100,000	100%
Board Commitment - Texas Law Center Renovations						16,525	16,525		
<b>TOTAL BOARD COMMITMENTS</b>	<b>3,111,408</b>	<b>3,111,408</b>	<b>2,007,093</b>	<b>1,104,315</b>	<b>35%</b>	<b>3,760,221</b>	<b>2,382,315</b>	<b>1,377,906</b>	<b>37%</b>
<b>TOTAL YTD INCREASE (REDUCTION) IN FUND BALANCE</b>	<b>(3,111,408)</b>	<b>(3,111,408)</b>	<b>2,041,629</b>	<b>5,153,037</b>	<b>166%</b>	<b>(3,760,221)</b>	<b>(212,407)</b>	<b>3,547,814</b>	<b>94%</b>



**State Bar of Texas  
General Fund  
Balance Sheet  
As of May 31, 2019  
UNAUDITED**

Assets

Cash & Money Market Funds		\$ 4,741,370
Investments	27,718,215	
Adjust Investments to Market	59,630	
Investments at Fair Market Value		27,777,845
Accounts Receivable:		
Sales	46,003	
Less Allowance for Doubtful Accounts	(2,300)	
Net Accounts Receivable - Sales		43,703
Accrued Interest		48,448
Interfund		4,666,501
Other		299,623
Inventory		12,070
Prepaid Expenditures		847,384
Total Assets		<u><u>\$ 38,436,944</u></u>

Liabilities and Fund Equity

Liabilities

Accounts Payable:		
Cash - A/P		
Trade		1,273,484
Interfund		4,809,455
Accrued Liabilities		391,354
Deferred Revenue -		
Membership Dues		12,368,611
Other		1,502,103
Other Liabilities		342,061
Total Liabilities		<u><u>20,687,068</u></u>

**State Bar of Texas  
General Fund  
Balance Sheet  
As of May 31, 2019**

Fund Balances

Nonspendable - Prepaids at May 31, 2018	\$ 672,040	
Nonspendable - Inventory at May 31, 2018	9,453	
Nonspendable - Investments FMV Adjustment at May 31, 2018	(31,424)	
Board Committed - Minimum Reserve January 2019	11,059,004	
Board Committed - Texas Opportunity and Justice Incubator Program	755,278	
Board Committed - Legal Access Division Programs	600,041	
Board Committed - Client Security Fund	800,000	
Board Committed - Student Loan Repayment Assistance Program	865,000	
Board Committed - Technology Fund	150,000	
Board Committed Expenditures - Texas Law Center Renovations	100,000	
Board Committed - Law Focused Education	79,500	
Board Committed - Presidential Initiatives	157,867	
Board Committed - Pro Bono Campaign	159,060	
Board Committed - Run-off Election Reserve	70,000	
Board Committed - Referendum Reserve	100,000	
Board Committed - Archives Digitization Project	100,000	
Board Committed - Ethics Initiatives	12,431	
Board Committed - Document Preservation	50,000	
	<hr/>	
Total Fund Balance at May 31, 2018		<hr/> 15,708,250 <hr/>

Current Year Operations

Nonspendable - Prepaids at May 31, 2019	175,344	
Nonspendable - Inventory at May 31, 2019	2,617	
Nonspendable - Investments FMV Adjustment at May 31, 2019	91,054	
Board Committed Expenditures - Client Security Fund	(800,000)	
Board Committed Expenditures - SLRAP	(350,000)	
Board Committed Expenditures - Texas Opportunity & Justice Incubator Pro	(184,190)	
Board Committed Expenditures - Presidential Initiatives	(31,226)	
Board Committed Expenditures - Statewide Pro Bono Campaign	(10,899)	
Board Committed Expenditures - Legal Access Division Initiatives	(555,790)	
Board Committed Expenditures - Ethics Initiative	(488)	
Board Committed Expenditures - Document Preservation	(50,000)	
Board Committed Expenditures - Archives Digitation Project	(24,500)	
Amount Available for Board Commitment from Current Year Operations	3,779,705	
	<hr/>	
Total Current Year Increase (Reduction) in Fund Balance		<hr/> 2,041,627 <hr/>

Total Fund Balance	<hr/> 17,749,877 <hr/>
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Total Liabilities and Fund Balance	<hr/> <hr/> \$ 38,436,945 <hr/> <hr/>
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State Bar of Texas  
Client Security Fund  
Statement of Revenues & Expenditures  
For the Twelve Months Ending May 31, 2019  
UNAUDITED

Revenues:

Interest	\$ 66,701
Restitution/Other Income	72,153
Total Revenues	<u>138,854</u>

Expenditures:

Claims	660,980
Banking Fees	180
Total Expenditures	<u>661,160</u>

Excess (Deficit) of Revenue Over Expenditures	<u>(522,306)</u>
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General Fund Operating Transfer In	300,000
General Fund Committed Funds Transfer In	800,000
Total Transfers In from General Fund	<u>1,100,000</u>

Net Increase (Decrease) in the Fair Value of Investments	946
Net after Operating Transfer & Unrealized Net Gain (Loss)	<u>\$ 578,640</u>

State Bar of Texas  
Client Security Fund  
Balance Sheet  
As of May 31, 2019  
UNAUDITED

Assets

Cash & Money Market Accts.	\$ 745,915
Investments	2,282,368
Adjust Investments to Market	(110)
Interest Receivable	<u>5,384</u>

Total Assets	<u><u>3,033,557</u></u>
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Liabilities:

Due To (From) General Fund	<u>425,010</u>
Total Liabilities	425,010

Fund Balance

Beginning Fund Balance	2,029,906	
Current Year Activity	<u>578,641</u>	
Total Fund Balance		<u><u>2,608,547</u></u>

Total Liabilities and Fund Balance	<u><u>\$ 3,033,557</u></u>
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State Bar of Texas  
Law Practice Resources Division  
Statement of Revenues and Expenses  
For the Twelve Months Ending May 31, 2019  
UNAUDITED

	YTD Budget	YTD Actual	Budget to Actual % Variance	2018-2019 Budget
<b>Revenues:</b>				
Book Sales Net of Estimated Returns	\$2,075,913	\$1,887,087	-10%	\$2,075,913
Online Sales	481,318	367,299	-31%	481,318
Total Sales	2,557,231	2,254,386	-13%	2,557,231
Fees	55,000	55,867	2%	55,000
Interest	6,000	8,993	33%	6,000
Royalty	1,130,000	1,138,780	1%	1,130,000
Total Revenues	3,748,231	3,458,026	-8%	3,748,231
<b>Cost of Goods Sold:</b>				
Finished Products	425,562	379,626	12%	425,562
Publicity/Advertising for Specific Titles	53,000	26,156	103%	53,000
Inventory Reserve Adjustment	0	85,345	-100%	0
Royalties	101,353	123,341	-18%	101,353
Other	40,000	111,307	-64%	40,000
Total Cost of Goods Sold	619,915	725,775	-15%	619,915
<b>Expenses:</b>				
Salaries	1,313,153	1,328,056	-1%	1,313,153
Benefits	440,571	426,400	3%	440,571
Travel	48,450	32,125	51%	48,450
Meetings & Conferences	1,800	1,654	9%	1,800
Professional Services	90,036	100,861	-11%	90,036
Publicity/Advertising	15,000	2,908	416%	15,000
Dues/Subscriptions/Licenses	50,014	53,902	-7%	50,014
Education/Training	13,290	9,918	34%	13,290
Supplies/Awards/Gifts/Spec. Items	15,999	31,215	-49%	15,999
Rentals - Office, Equipment, Storage	169,188	163,423	4%	169,188
Maintenance/Repair	24,000	31,449	-24%	24,000
Postage and Freight	209,091	156,958	33%	209,091
Telephone	4,500	3,729	21%	4,500
Insurance	6,000	6,217	-3%	6,000
Administrative Fee	542,548	542,548	0%	542,548
Bad Debts	52,245	(12,525)	-517%	52,245
Capital Lease Expense	12,500	13,870	-10%	12,500
Printing	0	(7,100)	-100%	0
Copying	1,800	2,292	-21%	1,800
Total Operating Expenses	3,010,185	2,887,900	4%	3,010,185
Total Expenses	3,630,100	3,613,675	0%	3,630,100
Net Income/(Loss)	118,131	(155,649)	-176%	118,131

State Bar of Texas  
Texas Bar Books  
Statement of Net Position  
As of May 31, 2019  
UNAUDITED

Assets

Accounts Receivable :		
Sales	\$ 440,028	
Less Allowance for Doubtful Accounts	(22,001)	
Less Allowance for Refunds	(2,021)	
Net Accounts Receivable - Sales		416,006
Accounts Receivable - Other		7,488
Interfund Receivable - General Fund		741,033
Inventory		
Inventory - Finished Goods	621,941	
Inventory - Work in Process	66,175	
Less Inventory - Reserve	(132,602)	
Total Inventory Less Reserves		555,514
Prepaid Expenditures		498
Intangible Assets:		
Fixed Assets:		
Furniture/Equipment	353,637	
Less Accumulated Depreciation	(318,315)	
Net Fixed Assets		35,322
Total Assets		<u><u>\$ 1,755,861</u></u>

Liabilities and Net Position

Liabilities

Payables	\$ 50,601
Deferred Revenue	9,035
Compensable Leave	97,422
Total Liabilities	<u><u>157,058</u></u>

Net Position

Net Position at May 31, 2018 - Unrestricted	1,754,451
Designated - Minimum Operating Expenditures	3,458,025
Designated - Projects in Process	(3,613,673)
Designated - New Approved Projects	155,648
Total Net Position at May 31, 2018	<u><u>1,754,451</u></u>
Current Year Operations	<u><u>(155,648)</u></u>
Total Liabilities and Net Position	<u><u>\$ 1,755,861</u></u>

State Bar of Texas  
Combining Statement of Revenue & Expenditures  
And Changes in Fund Balance  
All Special Revenue Funds  
For the Twelve Months Ending May 31, 2019  
UNAUDITED

	Law Focused Grants	TBLS	Convention Fund	Texas Law Center	Texas Bar College	Technology Fund	Misc Grant Fund	Total
<b>Revenues:</b>								
Fees		\$1,356,500	\$265,845		\$204,151			\$1,826,496
Sales			29,720		3,044			32,764
Investments	110	34,704	7,568	94,739	4,933			142,054
Grants	418,870						17,500	436,370
Contributions			253,250		3,650		39,466	296,366
Other Revenue		23,485						23,485
<b>Total Revenues</b>	<b>418,980</b>	<b>1,414,689</b>	<b>556,383</b>	<b>94,739</b>	<b>215,778</b>		<b>56,966</b>	<b>2,757,535</b>
<b>Expenditures:</b>								
Salaries		440,573			62,078			502,651
Benefits		166,455			23,651			190,106
Salaries & Wages - Temporary					987			987
Travel	157,186	37,530	6,137		39,481			240,334
Meetings & Conferences	42,738	45,645	434,964		10,085			533,432
Professional Services	116,925	117,161	8,055	6,455	10,017		38,951	297,564
Publicity/Advertising		88,081	39,000		4,964			132,045
Dues/Subscriptions/Licenses	1,662	23,132			1,903	30,631		57,328
Education/Training	375				175		515	1,065
Supplies/Awards/Gifts/Spec. Items	58,299	6,451	12,251	16,020	24,260	175,673		292,954
Rentals - Office, Equipment, Storage	5,040	118,315	629		2,509			126,493
Maintenance/Repair				9,070		443,890		452,960
Postage and Freight	5,698	4,624	20,143		9,155	36		39,656
Telephone		15,987	(237)		676			16,426
Administrative	13,720	86,600	9,800		31,583		17,500	159,203
Fixed Assets		2,798		4,035		378,183		385,016
Printing and Copying	17,337	5,420	18,269		20,244			61,270
<b>Total Expenditures</b>	<b>418,980</b>	<b>1,158,772</b>	<b>549,011</b>	<b>35,580</b>	<b>241,768</b>	<b>1,028,413</b>	<b>56,966</b>	<b>3,489,490</b>
<b>Transfer (In) / Out</b>				<b>(288,800)</b>		<b>(500,000)</b>		<b>(788,800)</b>
<b>Total Expenditures &amp; Transfers</b>	<b>418,980</b>	<b>1,158,772</b>	<b>549,011</b>	<b>(253,220)</b>	<b>241,768</b>	<b>528,413</b>	<b>56,966</b>	<b>2,700,690</b>
<b>Net Increase (Decrease) in the Fair Value of Investments</b>				<b>24,879</b>				<b>24,879</b>
<b>Total Revenues less Expenditures</b>		<b>255,917</b>	<b>7,372</b>	<b>372,838</b>	<b>(25,990)</b>	<b>(528,413)</b>		<b>81,724</b>
<b>Beginning Fund Balance at 6/1/2018</b>		<b>1,858,938</b>	<b>337,791</b>	<b>3,676,630</b>	<b>218,370</b>	<b>1,281,166</b>		<b>7,372,895</b>
<b>Ending Fund Balance at 5/31/2019</b>	<b>\$0</b>	<b>\$2,114,855</b>	<b>\$345,163</b>	<b>\$4,049,468</b>	<b>\$192,380</b>	<b>\$752,753</b>	<b>\$0</b>	<b>\$7,454,619</b>

# STATE BAR OF TEXAS - FINANCE DIVISION



## Dashboard of Key Financial Trends

### General Fund Operating Results for Two Months Ended July 31, 2019

Chart A contains the State Bar's General Fund Budget to Actual Variance for the financial period. This indicates the overall earnings incurred from current year operations.

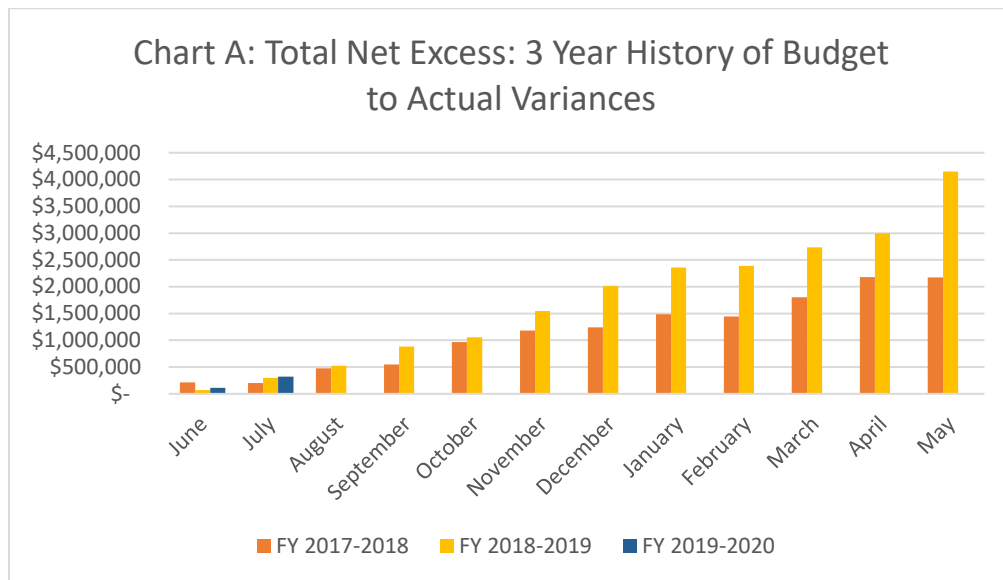


Table 1 contains details of data presented in Chart A above:

### **Operations of General Fund: Budget to Actual Variances (cumulative)**

	FY 2017-2018	FY 2018-2019	FY 2019-2020
June	\$ 216,672	\$ 70,915	\$ 111,071
July	\$ 201,736	\$ 295,712	\$ 322,750
August	\$ 477,125	\$ 524,480	
September	\$ 546,656	\$ 885,337	
October	\$ 969,094	\$ 1,056,344	
November	\$ 1,178,479	\$ 1,546,381	
December	\$ 1,242,976	\$ 2,010,521	
January	\$ 1,487,407	\$ 2,359,057	
February	\$ 1,441,399	\$ 2,387,072	
March	\$ 1,804,426	\$ 2,733,334	
April	\$ 2,176,267	\$ 2,999,300	
May	\$ 2,169,908	\$ 4,148,722	

**Chart B presents the total Revenues and Expenditures of the State Bar’s General Fund over the previous three years.**

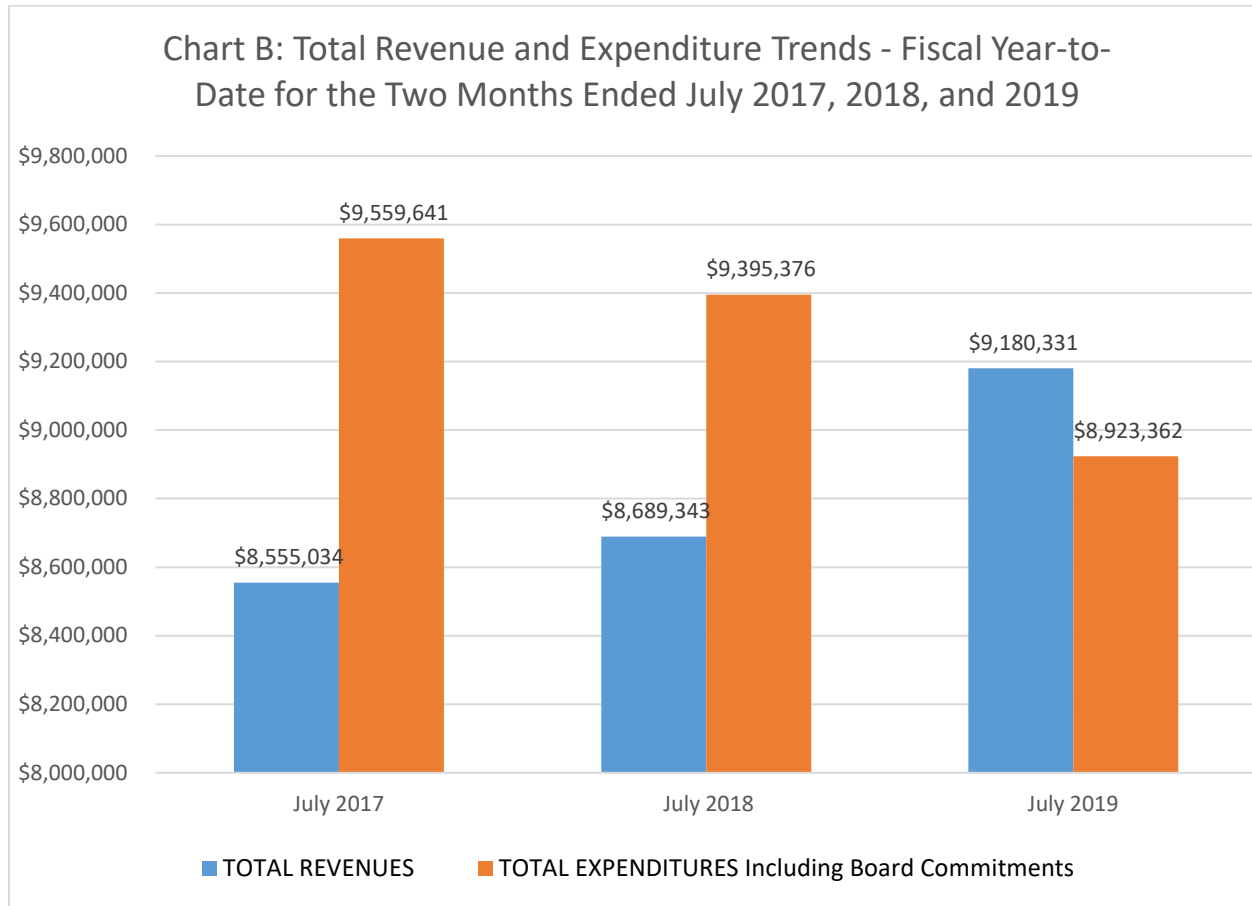


Chart C presents the total revenues by department of the State Bar's General Fund over the previous three years.

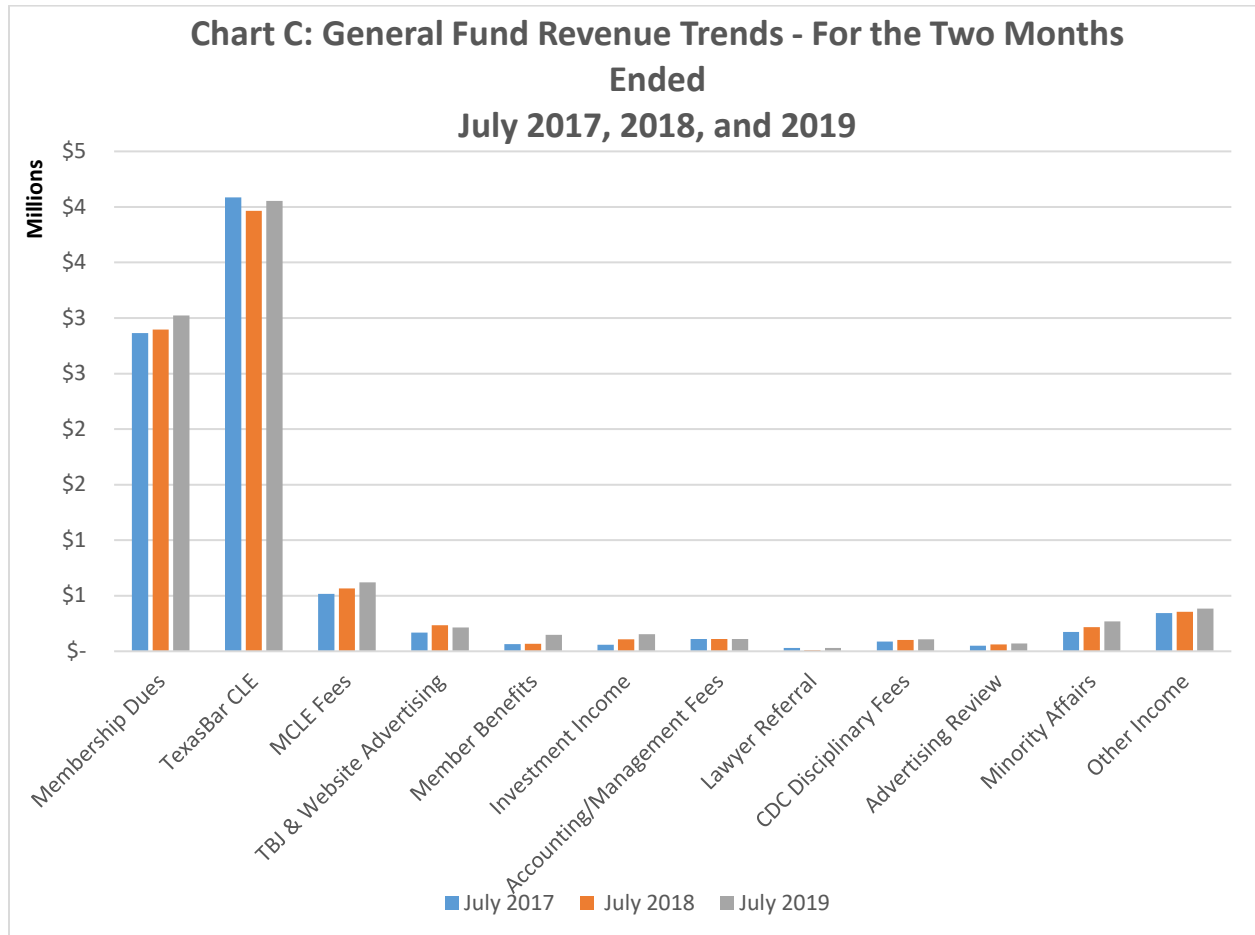
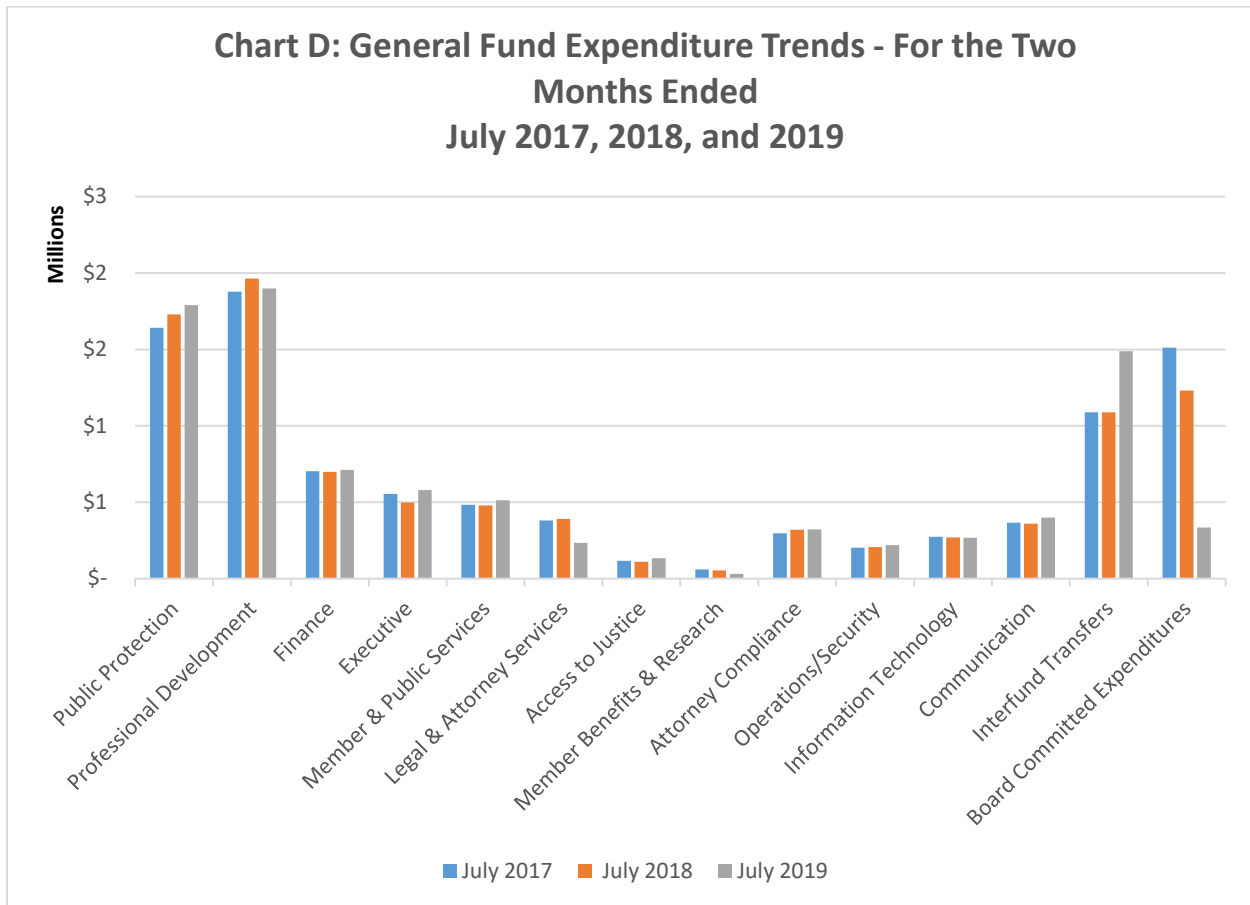




Chart D presents the total revenues by department of the State Bar's General Fund over the previous three years.





**State Bar of Texas General Fund  
Financial Highlights  
For the Two Months Ended July 31, 2019**

**Total General Fund YTD results** – As of July 31, 2019, the General Fund had a net excess of revenues over expenditures and transfers of \$590,819 compared to a budgeted net excess of \$268,069. This resulted in a positive overall variance of \$322,750.

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Total Revenues	\$9,180,331	\$8,849,928	\$330,403	4%
Total Expenditures and Transfers	8,589,512	8,581,859	(7,653)	0%
<b>Net Excess</b>	<b>\$590,819</b>	<b>\$268,069</b>	<b>\$322,750</b>	

**Revenues**

For the period ending July 31, 2019, total revenues exceeded the budget by \$330,403 or 4%, thereby producing a positive actual to budget variance. An analysis of the revenues shows that one department had a positive revenue variance in excess of \$100,000 or 10% for the period ending July 31, 2019.

- Member Dues – Total Positive Revenue Variance: \$139,081 or 5% - This positive variance results primarily from higher than anticipated dues collection.
- MCLE Department – Total Positive Revenue Variance: \$59,305 or 11% - This positive variance results primarily from higher than anticipated number of course accreditation fees.
- Minority Affairs – Total Positive Revenue Variance: \$96,045 or 56% - This positive revenue variance results from a higher than expected number of sponsorships for the Texas Minority Counsel Program.

**Expenditures**

For the period ending July 31, 2019, total expenditures were over the allocated budget by (\$7,653), which resulted in a negative actual to budget variance.

An analysis of expenditures shows that one department had a negative expenditure variance in excess of \$10,000 and 10% for the period ending July 31, 2019.

- Minority Affairs – Total Negative Expenditure Variance: (\$39,093) or (58%) – This negative variance results from an increase in additional conference expenses which were off-set by additional revenue collected from sponsorship and contributions.

An analysis of the expenditures shows that one department, Membership Department, had a large positive expenditure variance in excess of (\$10,000) and (10%) in salaries and benefits due an open position.

### **TexasBarCLE (TBCLE)**

For the period ending July 31, 2019, TexasBarCLE's net revenues over expenditures amount exceeded its budget target by \$42,512 or 2%, thereby producing a negative actual to budget variance.

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
TBCLE Revenues	\$4,052,820	\$4,058,191	(\$5,371)	0%
TBCLE Expenditures	1,792,040	1,839,923	47,883	3%
<b>Net TBCLE Income</b>	<b>\$2,260,780</b>	<b>\$2,218,268</b>	<b>\$42,512</b>	<b>2%</b>

In comparing TBCLE's performance to previous years, it is appropriate to make two comparisons: (1) compare the current fiscal year 19-20 to the previous fiscal year 18-19; and (2) compare the current fiscal year 19-20 to fiscal year 17-18. Fiscal years ending in odd numbers are considered to be "non-legislative years", in other words, they do not follow a legislative session. Fiscal years ending in even numbers are considered to be "legislative years" because they do follow a legislative session and TBCLE generally sees a surge in revenues following a legislative year. The surge in revenue generally results from legal issues arising during the legislative process; thereby creating a need for new or revised CLE programs.

In comparing actual revenues and expenditure amounts for the period ending July 31, 2019 to the prior period ending July 31, 2018, we see an increase in revenues of \$87,560 or 2%, and a decrease in expenditures of \$105,672 or 6% for an overall increase in net revenues of \$193,232 or 9%. This is showing the difference between financial performances based on a comparison to a "non-legislative year".

In comparing actual revenues and expenditure amounts for the current period ending July 31, 2020, to the period ending July 31, 2017, we see a decrease in revenue of (\$32,303) or (1%) and a decrease in expenditures of \$15,363 or 1% for an overall decrease in net revenues of (\$16,940) or (1%). This is showing the difference between financial performances based on a comparison of two "legislative years."

### **Salaries and Benefits**

For FY 2019-2020, the salaries and benefits budget totals \$24,381,427 or 56.6% of the overall \$43,109,214 General Fund budget before budgeted board commitments. The \$24,381,427

includes a 4% vacancy rate. The actual vacancy factor for the period ending July 31, 2019 was 4.1%. The actual salary and benefit expenditures had a (\$2,078) or (.05%) negative variance to budget at the end of July 2019.

