

CITY OF SACRAMENTO

OFFICE OF THE CITY TREASURER INVESTMENT SERVICES

Russell Fehr, City Treasurer



MONTHLY INVESTMENT REPORT October 2008

Next meeting on: January 22, 2009

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INVESTMENT COMMITTEE MEETING

January 22, 2008
10:00 AM to 11:00 AM
City Treasurer's Conference Room
915 I Street, HCH 2nd Floor
(916) 808-5168

Meeting called by: Russell Fehr, City Treasurer
Thomas S. Berke, Chief Investment Officer
Lydia Abreu, Investment and Operations Manager
John Colville, Senior Investment Officer

Invitees: Leyne Milstein, Dennis Kauffman and Brad Wasson, (Department of Finance)
Satoshi Matsuda and Don Cavier (SHRA)
Noelle Mussen (CADA)
Tim Kerr (American River Flood Control District - ARFCD)
Kimberli S. Burns (The Natomas Basin Conservancy – TNBC)
Richard A. Teichert (Sacramento Public Library Authority – SPLA)
City Treasurer's Office Staff

Please read: **Minutes of quarterly meeting on October 24, 2008**

Agenda

Economic Commentary and Market Conditions	Thomas Berke
Monthly Yield Curve Analysis	John Colville
Cash Flow Analysis	Lydia Abreu
Pooled Funds Analysis - City Pool A and SHRA Pools	John Colville
Miscellaneous Topics	All

Additional Information

Special notes: If unable to attend, please feel free to call with any questions or comments.

This report has been reviewed and approved by:


Russell Fehr, City Treasurer

11/25/08
Date

TO: Investment Committee Members
FROM: John Colville, Senior Investment Officer
RE: **Minutes of Investment Quarterly Meeting held on October 24, 2008**

Attendees Present: John Colville, Lydia Abreu, Thomas Berke, Satoshi Matsuda, Jason Bader, Brad Wasson, Rick Tiechert, Dennis Kauffman, Katalyn Nguyen and Russell Fehr

Proceedings:

1) Along the Yield Curve

While Wall Street has traditionally been a liquidity provider, there are two major reasons why it is not much help these days. First, dealers are deleveraging and not willing to take risk, resulting in wider bid/offer spreads and lower bids and prices on bonds. Second, dealers are increasing margin requirements for leveraged players, causing some “forced and indiscriminate sales” by some hedge funds needing cash due to margin calls. The result, investment grade credit spreads are now at +486 basis points over Treasuries for cash corporate bonds and yields are now at 8.16%. Why are spreads at these levels? Investors lack trust in light of recent events surrounding Lehman’s bankruptcy, AIG’s rescue package from the Fed, Merrill’s forced marriage with Bank of America and Goldman and Morgan Stanley’s sudden conversion to bank holding companies. All of this in basically one month’s time.

2) Cash Flow

The projected cash flow in Pool A is adequate to meet expected obligations over the twelve months. After removing the balances of all non-City Pool A participants, the analysis shows expected ~ \$171million in excess cash for the 6-month cash flow and ~ \$263 million for the 12-month period.

3) City Pool A

Pool A rate of return on book value (at cost) posted 3.47%, compared with LAIF’s 2.79% rate of return on book value (at cost) a variance of 68 bps. The average maturity for Pool A was just over 1 year; approximately 62% of the portfolio matures within the 1 year period with the remaining 38% maturing within the next 5 years.

4) SHRA Pools- D, J, and L

Pool D: Posted a rate of return of 3.44% at book value, compared with LAIF’s 2.799%, at a variance of 65 bps. Approximately 60% of this portfolio matures within 1 year and 40% maturing in the next 5 years.