Budget	\$ 4,088,287
Actual	<u>4,090,365</u>
Variance	<u><u>\$ (2,078)</u></u>

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Two Months Ending July 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
<b>REVENUES:</b>									
Membership Dues	\$20,783,246	\$2,882,777	\$3,021,858	\$139,081	5%	\$2,835,717	\$2,894,714	\$58,997	2%
Accounting/Management Fees	650,351	109,225	109,225			109,225	109,225		
Texas Bar Journal	629,878	98,192	97,387	(805)	(1%)	111,525	115,073	3,548	3%
Leadership SBOT	10,000	1,666		(1,666)	(100%)	1,666		(1,666)	(100%)
MCLE Fees	3,257,183	560,235	619,540	59,305	11%	535,823	565,318	29,495	6%
TexasBar CLE	13,955,703	4,058,191	4,052,820	(5,371)	(0%)	4,036,841	3,965,260	(71,581)	(2%)
Investment Income	350,000	157,677	152,480	(5,197)	(3%)	100,000	106,716	6,716	7%
Lawyer Referral	190,000	21,000	29,676	8,676	41%	19,000	10,041	(8,959)	(47%)
Member Benefits	844,909	142,161	149,098	6,937	5%	33,917	67,265	33,348	98%
CDC Disciplinary Fees	553,240	104,550	108,088	3,538	3%	92,673	101,350	8,677	9%
Membership	14,475	2,400	2,976	576	24%	2,170	3,413	1,243	57%
Local Bars	12,600	12,600	6,700	(5,900)	(47%)	12,500	17,550	5,050	40%
Minority Affairs	350,000	173,000	269,045	96,045	56%	208,500	217,635	9,135	4%
Information Technology Dept.	1,200	200	200			200	200		
Website	405,000	114,000	115,677	1,677	1%	110,000	119,532	9,532	9%
Legal Access Division	23,000	5,000	7,200	2,200	44%	5,000	4,800	(200)	(4%)
Law Related Education	9,256		1,500	1,500					
TYLA	60,000	1,000	2,225	1,225	123%	1,000	2,000	1,000	100%
Law Student Division	6,000	900	2,010	1,110	123%	900	2,225	1,325	147%
Purchasing & Facilities	46,500	7,560	7,320	(240)	(3%)	8,495	9,554	1,059	12%
Advertising Review	380,000	60,981	70,150	9,169	15%	59,315	60,550	1,235	2%
Miscellaneous, Sales Tax Discounts, Etc.	74,000	21,166	29,027	7,861	37%	16,166	14,593	(1,573)	(10%)
Credit Card Processing Fees	330,000	286,668	297,350	10,682	4%	260,000	273,550	13,550	5%
Rent	172,673	28,779	28,779			29,907	28,779	(1,128)	(4%)
<b>TOTAL REVENUES</b>	<b>43,109,214</b>	<b>8,849,928</b>	<b>9,180,331</b>	<b>330,403</b>	<b>4%</b>	<b>8,590,540</b>	<b>8,689,343</b>	<b>98,803</b>	<b>1%</b>
<b>EXPENDITURES</b>									
<b>Executive Division</b>									
Executive Director	670,896	116,079	116,412	(333)	(0%)	98,333	100,041	(1,708)	(2%)
Associate Executive Director/Legal Counsel	661,868	99,200	94,193	5,007	5%	86,757	88,188	(1,431)	(2%)
Deputy Executive Director	226,500	38,153	35,846	2,307	6%	36,974	34,585	2,389	6%
Deputy Executive Director/External Affairs	261,955	43,643	43,163	480	1%	45,678	41,238	4,440	10%
Special Financial Advisor	193,491	32,165	34,939	(2,774)	(9%)	12,500	14,320	(1,820)	(15%)
Officers & Directors	850,117	183,767	199,707	(15,940)	(9%)	174,031	167,404	6,627	4%
Human Resources	294,760	48,264	48,881	(617)	(1%)	46,080	49,665	(3,585)	(8%)
Training/Tuition	71,133	6,500	6,349	151	2%	7,500	1,445	6,055	81%
<b>Total Executive Division</b>	<b>3,230,720</b>	<b>567,771</b>	<b>579,490</b>	<b>(11,719)</b>	<b>(2%)</b>	<b>507,853</b>	<b>496,886</b>	<b>10,967</b>	<b>2%</b>

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Two Months Ending July 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
Member & Public Services Division									
Member & Public Services Division Director						19,552	(2,159)	21,711	111%
Center for Legal History	154,037	28,016	27,624	392	1%	27,052	23,558	3,494	13%
Law Related Education	512,851	111,956	106,313	5,643	5%	96,186	86,588	9,598	10%
Governmental Relations	173,238	30,232	26,638	3,594	12%	28,010	25,049	2,961	11%
Texas Young Lawyers Association	1,010,999	140,471	146,257	(5,786)	(4%)	133,284	124,090	9,194	7%
LeadershipSBOT	98,672	15,516	17,128	(1,612)	(10%)	15,516	16,325	(809)	(5%)
Sections	335,660	53,786	56,062	(2,276)	(4%)	50,929	52,630	(1,701)	(3%)
Local Bars	455,312	79,412	74,431	4,981	6%	77,955	71,450	6,505	8%
Special Events	73,604	2,595	10,066	(7,471)	(288%)	17,595	23,307	(5,712)	(32%)
Law Student Department	20,266	3,870	4,012	(142)	(4%)	3,875	4,681	(806)	(21%)
SBOT Volunteer Committees	280,510	48,799	44,983	3,816	8%	46,162	53,432	(7,270)	(16%)
Total Member & Public Services Division	<u>3,115,149</u>	<u>514,653</u>	<u>513,514</u>	<u>1,139</u>	<u>0%</u>	<u>516,116</u>	<u>478,951</u>	<u>37,165</u>	<u>7%</u>
Legal & Attorney Services Division									
Legal & Attorney Services Division Director	229,745	39,994	37,630	2,364	6%	38,865	37,962	903	2%
Texas Lawyers Assistance Program	401,146	65,425	66,597	(1,172)	(2%)	74,453	66,240	8,213	11%
Legal Access Division	1,521,608	130,559	129,772	787	1%	311,661	286,763	24,898	8%
Total Legal & Attorney Services Division	<u>2,152,499</u>	<u>235,978</u>	<u>233,999</u>	<u>1,979</u>	<u>1%</u>	<u>424,979</u>	<u>390,965</u>	<u>34,014</u>	<u>8%</u>
Access to Justice Commission	<u>840,127</u>	<u>133,040</u>	<u>133,631</u>	<u>(591)</u>	<u>(0%)</u>	<u>133,389</u>	<u>110,429</u>	<u>22,960</u>	<u>17%</u>
Member Benefits	<u>203,463</u>	<u>8,890</u>	<u>2,593</u>	<u>6,297</u>	<u>71%</u>	<u>34,780</u>	<u>29,438</u>	<u>5,342</u>	<u>15%</u>
Research & Analysis	<u>179,700</u>	<u>26,819</u>	<u>27,358</u>	<u>(539)</u>	<u>(2%)</u>	<u>28,434</u>	<u>24,044</u>	<u>4,390</u>	<u>15%</u>
Professional Development Division									
Texas Bar CLE	9,950,513	1,839,923	1,792,040	47,883	3%	1,971,831	1,897,713	74,118	4%
Minority Affairs	498,601	67,717	106,810	(39,093)	(58%)	75,351	65,466	9,885	13%
Total Professional Development	<u>10,449,114</u>	<u>1,907,640</u>	<u>1,898,850</u>	<u>8,790</u>	<u>0%</u>	<u>2,047,182</u>	<u>1,963,179</u>	<u>84,003</u>	<u>4%</u>
Attorney Compliance Division									
Office of Attorney Compliance Director	181,703	30,091	30,615	(524)	(2%)	29,234	28,103	1,131	4%
Advertising Review	183,126	29,806	31,650	(1,844)	(6%)	29,718	29,797	(79)	(0%)
Client Attorney Assistance Program	545,835	90,424	92,043	(1,619)	(2%)	90,676	93,074	(2,398)	(3%)
Lawyer Referral	361,847	59,465	62,343	(2,878)	(5%)	58,906	52,747	6,159	10%
MCLE	603,280	111,382	106,232	5,150	5%	95,308	115,391	(20,083)	(21%)
Total Attorney Compliance Division	<u>1,875,791</u>	<u>321,168</u>	<u>322,883</u>	<u>(1,715)</u>	<u>(1%)</u>	<u>303,842</u>	<u>319,112</u>	<u>(15,270)</u>	<u>(5%)</u>
Operations/Security Division									
Purchasing & Facilities	1,258,803	205,203	218,776	(13,573)	(7%)	210,636	207,237	3,399	2%
Total Operations/Security Division	<u>1,258,803</u>	<u>205,203</u>	<u>218,776</u>	<u>(13,573)</u>	<u>(7%)</u>	<u>210,636</u>	<u>207,237</u>	<u>3,399</u>	<u>2%</u>

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Two Months Ending July 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
Finance Division									
Accounting	946,709	159,302	167,616	(8,314)	(5%)	156,985	163,183	(6,198)	(4%)
Membership	706,016	107,809	97,155	10,654	10%	147,613	138,478	9,135	6%
Other Administrative	1,836,698	472,283	447,132	25,151	5%	385,347	396,626	(11,279)	(3%)
Total Finance Division	<u>3,489,423</u>	<u>739,394</u>	<u>711,903</u>	<u>27,491</u>	<u>4%</u>	<u>689,945</u>	<u>698,287</u>	<u>(8,342)</u>	<u>(1%)</u>
Information Technology Division									
Information Technology	1,317,699	222,652	203,789	18,863	8%	220,457	203,997	16,460	7%
Customer Service	376,826	65,794	64,546	1,248	2%	56,396	64,808	(8,412)	(15%)
Total Information Technology Division	<u>1,694,525</u>	<u>288,446</u>	<u>268,335</u>	<u>20,111</u>	<u>7%</u>	<u>276,853</u>	<u>268,805</u>	<u>8,048</u>	<u>3%</u>
Communications Division									
Office of Communications Director	254,629	48,184	51,178	(2,994)	(6%)	39,638	45,570	(5,932)	(15%)
Bar Journal	1,212,173	189,771	204,287	(14,516)	(8%)	192,123	191,197	926	0%
Printing	136,797	21,814	23,434	(1,620)	(7%)	26,752	19,631	7,121	27%
Graphics	163,177	29,250	30,205	(955)	(3%)	29,111	29,282	(171)	(1%)
Public Information	155,636	30,819	24,415	6,404	21%	25,373	19,544	5,829	23%
Web Management	412,484	61,484	66,605	(5,121)	(8%)	63,984	54,883	9,101	14%
Total Communications Division	<u>2,334,896</u>	<u>381,322</u>	<u>400,124</u>	<u>(18,802)</u>	<u>(5%)</u>	<u>376,981</u>	<u>360,107</u>	<u>16,874</u>	<u>4%</u>
Public Protection Division									
Chief Disciplinary Counsel	9,942,758	1,642,388	1,665,152	(22,764)	(1%)	1,623,812	1,611,811	12,001	1%
Grievance Oversight Committee	48,800	8,260	13,144	(4,884)	(59%)	8,260	5,498	2,762	33%
Unauthorized Practice of Law	170,000	12,395	6,404	5,991	48%	17,005	10,098	6,907	41%
Professional Ethics Commission	12,000		3,661	(3,661)			675	(675)	
Board of Disciplinary Appeals	622,646	99,692	100,895	(1,203)	(1%)	99,141	100,376	(1,235)	(1%)
Total Public Protection Division	<u>10,796,204</u>	<u>1,762,735</u>	<u>1,789,256</u>	<u>(26,521)</u>	<u>(2%)</u>	<u>1,748,218</u>	<u>1,728,458</u>	<u>19,760</u>	<u>1%</u>
TOTAL EXPENDITURES	<u>41,620,414</u>	<u>7,093,059</u>	<u>7,100,712</u>	<u>(7,653)</u>	<u>(0%)</u>	<u>7,299,208</u>	<u>7,075,898</u>	<u>223,310</u>	<u>3%</u>
Transfers to:									
Bldg & Equip Fund	288,800	288,800	288,800			288,800	288,800		
Technology Fund	500,000	500,000	500,000			500,000	500,000		
Client Security Fund	700,000	700,000	700,000			300,000	300,000		
TOTAL TRANSFERS	<u>1,488,800</u>	<u>1,488,800</u>	<u>1,488,800</u>			<u>1,088,800</u>	<u>1,088,800</u>		
TOTAL EXPENDITURES & TRANSFERS	<u>43,109,214</u>	<u>8,581,859</u>	<u>8,589,512</u>	<u>(7,653)</u>	<u>(0%)</u>	<u>8,388,008</u>	<u>8,164,698</u>	<u>223,310</u>	<u>3%</u>
Excess (Deficit) of Revenues									
Over Expenditures & Transfers		<u>268,069</u>	<u>590,819</u>	<u>322,750</u>	<u>120%</u>	<u>202,532</u>	<u>524,645</u>	<u>322,113</u>	<u>159%</u>



**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Two Months Ending July 31, 2019**

	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance \$ Fav/(Unfav)</b>	<b>YTD Variance % Fav/(Unfav)</b>	<b>YTD Budget Prior Year</b>	<b>YTD Actual Prior Year</b>	<b>YTD Prior Year Variance \$ Fav/(Unfav)</b>	<b>YTD Prior Year Variance % Fav/(Unfav)</b>
BOARD COMMITMENTS									
Board Commitment - SLRAP	515,000					350,000	350,000		
Board Commitment - Client Security Fund						800,000	800,000		
Board Commitment - Technology Fund	150,000	150,000	150,000						
Board Commitment - Texas Opportunity & Justice Incubator Program	571,088	22,959	22,959			38,083	38,083		
Board Commitment - Presidential Initiatives	126,641	306	306			8,085	8,085		
Board Commitment - Statewide Pro Bono Campaign	148,161	901	901			5,300	5,300		
Board Commitment - LAD 2018 Board Commitments	44,251	37,372	37,372			29,210	29,210		
Board Commitment - Referendum Reserve	100,000								
Board Commitment - Run-Off Election Reserve	70,000								
Board Commitment - Ethics Initiatives	11,943	32	32						
Board Commitment - Archives Digitization Project	75,500								
Board Commitment - LRE Website Project	79,500	22,280	22,280						
Board Commitment - Texas Law Center Renovations	100,000	100,000	100,000						
TOTAL BOARD COMMITMENTS	<u>1,992,084</u>	<u>333,850</u>	<u>333,850</u>			<u>1,230,678</u>	<u>1,230,678</u>		
TOTAL YTD INCREASE (REDUCTION) IN FUND BALANCE	<u>(1,992,084)</u>	<u>(65,781)</u>	<u>256,969</u>	<u>322,750</u>	<u>491%</u>	<u>(1,028,146)</u>	<u>(706,033)</u>	<u>322,113</u>	<u>31%</u>

**State Bar of Texas  
General Fund  
Balance Sheet  
As of July 31, 2019**

Assets

Cash & Money Market Funds		\$	4,195,605
Investments	32,247,084		
Adjust Investments to Market	65,650		
Investments at Fair Market Value			32,312,734
Accounts Receivable:			
Sales	46,258		
Less Allowance for Doubtful Accounts	(2,313)		
Net Accounts Receivable - Sales			43,945
Accrued Interest			106,570
Interfund			2,722,280
Other			161,224
Inventory			11,781
Prepaid Expenditures			598,063
Total Assets		\$	40,152,202

Liabilities and Fund Equity

Liabilities

Accounts Payable:			
Cash - A/P			
Trade		\$	1,152,574
Interfund			4,830,287
Accrued Liabilities			302,629
Deferred Revenue -			
Membership Dues			15,414,296
Other			316,285
Other Liabilities			29,286
Total Liabilities		\$	22,045,357

**State Bar of Texas  
General Fund  
Balance Sheet  
As of July 31, 2019**

Fund Balances

Nonspendable - Prepaids at May 31, 2019	\$ 847,384
Nonspendable - Inventory at May 31, 2019	6,836
Nonspendable - Investments FMV Adjustment at May 31, 2019	59,630
Board Committed - Minimum Reserve January 2019	11,059,004
Board Committed - Technology Fund	150,000
Board Committed - Texas Opportunity and Justice Incubator Program	571,088
Board Committed - Presidential Initiatives	126,641
Board Committed - Statewide Pro Bono Campaign	148,161
Board Committed - Legal Access Division Programs	44,251
Board Committed - Ethics Initiatives	11,943
Board Committed - Archives Digitization Project	75,500
Board Committed - Law Focused Education Programs	79,500
Board Committed - Texas Law Center Renovations	100,000
Board Committed - Student Loan Repayment Assistance Program	515,000
Board Committed - Run-off Election Reserve	70,000
Board Committed - Referendum Reserve	100,000
Amount Available for Board Commitment: FY 2018-2019	<u>3,884,937</u>

Total Fund Balance at May 31, 2019

17,849,875

Current Year Operations

Nonspendable - Prepaids at July 31, 2019	(249,321)
Nonspendable - Inventory at July 31, 2019	(4,945)
Nonspendable - Investments FMV Adjustment at July 31, 2019	6,020
Board Committed Expenditures - Technology Fund	(150,000)
Board Committed Expenditures - Texas Opportunity & Justice Incubator Program	(22,959)
Board Committed Expenditures - Presidential Initiatives	(306)
Board Committed Expenditures - Statewide Pro Bono Campaign	(901)
Board Committed Expenditures - Legal Access Division Initiatives	(37,372)
Board Committed Expenditures - Ethics Initiative	(32)
Board Committed Expenditures - LRE Programs	(22,280)
Board Committed Expenditures - Texas Law Center Renovations	(100,000)
Amount Available for Board Commitment from Current Year Operations	<u>839,066</u>

Total Current Year Increase (Reduction) in Fund Balance

\$ 256,970

Total Fund Balance

\$ 18,106,846

Total Liabilities and Fund Balance

\$ 40,152,202

State Bar of Texas  
Texas Bar Books  
Statement of Revenues and Expenses  
For the Two Months Ending July 31, 2019

	Y-T-D Budget	Y-T-D Actual	Budget %	2019-2020 Budget
<b>Revenues:</b>				
Book Sales Net of Estimated Returns	\$117,511	\$156,254	(33%)	\$1,975,650
Online Sales	84,281	77,216	8%	505,686
Total Sales	201,792	233,470	(16%)	2,481,336
Fees	1,500	4,371	(191%)	18,000
Interest	1,500	2,616	(74%)	9,000
Royalty	0	16	0%	1,226,000
Other Revenue	6,057	0	100%	101,826
Total Revenues	<u>210,849</u>	<u>240,473</u>	<u>(14%)</u>	<u>3,836,162</u>
<b>Cost of Goods Sold:</b>				
Finished Products	24,090	30,644	(27%)	405,008
Publicity/Advertising for Specific Titles	5,500	5,272	4%	44,000
Royalties	0	258	0%	141,388
Other	9,000	1,150	87%	100,000
Total Cost of Goods Sold	<u>38,590</u>	<u>37,324</u>	<u>3%</u>	<u>690,396</u>
<b>Operating Expenses:</b>				
Salaries	222,794	233,154	(5%)	1,336,761
Benefits	75,218	68,813	9%	451,306
Travel	9,000	10,575	(18%)	46,450
Meetings & Conferences	300	416	(39%)	1,800
Professional Services	9,375	12,668	(35%)	74,926
Publicity/Advertising	2,500	275	89%	15,000
Dues/Subscriptions/Licenses	8,413	4,240	50%	53,576
Education/Training	2,994	6,753	(126%)	13,430
Supplies/Awards/Gifts/Spec. Items	1,695	2,594	(53%)	23,001
Rentals - Office, Equipment, Storage	27,998	25,273	10%	167,988
Maintenance/Repair	5,350	5,100	5%	32,100
Postage and Freight	10,388	5,996	42%	170,330
Telephone	917	635	31%	5,500
Insurance	1,000	1,045	(5%)	6,000
Administrative Fee	91,743	90,425	1%	550,456
Bad Debts	3,819	(7,654)	300%	64,209
Capital Lease Expense	0	0	0%	9,800
Copying	90	95	(6%)	540
Total Operating Expenses	<u>473,594</u>	<u>460,403</u>	<u>3%</u>	<u>3,023,173</u>
Total Expenses	<u>512,184</u>	<u>497,727</u>	<u>3%</u>	<u>3,713,569</u>
Net Income/(Loss)	<u>(301,335)</u>	<u>(257,254)</u>	<u>15%</u>	<u>122,593</u>

State Bar of Texas  
Texas Bar Books  
Statement of Net Position  
As of July 31, 2019

**Assets**

Accounts Receivable :		
Sales	\$	276,940
Less Allowance for Doubtful Accounts		(13,847)
Net Accounts Receivable - Sales		263,093
Interfund Receivable - General Fund		609,912
Inventory		
Inventory - Finished Goods		591,013
Inventory - Work in Process		80,892
Less Inventory - Reserve		(132,602)
		<hr/>
Total Inventory Less Reserves		539,303
Intangible Assets:		
Fixed Assets:		
Furniture/Equipment		353,637
Less Accumulated Depreciation		(318,315)
		<hr/>
Net Fixed Assets		35,322
		<hr/>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>1,447,630</u></u></b>

**Liabilities and Net Position**

Liabilities

Payables	\$	8,656
Compensable Leave		97,422
Total Liabilities		<hr/>
		106,078

Net Position

Total Net Position at May 31, 2019	1,598,803	
Current Year Operations	(257,251)	
	<hr/>	
Total Net Position at July 31, 2019		1,341,552
		<hr/>
<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b><u><u>1,447,630</u></u></b>

State Bar of Texas  
Client Security Fund  
Statement of Revenues & Expenditures  
For the Two Months Ending July 31, 2019

Revenues:

Interest	\$ 11,564
Restitution/Other Income	20
Total Revenues	<u>11,584</u>

Expenditures:

Claims	118,081
Banking Fees	15
Total Expenditures	<u>118,096</u>

Excess (Deficit) of Revenue  
Over Expenditures

(106,512)

General Fund Operating Transfer In  
Total Transfers In from General Fund

700,000  
700,000

Net Increase (Decrease) in the Fair Value of Investments  
Net after Operating Transfer & Unrealized Net Gain (Loss)

563  
\$ 594,051

State Bar of Texas  
Client Security Fund  
Balance Sheet  
As of July 31, 2019

Assets

Cash & Money Market Accts.	\$ 748,630
Investments	2,287,772
Adjust Investments to Market	453
Interest Receivable	8,814
	<hr/>

Total Assets	\$ 3,045,669
	<hr/> <hr/>

Liabilities:

Due To (From) General Fund	\$ (156,929)
Total Liabilities	<hr/> (156,929)

Fund Balance

Beginning Fund Balance	2,608,547	
Current Year Activity	594,051	
Total Fund Balance	<hr/>	3,202,598
		<hr/>
Total Liabilities and Fund Balance		\$ 3,045,669
		<hr/> <hr/>

State Bar of Texas  
Combining Statement of Revenue & Expenditures  
And Changes in Fund Balance  
All Special Revenue Funds  
For the Two Months Ending July 31, 2019

	Law Focused Grants	TBLS	Convention Fund	Texas Law Center	Texas Bar College	Technology Fund	Misc Grant Fund	Total
<b>Revenues:</b>								
Fees		\$47,575	\$244,165		\$142,411			\$434,151
Sales			31,340		1,167			32,507
Investments	10	4,082	1,205	23,107	547			28,951
Grants	253,730						106,400	360,130
Contributions			261,900		700		3,117	265,717
Other Revenue		4,785						4,785
<b>Total Revenues</b>	<b>253,740</b>	<b>56,442</b>	<b>538,610</b>	<b>23,107</b>	<b>144,825</b>		<b>109,517</b>	<b>1,126,241</b>
<b>Expenditures:</b>								
Salaries	57	77,702			10,783			88,542
Benefits	5	25,352			3,569			28,926
Travel	34,638	5,561	11,437		9,440			61,076
Meetings & Conferences	13,699	7,764	419,131		6,886			447,480
Professional Services	55,133	11,618	7,727	50	911			75,439
Publicity/Advertising		11,074	29,000		3,752			43,826
Dues/Subscriptions/Licenses	740	202	15		529			1,486
Supplies/Awards/Gifts/Spec. Items	4,336	5,315	11,219		2,205	(58)		23,017
Rentals - Office, Equipment, Storage		19,899			259			20,158
Maintenance/Repair						101,569		101,569
Postage and Freight	1,191	322	18		59			1,590
Telephone		2,392			78			2,470
Administrative	704	12,767	6,300		5,292			25,063
Fixed Assets		4,105		39,334		26,596		70,035
Printing and Copying	576	313	17,593		1,961			20,443
<b>Total Expenditures</b>	<b>111,079</b>	<b>184,386</b>	<b>502,440</b>	<b>39,384</b>	<b>45,724</b>	<b>128,107</b>		<b>1,011,120</b>
<b>Transfer (In) / Out</b>				<b>(388,800)</b>		<b>(650,000)</b>		<b>(1,038,800)</b>
<b>Total Expenditures &amp; Transfers</b>	<b>111,079</b>	<b>184,386</b>	<b>502,440</b>	<b>(349,416)</b>	<b>45,724</b>	<b>(521,893)</b>		<b>(27,680)</b>
<b>Net Increase (Decrease) in the Fair Value of Investments</b>				<b>308</b>				<b>308</b>
<b>Total Revenues less Expenditures</b>	<b>142,661</b>	<b>(127,944)</b>	<b>36,170</b>	<b>372,831</b>	<b>99,101</b>	<b>521,893</b>	<b>109,517</b>	<b>1,154,229</b>
<b>Beginning Fund Balance at 6/1/2019</b>	<b>0</b>	<b>2,114,855</b>	<b>345,163</b>	<b>4,049,468</b>	<b>192,380</b>	<b>752,753</b>	<b>0</b>	<b>7,454,619</b>
<b>Ending Fund Balance at 7/31/2019</b>	<b>\$142,661</b>	<b>\$1,986,911</b>	<b>\$381,333</b>	<b>\$4,422,299</b>	<b>\$291,481</b>	<b>\$1,274,646</b>	<b>\$109,517</b>	<b>\$8,608,848</b>







# State Bar of Texas

## *Review of Investment Performance*

Quarter Ended May 31, 2019

**Barry Baughier**  
***Senior Managing Consultant***  
**baughierb@pfm.com**

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PFM Asset Management  
LLC

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750 North Saint Paul St.  
Suite 540  
Dallas, TX 75201

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214.247.7079  
**pfm.com**



May 31, 2019

Below is a summary of the State Bar of Texas' investment holdings as of May 31, 2019. For additional, specific investment holding information, please refer to the attached statements for PFM Asset Management LLC, as well as the respective money market fund and checking account bank statements.

<b>Account Name</b>	<b>Month End Market Value</b>
<b>Money Market Mutual Fund Investments</b>	
PFM Funds Gov't Select Series - General Fund	2,801,431.63
PFM Funds Gov't Select Series - Client Security Fund	721,306.51
PFM Funds Gov't Select Series - Texas Law Center	27,493.75
PFM Funds Gov't Select Series - Board of Legal Specialization Fund	1,345,805.38
PFM Funds Gov't Select Series - Annual Meeting Funds	648,689.52
PFM Funds Gov't Select Series - Texas Bar College Special Revenue Funds	294,373.25
PFM Funds CD Program	702,109.59
<b>High Yield Savings Accounts</b>	
Plains Capital Bank - Hatton Sumner Grant Account	236,725.80
Plains Capital Bank - College Endowment Fund	54,310.54
<b><i>Total Short-Term Funds</i></b>	<b><i>6,832,245.97</i></b>
<b>Individual Portfolios</b>	
Client Security Fund	2,287,641.32
General Fund	27,826,292.67
Texas Law Center Fund	3,617,336.39
<b><i>Total Individual Portfolios</i></b>	<b><i>33,731,270.38</i></b>
<b>Grand Total</b>	<b>40,563,516.35</b>
<b>Weighted Average Maturity</b>	
Including Overnight Balances	244 Days
Not Including Overnight Balances	288 Days

If you have any questions, do not hesitate to contact me at 214-247-7079 or [baughierb@pfm.com](mailto:baughierb@pfm.com).

Sincerely,

Barry Baughier



## Portfolio Summary

<u>Total Portfolio Value</u>	<u>May 31, 2019</u>	<u>February 28, 2019</u>	<u>May 31, 2018</u>
College Fund*	<b>\$348,683.79</b>	\$246,410.25	\$302,454.82
Client Security Fund	<b>\$3,008,947.83</b>	\$2,992,274.09	\$2,963,468.88
Board of Legal Specialization Fund	<b>\$2,047,914.97</b>	\$1,238,122.35	\$1,804,186.04
Law Focused Education Fund	<b>\$236,725.80</b>	\$287,300.98	\$255,611.40
Texas Law Center Fund	<b>\$3,644,830.14</b>	\$3,935,390.32	\$3,649,307.37
Annual Meeting Fund**	<b>\$648,689.52</b>	\$346,545.05	\$451,121.19
General Fund	<b>\$30,627,724.30</b>	\$23,921,486.12	\$25,122,664.30
<b>Totals</b>	<b>\$40,563,516.35</b>	<b>\$32,967,529.16</b>	<b>\$34,548,814.00</b>

## Portfolio Recap

### General Fund

- The portfolios are fully invested in U.S. Treasuries, Federal Agencies, commercial paper, and AAAM-rated money market mutual funds. Overall, the portfolios maintain high credit quality and necessary liquidity.
- The portfolio complies with Texas statutes and the State Bar's investment policy.
- The General Fund portfolio generated a quarterly total return of 0.83%, outperforming the benchmark 6-month Merrill Lynch Treasury Index return of 0.70%.

### Other Funds

- The portfolio for each fund is designed to match the specific cash and liquidity needs of that fund.
- We continue to hold U.S. Treasuries and / or Federal Agency securities as the primary investments for the Texas Law Center and Client Security Fund portfolios.
- We will work with the State Bar to identify funds in overnight investments that could be invested in securities, adding value to the portfolios.
- We will work with the State Bar to target known future cash flow needs to maximize the benefit of the steep yield curve as well as determine an appropriate investment strategy.

\* Includes College Endowment Fund balances.

\*\* Please note that Convention Fund name has been changed to Annual Meeting Fund



## Portfolio Summary (*continued*)

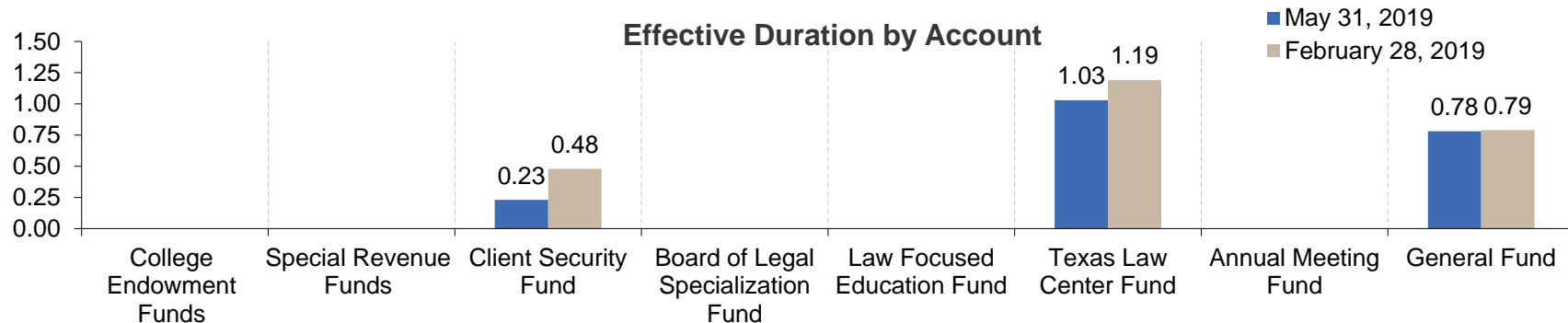
- According to the Bureau of Economic Analysis' second estimate, U.S. Gross Domestic Product ("GDP") increased at an annual rate of 3.1% in the first quarter of 2019, slightly down from last month's first estimate of 3.2%. The second estimate GDP increase was the result of downward revisions to nonresidential fixed investment and private inventory and upward revisions to exports and personal consumption expenditures (PCE).
- U.S. hiring significantly decreased in May and unemployment held steady at 3.6%, still at a half century low. The Bureau of Labor Statistics reported 75,000 jobs were added in May, which was a lot lower than the market expected. April's job gains were revised downward from 263,000 to 224,000. Employment continued to expand in the professional and business services and health care sectors. The labor participation rate was unchanged from April at 62.8%. May marked the 104th month of straight job gains; however this is also one of the weakest monthly gains since the last recession ended, according to the Labor Department. With weak job gains, this may be another signal of the slowdown of the U.S. economic expansion.
- U.S. Treasury yields decreased across the curve during the month of May due to growing concerns about the impact of renewed trade tensions on global growth. The yield curve inversion remained between the 3-month Treasury bill and the 10-year Treasury bond, which yielded 2.34% and 2.13%, respectively. Most notably, the yield curve inversion has widened to its deepest levels since the financial crisis.
- In the Federal Open Market Committee Meeting in May, Fed Chairman Jerome Powell held to the position that the Fed will remain data dependent and will take a patient stance toward policy changes as economic conditions evolve. The target federal funds rate remains at a range of 2.25% to 2.50%. With geopolitical risks still eminent and an escalating trade war that spread from China and now most recently to Mexico, the Fed is on close watch for any outcomes of these situations. In prepared remarks during a conference at the Federal Reserve Bank of Chicago on June 4, 2019, Fed Chairman Jerome Powell stated, "We do not know how or when these issues will be resolved. We are closely monitoring the implications of these developments for the U.S. economic outlook and, as always, we will act as appropriate to sustain the expansion, with a strong labor market and inflation near our symmetric two percent objective."



## Portfolio Performance

Yields	Yield To Maturity - At Market		Yield To Maturity - On Cost	
	May 31, 2019	February 28, 2019	May 31, 2019	February 28, 2019
College Endowment Funds	0.15%	0.15%	0.15%	0.15%
Special Revenue Funds	2.27%	2.27%	2.27%	2.27%
Client Security Fund <sup>1</sup>	2.36%	2.49%	2.33%	2.33%
Board of Legal Specialization Fund <sup>2</sup>	2.27%	2.27%	2.27%	2.27%
Law Focused Education Fund <sup>2</sup>	0.05%	0.05%	0.05%	0.05%
Texas Law Center Fund <sup>1</sup>	2.25%	2.53%	2.61%	2.52%
Annual Meeting Fund <sup>2</sup>	2.27%	2.27%	2.27%	2.27%
General Fund <sup>1</sup>	2.34%	2.53%	2.58%	2.63%

Duration	May 31, 2019	February 28, 2019
College Endowment Funds	0.00	0.00
Special Revenue Funds	0.00	0.00
Client Security Fund <sup>1</sup>	0.23	0.48
Board of Legal Specialization Fund <sup>2</sup>	0.00	0.00
Law Focused Education Fund <sup>2</sup>	0.00	0.00
Texas Law Center Fund <sup>1</sup>	1.03	1.19
Annual Meeting Fund <sup>2</sup>	0.00	0.00
General Fund <sup>1</sup>	0.78	0.79

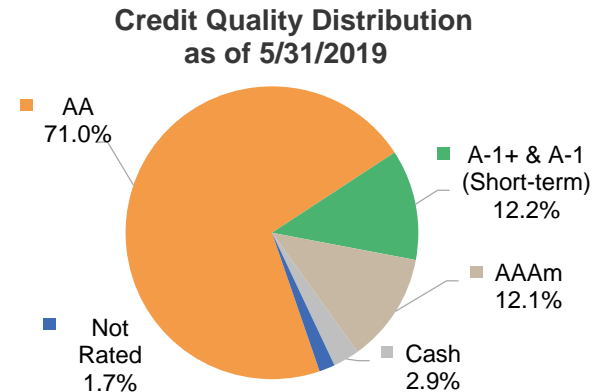
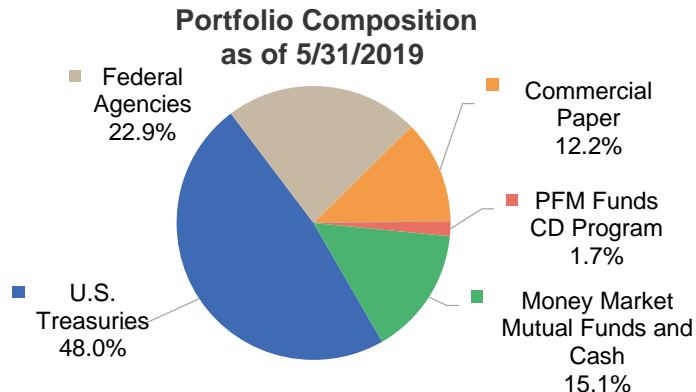


1. Does not include money market funds, FDIC-insured CDs or cash equivalents in performance, duration, and yield computations.
2. Yields for these funds represent the APY earned on balances held at Plains Capital Bank for the month prior to quarter end. Duration of each of the funds is equal to 1 day or approximately 0.003 years.



## Composite Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>	<u>Permitted by Investment Policy</u>
U.S. Treasuries	\$19,484,974.27	48.0%	\$15,953,989.62	48.4%	100%
Federal Agencies	\$9,293,723.11	22.9%	\$7,576,304.75	23.0%	100%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%	30%
Commercial Paper	\$4,952,573.00	12.2%	\$4,480,667.50	13.6%	30%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%	30%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%	15%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%	30%
PFM Funds CD Program	\$702,109.59	1.7%	\$714,854.70	2.2%	30%
Money Market Mutual Funds and Cash	\$6,130,136.38	15.1%	\$4,241,712.59	12.9%	100%
<b>Totals</b>	<b>\$40,563,516.35</b>	<b>100.0%</b>	<b>\$32,967,529.16</b>	<b>100.0%</b>	



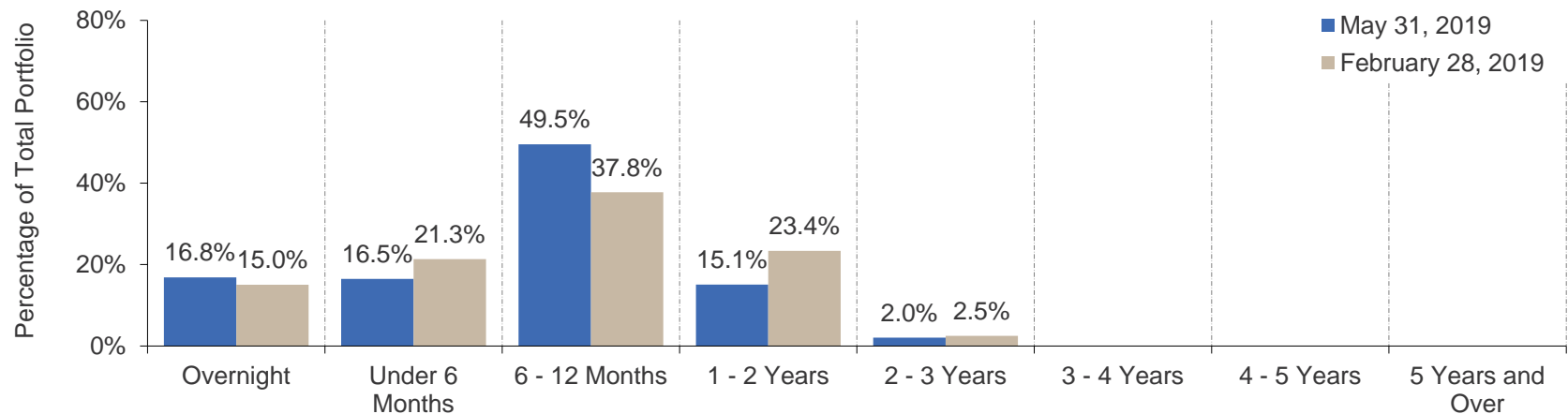
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## Composite Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>May 31, 2019</u>	<u>February 28, 2019</u>
Overnight	\$6,832,245.97	\$4,956,567.29
Under 6 Months	\$6,690,174.45	\$7,036,910.43
6 - 12 Months	\$20,097,960.33	\$12,449,545.10
1 - 2 Years	\$6,115,814.29	\$7,701,226.94
2 - 3 Years	\$827,321.31	\$823,279.40
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$40,563,516.35</b>	<b>\$32,967,529.16</b>

### Composite Portfolio Maturity Distribution



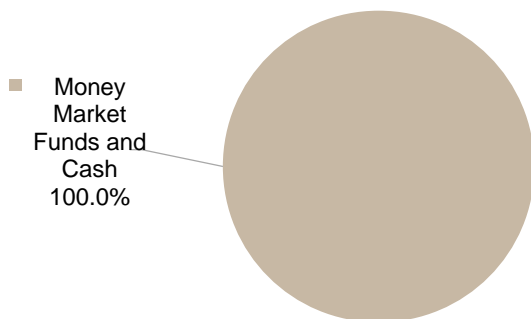




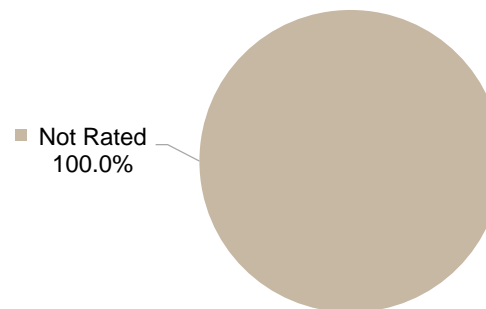
## State Bar College Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$348,683.79	100.0%	\$246,410.25	100.0%
<b>Totals</b>	<b>\$348,683.79</b>	<b>100.0%</b>	<b>\$246,410.25</b>	<b>100.0%</b>

**Portfolio Composition  
as of 5/31/2019**



**Credit Quality Distribution  
as of 5/31/2019**



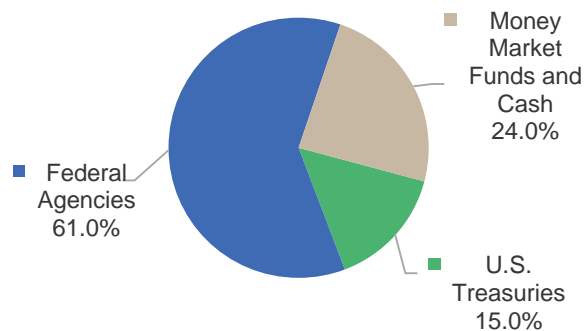
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



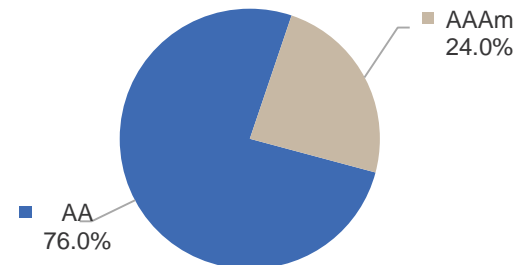
## State Bar Client Security Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$452,455.17	15.0%	\$451,426.97	15.1%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$1,835,186.15	61.0%	\$1,823,670.61	60.9%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$721,306.51	24.0%	\$717,176.51	24.0%
<b>Totals</b>	<b>\$3,008,947.83</b>	<b>100.0%</b>	<b>\$2,992,274.09</b>	<b>100.0%</b>

**Portfolio Composition  
as of 5/31/2019**



**Credit Quality Distribution  
as of 5/31/2019**



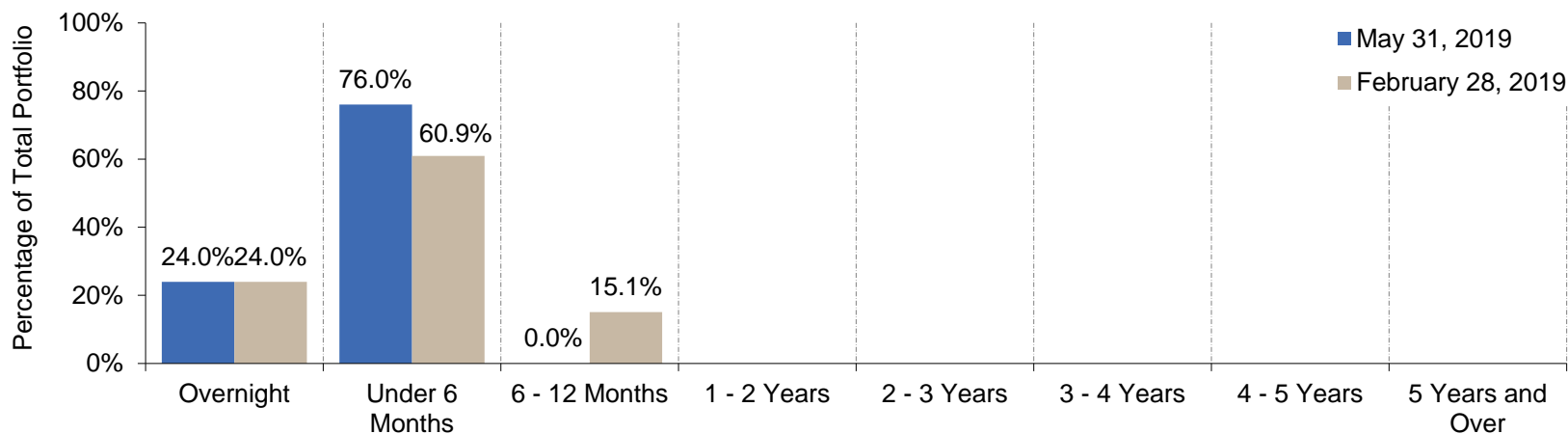
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## Client Security Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>May 31, 2019</u>	<u>February 28, 2019</u>
Overnight	\$721,306.51	\$717,176.51
Under 6 Months	\$2,287,641.32	\$1,823,670.61
6 - 12 Months	\$0.00	\$451,426.97
1 - 2 Years	\$0.00	\$0.00
2 - 3 Years	\$0.00	\$0.00
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$3,008,947.83</b>	<b>\$2,992,274.09</b>

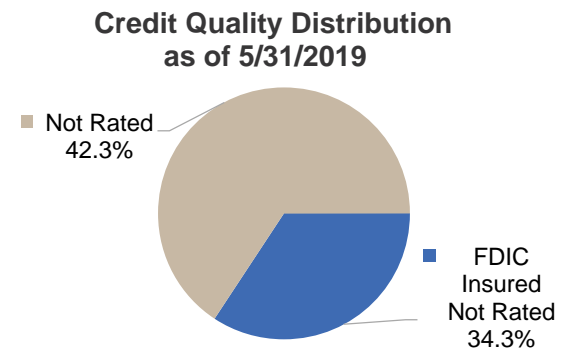
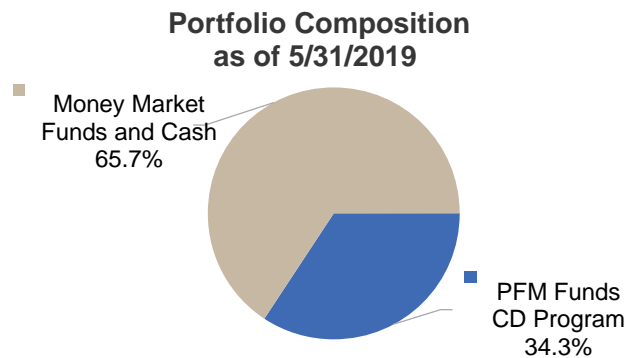
### Client Security Fund Portfolio Maturity Distribution





## State Bar Board of Legal Specialization Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
PFM Funds CD Program	\$702,109.59	34.3%	\$714,854.70	57.7%
Money Market Funds and Cash	\$1,345,805.38	65.7%	\$523,267.65	42.3%
<b>Totals</b>	<b>\$2,047,914.97</b>	<b>100.0%</b>	<b>\$1,238,122.35</b>	<b>100.0%</b>



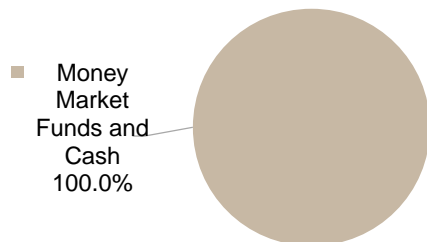
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



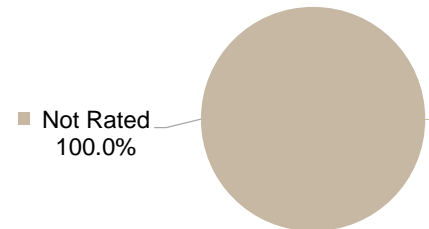
## State Bar Law Focused Education Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$236,725.80	100.0%	\$287,300.98	100.0%
<b>Totals</b>	<b>\$236,725.80</b>	<b>100.0%</b>	<b>\$287,300.98</b>	<b>100.0%</b>

**Portfolio Composition  
as of 5/31/2019**



**Credit Quality Distribution  
as of 5/31/2019**

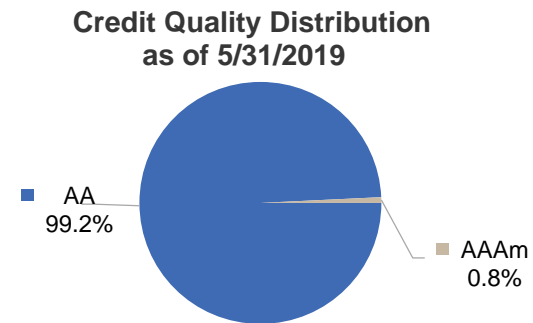
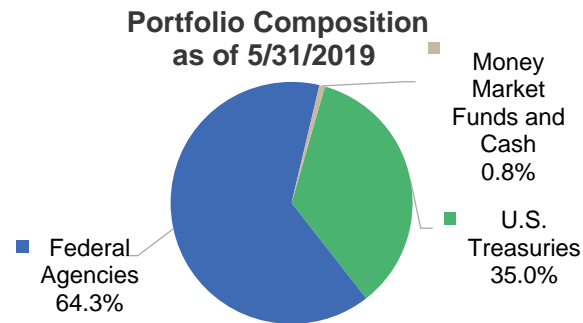


Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## State Bar Texas Law Center Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$1,275,357.16	35.0%	\$1,268,026.18	32.2%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$2,341,979.23	64.3%	\$2,640,027.81	67.1%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$27,493.75	0.8%	\$27,336.33	0.7%
<b>Totals</b>	<b>\$3,644,830.14</b>	<b>100.0%</b>	<b>\$3,935,390.32</b>	<b>100.0%</b>

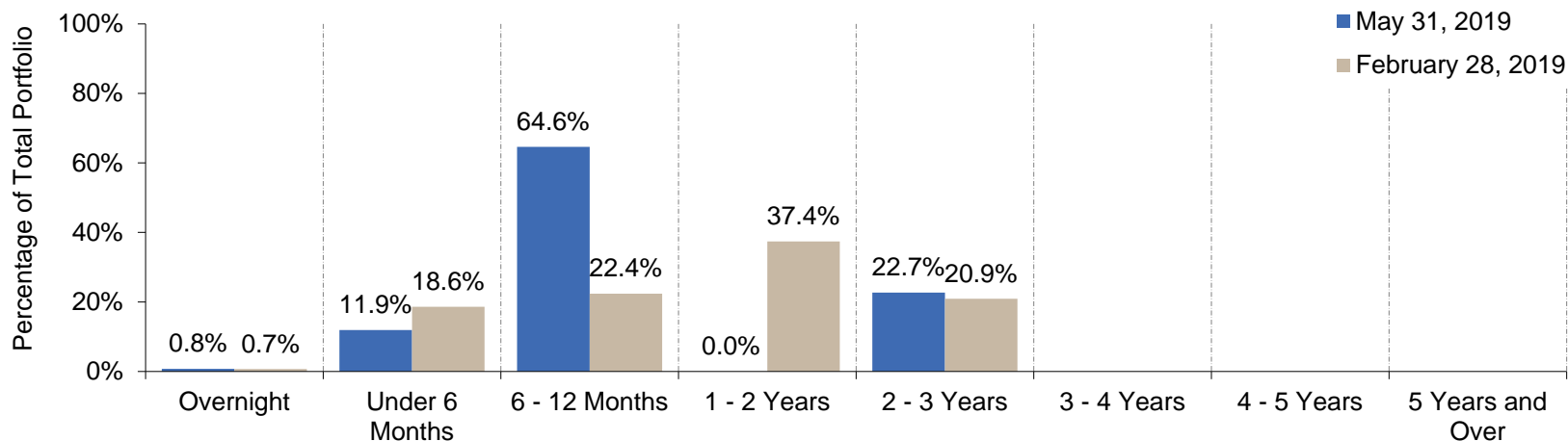




## Texas Law Center Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>May 31, 2019</u>	<u>February 28, 2019</u>
Overnight	\$27,493.75	\$27,336.33
Under 6 Months	\$435,044.13	\$732,572.32
6 - 12 Months	\$2,354,970.95	\$880,677.10
1 - 2 Years	\$0.00	\$1,471,525.17
2 - 3 Years	\$827,321.31	\$823,279.40
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$3,644,830.14</b>	<b>\$3,935,390.32</b>

### Texas Law Center Fund Portfolio Maturity Distribution

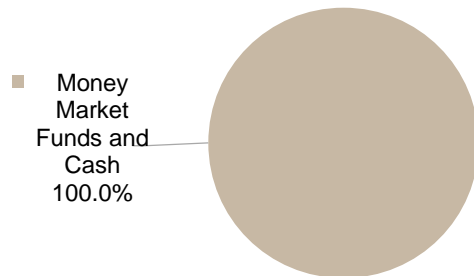




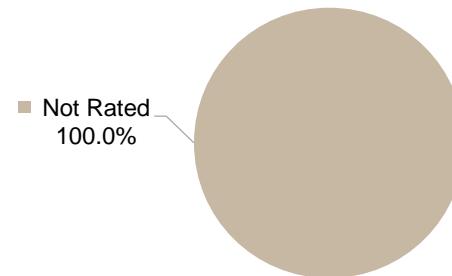
## State Bar Annual Meeting Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$648,689.52	100.0%	\$346,545.05	100.0%
<b>Totals</b>	<b>\$648,689.52</b>	<b>100.0%</b>	<b>\$346,545.05</b>	<b>100.0%</b>

**Portfolio Composition  
as of 5/31/2019**



**Credit Quality Distribution  
as of 5/31/2019**

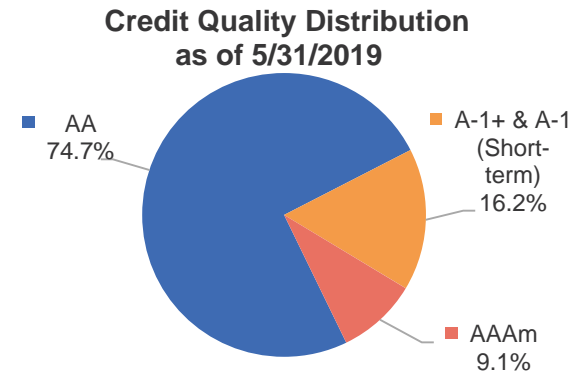
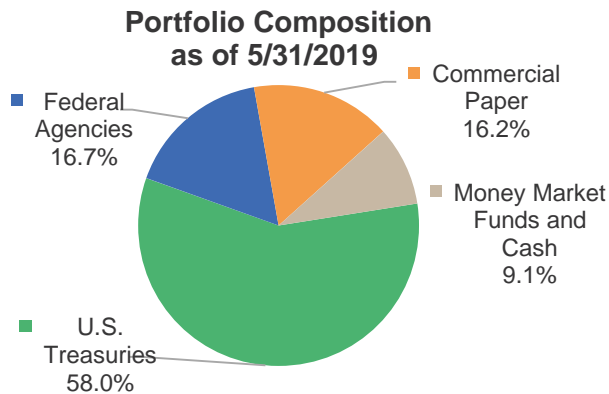






## State Bar General Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>February 28, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$17,757,161.94	58.0%	\$14,234,536.47	59.5%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$5,116,557.73	16.7%	\$3,112,606.33	13.0%
Commercial Paper	\$4,952,573.00	16.2%	\$4,480,667.50	18.7%
Negotiable Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
PFM Funds CD Program	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$2,801,431.63	9.1%	\$2,093,675.82	8.8%
<b>Totals</b>	<b>\$30,627,724.30</b>	<b>100.0%</b>	<b>\$23,921,486.12</b>	<b>100.0%</b>

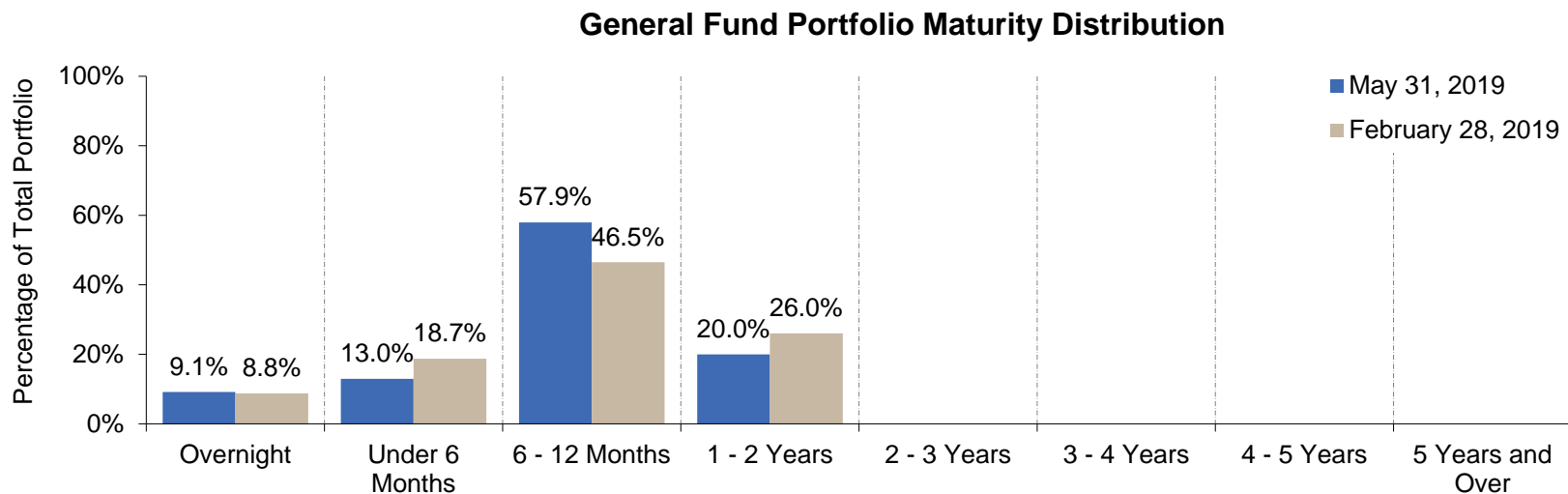


Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## General Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>May 31, 2019</u>	<u>February 28, 2019</u>
Overnight	\$2,801,431.63	\$2,093,675.82
Under 6 Months	\$3,967,489.00	\$4,480,667.50
6 - 12 Months	\$17,742,989.38	\$11,117,441.03
1 - 2 Years	\$6,115,814.29	\$6,229,701.77
2 - 3 Years	\$0.00	\$0.00
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$30,627,724.30</b>	<b>\$23,921,486.12</b>



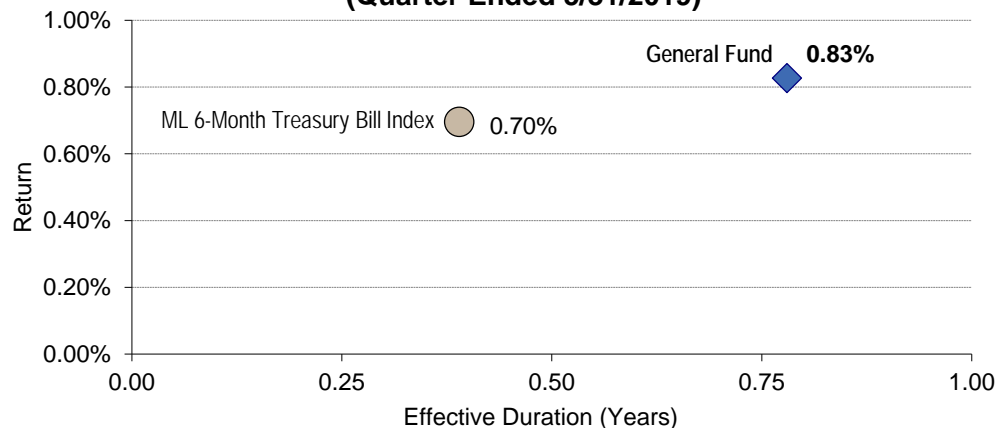


## General Fund Portfolio Performance

<b>Total Return</b>	May 31, 2019	Last 6 Months	Annualized Since Inception
<b>State Bar of Texas General Fund</b>	<b>0.83%</b>	<b>1.66%</b>	<b>1.47%</b>
Merrill Lynch 6-Month Treasury Bill Index	0.70%	1.33%	1.40%

<b>Duration</b>	May 31, 2019	February 28, 2019	<b>Yields</b>	May 31, 2019
<b>State Bar of Texas General Fund</b>	<b>0.78</b>	0.79	Yield at Market	<b>2.34%</b>
Merrill Lynch 6-Month Treasury Bill Index	<b>0.39</b>	0.41	Yield on Cost	<b>2.58%</b>

**Quarter Total Return Comparison  
(Quarter Ended 5/31/2019)**



1. Performance on trade date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. The total returns shown for periods longer than 1 year are the annualized returns for the stated period.
4. The total returns shown for periods shorter than 1 year are the periodic returns for the stated period.
5. Since inception performance is calculated from May 31, 2006 to present.
6. Does not include money market fund in performance, duration, and yield computations as we do not consider these funds to be discretionary in nature.



## Consolidated Summary Statement

## Account Statement

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS

### Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value
PFM Managed Account	68,552.07	33,663,141.41
<b>Total</b>	<b>\$68,552.07</b>	<b>\$33,663,141.41</b>

### Investment Allocation

Investment Type	Closing Market Value	Percent
Commercial Paper	4,952,573.00	14.71
Federal Agency Bond / Note	9,267,265.61	27.53
U.S. Treasury Bond / Note	19,443,302.80	57.76
<b>Total</b>	<b>\$33,663,141.41</b>	<b>100.00%</b>

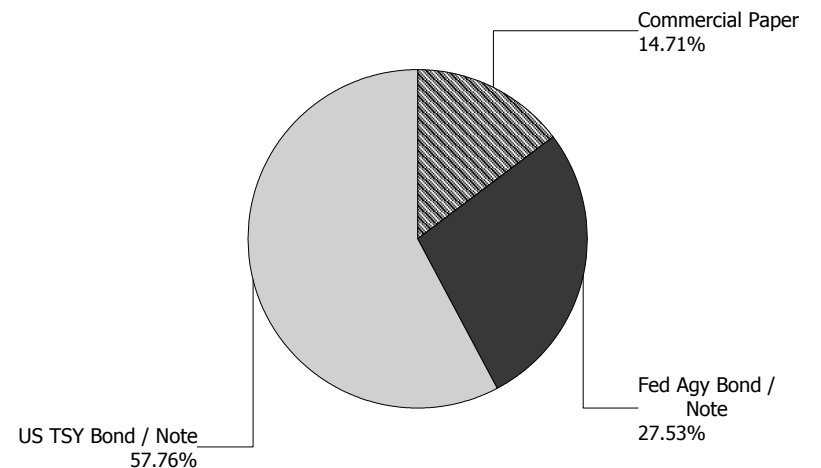
### Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	0.00	0.00
31 to 60 days	0.00	0.00
61 to 90 days	3,258,461.14	9.69
91 to 180 days	3,425,102.98	10.17
181 days to 1 year	20,051,050.70	59.56
1 to 2 years	6,104,492.36	18.13
2 to 3 years	824,034.23	2.45
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00

**Total** **\$33,663,141.41** **100.00%**

**Weighted Average Days to Maturity** **288**

### Sector Allocation



**Account Statement**For the Month Ending **May 31, 2019****Consolidated Summary Statement****STATE BAR OF TEXAS**

<b>Account Number</b>	<b>Account Name</b>	<b>Opening Market Value</b>	<b>Purchases / Deposits</b>	<b>Redemptions / Sales / Maturities</b>	<b>Unsettled Trades</b>	<b>Change in Value</b>	<b>Closing Market Value</b>	<b>Cash Dividends and Income</b>
81125010	STATE BAR OF TEXAS GENERAL FUND	21,765,268.47	5,963,888.35	0.00	0.00	48,688.04	27,777,844.86	64,124.57
81125011	STATE BAR OF TEXAS CLIENT SECURITY FUND	2,279,092.70	0.00	0.00	0.00	3,164.75	2,282,257.45	2,275.00
81125014	STATE BAR OF TEXAS TEXAS LAW CENTER	3,893,869.56	0.00	(300,000.00)	0.00	9,169.54	3,603,039.10	2,152.50
<b>Total</b>		<b>\$27,938,230.73</b>	<b>\$5,963,888.35</b>	<b>(\$300,000.00)</b>	<b>\$0.00</b>	<b>\$61,022.33</b>	<b>\$33,663,141.41</b>	<b>\$68,552.07</b>



## Managed Account Summary Statement

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS GENERAL FUND - 81125010

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$21,765,268.47</b>
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	5,963,888.35
Unsettled Trades	0.00
Change in Current Value	48,688.04
<b>Closing Market Value</b>	<b>\$27,777,844.86</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	73,531.25
Principal Payments	0.00
Security Purchases	(5,973,295.03)
Net Cash Contribution	5,899,763.78
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	73,531.25
Less Purchased Interest Related to Interest/Coupons	(9,406.68)
Plus Net Realized Gains/Losses	0.00
<b>Total Cash Basis Earnings</b>	<b>\$64,124.57</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	27,718,215.16
Ending Accrued Interest	48,447.81
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	73,531.25
Less Cost of New Purchases	(5,973,295.03)
Less Beginning Amortized Value of Securities	(21,729,799.56)
Less Beginning Accrued Interest	(81,102.54)
<b>Total Accrual Basis Earnings</b>	<b>\$55,997.09</b>



## Portfolio Summary and Statistics

For the Month Ending **May 31, 2019**

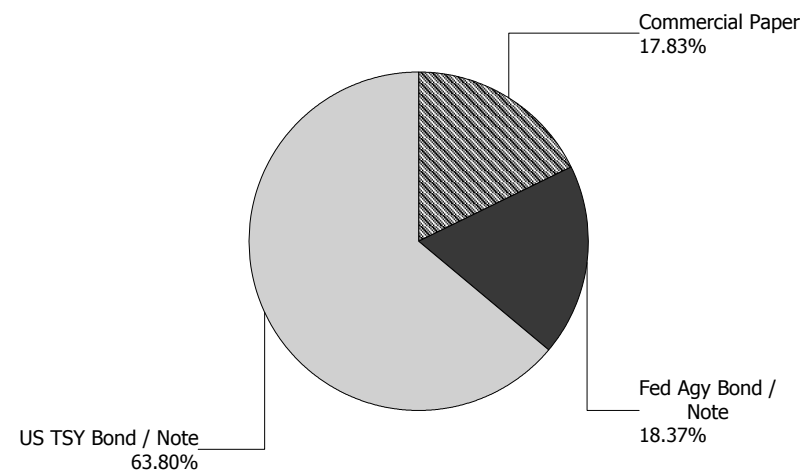
STATE BAR OF TEXAS GENERAL FUND - 81125010