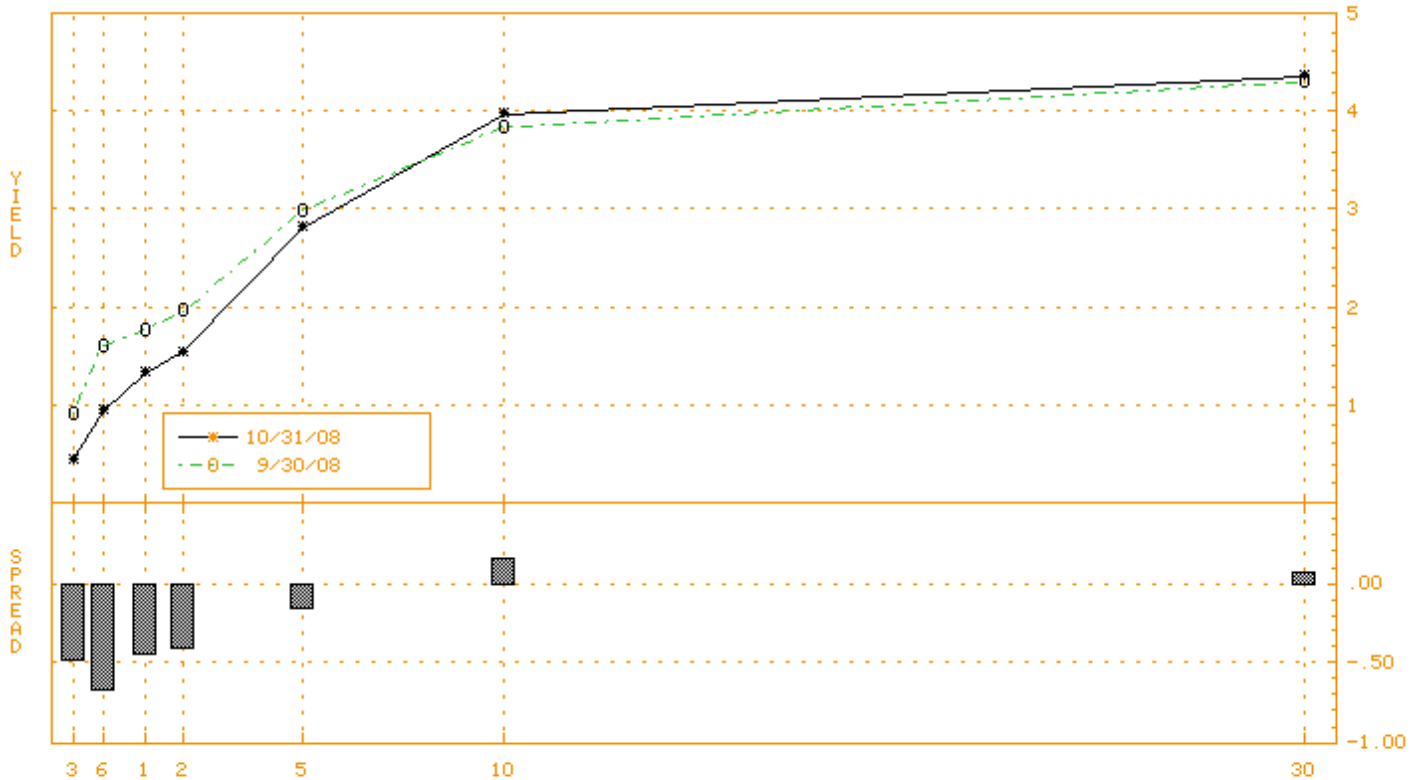
5) Other business: In consideration of the volatile economic crisis, it was recommended that we revert back to monthly meetings effective January 2009, until such time that the market stabilizes and the committee decides to rearrange the schedule. A consensus was reached on this matter and the meeting was adjourned at 11:30 a.m. with no further discussion. Minutes submitted by Lydia Abreu and John Colville.