### Account Summary

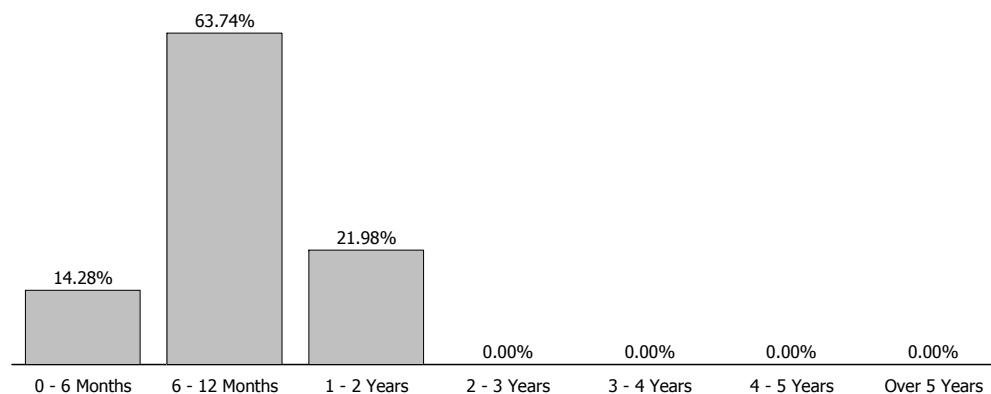
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	17,805,000.00	17,722,647.60	63.80
Federal Agency Bond / Note	5,080,000.00	5,102,624.26	18.37
Commercial Paper	5,000,000.00	4,952,573.00	17.83
<b>Managed Account Sub-Total</b>	<b>27,885,000.00</b>	<b>27,777,844.86</b>	<b>100.00%</b>
Accrued Interest		48,447.81	
<b>Total Portfolio</b>	<b>27,885,000.00</b>	<b>27,826,292.67</b>	

**Unsettled Trades** **0.00** **0.00**

### Sector Allocation



### Maturity Distribution



### Characteristics

Yield to Maturity at Cost	2.58%
Yield to Maturity at Market	2.34%
Duration to Worst	0.78
Weighted Average Days to Maturity	292



## Managed Account Issuer Summary

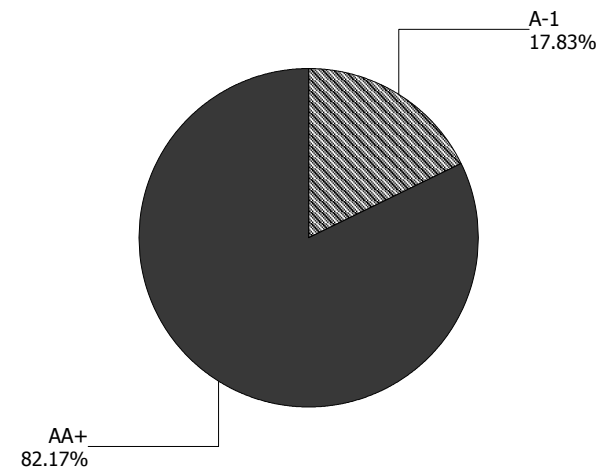
For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS GENERAL FUND - 81125010

### Issuer Summary

Issuer	Market Value of Holdings	Percent
BNP PARIBAS	989,960.00	3.56
CREDIT AGRICOLE SA	989,403.00	3.56
FANNIE MAE	2,113,700.60	7.61
FEDERAL FARM CREDIT BANKS	1,994,698.76	7.18
FEDERAL HOME LOAN BANKS	994,224.90	3.58
JP MORGAN CHASE & CO	985,084.00	3.55
MITSUBISHI UFJ FINANCIAL GROUP INC	994,631.00	3.58
NATIXIS NY BRANCH	993,495.00	3.58
UNITED STATES TREASURY	17,722,647.60	63.80
<b>Total</b>	<b>\$27,777,844.86</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)







## Managed Account Detail of Securities Held

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,000,000.00	AA+	Aaa	10/31/18	10/31/18	986,914.06	2.74	40.98	993,941.44	995,703.00
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,025,000.00	AA+	Aaa	06/08/18	06/11/18	1,997,314.45	2.45	82.99	2,015,525.13	2,016,298.58
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,505,000.00	AA+	Aaa	05/23/18	05/24/18	2,477,112.30	2.50	119.77	2,495,757.73	2,497,269.57
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,520,000.00	AA+	Aaa	06/05/18	06/06/18	2,494,504.69	2.45	120.49	2,511,353.58	2,512,223.28
US TREASURY NOTES DTD 01/02/2018 1.875% 12/31/2019	9128283N8	2,100,000.00	AA+	Aaa	11/27/18	11/27/18	2,080,066.41	2.76	16,533.15	2,089,359.26	2,094,340.50
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	1,515,000.00	AA+	Aaa	03/12/19	03/12/19	1,496,476.76	2.54	4,785.84	1,500,665.65	1,502,926.97
US TREASURY NOTES DTD 03/15/2017 1.625% 03/15/2020	912828W63	2,000,000.00	AA+	Aaa	02/22/19	02/25/19	1,981,093.75	2.54	6,888.59	1,985,780.72	1,989,610.00
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,140,000.00	AA+	Aaa	11/27/18	11/27/18	2,089,843.75	2.81	2,093.48	2,107,667.57	2,118,182.70
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	AA+	Aaa	05/15/19	05/16/19	990,234.38	2.33	37.57	990,644.80	991,484.00
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	AA+	Aaa	05/15/19	05/16/19	1,001,171.88	2.19	3,811.48	1,001,146.06	1,004,609.00
<b>Security Type Sub-Total</b>		<b>17,805,000.00</b>					<b>17,594,732.43</b>	<b>2.55</b>	<b>34,514.34</b>	<b>17,691,841.94</b>	<b>17,722,647.60</b>
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 02/09/2018 2.125% 02/11/2020	3130ADN32	995,000.00	AA+	Aaa	07/12/18	07/13/18	987,706.65	2.60	6,460.59	991,760.78	994,224.90
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	AA+	Aaa	11/27/18	11/27/18	2,088,892.30	2.90	5,174.20	2,089,199.61	2,113,700.60
FFCB (CALLABLE) NOTES DTD 05/14/2019 2.440% 05/14/2021	3133EKLH7	1,995,000.00	AA+	Aaa	05/15/19	05/16/19	1,993,503.75	2.48	2,298.68	1,993,534.53	1,994,698.76



## Managed Account Detail of Securities Held

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Bond / Note</b>											
<b>Security Type Sub-Total</b>		<b>5,080,000.00</b>					<b>5,070,102.70</b>	<b>2.68</b>	<b>13,933.47</b>	<b>5,074,494.92</b>	<b>5,102,624.26</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 01/18/2019 0.000% 08/16/2019	62479MVG5	1,000,000.00	A-1	P-1	01/18/19	01/18/19	983,725.00	2.84	0.00	994,110.00	994,631.00
NATIXIS NY BRANCH COMM PAPER DTD 12/04/2018 0.000% 09/03/2019	63873KW37	1,000,000.00	A-1	P-1	05/03/19	05/06/19	991,566.67	2.55	0.00	993,393.88	993,495.00
BNP PARIBAS NY BRANCH COMM PAPER DTD 04/22/2019 0.000% 10/22/2019	09659CXN3	1,000,000.00	A-1	P-1	04/22/19	04/23/19	987,158.89	2.57	0.00	989,910.55	989,960.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/03/2019 0.000% 11/04/2019	22533UY49	1,000,000.00	A-1	P-1	05/03/19	05/06/19	987,411.67	2.52	0.00	989,209.99	989,403.00
JP MORGAN SECURITIES LLC COMM PAPER DTD 04/02/2019 0.000% 12/27/2019	46640QZT1	1,000,000.00	A-1	P-1	04/02/19	04/02/19	981,020.56	2.59	0.00	985,253.88	985,084.00
<b>Security Type Sub-Total</b>		<b>5,000,000.00</b>					<b>4,930,882.79</b>	<b>2.61</b>	<b>0.00</b>	<b>4,951,878.30</b>	<b>4,952,573.00</b>
<b>Managed Account Sub-Total</b>		<b>27,885,000.00</b>					<b>27,595,717.92</b>	<b>2.58</b>	<b>48,447.81</b>	<b>27,718,215.16</b>	<b>27,777,844.86</b>
<b>Securities Sub-Total</b>		<b>\$27,885,000.00</b>					<b>\$27,595,717.92</b>	<b>2.58%</b>	<b>\$48,447.81</b>	<b>\$27,718,215.16</b>	<b>\$27,777,844.86</b>
<b>Accrued Interest</b>											<b>\$48,447.81</b>
<b>Total Investments</b>											<b>\$27,826,292.67</b>



## Managed Account Fair Market Value & Analytics

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,000,000.00	BNP_PARI		99.57	995,703.00	8,788.94	1,761.56	0.49	0.49	2.37
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,025,000.00	GOLDMAN		99.57	2,016,298.58	18,984.13	773.45	0.49	0.49	2.37
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,505,000.00	BNP_PARI		99.69	2,497,269.57	20,157.27	1,511.84	0.49	0.49	2.37
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,520,000.00	CITIGRP		99.69	2,512,223.28	17,718.59	869.70	0.49	0.49	2.37
US TREASURY NOTES DTD 01/02/2018 1.875% 12/31/2019	9128283N8	2,100,000.00	MORGAN_S		99.73	2,094,340.50	14,274.09	4,981.24	0.57	0.57	2.34
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	1,515,000.00	NOMURA		99.20	1,502,926.97	6,450.21	2,261.32	0.74	0.74	2.33
US TREASURY NOTES DTD 03/15/2017 1.625% 03/15/2020	912828W63	2,000,000.00	GOLDMAN		99.48	1,989,610.00	8,516.25	3,829.28	0.78	0.78	2.29
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,140,000.00	BARCLAYS		98.98	2,118,182.70	28,338.95	10,515.13	0.90	0.90	2.26
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	NOMURA		99.15	991,484.00	1,249.62	839.20	0.99	0.99	2.24
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	MORGAN_S		100.46	1,004,609.00	3,437.12	3,462.94	1.78	1.78	1.99
<b>Security Type Sub-Total</b>		<b>17,805,000.00</b>				<b>17,722,647.60</b>	<b>127,915.17</b>	<b>30,805.66</b>	<b>0.71</b>	<b>0.71</b>	<b>2.31</b>
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 02/09/2018 2.125% 02/11/2020	3130ADN32	995,000.00	MORGAN_S		99.92	994,224.90	6,518.25	2,464.12	0.68	0.68	2.24
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	MORGAN_S		101.13	2,113,700.60	24,808.30	24,500.99	1.38	1.38	2.06
FFCB (CALLABLE) NOTES DTD 05/14/2019 2.440% 05/14/2021	3133EKLH7	1,995,000.00	JPM_CHAS	11/14/19	99.98	1,994,698.76	1,195.01	1,164.23	0.80	1.89	2.45
<b>Security Type Sub-Total</b>		<b>5,080,000.00</b>				<b>5,102,624.26</b>	<b>32,521.56</b>	<b>28,129.34</b>	<b>1.02</b>	<b>1.45</b>	<b>2.25</b>
<b>Commercial Paper</b>											



## Managed Account Fair Market Value & Analytics

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 01/18/2019 0.000% 08/16/2019	62479MVG5	1,000,000.00	MITSU		99.46	994,631.00	10,906.00	521.00	0.21	0.21	2.52
NATIXIS NY BRANCH COMM PAPER DTD 12/04/2018 0.000% 09/03/2019	63873KW37	1,000,000.00	RBC		99.35	993,495.00	1,928.33	101.12	0.26	0.26	2.48
BNP PARIBAS NY BRANCH COMM PAPER DTD 04/22/2019 0.000% 10/22/2019	09659CXN3	1,000,000.00	BNP_PARI		99.00	989,960.00	2,801.11	49.45	0.39	0.39	2.54
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/03/2019 0.000% 11/04/2019	22533UY49	1,000,000.00	CREDAG		98.94	989,403.00	1,991.33	193.01	0.42	0.42	2.46
JP MORGAN SECURITIES LLC COMM PAPER DTD 04/02/2019 0.000% 12/27/2019	46640OZT1	1,000,000.00	JPM_CHAS		98.51	985,084.00	4,063.44	(169.88)	0.57	0.57	2.60
<b>Security Type Sub-Total</b>		<b>5,000,000.00</b>				<b>4,952,573.00</b>	<b>21,690.21</b>	<b>694.70</b>	<b>0.37</b>	<b>0.37</b>	<b>2.52</b>
<b>Managed Account Sub-Total</b>		<b>27,885,000.00</b>				<b>27,777,844.86</b>	<b>182,126.94</b>	<b>59,629.70</b>	<b>0.70</b>	<b>0.78</b>	<b>2.34</b>
<b>Securities Sub-Total</b>		<b>\$27,885,000.00</b>				<b>\$27,777,844.86</b>	<b>\$182,126.94</b>	<b>\$59,629.70</b>	<b>0.70</b>	<b>0.78</b>	<b>2.34%</b>
<b>Accrued Interest</b>						<b>\$48,447.81</b>					
<b>Total Investments</b>						<b>\$27,826,292.67</b>					



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
05/03/19	05/06/19	NATIXIS NY BRANCH COMM PAPER DTD 12/04/2018 0.000% 09/03/2019	63873KW37	1,000,000.00	(991,566.67)	0.00	(991,566.67)			
05/03/19	05/06/19	CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/03/2019 0.000% 11/04/2019	22533UY49	1,000,000.00	(987,411.67)	0.00	(987,411.67)			
05/15/19	05/16/19	US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	(990,234.38)	(6,308.38)	(996,542.76)			
05/15/19	05/16/19	FFCB (CALLABLE) NOTES DTD 05/14/2019 2.440% 05/14/2021	3133EKLH7	1,995,000.00	(1,993,503.75)	(270.43)	(1,993,774.18)			
05/15/19	05/16/19	US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	(1,001,171.88)	(2,827.87)	(1,003,999.75)			
Transaction Type Sub-Total				5,995,000.00	(5,963,888.35)	(9,406.68)	(5,973,295.03)			
INTEREST										
05/31/19	05/31/19	US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	0.00	6,875.00	6,875.00			
05/31/19	05/31/19	US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,025,000.00	0.00	15,187.50	15,187.50			
05/31/19	05/31/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,505,000.00	0.00	21,918.75	21,918.75			
05/31/19	05/31/19	US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,000,000.00	0.00	7,500.00	7,500.00			
05/31/19	05/31/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,520,000.00	0.00	22,050.00	22,050.00			
Transaction Type Sub-Total				9,050,000.00	0.00	73,531.25	73,531.25			
Managed Account Sub-Total					(5,963,888.35)	64,124.57	(5,899,763.78)			
Total Security Transactions					(\$5,963,888.35)	\$64,124.57	(\$5,899,763.78)			



## Managed Account Summary Statement

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$2,279,092.70</b>
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	3,164.75
<b>Closing Market Value</b>	<b>\$2,282,257.45</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	2,275.00
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	(2,275.00)
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	2,275.00
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	0.00
<b>Total Cash Basis Earnings</b>	<b>\$2,275.00</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	2,282,367.84
Ending Accrued Interest	5,383.87
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	2,275.00
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(2,279,655.41)
Less Beginning Accrued Interest	(5,934.69)
<b>Total Accrual Basis Earnings</b>	<b>\$4,436.61</b>



## Portfolio Summary and Statistics

For the Month Ending **May 31, 2019**

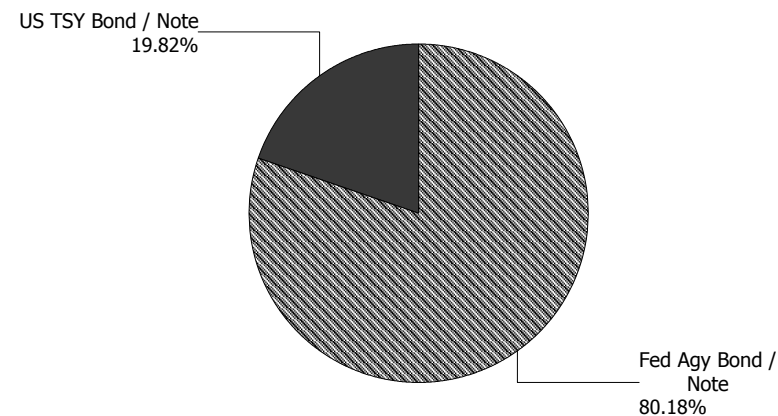
STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Account Summary

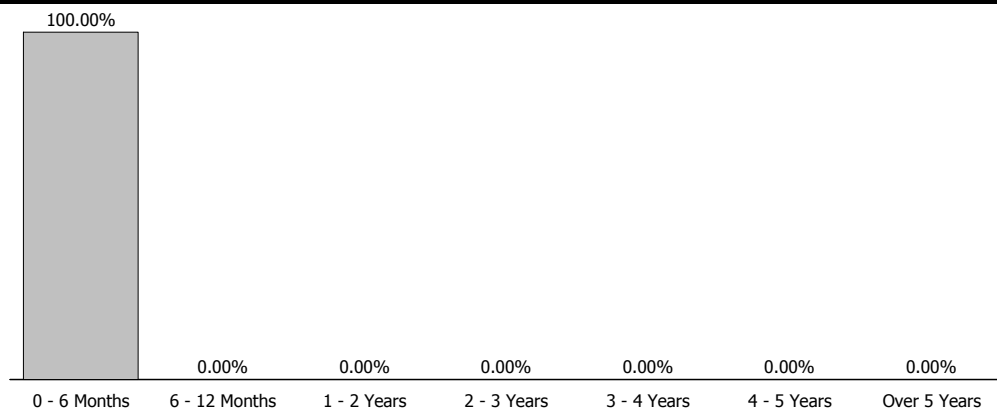
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	455,000.00	452,244.98	19.82
Federal Agency Bond / Note	1,835,000.00	1,830,012.47	80.18
<b>Managed Account Sub-Total</b>	<b>2,290,000.00</b>	<b>2,282,257.45</b>	<b>100.00%</b>
Accrued Interest		5,383.87	
<b>Total Portfolio</b>	<b>2,290,000.00</b>	<b>2,287,641.32</b>	

**Unsettled Trades**                      **0.00**                      **0.00**

### Sector Allocation



### Maturity Distribution



### Characteristics

Yield to Maturity at Cost	2.33%
Yield to Maturity at Market	2.36%
Duration to Worst	0.23
Weighted Average Days to Maturity	86



## Managed Account Issuer Summary

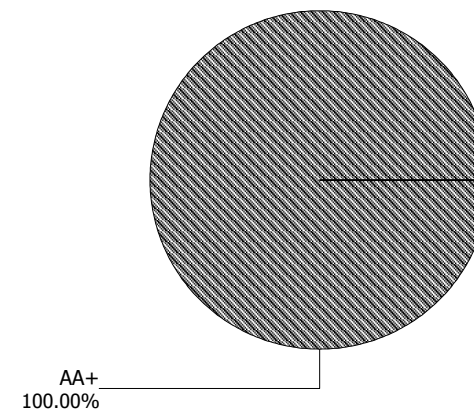
For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Issuer Summary

Issuer	Market Value of Holdings	Percent
FEDERAL HOME LOAN BANKS	1,830,012.47	80.18
UNITED STATES TREASURY	452,244.98	19.82
<b>Total</b>	<b>\$2,282,257.45</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)







## Managed Account Detail of Securities Held

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2016 1.000% 11/15/2019	912828U32	455,000.00	AA+	Aaa	05/21/18	05/21/18	445,117.97	2.50	210.19	451,940.60	452,244.98
<b>Security Type Sub-Total</b>		<b>455,000.00</b>					<b>445,117.97</b>	<b>2.50</b>	<b>210.19</b>	<b>451,940.60</b>	<b>452,244.98</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,835,000.00	AA+	Aaa	03/20/18	03/21/18	1,800,043.25	2.29	5,173.68	1,830,427.24	1,830,012.47
<b>Security Type Sub-Total</b>		<b>1,835,000.00</b>					<b>1,800,043.25</b>	<b>2.29</b>	<b>5,173.68</b>	<b>1,830,427.24</b>	<b>1,830,012.47</b>
<b>Managed Account Sub-Total</b>		<b>2,290,000.00</b>					<b>2,245,161.22</b>	<b>2.33</b>	<b>5,383.87</b>	<b>2,282,367.84</b>	<b>2,282,257.45</b>
<b>Securities Sub-Total</b>		<b>\$2,290,000.00</b>					<b>\$2,245,161.22</b>	<b>2.33%</b>	<b>\$5,383.87</b>	<b>\$2,282,367.84</b>	<b>\$2,282,257.45</b>
<b>Accrued Interest</b>											<b>\$5,383.87</b>
<b>Total Investments</b>											<b>\$2,287,641.32</b>



## Managed Account Fair Market Value & Analytics

For the Month Ending **May 31, 2019**

### STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2016 1.000% 11/15/2019	912828U32	455,000.00	GOLDMAN		99.39	452,244.98	7,127.01	304.38	0.45	0.45	2.34
<b>Security Type Sub-Total</b>		<b>455,000.00</b>				<b>452,244.98</b>	<b>7,127.01</b>	<b>304.38</b>	<b>0.45</b>	<b>0.45</b>	<b>2.34</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,835,000.00	MORGAN_S		99.73	1,830,012.47	29,969.22	(414.77)	0.18	0.18	2.37
<b>Security Type Sub-Total</b>		<b>1,835,000.00</b>				<b>1,830,012.47</b>	<b>29,969.22</b>	<b>(414.77)</b>	<b>0.18</b>	<b>0.18</b>	<b>2.37</b>
<b>Managed Account Sub-Total</b>		<b>2,290,000.00</b>				<b>2,282,257.45</b>	<b>37,096.23</b>	<b>(110.39)</b>	<b>0.23</b>	<b>0.23</b>	<b>2.36</b>
<b>Securities Sub-Total</b>		<b>\$2,290,000.00</b>				<b>\$2,282,257.45</b>	<b>\$37,096.23</b>	<b>(\$110.39)</b>	<b>0.23</b>	<b>0.23</b>	<b>2.36%</b>
<b>Accrued Interest</b>						<b>\$5,383.87</b>					
<b>Total Investments</b>						<b>\$2,287,641.32</b>					



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
05/15/19	05/15/19	US TREASURY NOTES DTD 11/15/2016 1.000% 11/15/2019	912828U32	455,000.00	0.00	2,275.00	2,275.00			
Transaction Type Sub-Total				455,000.00	0.00	2,275.00	2,275.00			
Managed Account Sub-Total					0.00	2,275.00	2,275.00			
Total Security Transactions					\$0.00	\$2,275.00	\$2,275.00			



## Managed Account Summary Statement

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$3,893,869.56</b>
Maturities/Calls	(300,000.00)
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	9,169.54
<b>Closing Market Value</b>	<b>\$3,603,039.10</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	300,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	2,062.50
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	(302,062.50)
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	2,062.50
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	90.00
<b>Total Cash Basis Earnings</b>	<b>\$2,152.50</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	3,586,152.03
Ending Accrued Interest	14,297.29
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	300,000.00
Plus Coupons/Dividends Received	2,062.50
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(3,884,545.86)
Less Beginning Accrued Interest	(9,795.39)
<b>Total Accrual Basis Earnings</b>	<b>\$8,170.57</b>



## Portfolio Summary and Statistics

For the Month Ending **May 31, 2019**

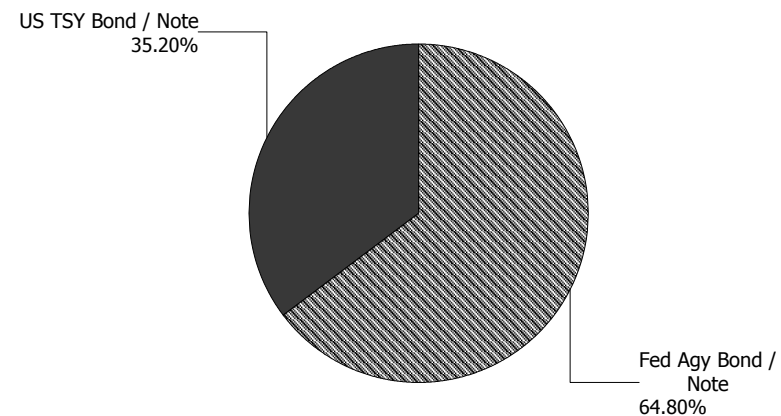
STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

## Account Summary

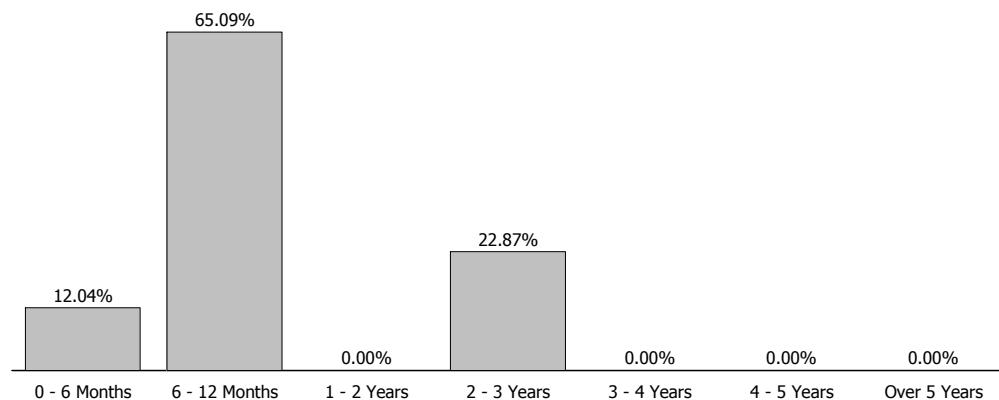
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	1,275,000.00	1,268,410.22	35.20
Federal Agency Bond / Note	2,315,000.00	2,334,628.88	64.80
<b>Managed Account Sub-Total</b>	<b>3,590,000.00</b>	<b>3,603,039.10</b>	<b>100.00%</b>
Accrued Interest		14,297.29	
<b>Total Portfolio</b>	<b>3,590,000.00</b>	<b>3,617,336.39</b>	

<b>Unsettled Trades</b>	<b>0.00</b>	<b>0.00</b>
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### Sector Allocation



### Maturity Distribution



## Characteristics

Yield to Maturity at Cost	2.61%
Yield to Maturity at Market	2.25%
Duration to Worst	1.03
Weighted Average Days to Maturity	389



## Managed Account Issuer Summary

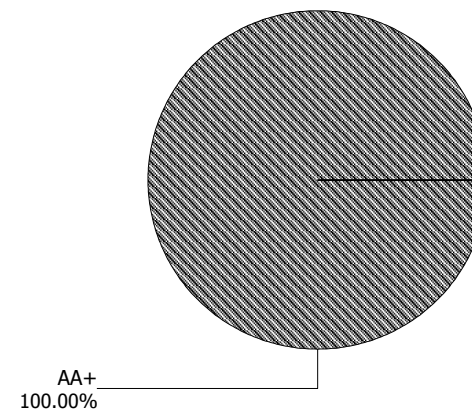
For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

### Issuer Summary

Issuer	Market Value of Holdings	Percent
FEDERAL HOME LOAN BANKS	1,257,851.90	34.91
FREDDIE MAC	1,076,776.98	29.89
UNITED STATES TREASURY	1,268,410.22	35.20
<b>Total</b>	<b>\$3,603,039.10</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)





## Managed Account Detail of Securities Held

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	885,000.00	AA+	Aaa	10/01/18	10/01/18	873,211.52	2.72	6,038.54	879,477.78	881,335.22
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	390,000.00	AA+	Aaa	09/18/18	09/19/18	381,910.55	2.77	908.40	385,571.02	387,075.00
<b>Security Type Sub-Total</b>		<b>1,275,000.00</b>					<b>1,255,122.07</b>	<b>2.73</b>	<b>6,946.94</b>	<b>1,265,048.80</b>	<b>1,268,410.22</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	435,000.00	AA+	Aaa	03/20/18	03/21/18	426,713.25	2.29	1,226.46	433,915.99	433,817.67
FHLMC NOTES DTD 04/19/2018 2.500% 04/23/2020	3137EAEM7	1,075,000.00	AA+	Aaa	08/03/18	08/07/18	1,072,129.75	2.66	2,836.81	1,073,495.83	1,076,776.98
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	AA+	Aaa	02/14/19	02/15/19	814,724.40	2.53	3,287.08	813,691.41	824,034.23
<b>Security Type Sub-Total</b>		<b>2,315,000.00</b>					<b>2,313,567.40</b>	<b>2.54</b>	<b>7,350.35</b>	<b>2,321,103.23</b>	<b>2,334,628.88</b>
<b>Managed Account Sub-Total</b>		<b>3,590,000.00</b>					<b>3,568,689.47</b>	<b>2.61</b>	<b>14,297.29</b>	<b>3,586,152.03</b>	<b>3,603,039.10</b>
<b>Securities Sub-Total</b>		<b>\$3,590,000.00</b>					<b>\$3,568,689.47</b>	<b>2.61%</b>	<b>\$14,297.29</b>	<b>\$3,586,152.03</b>	<b>\$3,603,039.10</b>
<b>Accrued Interest</b>											<b>\$14,297.29</b>
<b>Total Investments</b>											<b>\$3,617,336.39</b>



## Managed Account Fair Market Value & Analytics

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	885,000.00	CITIGRP		99.59	881,335.22	8,123.70	1,857.44	0.57	0.57	2.34
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	390,000.00	CITIGRP		99.25	387,075.00	5,164.45	1,503.98	0.82	0.82	2.29
<b>Security Type Sub-Total</b>		<b>1,275,000.00</b>				<b>1,268,410.22</b>	<b>13,288.15</b>	<b>3,361.42</b>	<b>0.65</b>	<b>0.65</b>	<b>2.33</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	435,000.00	MORGAN_S		99.73	433,817.67	7,104.42	(98.32)	0.18	0.18	2.37
FHLMC NOTES DTD 04/19/2018 2.500% 04/23/2020	3137EAEM7	1,075,000.00	NOMURA		100.17	1,076,776.98	4,647.23	3,281.15	0.88	0.88	2.31
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	MORGAN_S		102.36	824,034.23	9,309.83	10,342.82	2.27	2.27	1.97
<b>Security Type Sub-Total</b>		<b>2,315,000.00</b>				<b>2,334,628.88</b>	<b>21,061.48</b>	<b>13,525.65</b>	<b>1.24</b>	<b>1.24</b>	<b>2.20</b>
<b>Managed Account Sub-Total</b>		<b>3,590,000.00</b>				<b>3,603,039.10</b>	<b>34,349.63</b>	<b>16,887.07</b>	<b>1.03</b>	<b>1.03</b>	<b>2.25</b>
<b>Securities Sub-Total</b>		<b>\$3,590,000.00</b>				<b>\$3,603,039.10</b>	<b>\$34,349.63</b>	<b>\$16,887.07</b>	<b>1.03</b>	<b>1.03</b>	<b>2.25%</b>
<b>Accrued Interest</b>						<b>\$14,297.29</b>					
<b>Total Investments</b>						<b>\$3,617,336.39</b>					





## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
05/28/19	05/28/19	FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	300,000.00	0.00	2,062.50	2,062.50			
Transaction Type Sub-Total				300,000.00	0.00	2,062.50	2,062.50			
MATURITY										
05/28/19	05/28/19	FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	300,000.00	300,000.00	0.00	300,000.00	90.00	0.00	
Transaction Type Sub-Total				300,000.00	300,000.00	0.00	300,000.00	90.00	0.00	
Managed Account Sub-Total					300,000.00	2,062.50	302,062.50	90.00	0.00	
Total Security Transactions					\$300,000.00	\$2,062.50	\$302,062.50	\$90.00	\$0.00	

Consolidated Summary Statement

State Bar of Texas

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value	Current Yield
PFM Funds - Govt Select, Instl CI	8,254.21	5,839,100.04	2.26 %
PFM Funds CD Program	0.00	700,000.00	* N/A
<b>Total</b>	<b>\$8,254.21</b>	<b>\$6,539,100.04</b>	

\* Not Applicable

Investment Allocation

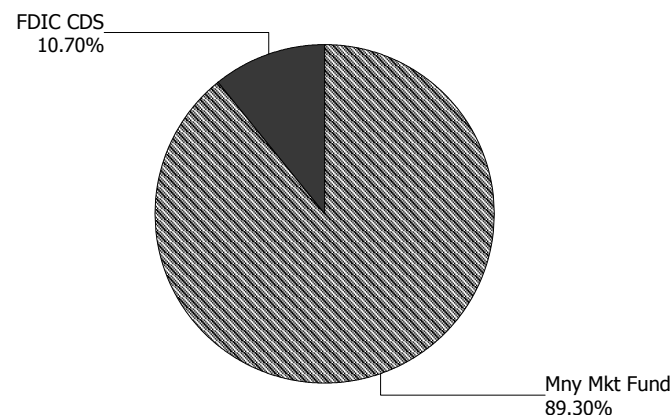
Investment Type	Closing Market Value	Percent
Money Market Mutual Fund	5,839,100.04	89.30
FDIC Insured Bank Certificates of Deposit	700,000.00	10.70
<b>Total</b>	<b>\$6,539,100.04</b>	<b>100.00%</b>

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	5,839,100.04	89.30
31 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 180 days	0.00	0.00
181 days to 1 year	700,000.00	10.70
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
<b>Total</b>	<b>\$6,539,100.04</b>	<b>100.00%</b>

Weighted Average Days to Maturity 35

Sector Allocation



**Consolidated Summary Statement**

For the Month Ending **May 31, 2019**

State Bar of Texas

<b>Account Number</b>	<b>Account Name</b>	<b>Opening Market Value</b>	<b>Purchases / Deposits</b>	<b>Redemptions / Sales/ Maturities</b>	<b>Unsettled Trades</b>	<b>Change in Value</b>	<b>Closing Market Value</b>	<b>Cash Dividends and Income</b>
200-00	STATE BAR OF TEXAS - MM	798,405.60	2,003,026.03	0.00	0.00	0.00	2,801,431.63	3,026.03
995192	CLIENT SECURITY FUND	719,918.92	1,387.59	0.00	0.00	0.00	721,306.51	1,387.59
995235	TEXAS LAW CENTER	27,440.86	52.89	0.00	0.00	0.00	27,493.75	52.89
995426	TBLS	1,543,430.59	502,400.66	(25.87)	0.00	0.00	2,045,805.38	2,400.66
995463	Annual Meeting Funds	347,870.20	300,819.32	0.00	0.00	0.00	648,689.52	819.32
995464	Texas Bar College Special Revenue Funds	294,805.53	567.72	(1,000.00)	0.00	0.00	294,373.25	567.72
<b>Total</b>		<b>\$3,731,871.70</b>	<b>\$2,808,254.21</b>	<b>(\$1,025.87)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,539,100.04</b>	<b>\$8,254.21</b>

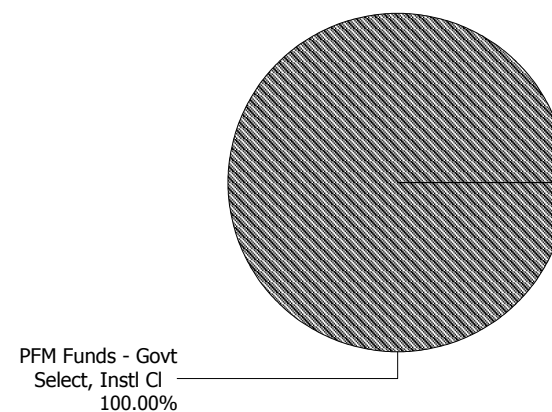
## Account Statement - Transaction Summary

For the Month Ending **May 31, 2019**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

PFM Funds - Govt Select, Instl CI	
Opening Market Value	798,405.60
Purchases	2,003,026.03
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$2,801,431.63</b>
Cash Dividends and Income	3,026.03

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	2,801,431.63	798,405.60
<b>Total</b>	<b>\$2,801,431.63</b>	<b>\$798,405.60</b>
Asset Allocation		



Account Statement

For the Month Ending **May 31, 2019**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>798,405.60</b>
05/20/19	05/20/19	Purchase - Wire Purchase	1.00	2,000,000.00	2,798,405.60
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	3,026.03	2,801,431.63
<b>Closing Balance</b>					<b>2,801,431.63</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	798,405.60	332,029.31	<b>Closing Balance</b>	2,801,431.63
<b>Purchases</b>	2,003,026.03	5,269,402.32	<b>Average Monthly Balance</b>	1,572,696.76
<b>Redemptions (Excl. Checks)</b>	0.00	(2,800,000.00)	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>2,801,431.63</b>	<b>2,801,431.63</b>		
<b>Cash Dividends and Income</b>	3,026.03	19,402.32		

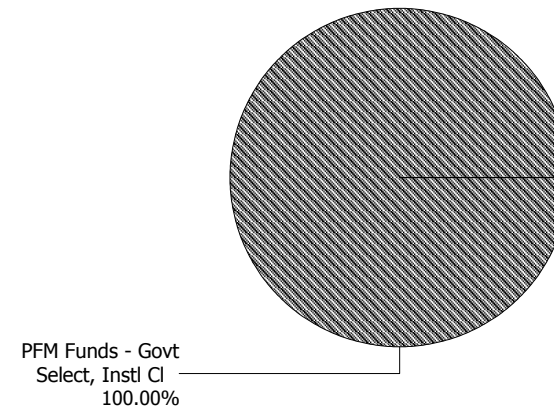
**Account Statement - Transaction Summary**

For the Month Ending **May 31, 2019**

State Bar of Texas - CLIENT SECURITY FUND - 995192

PFM Funds - Govt Select, Instl CI	
Opening Market Value	719,918.92
Purchases	1,387.59
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$721,306.51</b>
Cash Dividends and Income	1,387.59

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	721,306.51	719,918.92
<b>Total</b>	<b>\$721,306.51</b>	<b>\$719,918.92</b>
Asset Allocation		



**Account Statement**

For the Month Ending **May 31, 2019**

State Bar of Texas - CLIENT SECURITY FUND - 995192

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>719,918.92</b>
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	1,387.59	721,306.51
<b>Closing Balance</b>					<b>721,306.51</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	719,918.92	714,558.48	<b>Closing Balance</b>	721,306.51
<b>Purchases</b>	1,387.59	6,748.03	<b>Average Monthly Balance</b>	719,963.68
<b>Redemptions (Excl. Checks)</b>	0.00	0.00	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>721,306.51</b>	<b>721,306.51</b>		
<b>Cash Dividends and Income</b>	1,387.59	6,748.03		

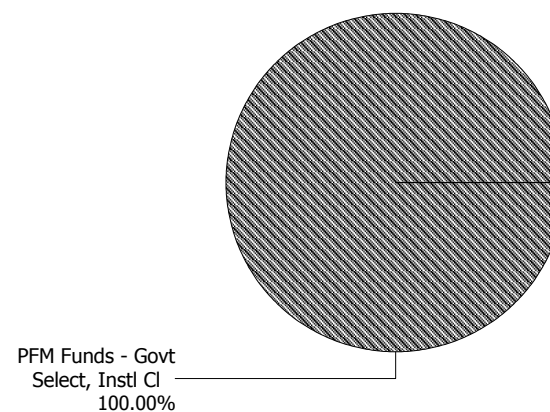
## Account Statement - Transaction Summary

For the Month Ending **May 31, 2019**

State Bar of Texas - TEXAS LAW CENTER - 995235

PFM Funds - Govt Select, Instl CI	
Opening Market Value	27,440.86
Purchases	52.89
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$27,493.75</b>
Cash Dividends and Income	52.89

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	27,493.75	27,440.86
<b>Total</b>	<b>\$27,493.75</b>	<b>\$27,440.86</b>
Asset Allocation		





# Account Statement

For the Month Ending **May 31, 2019**

State Bar of Texas - TEXAS LAW CENTER - 995235

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>27,440.86</b>
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	52.89	27,493.75
<b>Closing Balance</b>					<b>27,493.75</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	27,440.86	67,100.49	<b>Closing Balance</b>	27,493.75
<b>Purchases</b>	52.89	393.26	<b>Average Monthly Balance</b>	27,442.57
<b>Redemptions (Excl. Checks)</b>	0.00	(40,000.00)	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>27,493.75</b>	<b>27,493.75</b>		
<b>Cash Dividends and Income</b>	52.89	393.26		

## Account Statement - Transaction Summary

For the Month Ending **May 31, 2019**

State Bar of Texas - TBLS - 995426

PFM Funds - Govt Select, Instl CI	
Opening Market Value	843,430.59
Purchases	502,400.66
Redemptions	(25.87)
Unsettled Trades	0.00
Change in Value	0.00

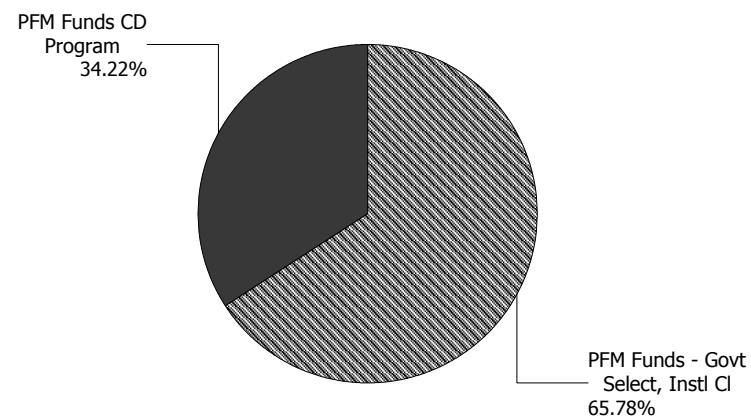
<b>Closing Market Value</b>	<b>\$1,345,805.38</b>
Cash Dividends and Income	2,400.66

PFM Funds CD Program	
Opening Market Value	700,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

<b>Closing Market Value</b>	<b>\$700,000.00</b>
Cash Dividends and Income	0.00

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	1,345,805.38	843,430.59
<b>PFM Funds CD Program</b>	700,000.00	700,000.00
<b>Total</b>	<b>\$2,045,805.38</b>	<b>\$1,543,430.59</b>

Asset Allocation	
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**Investment Holdings**

For the Month Ending **May 31, 2019**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Accrued Interest	Est. Value at Maturity
<b>PFM Funds CD Program</b>							
04/22/19	04/22/19	CD - Pacific Western Bank (Acquired Security Pacific Bank, Los Angel	04/21/20	2.75	243,000.00	732.33	249,682.50
04/22/19	04/22/19	CD - First Internet Bank Of Indiana, IN	04/21/20	2.75	243,000.00	732.33	249,682.50
04/22/19	04/22/19	CD - Cfg Community Bank, MD	04/21/20	2.75	214,000.00	644.93	219,885.00
<b>Total</b>					<b>\$700,000.00</b>	<b>\$2,109.59</b>	<b>\$719,250.00</b>

**Account Statement**

For the Month Ending **May 31, 2019**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>843,430.59</b>
05/01/19	05/01/19	IA_FEE CD GROUPED FEE TRANSACTION FOR: 4-30-2019	1.00	(25.87)	843,404.72
05/07/19	05/07/19	Purchase - Wire Purchase	1.00	500,000.00	1,343,404.72
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	2,400.66	1,345,805.38

**Closing Balance** **1,345,805.38**

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	843,430.59	611,229.55	<b>Closing Balance</b>	1,345,805.38
<b>Purchases</b>	502,400.66	1,524,935.41	<b>Average Monthly Balance</b>	1,246,707.97
<b>Redemptions (Excl. Checks)</b>	(25.87)	(790,359.58)	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>1,345,805.38</b>	<b>1,345,805.38</b>		
<b>Cash Dividends and Income</b>	2,400.66	8,810.36		

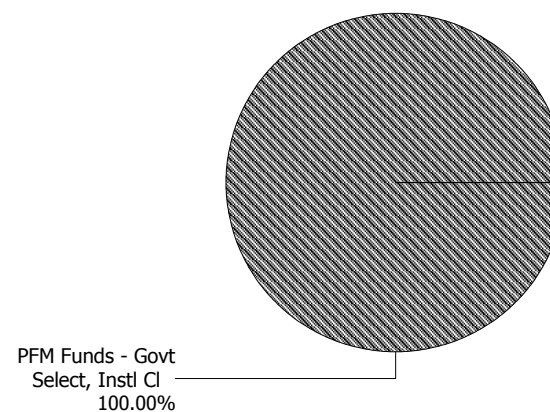
## Account Statement - Transaction Summary

For the Month Ending **May 31, 2019**

State Bar of Texas - Annual Meeting Funds - 995463

PFM Funds - Govt Select, Instl CI	
Opening Market Value	347,870.20
Purchases	300,819.32
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$648,689.52</b>
Cash Dividends and Income	819.32

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	648,689.52	347,870.20
<b>Total</b>	<b>\$648,689.52</b>	<b>\$347,870.20</b>
Asset Allocation		



# Account Statement

For the Month Ending **May 31, 2019**

State Bar of Texas - Annual Meeting Funds - 995463

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>347,870.20</b>
05/24/19	05/24/19	Purchase - Wire Purchase	1.00	300,000.00	647,870.20
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	819.32	648,689.52
<b>Closing Balance</b>					<b>648,689.52</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	347,870.20	345,280.00	<b>Closing Balance</b>	648,689.52
<b>Purchases</b>	300,819.32	303,409.52	<b>Average Monthly Balance</b>	425,315.98
<b>Redemptions (Excl. Checks)</b>	0.00	0.00	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>648,689.52</b>	<b>648,689.52</b>		
<b>Cash Dividends and Income</b>	819.32	3,409.52		

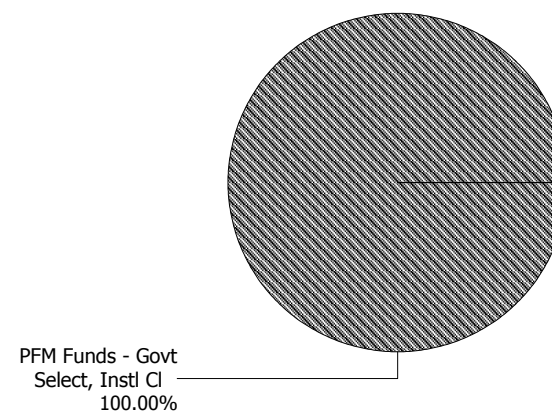
## Account Statement - Transaction Summary

For the Month Ending **May 31, 2019**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

PFM Funds - Govt Select, Instl CI	
Opening Market Value	294,805.53
Purchases	567.72
Redemptions	(1,000.00)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$294,373.25</b>
Cash Dividends and Income	567.72

Asset Summary		
	May 31, 2019	April 30, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	294,373.25	294,805.53
<b>Total</b>	<b>\$294,373.25</b>	<b>\$294,805.53</b>
Asset Allocation		



**Account Statement**

For the Month Ending **May 31, 2019**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>294,805.53</b>
05/24/19	05/24/19	Redemption - Wire Redemption	1.00	(1,000.00)	293,805.53
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	567.72	294,373.25
<b>Closing Balance</b>					<b>294,373.25</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	294,805.53	193,012.74	<b>Closing Balance</b>	294,373.25
<b>Purchases</b>	567.72	102,360.51	<b>Average Monthly Balance</b>	294,565.78
<b>Redemptions (Excl. Checks)</b>	(1,000.00)	(1,000.00)	<b>Monthly Distribution Yield</b>	2.27%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>294,373.25</b>	<b>294,373.25</b>		
<b>Cash Dividends and Income</b>	567.72	2,360.51		



## Quarterly Investment Report Certification


This report fairly represents the investment standing of the State Bar of Texas as of May 31, 2019 and the investment activity for the period March 1, 2019 through May 31, 2019.


We believe the data presented for the quarter ending May 31, 2019 is accurate in all material respects, and is presented in a manner that fairly sets forth the investment standing of the State Bar of Texas. We further believe that all data necessary to represent the activity for the quarter is included in this text.

This report was prepared in compliance with the State of Texas "Public Funds Investment Act" and the State Bar of Texas' "Investment Policy".

Public Funds Investment Act Training Report: All State Bar board members and officers have received training as required by the Texas Government Code Section 2256.007 as of the date of this investment report. All new board members have received training within 6 months of taking office. The investment officer received training from a board approved training provider within the fiscal biennium.

  
Trey Apffel  
Executive Director  
State Bar of Texas

  
Tracy Jarrett, CPA  
Finance Division Director  
State Bar of Texas

  
Barry Baughier  
Sr. Managing Consultant  
PFM Asset Management LLC

Dated: 7/9/19





# State Bar of Texas

## *Review of Investment Performance*

Quarter Ended August 31, 2019

**Barry Baughier**  
***Senior Managing Consultant***  
**baughierb@pfm.com**

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PFM Asset Management  
LLC

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750 North Saint Paul St.  
Suite 540  
Dallas, TX 75201

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214.247.7079  
**pfm.com**



August 31, 2019

Below is a summary of the State Bar of Texas' investment holdings as of August 31, 2019. For additional, specific investment holding information, please refer to the attached statements for PFM Asset Management LLC, as well as the respective money market fund and checking account bank statements.

<b>Account Name</b>	<b>Month End Market Value</b>
<b>Money Market Mutual Fund Investments</b>	
PFM Funds Gov't Select Series - General Fund	3,328,451.13
PFM Funds Gov't Select Series - Client Security Fund	725,296.50
PFM Funds Gov't Select Series - Texas Law Center	27,645.83
PFM Funds Gov't Select Series - Board of Legal Specialization Fund	1,982,878.45
PFM Funds Gov't Select Series - Annual Meeting Funds	320,562.36
PFM Funds Gov't Select Series - Texas Bar College Special Revenue Funds	237,853.48
PFM Funds CD Program	706,961.63
<b>High Yield Savings Accounts</b>	
Plains Capital Bank - Hatton Sumner Grant Account	104,211.38
Plains Capital Bank - College Endowment Fund	54,331.07
<b><i>Total Short-Term Funds</i></b>	<b><i>7,488,191.83</i></b>
<b>Individual Portfolios</b>	
Client Security Fund	2,320,413.10
General Fund	31,534,587.73
Texas Law Center Fund	4,409,166.24
<b><i>Total Individual Portfolios</i></b>	<b><i>38,264,167.07</i></b>
<b>Grand Total</b>	<b>45,752,358.90</b>
<b>Weighted Average Maturity</b>	
Including Overnight Balances	367 Days
Not Including Overnight Balances	425 Days

If you have any questions, do not hesitate to contact me at 214-247-7079 or baughierb@pfm.com.

Sincerely,

Barry Baughier



## Portfolio Summary

<u>Total Portfolio Value</u>	<u>August 31, 2019</u>	<u>May 31, 2019</u>
College Fund*	<b>\$292,184.55</b>	\$348,683.79
Client Security Fund	<b>\$3,045,709.60</b>	\$3,008,947.83
Board of Legal Specialization Fund	<b>\$1,989,840.08</b>	\$2,047,914.97
Law Focused Education Fund	<b>\$104,211.38</b>	\$236,725.80
Texas Law Center Fund	<b>\$4,436,812.07</b>	\$3,644,830.14
Annual Meeting Fund**	<b>\$320,562.36</b>	\$648,689.52
General Fund	<b>\$34,863,038.86</b>	\$30,627,724.30
<b>Totals</b>	<b>\$45,052,358.90</b>	\$40,563,516.35

## Portfolio Recap

### General Fund

- The portfolios are fully invested in U.S. Treasuries, Federal Agencies, commercial paper, FDIC-insured CDs, and AAAM-rated money market mutual funds. Overall, the portfolios maintain high credit quality and necessary liquidity.
- The portfolio complies with Texas statutes and the State Bar's investment policy.
- The General Fund portfolio generated a quarterly total return of 0.88%, outperforming the benchmark 6-month Merrill Lynch Treasury Index return of 0.73%.

### Other Funds

- The portfolio for each fund is designed to match the specific cash and liquidity needs of that fund.
- We continue to hold U.S. Treasuries and / or Federal Agency securities as the primary investments for the Texas Law Center and Client Security Fund portfolios.
- We will work with the State Bar to identify funds in overnight investments that could be invested in securities, adding value to the portfolios.
- We will work with the State Bar to target known future cash flow needs to maximize the benefit of the steep yield curve as well as determine an appropriate investment strategy.

\* Includes College Endowment Fund balances.

\*\* Please note that Convention Fund name has been changed to Annual Meeting Fund



## Portfolio Summary *(continued)*

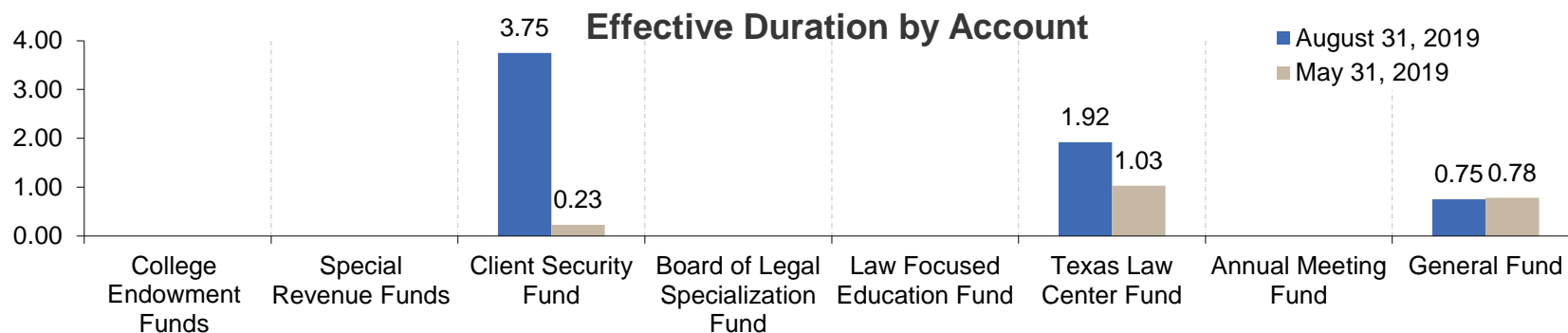
- U.S. Gross Domestic Product (“GDP”) increased at an annual rate of 2.0% according to the Bureau of Economic Analysis’ second estimate for the second quarter of 2019. The second estimate GDP was a slight revision down from the first estimate of GDP of 2.1% and also a decrease from first quarter’s GDP growth of 3.1%. The downward revisions were attributed to state and local government spending, exports, private inventory investment and residential investment. The revision was also offset by an upward revision in personal consumption expenditures (“PCE”).
- The U.S. labor department reported that 130,000 jobs were added in August, below market expectations and the averaged 156,000 jobs added over the past three months. This marks the smallest increase in jobs in the past three months and shows evidence that hiring has slowed. Notable job gains occurred in the health care and financial sector, while the mining sector lost jobs. The federal government sector employment rose due to the hiring of temporary workers for the 2020 Census. According to the Bureau of Labor Statistics, the unemployment rate remained unchanged at 3.7% for a third month in a row and the labor participation rate edged up to 63.2% in August.
- The Federal Reserve’s yearly symposium took place on Thursday, August 22nd and Friday, August 23rd in Jackson Hole, Wyoming. Chairman Jerome Powell discussed and detailed lessons learned from the previous economic eras and stated “... I continue to judge overall financial stability risks to be moderate. But we remain vigilant.” Currently, Charmain Powell feels that the Federal Reserve has reached its dual mandate of maximum employment and price stability, although inflation is currently below their 2% target. As a result, he focused on the current challenges to maintaining the economic expansion, such as slowing global growth, trade policy uncertainty and muted inflation, which weigh down an otherwise favorable economic outlook.
- Long term U.S. Treasury yields fell while short-term yields climbed over the week awaiting further direction from the Federal Reserve at the Jackson Hole Symposium. Powell indicated that the U.S. economy faces “significant risks” mainly due to trade uncertainty. On August 27th, the U.S. yield curve deepened to levels that have not been seen since 2007. The deepening of the yield curve reflects investors’ nervousness about the looming recession and uncertainties over the trade conflict between China and the United States. This in turn rallied the stock market and the demand for safe-haven assets, decreasing yields.



## Portfolio Performance

Yields	Yield To Maturity - At Market		Yield To Maturity - On Cost	
	August 31, 2019	May 31, 2019	August 31, 2019	May 31, 2019
College Endowment Funds	0.15%	0.15%	0.15%	0.15%
Special Revenue Funds	2.06%	2.27%	2.06%	2.27%
Client Security Fund <sup>1</sup>	1.55%	2.36%	1.88%	2.33%
Board of Legal Specialization Fund <sup>2</sup>	2.06%	2.27%	2.06%	2.27%
Law Focused Education Fund <sup>2</sup>	0.05%	0.05%	0.05%	0.05%
Texas Law Center Fund <sup>1</sup>	1.72%	2.25%	2.43%	2.61%
Annual Meeting Fund <sup>2</sup>	2.06%	2.27%	2.06%	2.27%
General Fund <sup>1</sup>	1.96%	2.34%	2.50%	2.58%

Duration	August 31, 2019		May 31, 2019	
	August 31, 2019	May 31, 2019	August 31, 2019	May 31, 2019
College Endowment Funds	0.00	0.00	0.00	0.00
Special Revenue Funds	0.00	0.00	0.00	0.00
Client Security Fund <sup>1</sup>	3.75	0.23	3.75	0.23
Board of Legal Specialization Fund <sup>2</sup>	0.00	0.00	0.00	0.00
Law Focused Education Fund <sup>2</sup>	0.00	0.00	0.00	0.00
Texas Law Center Fund <sup>1</sup>	1.92	1.03	1.92	1.03
Annual Meeting Fund <sup>2</sup>	0.00	0.00	0.00	0.00
General Fund <sup>1</sup>	0.75	0.78	0.75	0.78

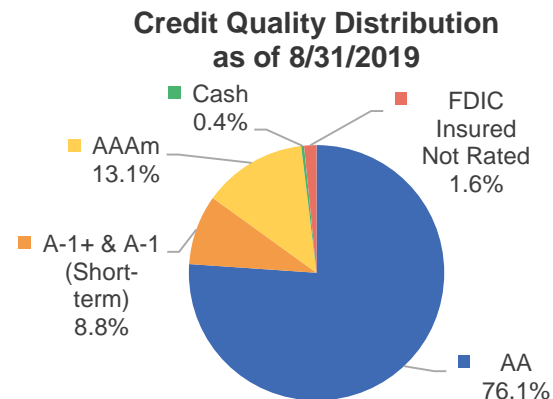
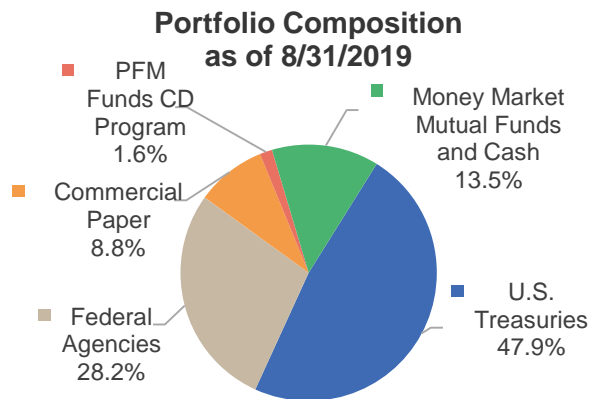


- Does not include money market funds, FDIC-insured CDs or cash equivalents in performance, duration, and yield computations.
- Yields for these funds represent the APY earned on balances held at Plains Capital Bank for the month prior to quarter end. Duration of each of the funds is equal to 1 day or approximately 0.003 years.



## Composite Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>	<u>Permitted by Investment Policy</u>
U.S. Treasuries	\$21,591,700.05	47.9%	\$19,484,974.27	48.0%	100%
Federal Agencies	\$12,686,263.02	28.2%	\$9,293,723.11	22.9%	100%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%	30%
Commercial Paper	\$3,986,204.00	8.8%	\$4,952,573.00	12.2%	30%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%	30%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%	15%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%	30%
PFM Funds CD Program	\$706,961.63	1.6%	\$702,109.59	1.7%	30%
Money Market Mutual Funds and Cash	\$6,081,230.20	13.5%	\$6,130,136.38	15.1%	100%
<b>Totals</b>	<b>\$45,052,358.90</b>	<b>100.0%</b>	<b>\$40,563,516.35</b>	<b>100.0%</b>	



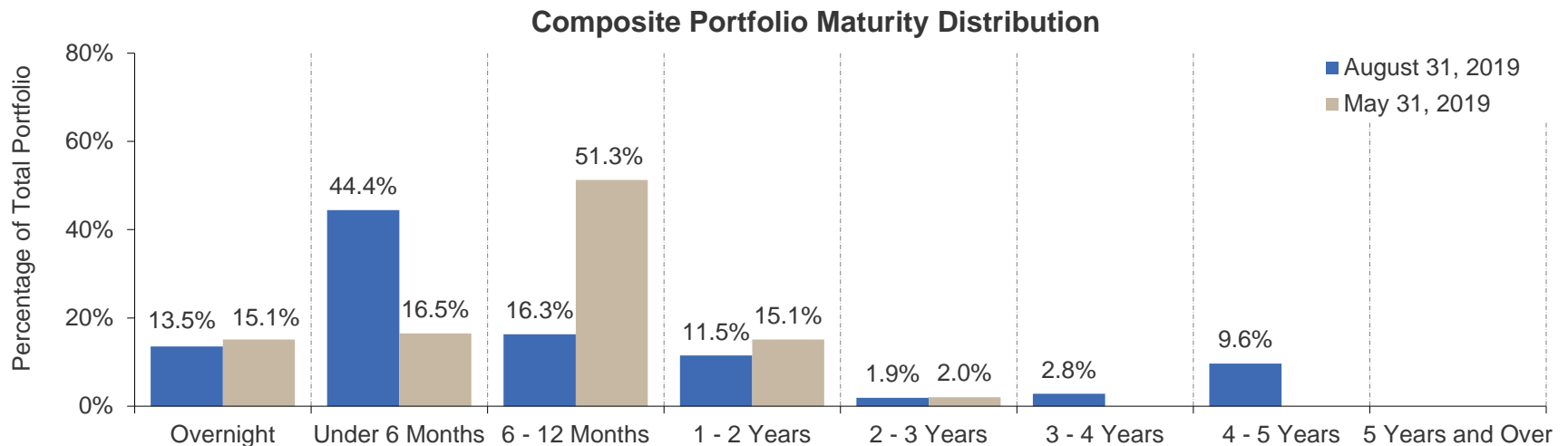
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.





## Composite Portfolio Maturity Distribution

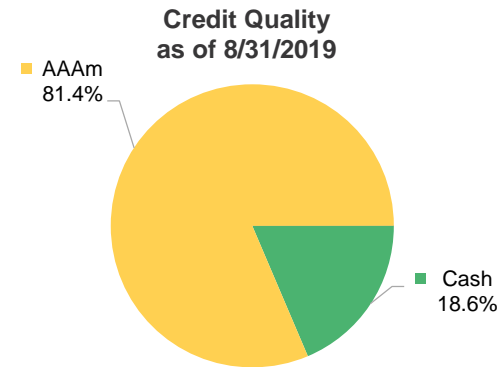
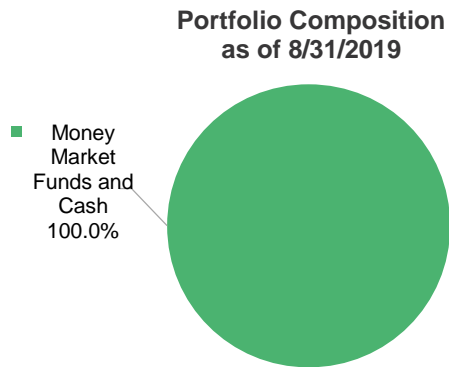
<u>Maturity Distribution</u>	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Overnight	\$6,081,230.20	\$6,130,136.38
Under 6 Months	\$20,014,849.30	\$6,690,174.45
6 - 12 Months	\$7,336,838.13	\$20,800,069.92
1 - 2 Years	\$5,168,522.70	\$6,115,814.29
2 - 3 Years	\$838,562.33	\$827,321.31
3 - 4 Years	\$1,272,612.66	\$0.00
4 - 5 Years	\$4,339,743.58	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$45,052,358.90</b>	<b>\$40,563,516.35</b>





## State Bar College Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$292,184.55	100.0%	\$348,683.79	100.0%
<b>Totals</b>	<b>\$292,184.55</b>	<b>100.0%</b>	<b>\$348,683.79</b>	<b>100.0%</b>

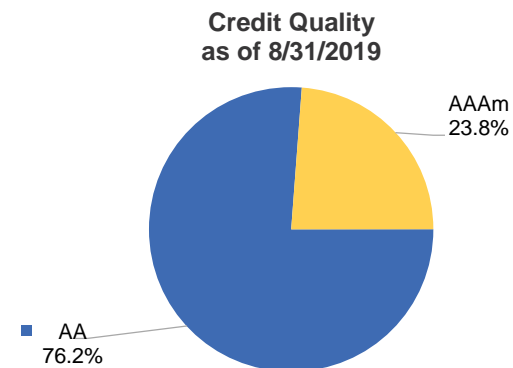
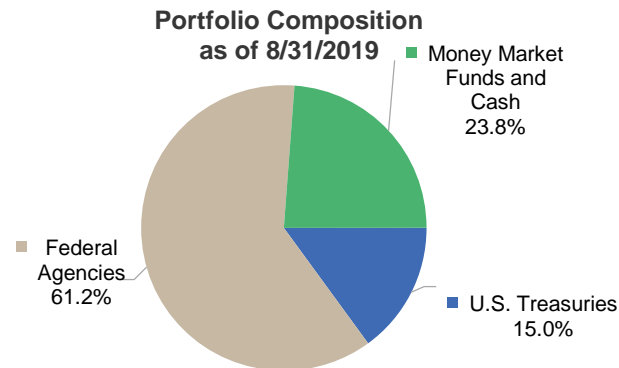


Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## State Bar Client Security Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$455,441.33	15.0%	\$452,455.17	15.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$1,864,971.77	61.2%	\$1,835,186.15	61.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$725,296.50	23.8%	\$721,306.51	24.0%
<b>Totals</b>	<b>\$3,045,709.60</b>	<b>100.0%</b>	<b>\$3,008,947.83</b>	<b>100.0%</b>



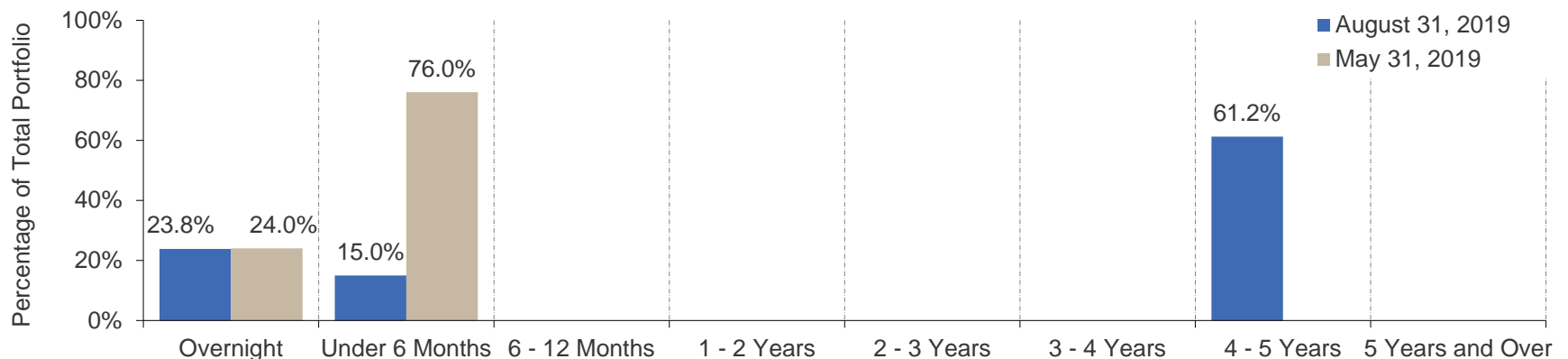
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## Client Security Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Overnight	\$725,296.50	\$721,306.51
Under 6 Months	\$455,441.33	\$2,287,641.32
6 - 12 Months	\$0.00	\$0.00
1 - 2 Years	\$0.00	\$0.00
2 - 3 Years	\$0.00	\$0.00
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$1,864,971.77	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$3,045,709.60</b>	<b>\$3,008,947.83</b>

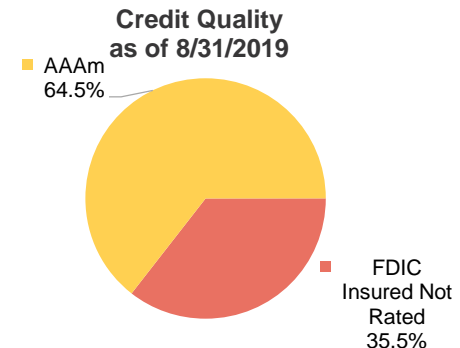
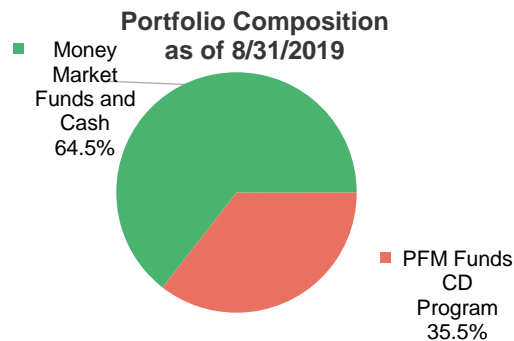
### Composite Portfolio Maturity Distribution





## State Bar Board of Legal Specialization Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
PFM Funds CD Program	\$706,961.63	35.5%	\$702,109.59	34.3%
Money Market Funds and Cash	\$1,282,878.45	64.5%	\$1,345,805.38	65.7%
<b>Totals</b>	<b>\$1,989,840.08</b>	<b>100.0%</b>	<b>\$2,047,914.97</b>	<b>100.0%</b>



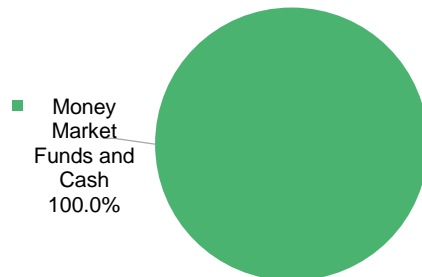
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



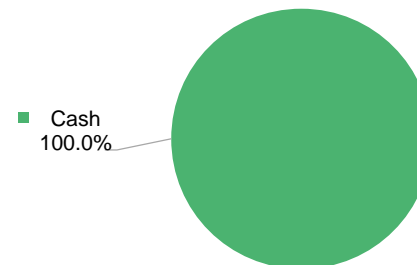
## State Bar Law Focused Education Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$104,211.38	100.0%	\$236,725.80	100.0%
<b>Totals</b>	<b>\$104,211.38</b>	<b>100.0%</b>	<b>\$236,725.80</b>	<b>100.0%</b>

**Portfolio Composition  
as of 8/31/2019**



**Credit Quality  
as of 8/31/2019**



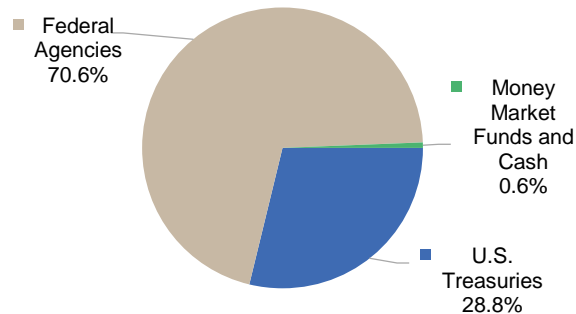
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



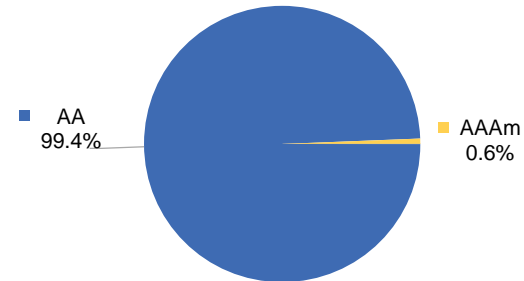
## State Bar Texas Law Center Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$1,277,557.75	28.8%	\$1,275,357.16	35.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$3,131,608.49	70.6%	\$2,341,979.23	64.3%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$27,645.83	0.6%	\$27,493.75	0.8%
<b>Totals</b>	<b>\$4,436,812.07</b>	<b>100.0%</b>	<b>\$3,644,830.14</b>	<b>100.0%</b>

**Portfolio Composition  
as of 8/31/2019**



**Credit Quality  
as of 8/31/2019**

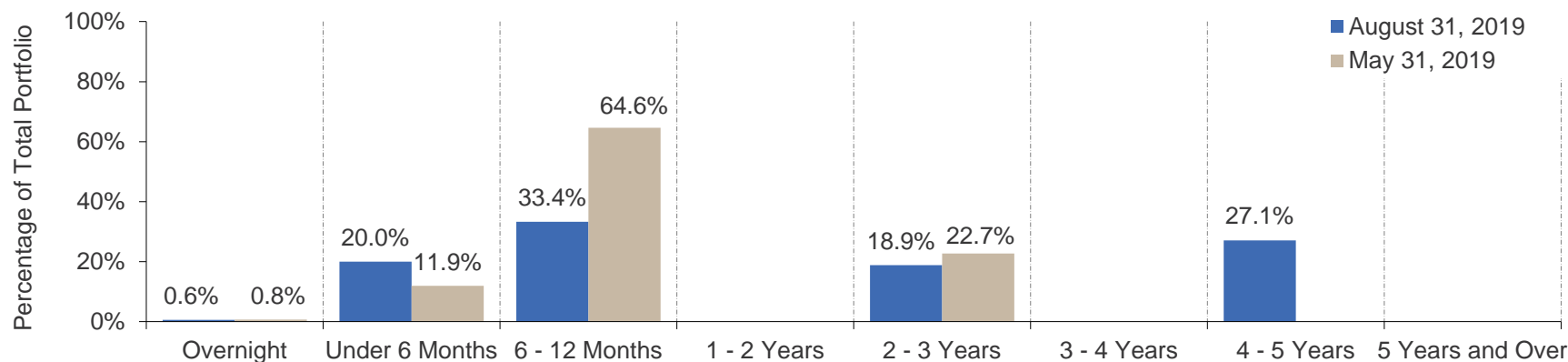




## Texas Law Center Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Overnight	\$27,645.83	\$27,493.75
Under 6 Months	\$886,459.31	\$435,044.13
6 - 12 Months	\$1,479,789.53	\$2,354,970.95
1 - 2 Years	\$0.00	\$0.00
2 - 3 Years	\$838,562.33	\$827,321.31
3 - 4 Years	\$0.00	\$0.00
4 - 5 Years	\$1,204,355.07	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$4,436,812.07</b>	<b>\$3,644,830.14</b>

### Composite Portfolio Maturity Distribution



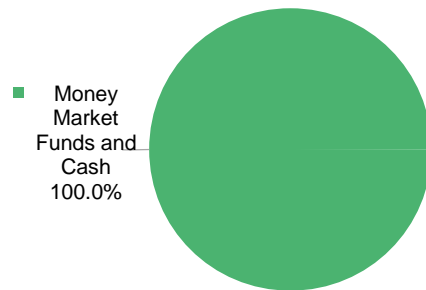




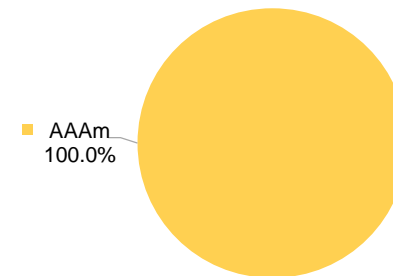
## State Bar Annual Meeting Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$320,562.36	100.0%	\$648,689.52	100.0%
<b>Totals</b>	<b>\$320,562.36</b>	<b>100.0%</b>	<b>\$648,689.52</b>	<b>100.0%</b>

Portfolio Composition  
as of 8/31/2019



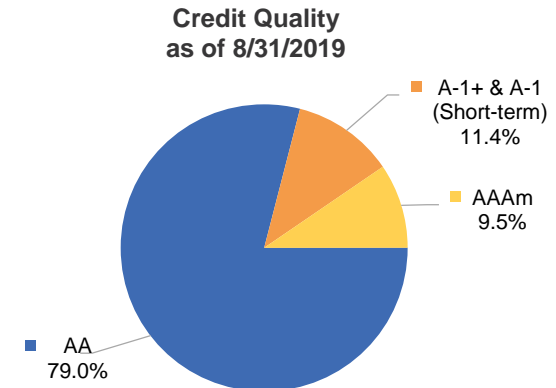
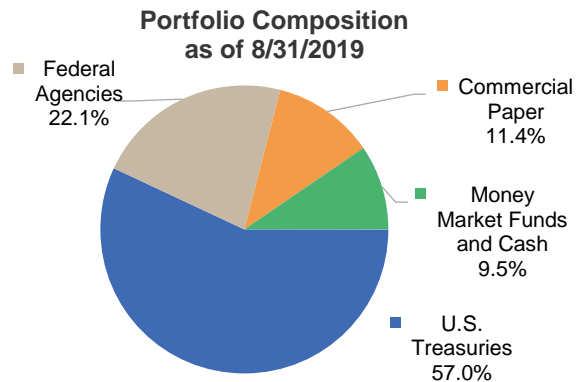
Credit Quality  
as of 8/31/2019





## State Bar General Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2019</u>	<u>% of Portfolio</u>	<u>May 31, 2019</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$19,858,700.97	57.0%	\$17,757,161.94	58.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$7,689,682.76	22.1%	\$5,116,557.73	16.7%
Commercial Paper	\$3,986,204.00	11.4%	\$4,952,573.00	16.2%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$3,328,451.13	9.5%	\$2,801,431.63	9.1%
<b>Totals</b>	<b>\$34,863,038.86</b>	<b>100.0%</b>	<b>\$30,627,724.30</b>	<b>100.0%</b>



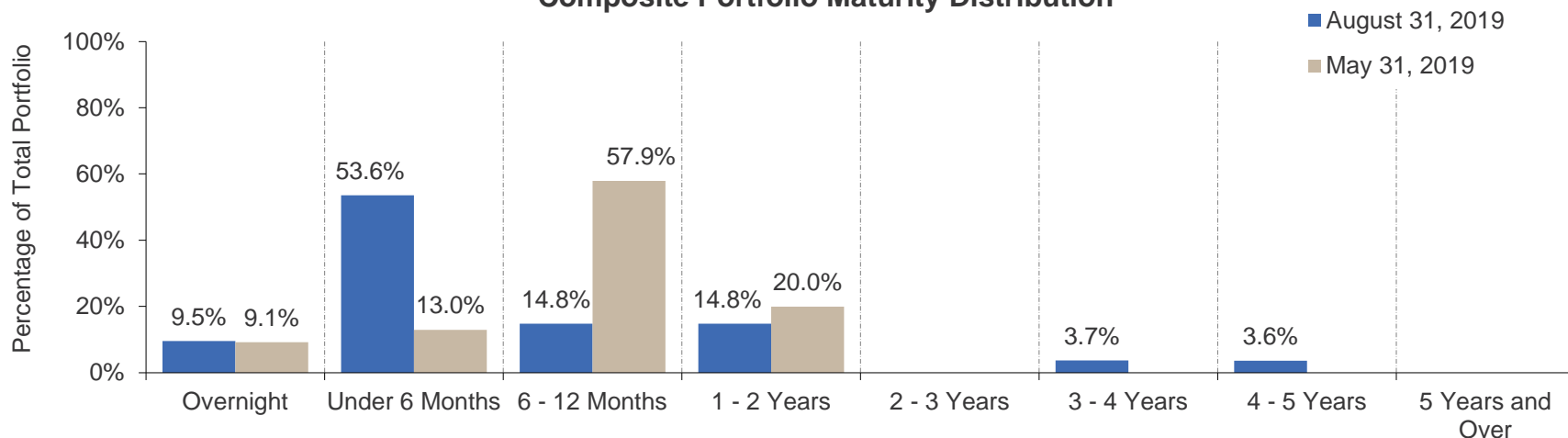
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



## General Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Overnight	\$3,328,451.13	\$2,801,431.63
Under 6 Months	\$18,672,948.66	\$3,967,489.00
6 - 12 Months	\$5,150,086.97	\$17,742,989.38
1 - 2 Years	\$5,168,522.70	\$6,115,814.29
2 - 3 Years	\$0.00	\$0.00
3 - 4 Years	\$1,272,612.66	\$0.00
4 - 5 Years	\$1,270,416.74	\$0.00
5 Years and Over	\$0.00	\$0.00
<b>Totals</b>	<b>\$34,863,038.86</b>	<b>\$30,627,724.30</b>

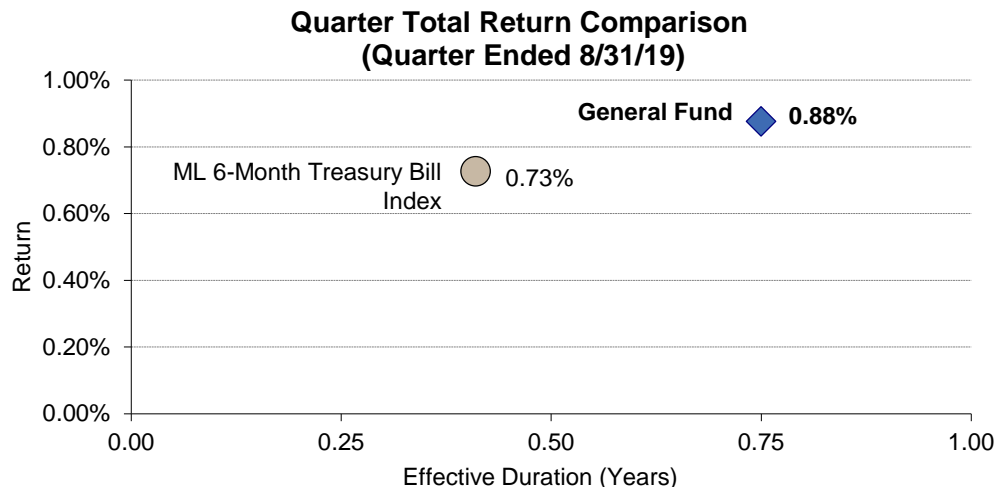
### Composite Portfolio Maturity Distribution





## General Fund Portfolio Performance

<b>Total Return</b>	<b>August 31, 2019</b>	<b>Last 6 Months</b>	<b>Annualized Since Inception</b>	
<b>State Bar of Texas General Fund</b>	<b>0.88%</b>	<b>1.71%</b>	<b>1.51%</b>	
Merrill Lynch 6-Month Treasury Bill Index	0.73%	1.43%	1.43%	
<b><u>Duration</u></b>	<b><u>August 31, 2019</u></b>	<b><u>May 31, 2019</u></b>	<b><u>Yields</u></b>	<b><u>August 31, 2019</u></b>
<b>State Bar of Texas General Fund</b>	<b>0.75</b>	0.78	Yield at Market	<b>1.96%</b>
Merrill Lynch 6-Month Treasury Bill Index	<b>0.41</b>	0.39	Yield on Cost	<b>2.50%</b>



1. Performance on trade date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. The total returns shown for periods longer than 1 year are the annualized returns for the stated period.
4. The total returns shown for periods shorter than 1 year are the periodic returns for the stated period.
5. Since inception performance is calculated from May 31, 2006 to present.
6. Does not include money market fund in performance, duration, and yield computations as we do not consider these funds to be discretionary in nature.



## Consolidated Summary Statement

## Account Statement

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS

### Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value
PFM Managed Account	86,511.01	38,103,125.55
<b>Total</b>	<b>\$86,511.01</b>	<b>\$38,103,125.55</b>

### Investment Allocation

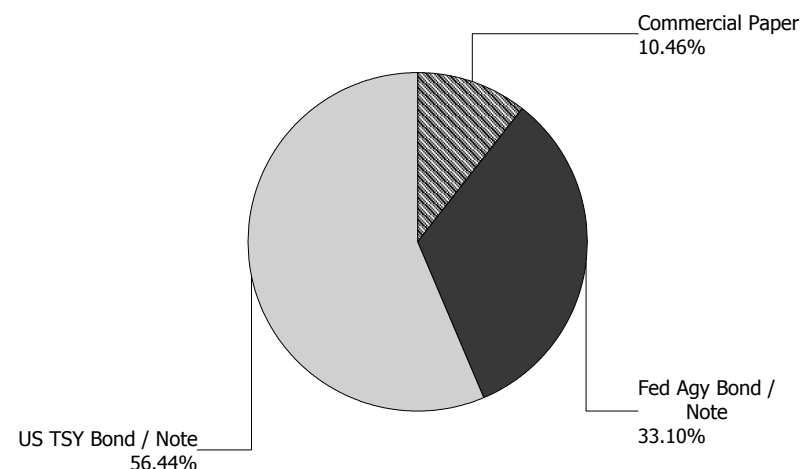
Investment Type	Closing Market Value	Percent
Commercial Paper	3,986,204.00	10.46
Federal Agency Bond / Note	12,613,887.79	33.10
U.S. Treasury Bond / Note	21,503,033.76	56.44
<b>Total</b>	<b>\$38,103,125.55</b>	<b>100.00%</b>

### Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	999,767.00	2.62
31 to 60 days	996,894.00	2.62
61 to 90 days	1,450,320.64	3.81
91 to 180 days	15,006,163.41	39.38
181 days to 1 year	8,101,651.46	21.26
1 to 2 years	5,124,391.23	13.45
2 to 3 years	829,237.75	2.18
3 to 4 years	1,265,957.66	3.32
4 to 5 years	4,328,742.40	11.36
Over 5 years	0.00	0.00
<b>Total</b>	<b>\$38,103,125.55</b>	<b>100.00%</b>

**Weighted Average Days to Maturity**      **428**

### Sector Allocation



**Account Statement**For the Month Ending **August 31, 2019****Consolidated Summary Statement****STATE BAR OF TEXAS**

<b>Account Number</b>	<b>Account Name</b>	<b>Opening Market Value</b>	<b>Purchases / Deposits</b>	<b>Redemptions / Sales / Maturities</b>	<b>Unsettled Trades</b>	<b>Change in Value</b>	<b>Closing Market Value</b>	<b>Cash Dividends and Income</b>
81125010	STATE BAR OF TEXAS GENERAL FUND	32,312,734.22	0.00	(1,000,000.00)	0.00	93,538.87	31,406,273.09	36,315.63
81125011	STATE BAR OF TEXAS CLIENT SECURITY FUND	2,288,224.56	1,836,963.45	(1,835,000.00)	0.00	24,149.73	2,314,337.74	40,576.44
81125014	STATE BAR OF TEXAS TEXAS LAW CENTER	4,351,749.79	435,465.45	(435,000.00)	0.00	30,299.48	4,382,514.72	9,618.94
<b>Total</b>		<b>\$38,952,708.57</b>	<b>\$2,272,428.90</b>	<b>(\$3,270,000.00)</b>	<b>\$0.00</b>	<b>\$147,988.08</b>	<b>\$38,103,125.55</b>	<b>\$86,511.01</b>



## Managed Account Summary Statement

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS GENERAL FUND - 81125010

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$32,312,734.22</b>
Maturities/Calls	(1,000,000.00)
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	93,538.87
<b>Closing Market Value</b>	<b>\$31,406,273.09</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	1,000,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	20,040.63
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	(1,020,040.63)
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	20,040.63
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	16,275.00
<b>Total Cash Basis Earnings</b>	<b>\$36,315.63</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	31,272,287.76
Ending Accrued Interest	128,314.64
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	1,000,000.00
Plus Coupons/Dividends Received	20,040.63
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(32,247,084.19)
Less Beginning Accrued Interest	(106,569.77)
<b>Total Accrual Basis Earnings</b>	<b>\$66,989.07</b>



## Portfolio Summary and Statistics

For the Month Ending **August 31, 2019**

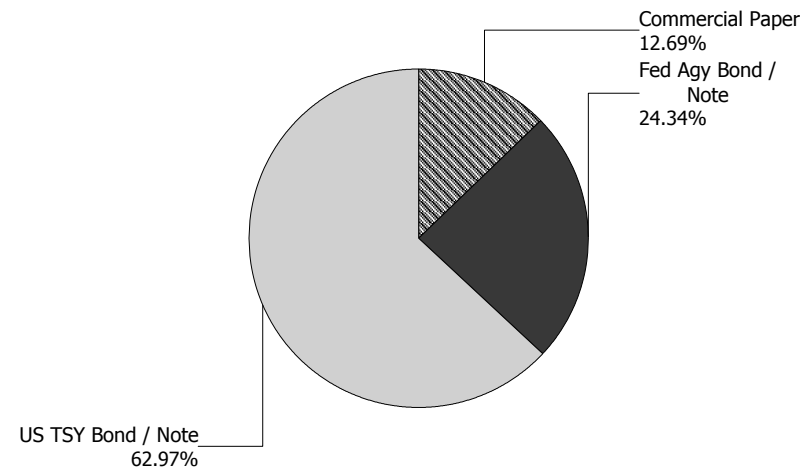
STATE BAR OF TEXAS GENERAL FUND - 81125010

### Account Summary

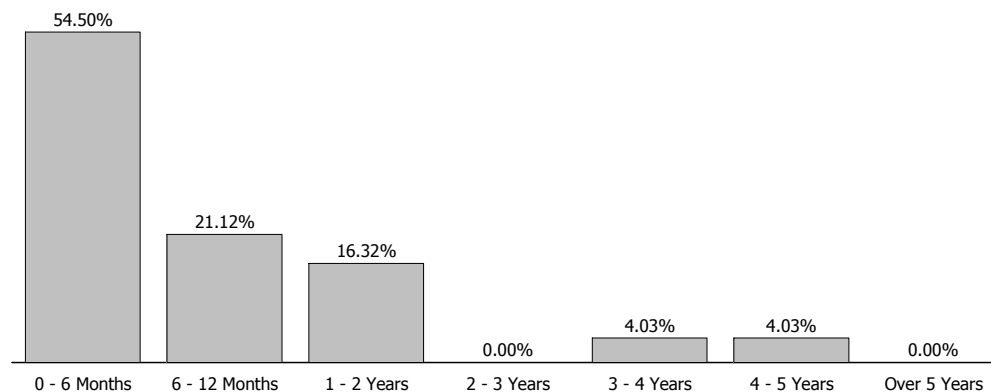
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	19,800,000.00	19,776,100.73	62.97
Federal Agency Bond / Note	7,540,000.00	7,643,968.36	24.34
Commercial Paper	4,000,000.00	3,986,204.00	12.69
<b>Managed Account Sub-Total</b>	<b>31,340,000.00</b>	<b>31,406,273.09</b>	<b>100.00%</b>
Accrued Interest		128,314.64	
<b>Total Portfolio</b>	<b>31,340,000.00</b>	<b>31,534,587.73</b>	

**Unsettled Trades** **0.00** **0.00**

### Sector Allocation



### Maturity Distribution



### Characteristics

Yield to Maturity at Cost	2.50%
Yield to Maturity at Market	1.96%
Duration to Worst	0.73
Weighted Average Days to Maturity	311





## Managed Account Issuer Summary

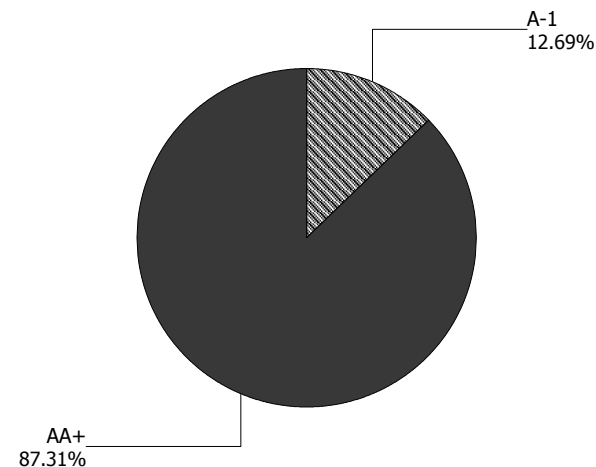
For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS GENERAL FUND - 81125010

### Issuer Summary

Issuer	Market Value of Holdings	Percent
BNP PARIBAS	996,894.00	3.17
CREDIT AGRICOLE SA	996,227.00	3.17
FANNIE MAE	3,385,693.40	10.78
FEDERAL FARM CREDIT BANKS	1,996,167.08	6.36
FEDERAL HOME LOAN BANKS	996,150.22	3.17
FREDDIE MAC	1,265,957.66	4.03
JP MORGAN CHASE & CO	993,316.00	3.16
NATIXIS NY BRANCH	999,767.00	3.18
UNITED STATES TREASURY	19,776,100.73	62.98
<b>Total</b>	<b>\$31,406,273.09</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)





## Managed Account Detail of Securities Held

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,000,000.00	AA+	Aaa	10/31/18	10/31/18	986,914.06	2.74	3,811.48	997,004.01	998,672.00
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,025,000.00	AA+	Aaa	06/08/18	06/11/18	1,997,314.45	2.45	7,718.24	2,020,314.62	2,022,310.80
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,505,000.00	AA+	Aaa	05/23/18	05/24/18	2,477,112.30	2.50	11,139.04	2,500,429.65	2,502,945.90
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,520,000.00	AA+	Aaa	06/05/18	06/06/18	2,494,504.69	2.45	11,205.74	2,515,724.29	2,517,933.60
US TREASURY NOTES DTD 12/15/2016 1.375% 12/15/2019	912828U73	1,995,000.00	AA+	Aaa	06/06/19	06/07/19	1,986,038.09	2.25	5,846.00	1,990,074.98	1,991,492.79
US TREASURY NOTES DTD 01/02/2018 1.875% 12/31/2019	9128283N8	2,100,000.00	AA+	Aaa	11/27/18	11/27/18	2,080,066.41	2.76	6,740.83	2,093,957.50	2,099,344.80
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	1,515,000.00	AA+	Aaa	03/12/19	03/12/19	1,496,476.76	2.54	52.03	1,505,424.59	1,510,206.54
US TREASURY NOTES DTD 03/15/2017 1.625% 03/15/2020	912828W63	2,000,000.00	AA+	Aaa	02/22/19	02/25/19	1,981,093.75	2.54	15,013.59	1,990,255.56	1,997,266.00
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,140,000.00	AA+	Aaa	11/27/18	11/27/18	2,089,843.75	2.81	8,112.23	2,116,452.81	2,129,717.30
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	AA+	Aaa	05/15/19	05/16/19	990,234.38	2.33	3,493.85	992,989.13	996,484.00
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	AA+	Aaa	05/15/19	05/16/19	1,001,171.88	2.19	9,467.21	1,000,997.66	1,009,727.00
<b>Security Type Sub-Total</b>		<b>19,800,000.00</b>					<b>19,580,770.52</b>	<b>2.52</b>	<b>82,600.24</b>	<b>19,723,624.80</b>	<b>19,776,100.73</b>
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 02/09/2018 2.125% 02/11/2020	3130ADN32	995,000.00	AA+	Aaa	07/12/18	07/13/18	987,706.65	2.60	1,174.65	992,919.42	996,150.22
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	AA+	Aaa	11/27/18	11/27/18	2,088,892.30	2.90	20,196.08	2,089,338.97	2,118,497.15



## Managed Account Detail of Securities Held

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Bond / Note</b>											
FFCB (CALLABLE) NOTES DTD 05/14/2019 2.440% 05/14/2021	3133EKLH7	1,995,000.00	AA+	Aaa	05/15/19	05/16/19	1,993,503.75	2.48	14,468.18	1,993,719.27	1,996,167.08
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	1,210,000.00	AA+	Aaa	07/15/19	07/16/19	1,249,833.20	1.88	6,655.00	1,248,608.28	1,265,957.66
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,250,000.00	AA+	Aaa	07/15/19	07/16/19	1,240,262.50	1.92	3,220.49	1,240,497.59	1,267,196.25
<b>Security Type Sub-Total</b>		<b>7,540,000.00</b>					<b>7,560,198.40</b>	<b>2.42</b>	<b>45,714.40</b>	<b>7,565,083.53</b>	<b>7,643,968.36</b>
<b>Commercial Paper</b>											
NATIXIS NY BRANCH COMM PAPER DTD 12/04/2018 0.000% 09/03/2019	63873KW37	1,000,000.00	A-1	P-1	05/03/19	05/06/19	991,566.67	2.55	0.00	999,859.44	999,767.00
BNP PARIBAS NY BRANCH COMM PAPER DTD 04/22/2019 0.000% 10/22/2019	09659CXN3	1,000,000.00	A-1	P-1	04/22/19	04/23/19	987,158.89	2.57	0.00	996,401.66	996,894.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/03/2019 0.000% 11/04/2019	22533UY49	1,000,000.00	A-1	P-1	05/03/19	05/06/19	987,411.67	2.52	0.00	995,573.33	996,227.00
JP MORGAN SECURITIES LLC COMM PAPER DTD 04/02/2019 0.000% 12/27/2019	46640QZT1	1,000,000.00	A-1	P-1	04/02/19	04/02/19	981,020.56	2.59	0.00	991,745.00	993,316.00
<b>Security Type Sub-Total</b>		<b>4,000,000.00</b>					<b>3,947,157.79</b>	<b>2.56</b>	<b>0.00</b>	<b>3,983,579.43</b>	<b>3,986,204.00</b>
<b>Managed Account Sub-Total</b>		<b>31,340,000.00</b>					<b>31,088,126.71</b>	<b>2.50</b>	<b>128,314.64</b>	<b>31,272,287.76</b>	<b>31,406,273.09</b>
<b>Securities Sub-Total</b>		<b>\$31,340,000.00</b>					<b>\$31,088,126.71</b>	<b>2.50%</b>	<b>\$128,314.64</b>	<b>\$31,272,287.76</b>	<b>\$31,406,273.09</b>
<b>Accrued Interest</b>											<b>\$128,314.64</b>
<b>Total Investments</b>											<b>\$31,534,587.73</b>



## Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,000,000.00	BNP_PARI		99.87	998,672.00	11,757.94	1,667.99	0.25	0.25	2.03
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,025,000.00	GOLDMAN		99.87	2,022,310.80	24,996.35	1,996.18	0.25	0.25	2.03
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,505,000.00	BNP_PARI		99.92	2,502,945.90	25,833.60	2,516.25	0.25	0.25	2.07
US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	2,520,000.00	CITIGRP		99.92	2,517,933.60	23,428.91	2,209.31	0.25	0.25	2.07
US TREASURY NOTES DTD 12/15/2016 1.375% 12/15/2019	912828U73	1,995,000.00	CITIGRP		99.82	1,991,492.79	5,454.70	1,417.81	0.29	0.29	1.98
US TREASURY NOTES DTD 01/02/2018 1.875% 12/31/2019	9128283N8	2,100,000.00	MORGAN_S		99.97	2,099,344.80	19,278.39	5,387.30	0.33	0.33	1.96
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	1,515,000.00	NOMURA		99.68	1,510,206.54	13,729.78	4,781.95	0.50	0.50	1.89
US TREASURY NOTES DTD 03/15/2017 1.625% 03/15/2020	912828W63	2,000,000.00	GOLDMAN		99.86	1,997,266.00	16,172.25	7,010.44	0.53	0.53	1.88
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,140,000.00	BARCLAYS		99.52	2,129,717.30	39,873.55	13,264.49	0.66	0.66	1.85
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,000,000.00	NOMURA		99.65	996,484.00	6,249.62	3,494.87	0.74	0.74	1.85
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	MORGAN_S		100.97	1,009,727.00	8,555.12	8,729.34	1.54	1.54	1.62

<b>Security Type Sub-Total</b>		<b>19,800,000.00</b>				<b>19,776,100.73</b>	<b>195,330.21</b>	<b>52,475.93</b>	<b>0.44</b>	<b>0.44</b>	<b>1.95</b>
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<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 02/09/2018 2.125% 02/11/2020	3130ADN32	995,000.00	MORGAN_S		100.12	996,150.22	8,443.57	3,230.80	0.44	0.44	1.85
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	MORGAN_S		101.36	2,118,497.15	29,604.85	29,158.18	1.14	1.14	1.69
FFCB (CALLABLE) NOTES DTD 05/14/2019 2.440% 05/14/2021	3133EKLH7	1,995,000.00	JPM_CHAS	11/14/19	100.06	1,996,167.08	2,663.33	2,447.81	0.50	0.20	2.40
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	1,210,000.00	CITIGRP		104.62	1,265,957.66	16,124.46	17,349.38	3.59	3.59	1.49



## Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>Federal Agency Bond / Note</b>											
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,250,000.00	CITIGRP		101.38	1,267,196.25	26,933.75	26,698.66	4.61	4.61	1.45
<b>Security Type Sub-Total</b>		<b>7,540,000.00</b>				<b>7,643,968.36</b>	<b>83,769.96</b>	<b>78,884.83</b>	<b>1.86</b>	<b>1.79</b>	<b>1.83</b>
<b>Commercial Paper</b>											
NATIXIS NY BRANCH COMM PAPER DTD 12/04/2018 0.000% 09/03/2019	63873KW37	1,000,000.00	RBC		99.98	999,767.00	8,200.33	(92.44)	0.01	0.01	2.80
BNP PARIBAS NY BRANCH COMM PAPER DTD 04/22/2019 0.000% 10/22/2019	09659CXN3	1,000,000.00	BNP_PARI		99.69	996,894.00	9,735.11	492.34	0.14	0.14	2.16
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/03/2019 0.000% 11/04/2019	22533UY49	1,000,000.00	CREDAG		99.62	996,227.00	8,815.33	653.67	0.18	0.18	2.10
JP MORGAN SECURITIES LLC COMM PAPER DTD 04/02/2019 0.000% 12/27/2019	46640OZT1	1,000,000.00	JPM_CHAS		99.33	993,316.00	12,295.44	1,571.00	0.32	0.32	2.05
<b>Security Type Sub-Total</b>		<b>4,000,000.00</b>				<b>3,986,204.00</b>	<b>39,046.21</b>	<b>2,624.57</b>	<b>0.16</b>	<b>0.16</b>	<b>2.28</b>
<b>Managed Account Sub-Total</b>		<b>31,340,000.00</b>				<b>31,406,273.09</b>	<b>318,146.38</b>	<b>133,985.33</b>	<b>0.75</b>	<b>0.73</b>	<b>1.96</b>
<b>Securities Sub-Total</b>		<b>\$31,340,000.00</b>				<b>\$31,406,273.09</b>	<b>\$318,146.38</b>	<b>\$133,985.33</b>	<b>0.75</b>	<b>0.73</b>	<b>1.96%</b>
<b>Accrued Interest</b>						<b>\$128,314.64</b>					
<b>Total Investments</b>						<b>\$31,534,587.73</b>					



## Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
08/11/19	08/11/19	FHLB NOTES DTD 02/09/2018 2.125% 02/11/2020	3130ADN32	995,000.00	0.00	10,571.88	10,571.88			
08/31/19	08/31/19	US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	1,515,000.00	0.00	9,468.75	9,468.75			
Transaction Type Sub-Total				2,510,000.00	0.00	20,040.63	20,040.63			
MATURITY										
08/16/19	08/16/19	MUFG BANK LTD/NY COMM PAPER DTD 01/18/2019 0.000% 08/16/2019	62479MVG5	1,000,000.00	1,000,000.00	0.00	1,000,000.00	16,275.00	0.00	
Transaction Type Sub-Total				1,000,000.00	1,000,000.00	0.00	1,000,000.00	16,275.00	0.00	
Managed Account Sub-Total					1,000,000.00	20,040.63	1,020,040.63	16,275.00	0.00	
Total Security Transactions						\$1,000,000.00	\$20,040.63	\$1,020,040.63	\$16,275.00	\$0.00



## Managed Account Summary Statement

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$2,288,224.56</b>
Maturities/Calls	(1,835,000.00)
Principal Dispositions	0.00
Principal Acquisitions	1,836,963.45
Unsettled Trades	0.00
Change in Current Value	24,149.73
<b>Closing Market Value</b>	<b>\$2,314,337.74</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	1,835,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	8,028.13
Principal Payments	0.00
Security Purchases	(1,839,371.89)
Net Cash Contribution	(3,656.24)
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	8,028.13
Less Purchased Interest Related to Interest/Coupons	(2,408.44)
Plus Net Realized Gains/Losses	34,956.75
<b>Total Cash Basis Earnings</b>	<b>\$40,576.44</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	2,290,562.75
Ending Accrued Interest	6,075.36
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	1,835,000.00
Plus Coupons/Dividends Received	8,028.13
Less Cost of New Purchases	(1,839,371.89)
Less Beginning Amortized Value of Securities	(2,287,772.31)
Less Beginning Accrued Interest	(8,814.12)
<b>Total Accrual Basis Earnings</b>	<b>\$3,707.92</b>



## Portfolio Summary and Statistics

For the Month Ending **August 31, 2019**

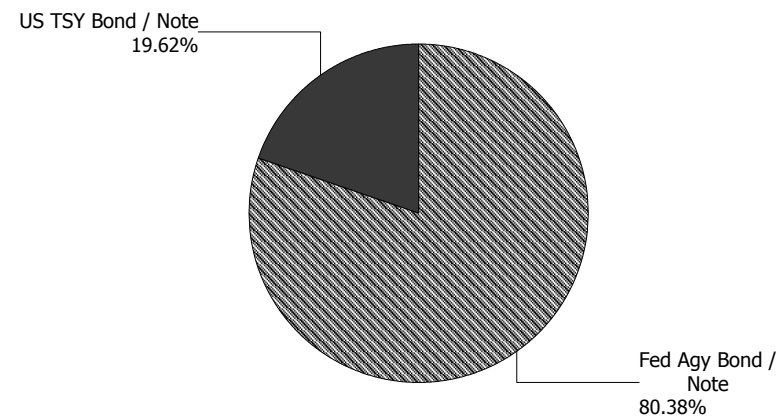
STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Account Summary

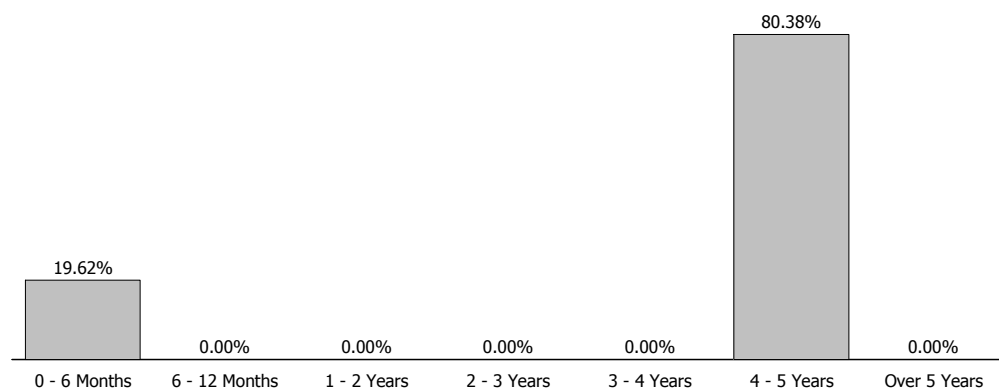
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	455,000.00	454,093.64	19.62
Federal Agency Bond / Note	1,835,000.00	1,860,244.10	80.38
<b>Managed Account Sub-Total</b>	<b>2,290,000.00</b>	<b>2,314,337.74</b>	<b>100.00%</b>
Accrued Interest		6,075.36	
<b>Total Portfolio</b>	<b>2,290,000.00</b>	<b>2,320,413.10</b>	

**Unsettled Trades**                      **0.00**                      **0.00**

### Sector Allocation



### Maturity Distribution



### Characteristics

Yield to Maturity at Cost	1.88%
Yield to Maturity at Market	1.55%
Duration to Worst	3.75
Weighted Average Days to Maturity	1435





## Managed Account Issuer Summary

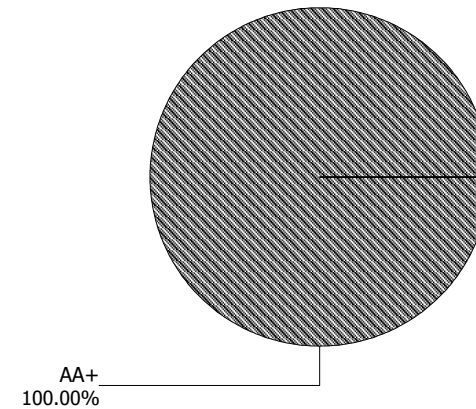
For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

### Issuer Summary

Issuer	Market Value of Holdings	Percent
FANNIE MAE	1,860,244.10	80.38
UNITED STATES TREASURY	454,093.64	19.62
<b>Total</b>	<b>\$2,314,337.74</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)





## Managed Account Detail of Securities Held

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2016 1.000% 11/15/2019	912828U32	455,000.00	AA+	Aaa	05/21/18	05/21/18	445,117.97	2.50	1,347.69	453,626.02	454,093.64
<b>Security Type Sub-Total</b>		<b>455,000.00</b>					<b>445,117.97</b>	<b>2.50</b>	<b>1,347.69</b>	<b>453,626.02</b>	<b>454,093.64</b>
<b>Federal Agency Bond / Note</b>											
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,835,000.00	AA+	Aaa	08/02/19	08/05/19	1,836,963.45	1.73	4,727.67	1,836,936.73	1,860,244.10
<b>Security Type Sub-Total</b>		<b>1,835,000.00</b>					<b>1,836,963.45</b>	<b>1.73</b>	<b>4,727.67</b>	<b>1,836,936.73</b>	<b>1,860,244.10</b>
<b>Managed Account Sub-Total</b>		<b>2,290,000.00</b>					<b>2,282,081.42</b>	<b>1.88</b>	<b>6,075.36</b>	<b>2,290,562.75</b>	<b>2,314,337.74</b>
<b>Securities Sub-Total</b>		<b>\$2,290,000.00</b>					<b>\$2,282,081.42</b>	<b>1.88%</b>	<b>\$6,075.36</b>	<b>\$2,290,562.75</b>	<b>\$2,314,337.74</b>
<b>Accrued Interest</b>											<b>\$6,075.36</b>
<b>Total Investments</b>											<b>\$2,320,413.10</b>



## Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2016 1.000% 11/15/2019	912828U32	455,000.00	GOLDMAN		99.80	454,093.64	8,975.67	467.62	0.21	0.21	1.96
<b>Security Type Sub-Total</b>		<b>455,000.00</b>				<b>454,093.64</b>	<b>8,975.67</b>	<b>467.62</b>	<b>0.21</b>	<b>0.21</b>	<b>1.96</b>
<b>Federal Agency Bond / Note</b>											
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,835,000.00	TD		101.38	1,860,244.10	23,280.65	23,307.37	4.61	4.61	1.45
<b>Security Type Sub-Total</b>		<b>1,835,000.00</b>				<b>1,860,244.10</b>	<b>23,280.65</b>	<b>23,307.37</b>	<b>4.61</b>	<b>4.61</b>	<b>1.45</b>
<b>Managed Account Sub-Total</b>		<b>2,290,000.00</b>				<b>2,314,337.74</b>	<b>32,256.32</b>	<b>23,774.99</b>	<b>3.75</b>	<b>3.75</b>	<b>1.55</b>
<b>Securities Sub-Total</b>		<b>\$2,290,000.00</b>				<b>\$2,314,337.74</b>	<b>\$32,256.32</b>	<b>\$23,774.99</b>	<b>3.75</b>	<b>3.75</b>	<b>1.55%</b>
<b>Accrued Interest</b>						<b>\$6,075.36</b>					
<b>Total Investments</b>						<b>\$2,320,413.10</b>					



## Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2019**

### STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
08/02/19	08/05/19	FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,835,000.00	(1,836,963.45)	(2,408.44)	(1,839,371.89)			
Transaction Type Sub-Total				1,835,000.00	(1,836,963.45)	(2,408.44)	(1,839,371.89)			
INTEREST										
08/05/19	08/05/19	FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,835,000.00	0.00	8,028.13	8,028.13			
Transaction Type Sub-Total				1,835,000.00	0.00	8,028.13	8,028.13			
MATURITY										
08/05/19	08/05/19	FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,835,000.00	1,835,000.00	0.00	1,835,000.00	34,956.75	0.00	
Transaction Type Sub-Total				1,835,000.00	1,835,000.00	0.00	1,835,000.00	34,956.75	0.00	
Managed Account Sub-Total					(1,963.45)	5,619.69	3,656.24	34,956.75	0.00	
Total Security Transactions					(\$1,963.45)	\$5,619.69	\$3,656.24	\$34,956.75	\$0.00	



## Managed Account Summary Statement

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

### Transaction Summary - Managed Account

<b>Opening Market Value</b>	<b>\$4,351,749.79</b>
Maturities/Calls	(435,000.00)
Principal Dispositions	0.00
Principal Acquisitions	435,465.45
Unsettled Trades	0.00
Change in Current Value	30,299.48
<b>Closing Market Value</b>	<b>\$4,382,514.72</b>

### Cash Transactions Summary - Managed Account

Maturities/Calls	435,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	1,903.13
Principal Payments	0.00
Security Purchases	(436,036.39)
Net Cash Contribution	(866.74)
Reconciling Transactions	0.00

### Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	1,903.13
Less Purchased Interest Related to Interest/Coupons	(570.94)
Plus Net Realized Gains/Losses	8,286.75
<b>Total Cash Basis Earnings</b>	<b>\$9,618.94</b>

### Cash Balance

**Closing Cash Balance** **\$0.00**

### Earnings Reconciliation (Accrual Basis)

	<b>Total</b>
Ending Amortized Value of Securities	4,336,250.98
Ending Accrued Interest	26,651.52
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	435,000.00
Plus Coupons/Dividends Received	1,903.13
Less Cost of New Purchases	(436,036.39)
Less Beginning Amortized Value of Securities	(4,334,554.37)
Less Beginning Accrued Interest	(20,380.11)
<b>Total Accrual Basis Earnings</b>	<b>\$8,834.76</b>



## Portfolio Summary and Statistics

For the Month Ending **August 31, 2019**

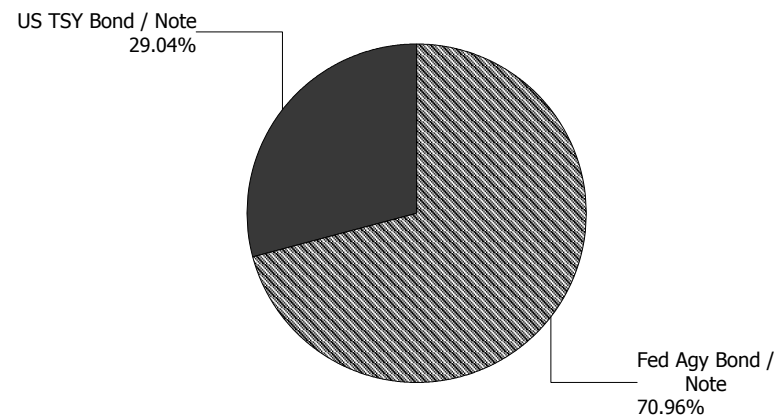
STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

## Account Summary

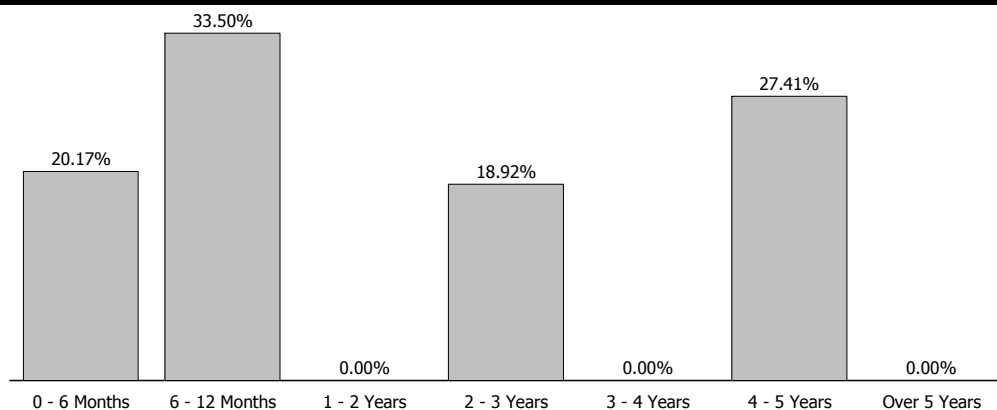
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	1,275,000.00	1,272,839.39	29.04
Federal Agency Bond / Note	3,065,000.00	3,109,675.33	70.96
<b>Managed Account Sub-Total</b>	<b>4,340,000.00</b>	<b>4,382,514.72</b>	<b>100.00%</b>
Accrued Interest		26,651.52	
<b>Total Portfolio</b>	<b>4,340,000.00</b>	<b>4,409,166.24</b>	

<b>Unsettled Trades</b>	<b>0.00</b>	<b>0.00</b>
-------------------------	-------------	-------------

### Sector Allocation



### Maturity Distribution



## Characteristics

Yield to Maturity at Cost	2.43%
Yield to Maturity at Market	1.72%
Duration to Worst	1.92
Weighted Average Days to Maturity	732



## Managed Account Issuer Summary

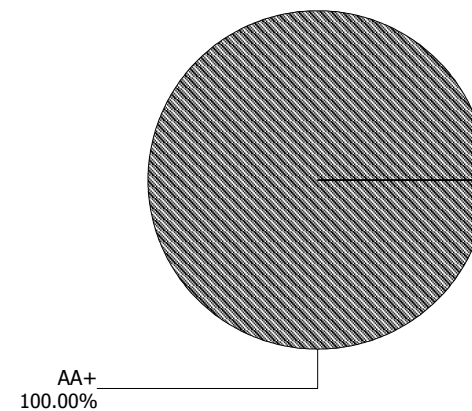
For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

### Issuer Summary

Issuer	Market Value of Holdings	Percent
FANNIE MAE	1,201,302.05	27.41
FEDERAL HOME LOAN BANKS	829,237.75	18.92
FREDDIE MAC	1,079,135.53	24.62
UNITED STATES TREASURY	1,272,839.39	29.05
<b>Total</b>	<b>\$4,382,514.72</b>	<b>100.00%</b>

### Credit Quality (S&P Ratings)





## Managed Account Detail of Securities Held

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	885,000.00	AA+	Aaa	10/01/18	10/01/18	873,211.52	2.72	2,462.01	881,864.21	883,997.30
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	390,000.00	AA+	Aaa	09/18/18	09/19/18	381,910.55	2.77	2,256.35	386,900.29	388,842.09
<b>Security Type Sub-Total</b>		<b>1,275,000.00</b>					<b>1,255,122.07</b>	<b>2.73</b>	<b>4,718.36</b>	<b>1,268,764.50</b>	<b>1,272,839.39</b>
<b>Federal Agency Bond / Note</b>											
FHLMC NOTES DTD 04/19/2018 2.500% 04/23/2020	3137EAEM7	1,075,000.00	AA+	Aaa	08/03/18	08/07/18	1,072,129.75	2.66	9,555.56	1,073,913.14	1,079,135.53
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	AA+	Aaa	02/14/19	02/15/19	814,724.40	2.53	9,324.58	812,796.44	829,237.75
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	435,000.00	AA+	Aaa	08/02/19	08/05/19	435,465.45	1.73	1,120.73	435,459.12	440,984.30
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	750,000.00	AA+	Aaa	07/29/19	07/30/19	745,237.50	1.89	1,932.29	745,317.78	760,317.75
<b>Security Type Sub-Total</b>		<b>3,065,000.00</b>					<b>3,067,557.10</b>	<b>2.30</b>	<b>21,933.16</b>	<b>3,067,486.48</b>	<b>3,109,675.33</b>
<b>Managed Account Sub-Total</b>		<b>4,340,000.00</b>					<b>4,322,679.17</b>	<b>2.43</b>	<b>26,651.52</b>	<b>4,336,250.98</b>	<b>4,382,514.72</b>
<b>Securities Sub-Total</b>		<b>\$4,340,000.00</b>					<b>\$4,322,679.17</b>	<b>2.43%</b>	<b>\$26,651.52</b>	<b>\$4,336,250.98</b>	<b>\$4,382,514.72</b>
<b>Accrued Interest</b>											<b>\$26,651.52</b>
<b>Total Investments</b>											<b>\$4,409,166.24</b>





## Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	885,000.00	CITIGRP		99.89	883,997.30	10,785.78	2,133.09	0.33	0.33	1.96
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	390,000.00	CITIGRP		99.70	388,842.09	6,931.54	1,941.80	0.57	0.57	1.89
<b>Security Type Sub-Total</b>		<b>1,275,000.00</b>				<b>1,272,839.39</b>	<b>17,717.32</b>	<b>4,074.89</b>	<b>0.40</b>	<b>0.40</b>	<b>1.94</b>
<b>Federal Agency Bond / Note</b>											
FHLMC NOTES DTD 04/19/2018 2.500% 04/23/2020	3137EAEM7	1,075,000.00	NOMURA		100.38	1,079,135.53	7,005.78	5,222.39	0.63	0.63	1.89
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	MORGAN_S		103.01	829,237.75	14,513.35	16,441.31	2.03	2.03	1.55
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	435,000.00	TD		101.38	440,984.30	5,518.85	5,525.18	4.61	4.61	1.45
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	750,000.00	WELLS_FA		101.38	760,317.75	15,080.25	14,999.97	4.61	4.61	1.45
<b>Security Type Sub-Total</b>		<b>3,065,000.00</b>				<b>3,109,675.33</b>	<b>42,118.23</b>	<b>42,188.85</b>	<b>2.54</b>	<b>2.54</b>	<b>1.63</b>
<b>Managed Account Sub-Total</b>		<b>4,340,000.00</b>				<b>4,382,514.72</b>	<b>59,835.55</b>	<b>46,263.74</b>	<b>1.92</b>	<b>1.92</b>	<b>1.72</b>
<b>Securities Sub-Total</b>		<b>\$4,340,000.00</b>				<b>\$4,382,514.72</b>	<b>\$59,835.55</b>	<b>\$46,263.74</b>	<b>1.92</b>	<b>1.92</b>	<b>1.72%</b>
<b>Accrued Interest</b>						<b>\$26,651.52</b>					
<b>Total Investments</b>						<b>\$4,409,166.24</b>					



## Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2019**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
08/02/19	08/05/19	FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	435,000.00	(435,465.45)	(570.94)	(436,036.39)			
Transaction Type Sub-Total				435,000.00	(435,465.45)	(570.94)	(436,036.39)			
INTEREST										
08/05/19	08/05/19	FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	435,000.00	0.00	1,903.13	1,903.13			
Transaction Type Sub-Total				435,000.00	0.00	1,903.13	1,903.13			
MATURITY										
08/05/19	08/05/19	FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	435,000.00	435,000.00	0.00	435,000.00	8,286.75	0.00	
Transaction Type Sub-Total				435,000.00	435,000.00	0.00	435,000.00	8,286.75	0.00	
Managed Account Sub-Total					(465.45)	1,332.19	866.74	8,286.75	0.00	
Total Security Transactions					(465.45)	\$1,332.19	\$866.74	\$8,286.75	\$0.00	

Consolidated Summary Statement

For the Month Ending August 31, 2019

State Bar of Texas

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value	Current Yield
PFM Funds - Govt Select, Instl Cl	10,693.37	5,922,687.75	2.02 %
PFM Funds CD Program	0.00	700,000.00	* N/A
<b>Total</b>	<b>\$10,693.37</b>	<b>\$6,622,687.75</b>	

\* Not Applicable

Investment Allocation

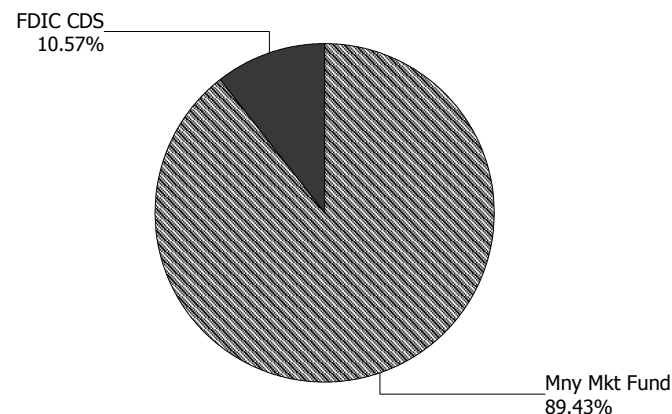
Investment Type	Closing Market Value	Percent
Money Market Mutual Fund	5,922,687.75	89.43
FDIC Insured Bank Certificates of Deposit	700,000.00	10.57
<b>Total</b>	<b>\$6,622,687.75</b>	<b>100.00%</b>

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	5,922,687.75	89.43
31 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 180 days	0.00	0.00
181 days to 1 year	700,000.00	10.57
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
<b>Total</b>	<b>\$6,622,687.75</b>	<b>100.00%</b>

Weighted Average Days to Maturity 25

Sector Allocation



**Consolidated Summary Statement**

For the Month Ending **August 31, 2019**

State Bar of Texas

Account Number	Account Name	Opening Market Value	Purchases / Deposits	Redemptions / Sales/ Maturities	Unsettled Trades	Change in Value	Closing Market Value	Cash Dividends and Income
200-00	STATE BAR OF TEXAS - MM	4,322,330.67	1,006,120.46	(2,000,000.00)	0.00	0.00	3,328,451.13	6,120.46
995192	CLIENT SECURITY FUND	724,036.10	1,260.40	0.00	0.00	0.00	725,296.50	1,260.40
995235	TEXAS LAW CENTER	27,597.79	48.04	0.00	0.00	0.00	27,645.83	48.04
995426	TBLS	2,005,708.87	2,264.52	(25,094.94)	0.00	0.00	1,982,878.45	2,264.52
995463	Annual Meeting Funds	321,003.89	558.47	(1,000.00)	0.00	0.00	320,562.36	558.47
995464	Texas Bar College Special Revenue Funds	257,412.00	441.48	(20,000.00)	0.00	0.00	237,853.48	441.48
<b>Total</b>		<b>\$7,658,089.32</b>	<b>\$1,010,693.37</b>	<b>(\$2,046,094.94)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,622,687.75</b>	<b>\$10,693.37</b>

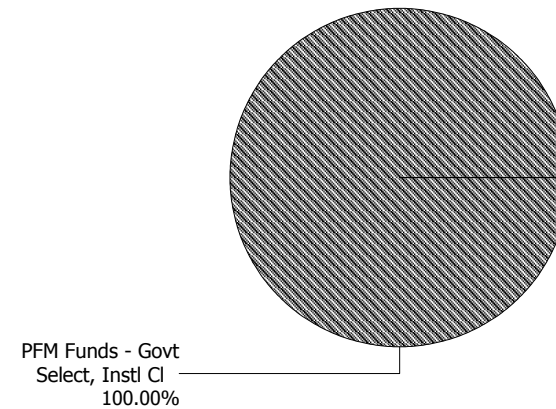
## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

PFM Funds - Govt Select, Instl CI	
Opening Market Value	4,322,330.67
Purchases	1,006,120.46
Redemptions	(2,000,000.00)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$3,328,451.13</b>
Cash Dividends and Income	6,120.46

Asset Summary		
	August 31, 2019	July 31, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	3,328,451.13	4,322,330.67
<b>Total</b>	<b>\$3,328,451.13</b>	<b>\$4,322,330.67</b>
Asset Allocation		



**Account Statement**

For the Month Ending **August 31, 2019**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>4,322,330.67</b>
08/02/19	08/02/19	Redemption - Wire Redemption	1.00	(1,000,000.00)	3,322,330.67
08/23/19	08/23/19	Purchase - Wire Purchase	1.00	1,000,000.00	4,322,330.67
08/28/19	08/28/19	Redemption - Wire Redemption	1.00	(1,000,000.00)	3,322,330.67
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	6,120.46	3,328,451.13
<b>Closing Balance</b>					<b>3,328,451.13</b>

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	4,322,330.67	332,029.31	<b>Closing Balance</b>	3,328,451.13
<b>Purchases</b>	1,006,120.46	10,296,421.82	<b>Average Monthly Balance</b>	3,516,273.93
<b>Redemptions (Excl. Checks)</b>	(2,000,000.00)	(7,300,000.00)	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>3,328,451.13</b>	<b>3,328,451.13</b>		
<b>Cash Dividends and Income</b>	6,120.46	46,336.24		

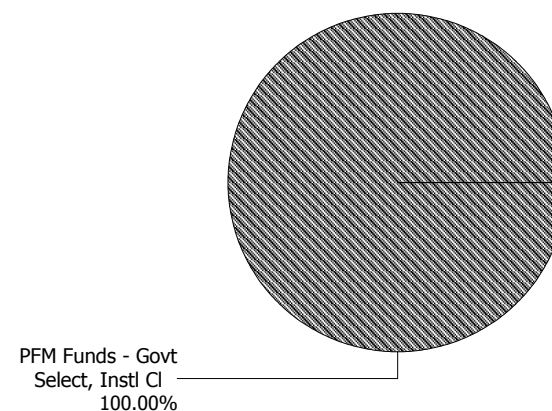
## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - CLIENT SECURITY FUND - 995192

PFM Funds - Govt Select, Instl CI	
Opening Market Value	724,036.10
Purchases	1,260.40
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$725,296.50</b>
Cash Dividends and Income	1,260.40

Asset Summary		
	August 31, 2019	July 31, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	725,296.50	724,036.10
<b>Total</b>	<b>\$725,296.50</b>	<b>\$724,036.10</b>
Asset Allocation		



**Account Statement**

For the Month Ending **August 31, 2019**

State Bar of Texas - CLIENT SECURITY FUND - 995192

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>724,036.10</b>
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	1,260.40	725,296.50
<b>Closing Balance</b>					<b>725,296.50</b>

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	724,036.10	714,558.48	<b>Closing Balance</b>	725,296.50
<b>Purchases</b>	1,260.40	10,738.02	<b>Average Monthly Balance</b>	724,117.42
<b>Redemptions (Excl. Checks)</b>	0.00	0.00	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>725,296.50</b>	<b>725,296.50</b>		
<b>Cash Dividends and Income</b>	1,260.40	10,738.02		



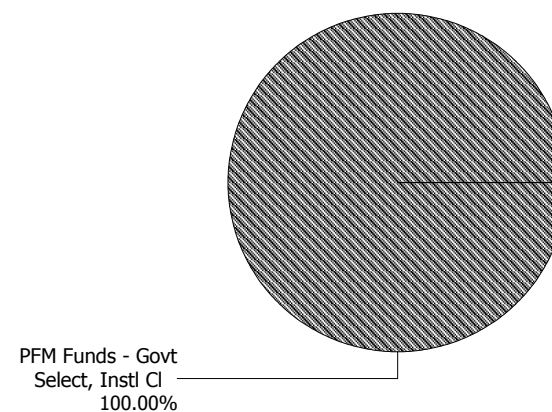
## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - TEXAS LAW CENTER - 995235

PFM Funds - Govt Select, Instl CI	
Opening Market Value	27,597.79
Purchases	48.04
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$27,645.83</b>
Cash Dividends and Income	48.04

Asset Summary		
	August 31, 2019	July 31, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	27,645.83	27,597.79
<b>Total</b>	<b>\$27,645.83</b>	<b>\$27,597.79</b>
Asset Allocation		



**Account Statement**

For the Month Ending **August 31, 2019**

State Bar of Texas - TEXAS LAW CENTER - 995235

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>27,597.79</b>
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	48.04	27,645.83
<b>Closing Balance</b>					<b>27,645.83</b>

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	27,597.79	67,100.49	<b>Closing Balance</b>	27,645.83
<b>Purchases</b>	48.04	545.34	<b>Average Monthly Balance</b>	27,600.89
<b>Redemptions (Excl. Checks)</b>	0.00	(40,000.00)	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>27,645.83</b>	<b>27,645.83</b>		
<b>Cash Dividends and Income</b>	48.04	545.34		

## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - TBLS - 995426

### PFM Funds - Govt Select, Instl CI

Opening Market Value	1,305,708.87
Purchases	2,264.52
Redemptions	(25,094.94)
Unsettled Trades	0.00
Change in Value	0.00

**Closing Market Value** **\$1,282,878.45**

Cash Dividends and Income 2,264.52

### PFM Funds CD Program

Opening Market Value	700,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

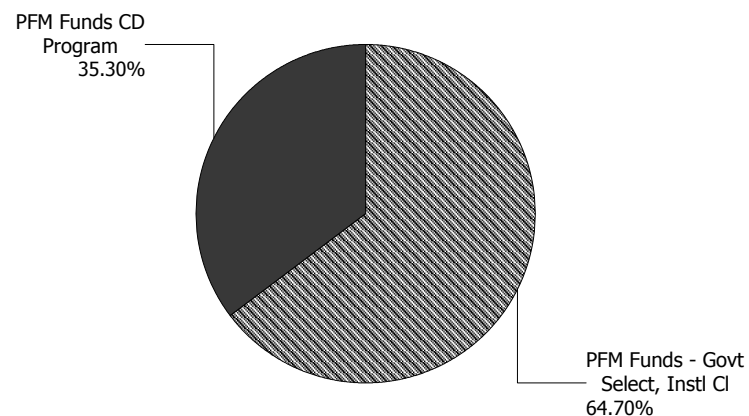
**Closing Market Value** **\$700,000.00**

Cash Dividends and Income 0.00

### Asset Summary

	<b>August 31, 2019</b>	<b>July 31, 2019</b>
<b>PFM Funds - Govt Select, Instl CI</b>	1,282,878.45	1,305,708.87
<b>PFM Funds CD Program</b>	700,000.00	700,000.00
<b>Total</b>	<b>\$1,982,878.45</b>	<b>\$2,005,708.87</b>

### Asset Allocation



**Investment Holdings**

For the Month Ending **August 31, 2019**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Accrued Interest	Est. Value at Maturity
<b>PFM Funds CD Program</b>							
04/22/19	04/22/19	CD - Pacific Western Bank (Acquired Security Pacific Bank, Los Angel	04/21/20	2.75	243,000.00	2,416.68	249,682.50
04/22/19	04/22/19	CD - First Internet Bank Of Indiana, IN	04/21/20	2.75	243,000.00	2,416.68	249,682.50
04/22/19	04/22/19	CD - Cfg Community Bank, MD	04/21/20	2.75	214,000.00	2,128.27	219,885.00
<b>Total</b>					<b>\$700,000.00</b>	<b>\$6,961.63</b>	<b>\$719,250.00</b>

## Account Statement

For the Month Ending **August 31, 2019**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>1,305,708.87</b>
08/01/19	08/01/19	IA_FEE CD GROUPED FEE TRANSACTION FOR: 7-31-2019	1.00	(94.94)	1,305,613.93
08/26/19	08/26/19	Redemption - Wire Redemption	1.00	(25,000.00)	1,280,613.93
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	2,264.52	1,282,878.45

**Closing Balance** **1,282,878.45**

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	1,305,708.87	611,229.55	<b>Closing Balance</b>	1,282,878.45
<b>Purchases</b>	2,264.52	1,532,273.15	<b>Average Monthly Balance</b>	1,300,921.32
<b>Redemptions (Excl. Checks)</b>	(25,094.94)	(860,624.25)	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>1,282,878.45</b>	<b>1,282,878.45</b>		
<b>Cash Dividends and Income</b>	2,264.52	16,148.10		

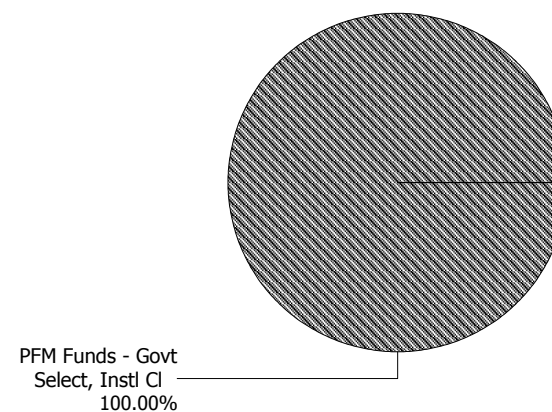
## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - Annual Meeting Funds - 995463

PFM Funds - Govt Select, Instl CI	
Opening Market Value	321,003.89
Purchases	558.47
Redemptions	(1,000.00)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$320,562.36</b>
Cash Dividends and Income	558.47

Asset Summary		
	August 31, 2019	July 31, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	320,562.36	321,003.89
<b>Total</b>	<b>\$320,562.36</b>	<b>\$321,003.89</b>
Asset Allocation		



## Account Statement

For the Month Ending **August 31, 2019**

State Bar of Texas - Annual Meeting Funds - 995463

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>321,003.89</b>
08/26/19	08/26/19	Redemption - Wire Redemption	1.00	(1,000.00)	320,003.89
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	558.47	320,562.36
<b>Closing Balance</b>					<b>320,562.36</b>

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	321,003.89	345,280.00	<b>Closing Balance</b>	320,562.36
<b>Purchases</b>	558.47	306,282.36	<b>Average Monthly Balance</b>	320,846.37
<b>Redemptions (Excl. Checks)</b>	(1,000.00)	(331,000.00)	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>320,562.36</b>	<b>320,562.36</b>		
<b>Cash Dividends and Income</b>	558.47	6,282.36		

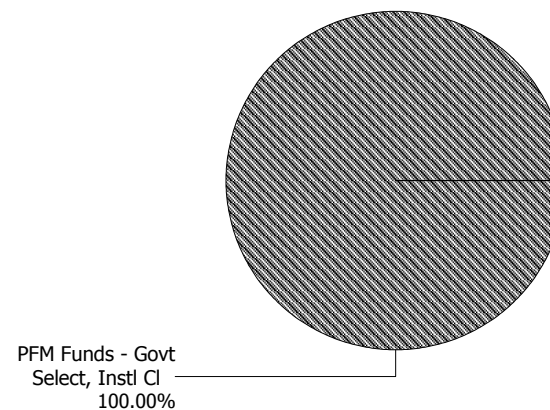
## Account Statement - Transaction Summary

For the Month Ending **August 31, 2019**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

PFM Funds - Govt Select, Instl CI	
Opening Market Value	257,412.00
Purchases	441.48
Redemptions	(20,000.00)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$237,853.48</b>
Cash Dividends and Income	441.48

Asset Summary		
	August 31, 2019	July 31, 2019
<b>PFM Funds - Govt Select, Instl CI</b>	237,853.48	257,412.00
<b>Total</b>	<b>\$237,853.48</b>	<b>\$257,412.00</b>
Asset Allocation		





## Account Statement

For the Month Ending **August 31, 2019**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>PFM Funds - Govt Select, Instl Cl</b>					
<b>Opening Balance</b>					<b>257,412.00</b>
08/26/19	08/26/19	Redemption - Wire Redemption	1.00	(20,000.00)	237,412.00
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	441.48	237,853.48
<b>Closing Balance</b>					<b>237,853.48</b>

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	257,412.00	193,012.74	<b>Closing Balance</b>	237,853.48
<b>Purchases</b>	441.48	103,840.74	<b>Average Monthly Balance</b>	253,569.51
<b>Redemptions (Excl. Checks)</b>	(20,000.00)	(59,000.00)	<b>Monthly Distribution Yield</b>	2.06%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>237,853.48</b>	<b>237,853.48</b>		
<b>Cash Dividends and Income</b>	441.48	3,840.74		

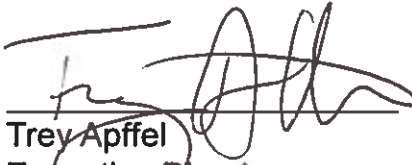
## Quarterly Investment Report Certification

This report fairly represents the investment standing of the State Bar of Texas as of August 31, 2019 and the investment activity for the period June 1, 2019 through August 31, 2019.


We believe the data presented for the quarter ending August 31, 2019 is accurate in all material respects, and is presented in a manner that fairly sets forth the investment standing of the State Bar of Texas. We further believe that all data necessary to represent the activity for the quarter is included in this text.

This report was prepared in compliance with the State of Texas "Public Funds Investment Act" and the State Bar of Texas' "Investment Policy".


Public Funds Investment Act Training Report: All State Bar board members and officers have received training as required by the Texas Government Code Section 2256.007 as of the date of this investment report. All new board members have received training within 6 months of taking office. The investment officer received training from a board approved training provider within the fiscal biennium.



Trey Apffel  
Executive Director  
State Bar of Texas



Tracy Jarratt, CPA  
Finance Division Director  
State Bar of Texas



Barry Baughier  
Sr. Managing Consultant  
PFM Asset Management LLC

Dated: 9/9/19





PROVIDING QUALITY SERVICES TO GOVERNMENTS IN FUNDS MANAGEMENT AND TREASURY CONSULTING

## HOME

Investment Management Services  
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Our Philosophy  
Our Mission  
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Fees

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## EDUCATION AND TRAINING

A focus of P&A has always been client and public education. P&A advisers are respected trainers for many professional organizations throughout the United States. Our efforts are designed to offer creative and practical ideas to investment officers, finance directors, treasurers and cash managers.

### Online training

P&A has developed and maintains a state-of-the-art online training program for public investors. Tailored originally for Texas where ten hours of investment training is statutorily required for all public entities, it now addresses the needs of any public investor. Different versions from the same website address statutory requirements in several states and more are being added regularly.

This in-depth and interesting training is available 24/7 from any internet connected computer. Training certificates and ten hours of CPE credits are part of the program. This multi-media program has been featured in several publications. The program has a variety of enrollment options for the number of hours of training desired, including bulk pricing.

Visit the site at [www.virtuallearningconcepts.com](http://www.virtuallearningconcepts.com)

If your entity is a member of the Texas Municipal League, you can receive a discount by enrolling through [www.tml.org](http://www.tml.org).

### Scheduled Training

If online training doesn't float your boat and you prefer a personalized group environment with interactive participation, then our scheduled training sessions for various professional organizations are for you. At each of these sessions will earn you CPE Credits up to ten hours and Texas investment certification.

[Click here](#) to see a list of upcoming training sessions by our President, Linda Patterson, CTP.



As part of our ongoing educational priorities, L. Patterson has written two books on Public Investing and Cash Management.

### Public Investor Series: Fundamentals of Public Investing

This book is the first in a five-part series addressing the fundamental questions faced by every investor. The series is published by the [Public Treasury Institute](#) of Washington D.C.

### Cash and Investment Management for Local Government

This more extensive book looks at all the facets of treasury and cash management. The book is published by Thompson Financial Services (Sheshunoff).

### Articles of Interest

As new ideas and points of interest or concern appear in the markets, the P&A team researches and discusses those issues through various published articles. These articles directed to investors are meant to clarify, explain and explore.

[Collateral Pool Comments](#)  
[Controlling the Banking Relationship](#)  
[Bank Safety - The Devil's in the Details](#)  
[Choosing and Using Benchmarks](#)  
[Constant Dollar versus Fluctuating Net Asset Values](#)  
[The Benefits of Using an External Manager](#)  
[Investment Decision Making Information: From Wall Street to the Web](#)  
[Interpreting Weighted Average Maturities \(WAM\)](#)  
[Bank Collateral in Nervous Times](#)

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## Center for Public Management

# Our Curriculum

The following is an overall description of our PFIA training curriculum. **The actual content of each workshop will vary depending on the availability of speakers.** All of our sessions are appropriate for both new and experienced investment officers. Our curricula uses case studies and group exercises extensively. **There are no prerequisites for any of our training sessions.**

## Public Funds Investment Act Compliance

- Understand the history of the Public Funds Investment Act
- Understand the requirements of the Act
- Understand the Investment Officer's responsibilities
- Identify whether or not their organization is in compliance with the Act

## Safekeeping and Custody

- Understand the requirements of the Public Funds Collateral Act
- Understand the roles of a safekeeping agent and a collateral custodian and the documents related to these services

## Diversifying and Protecting Your Portfolio

- Implement controls in the investment program to protect the portfolio
- Understand the risks associated with the investment program
- Understand the basic principles of diversification

## Local Government Investment Pools and Money Market Mutual Funds

- Understand the Public Funds Investment Act requirements for these investments
- Know the questions to ask a prospective fund or pool provider
- Interpret the information received from a pool or fund provider

- Understand if information is adequate to support investment decision

## **Depository Relationships**

- Understand the various laws governing depository relationships and know which law or laws apply to the participant
- Understand the factors considered in awarding depository contracts
- Understand the banking services supporting the investment program

## **Preventing Loss from Check Fraud**

- Understand internal control elements used to prevent check fraud
- Understand banking services used to prevent check fraud

## **Investment Calculations**

- Understand the concepts of time value of money
- Calculate the price for a discount security
- Calculate the price for a coupon security
- Calculate the effective yield for a discount security
- Calculate the weighted average maturity of an investment portfolio

## **Investment Scenarios**

*This exercise develops portfolio management skills by building portfolios in teams and reporting recommendations. Case studies are used to illustrate the importance of cash flow, risk tolerance, and investment policy parameters in determining portfolio strategy.*

## **Managing Risk**

- Understand elements of control to minimize risk in an investment program
- Understand the elements of and preparation for the annual compliance audit

## **Authorized Investments and Associated Risks**

- Understand the different types of risk in investing
- Understand the investments authorized by the Act and the associated risks



## **Investment Strategies and Associated Risks**

- Understand the purpose of the investment policy and investment strategy
- Understand the benefits and risks of the four basic investment strategies
- Determine which strategy is appropriate for the organization's funds

## **Cash Flow Forecasting**

- Identify the information required to prepare a cash flow forecast
- Understand the benefits and functions of a cash flow forecast

## **Factors Affecting Interest Rates**

- Understand the effect of Federal Reserve Bank actions on interest rates
- Understand the effect of various economic indicators on interest rates
- Understand the effect of the business cycle on interest rates

## **Effective Investment Reporting**

- Understand the reporting requirements
- Understand the function of the investment report in monitoring the investment program
- Learn various methods of investment report preparation and presentation

## **A Step Approach to Investing and Cash Management**

- List the steps to implement an effective investment and cash management program
- Understand the basics of selecting brokers/dealers
- Recognize various cash management products
- Understand the investment selection process



**PFM Asset Management LLC**  
**Approved Broker/Dealer List**

**Third Quarter 2019**

- |  |  |
|--|--|
| ‡ Academy Securities Inc.<br>Amherst Pierpont Securities LLC | * Jefferies & Company, Inc.  |
| ‡ Bancroft Capital LLC                                       | * J.P. Morgan Securities LLC<br>Keybank Capital Markets                  |
| * Barclays Capital Inc.<br>BB&T Capital Markets              | † Loop Capital Markets LLC<br>Lloyds Securities Inc.                     |
| † Blaylock Robert Van LLC                                    | MarketAxess Corporation  |
| * BMO Capital Markets Corp                                   | Mitsubishi UFJ Securities (USA), Inc.                                    |
| * BNP Paribas Securities Corp.                               | * Mizuho Securities (USA), Inc.  |
| BNY Capital Markets LLC                                      | * Morgan Stanley & Co. LLC   |
| * BofA Securities, Inc.                                      | * Nomura Securities International, Inc.                                  |
| † Cabrera Capital Markets LLC                                | * Natwest Markets<br>Piper Jaffray & Company                             |
| * Cantor Fitzgerald & Co.                                    | PNC Capital Markets LLC  |
| † CastleOak Securities                                       | * RBC Capital Markets LLC<br>Robert W. Baird & Co.                       |
| * Citigroup Global Markets Inc.                              | ‡ Roberts & Ryan Investments, Inc.<br>Scotia Capital (USA), Inc.         |
| † C.L. King & Associates, Inc.<br>Commerz Markets LLC        | * SG Americas Securities LLC   |
| Credit Agricole Securities (USA), Inc.                       | † Siebert Cisneros Shank & Co., LLC<br>SMBC Nikko Securities America Inc |
| * Credit Suisse Securities (USA) LLC                         | Stifel, Nicolaus & Company, Incorporated                                 |
| * Daiwa Capital Markets America Inc.                         | SunTrust Robinson Humphrey, Inc.   |
| * Deutsche Bank Securities Inc.                              | Susquehanna Financial Group, LP  |
| ‡ Drexel Hamilton LLC  | * TD Securities (USA) LLC<br>Tradition Asiel Securities, Inc.            |
| Fifth Third Securities, Inc.                                 | † The Williams Capital Group, LP   |
| FTN Financial  | * UBS Securities LLC<br>U.S. Bancorp Investments, Inc.                   |
| * Goldman, Sachs & Co.                                       | Vining Sparks IBG, L.P.  |
| Guggenheim Securities, LLC                                   | * Wells Fargo Securities LLC   |
| Hilltop Securities Inc.                                      |  |
| * HSBC Securities (USA) Inc.                                 |  |
| ICAP Corporates, LLC   |  |
| ING Financial Markets, LLC                                   |  |
| INTL FCStone Partners L.P.                                   |  |
| Incapital LLC  |  |

- \* *Primary Government Securities Dealer*  
† *Minority or woman owned business enterprise*  
‡ *Service Disabled-Veteran Owned*

*Note: Direct issuers of CP and CDs are considered to be approved counterparties if approved as an issuer.*

**Important Disclosures**

*This list is current as of the effective date only and is subject to change without notice. This list is for informational purposes only, and may not be relied upon for any other purpose. The list does not imply counterparty approval for derivatives of any type. This information is confidential and may not be distributed without prior written consent of PFM Asset Management LLC.*

### 3.05 Investments

**3.05.01 Investment Standard.** The State Bar shall invest its funds in a manner in which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but to, in order of priority, preserve and safeguard the principal amount invested, provide liquidity to meet operating cash flow needs, and earn the highest yield possible considering the required safeguards.

**3.05.02 Investment Manager.** The Board, through its Audit and Finance Committee, may contract with an investment manager for professional investment services. Pursuant to the Public Funds Investment Act, §2256.003, a contract for professional investment services may not be for a term in excess of 2 years. A renewal or extension of the contract for professional investment services must be made by order, ordinance or resolution of the Board. The selection of the investment manager shall be the subject of a request for proposal procedure every five years. At any time the Board may request that a request for proposal be issued for investment management services.

**3.05.03 Application.** This investment policy applies to the financial assets of all State Bar funds and funds of Bar-related groups, to include those of the General Fund, Client Security Fund, all special revenue funds, enterprise funds, sections and divisions.

**3.05.04 Committee Review.** The Board's Audit and Finance Committee shall review the investment policy annually. Recommendations for modifications to the policy may be made by the Executive Director, the Board's Audit and Finance Committee, an Officer, or Board Member. This policy and any amendments to it must be authorized by Board action.

**3.05.05 Approved Investments.** The Board authorizes the Executive Director and/or investment manager (as contracted by the Audit and Finance Committee of the Board) to invest funds of the State Bar that are available for investment in any account, time or demand, and the following "fixed income" securities:

**(A) U. S. Treasury Securities.** U.S. Treasury securities are direct obligations of the United States Government. U.S. Government obligations are the highest quality and are the most liquid and marketable of investment securities. Investments in this category will include Treasury bills, Treasury notes, and Treasury bonds. U.S. Treasury bills are sold on a discount basis and have initial maturities of three months, six months, and one year. U.S. Treasury notes and Treasury bonds are coupon-bearing instruments with initial maturities from two to ten years for notes and ten to thirty years for bonds.

The maximum average maturity of the U. S. Treasury securities portfolio will not exceed five years.

**(B) Federal Agencies.** After U. S. Treasury securities, Federal agency securities (government sponsored enterprises) are generally regarded as the next highest quality investment suitable for the portfolio. Agencies generally offer a rate of return higher than direct U.S. Treasury securities. The spread difference in yield will be affected by the general level of interest rates, markets, and economic conditions at any given time. Consideration should be given to the spread relationship existing when portfolio investment decisions are made.

Securities included in this category are debt issuance by the Federal Farm Credit System (Farm Credits), Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), the Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"), the Government National Mortgage Association (GNMA or "Ginnie Mae"), and Small Business Administration (SBA).

The maximum average maturity of the U.S. agency section of the portfolio will not exceed five years.

**(C) Collateralized Deposits:** The State Bar will monitor all deposits that are held with the State Bar's custodian bank(s) to ensure that all deposits are fully insured or collateralized, as required by the Public Funds Collateral Act, §2257, of the Texas Government Code ("PFCA"). Pursuant to §2257, the State Bar will require the custodian bank(s) to pledge securities that are authorized under §2256.009 of the Public Funds Investment Act ("PFIA"). In accord with the PFCA, deposits that exceed the FDIC insurance limit will be collateralized by the deposit institution holding such deposits. Since, generally, all deposits are fully invested in securities, the collateralization of such invested deposits will not be necessary when such deposits are fully and continuously invested in

securities. If there are any funds awaiting investment, such funds should be fully collateralized at all times pursuant to the PFCA. The custodian bank(s) will be notified regarding the collateralization and investment policy requirements. The State Bar's expectation of total and full compliance with the PFIA and the PFCA is of paramount importance and such expectation will be clearly communicated to custodian bank(s). Financial institutions serving as depositories will be required to sign an Agreement with the State Bar and its safekeeping agent for the collateral, perfecting the State Bar's rights to the collateral in case of default, bankruptcy or closure.

**(D) Money Market Investments.** Money market investments are short-term investments that normally have a maturity of one year or less and are used for liquidity and income maximization purposes. Acceptable investments that may appear in this category are:

**(1) Domestic CDs (time deposits).** Certificates of deposit issued by depository institutions, wherever located that are:

**(a)** guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or the National Credit Union Share Insurance Fund, or its successor; or

**(b)** secured by obligations that are described in Subsections 3.05.05(A) and (B) above, with a market value of not less than the principal amount of the certificates plus accrued interest. Pledged collateral securities must be held in a third-party custody account authorized by the State Bar.

**(2) Banker's Acceptances.** Bankers acceptances must have a stated maturity of 270 days or less from the date of its issuance that will be liquidated in full at its maturity, is eligible for collateral for borrowing from a Federal Reserve Bank and is accepted by a bank organized and existing under the laws of the United States and if the short-term obligations of the bank, or of the bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

**(3) Repurchase Agreements (Repos)** Repurchase Agreements must be fully collateralized and have a defined termination date. They must be placed with a primary government securities dealer, as defined by the Federal Reserve, or a bank doing business in Texas. Repurchase agreements must be collateralized by U.S. Treasury or Agency securities and collateral must be held in a third-party custody account authorized by the State Bar.

**(4) Money Market Investments.** A no load money market mutual fund is an approved investment under this policy if the investment meets one of the following two criteria:

**(a)** It is registered with and regulated by the Securities and Exchange Commission; it provides the State Bar with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a, et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.); and it complies with federal Securities and Exchange Commission Rules 2a-7 (17 C.F.R. Section 270.2a-7) promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.); or

**(b)** It is registered with the Securities and Exchange Commission; it has an average weighted maturity of less than two years; and it either:

**(i)** has a duration of one year or more and is invested exclusively in obligations approved by this policy; or

**(ii)** has a duration of less than one year and the investment portfolio is limited to investment grade securities excluding asset-backed securities.

**(5) Commercial Paper** Commercial Paper must have a stated maturity of 270 days or less from the date of issuance and must have a credit rating of not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies.

**(E) Investment Concentrations.** The State Bar intends to follow the guidelines described below on investment concentrations within the investment portfolio (IP):

**(1) U.S. Treasury and Federal Agency Securities.** Up to 100% of the IP.

- (2) *Mortgage-Backed Securities*. Guaranteed by U.S. Government Sponsored Agencies up to 30% of the IP.
- (3) *Certificates of Deposit*. Up to 30% of the IP, but no more than 5% with any single bank.
- (4) *Banker's Acceptance*. Up to 15% of the IP, but no more than 5% with any single issuer.
- (5) *Repurchase Agreements*. Up to 30% of the IP, but no more than 10% with any single issuer.
- (6) *Money Market Mutual Funds*. Up to 100% of the IP.
- (7) *Commercial Paper*. Up to 30% of the IP, but no more than 5% with any single issuer.

Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions. The State Bar will not be required to liquidate investments that were authorized investments at the time of purchase.

The investment manager will monitor the various investment alternatives and select the securities that best meet the State Bar's overall, long-term goals. Concentrations of each type of security will not exceed the maximum limits outlined above, but specific concentrations of investment types will be dictated by the following considerations: quality, liquidity, relative sector yield spreads vs. historical spreads, maturity concentrations, time horizon.

Investments will only be made with those firms and institutions which have been approved by the Board of Directors. The investment manager will be responsible for analyzing and evaluating the broker/dealer firms and for reporting their list of qualified firms to the Committee for approval.

It is the policy of the State Bar to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds which are deemed to be made at prevailing market rates and for government securities purchased at issued through a primary dealer at auction price. At least three bidders must be contacted in all transactions involving individual securities. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law and shall be documented.

**(F) Collateralization.** In addition to the collateral requirements for State Bar deposits, as discussed in Subsection 3.05.05(C), Certificates of Deposit (CD) and Repurchase Agreements (Repo) must also be collateralized in accordance with State Law. Eligible securities for collateralization of CDs and Repo shall be U.S. Treasury and Agency securities. For CDs, the market value of the pledged collateral securities must at all times be equal to or greater than the par value of the CD plus accrued interest, less the amount insured by the FDIC. For Repos, the market value of the pledged collateral securities shall be a percentage of the par value of the agreement plus accrued interest and shall be maintained at the following levels:

Collateral Maturity	U.S. Treasury Securities	U.S Government Securities
1 year or less	101%	101%
1 to 5 years	102%	102%
Over 5 years	103%	104%

**(G) Reporting.** The Investment Manager for the State Bar of Texas will provide a detailed accounting and appraisal report detailing, among other things, investments' descriptions, coupons, maturities, CUSIP identification numbers, purchase cost, amortized cost and market values on a monthly basis. Market valuations are based on current information and appraisals taken from third party market makers, whom the Manager believes provides reliable information and valuations.

The investment manager will prepare a report for the State Bar quarterly. The report will include a listing of securities, a current appraisal reflecting gains or losses, a list of securities purchased or sold during the period, and an analysis of the IP's performance for the period and since inception.

Representatives of the investment manager will meet with the State Bar semi-annually or as needed to discuss

investment strategy, actions taken, and the general economic environment within which the State Bar's investments will be managed.

Not less than quarterly the Investment Officers will submit to the Audit and Finance Committee and the Board a written report of the status of the current investment portfolio. The report must meet the requirements of Chapter 2256 of the Government Code (Public Funds Investment Act) and:

- (1) describe in detail the investment position of the State Bar on the date of the report;
- (2) be prepared jointly by all investment officers of the State Bar;
- (3) contain a summary statement, prepared in compliance with generally accepted accounting principles of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, ending market value for the period and fully accrued interest for the reporting period.
- (4) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- (5) state the maturity date of each separately invested asset that has a maturity date;
- (6) state the account or fund or pooled fund group from which each individual investment was acquired; and
- (7) state the compliance of the investment portfolio as it relates to the investment strategy and relevant provisions of this Policy and the Public Funds Investment Act.

An independent auditor shall formally review the quarterly reports prepared under this Subsection at least annually, and that auditor shall report the results of the review to the Board.

**(H) *Exceptions to Policy.*** Exceptions to the investment policy must have prior approval by a majority of the Board at a called, regularly scheduled, or telephone call meeting. Changes to the investment policy will be made, as needed, after action by the Board.

**(I) *Methods to Monitor Market Price.*** The investment manager shall provide market valuations of all State Bar investments using Bloomberg, or another third-party market valuation service.

The Executive Director or investment manager shall report to the Audit and Finance Committee at least quarterly on the market prices and the performance of the investments made by, or on behalf of, the State Bar.

**(J) *Monitoring Rating Changes.*** Pursuant to the PFIA, Section 2256.021, an investment that requires a minimum rating under State law does not qualify as an authorized investment during the period the investment does not have the minimum rating. The State Bar's Investment Manager will be responsible for monitoring ratings of all State Bar investments placed with the Investment Manager. The Investment Manager will maintain a process whereby the State Bar's Investment Officer will be promptly notified in the event of a downgrade of an investment below State law or State Bar's Investment Policy limits. The Investment Manager will provide a recommendation on how best to resolve the issue with the intent to take all prudent measures that are consistent with State Bar's Investment Policy to liquidate an investment that does not have the minimum rating.

### **3.05.06 *Delegation of Authority***

**(A) *Investment Officer.*** The State Bar shall designate the Finance Division Director as investment officer responsible for the investment of its funds, under the direction and authority of the Executive Director. This includes investments for the State Bar General Fund, Client Security Fund and the special revenue funds.

**(B) *Procedures.*** The State Bar's investment officer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the written procedures. Authority granted to a

person to invest the State Bar's funds is effective until rescinded or until termination of the person's employment by the State Bar. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls, to be reviewed by the State Bar's independent auditor, to regulate the activities of subordinate officials. The investment officers shall possess sufficient working knowledge of economics and securities markets, as well as the supervisory experience and judgment necessary to carry out the responsibilities outlined in this Policy.

**(C) Ethics and Conflicts of Interest.**

**(1)** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

**(2)** Officers and employees involved in the investment process shall sign annual statements agreeing to abide by this section of the Investment Policy and affirming no known conflicts of interest.

**(3)** Officers and employees involved in the investment process must file a disclosure with the State Bar of Texas if:

**(a)** the Officer or employee has a personal business relationship with a business organization offering to engage in an investment transaction with the State Bar of Texas; or

**(b)** the Officer or employee is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the State Bar of Texas

**(4)** An officer or employee involved in the investment process has a personal business relationship with a business organization if:

**(a)** the Officer or employee owns 10 percent or more of the voting stock of shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

**(b)** funds received by the officer or employee from the business organization exceed 10 percent of his/her gross income for the previous year; or

**(c)** the Officer or employee has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for his/her personal account.

**(D) Training.** The Investment Officers and the persons authorized to execute investment transactions shall attend at least one investment training session within 6 months after taking office or assuming duties and receive not less than 10 hours of instruction relating to investment responsibilities every two years. The training provider must be an independent source approved the Board of Directors.

**3.05.07 Investment Objectives.** All funds shall be managed and invested with three primary objectives, listed in order of their priority – safety and liquidity, diversification and yield:

**(A) Safety of Principal.** Safety of principal is the foremost objective of the State Bar. Investments of the State Bar shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made on the basis of these objectives.

**(B) Diversification.** Diversification of the portfolio will include diversification by maturity and market sector when appropriate and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

**(C) Yield.** The State Bar's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the State Bar's risk constraints and the cash flow requirements of the portfolio. "Market rate of return" may be defined as the average yield of the current



three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.

The individual strategy of each of the State Bar's three types of funds are as follows. To the extent possible, the State Bar will match its investments with anticipated cash flow requirements while minimizing market risk. The State Bar will not directly invest funds needed for current operations in securities maturing more than twenty-four months or posing potential credit risk, such as corporate bonds. Reserve funds may be invested in securities authorized by this policy with maturities of such investments to coincide as nearly as practical with the expected use of the funds.

The State Bar's General Fund's and Client Security Fund's assets are not necessary for day-to-day operations. The General Fund and Client Security Fund portfolios may be invested in longer-term securities, but each portfolio will not exceed a five-year average maturity. While investments may be repositioned when prudent, the primary objective of both funds is capital preservation and stable, real (after inflation) increased income. The operation's funds are invested in very short-term investments while the General Fund and Client Security Fund are invested in medium term maturities providing good diversification and income stability over longer time periods for the State Bar's total investments.

The State Bar also directs the investment manager to not record any material book value losses on any security transaction without prior consent of the Executive Director and the Audit and Finance Committee.

**3.05.08 Accounting Department.** Interest income received by the State Bar from investments will be received by the Accounting Department for deposit to the State Bar's General Fund, Client Security Fund or special revenue funds accounts. The Accounting Department will be responsible for maintaining all investment and interest payment records for the purpose of reconciliation and preparation of financial statements.

**3.05.09 Settlement Method.** Settlement of all transactions made by or on behalf of the State Bar, except for investment in pool funds and mutual funds, shall be on a delivery versus pay method rather than delivery versus confirmation. The State Bar will contract with a bank or banks for the safekeeping of securities either owned by the State Bar as a part of its investment portfolio or held as collateral to secure certificates of deposits or repurchase agreements. These accounts shall be in the name of the State Bar.

**3.05.10 Public Funds Investment Act.** All actions taken in all of the State Bar's investment portfolios will be in compliance with the Public Funds Investment Act.

**3.05.11 Annual Compliance Audit.** In conjunction with the annual financial audit, a compliance audit shall be performed which includes an audit of management controls on investments and adherence to the State Bar's established policy.

**3.05.12 Certification.** A copy of this Investment Policy shall be provided to the investment manager under contract and the firm shall agree under the terms of the contract to transact all investment business according to the requirements and limitations of the Investment Policy.