Next Meeting: The quarterly investment committee meeting will be scheduled for review and discussion on **January 22, 2009.**

HISTORICAL YIELD CURVE

DATE RANGE **9/30/08** **10/31/08**

MTY RANGE **3M** **30Y**



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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HISTORICAL YIELD CURVE

DATE RANGE **9/30/08** **10/31/08**

MTY RANGE **3M** **30Y**

	<u>9/30/08</u>	<u>10/31/08</u>	<u>Change</u>
3 MONTH	0.915	0.436	-0.4782
6 MONTH	1.594	0.927	-0.6674
1 YEAR	1.756	1.310	-0.4461
2 YEAR	1.976	1.564	-0.4120
5 YEAR	2.979	2.824	-0.1550
10 YEAR	3.825	3.968	0.1430
30 YEAR	4.305	4.367	0.0628

**CITY OF SACRAMENTO - INVESTMENT POOL A
6-MONTH CASH FLOW ANALYSIS**

November 1, 2008 - April 31, 2009

In millions

Cash Balances:	
Bank of America	1.623
Bank of America Overnight Sweep	1.855
LAIF	37.400
Fidelity Fund	0.017
Less: Required bank balance by policy	(0.500)
<i>Cash available at beginning of period:</i>	40.395
Projected net cash flow:	
November-08	81.205
December-08	111.008
January-09	53.538
February-09	(16.783)
March-09	26.930
April-09	49.191
<i>Net cash flow during period:</i>	305.089
<i>Cash in excess of policy: ₁</i>	345.484
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(26.354)
Large Cap Growth	(2.321)
S & P / Barra Value	(2.326)
International	(1.253)
Equity Income	(0.173)
Retirement Trust Operating Fund	(13.122)
SHRA Pool J	(3.832)
SHRA Pool L	(15.643)
SHRA Trust	(0.050)
Ann Land/Bertha Henschel Endowment Fund	(0.012)
Ethel Hart Mutual Endowment Fund	(0.079)
George H. Clark Memorial Scholarship Fund	(0.010)
Capitol Area Development Authority (CADA)	(15.664)
American River Flood Control District (ARFCD)	(1.754)
The Natomas Basin Conservancy (TNBC)	(5.461)
Sacramento Public Library Authority (SPLA)	(18.410)
Gifts to Share	(0.939)
Sacramento Convention and Visitors Bureau	(1.899)
Other Misc Non-City Funds (CalEPA, Sports Commission, N Natomas Housing Trust, etc)	(4.467)
<i>Total cash balances of non-City and/or Pool A participants: ₂</i>	(113.769)
<i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: ₃</i>	231.715

₁ The City will be able to meet its cash flow needs for the next six months, with \$345 mm in excess of policy

₂ Non-City and/or Pool A participants have \$114 mm invested in Pool A

₃ If all non-City and/or Pool A participants withdraw the entire \$114 mm within the next six months, the City will still have an excess of \$232 mm

**CITY OF SACRAMENTO - INVESTMENT POOL A
12-MONTH CASH FLOW ANALYSIS**

November 1, 2008 -October 31, 2009

In millions

Cash Balances:	
Bank of America	1.623
Bank of America Overnight Sweep	1.855
LAIF	37.400
Fidelity Fund	0.017
Less: Required bank balance by policy	(0.500)
<i>Cash available at beginning of period:</i>	40.395
Projected net cash flow:	
November-08	81.205
December-08	111.008
January-09	53.538
February-09	(16.783)
March-09	26.930
April-09	49.191
May-09	37.371
June-09	(9.246)
July-09	(12.151)
August-09	(6.453)
September-09	(21.541)
October-09	(30.663)
<i>Net cash flow during period:</i>	262.406
<i>Cash in excess of policy: 1</i>	302.801
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(26.354)
Large Cap Growth	(2.321)
S & P / Barra Value	(2.326)
International	(1.253)
Equity Income	(0.173)
Retirement Trust Operating Fund	(13.122)
SHRA Pool J	(3.832)
SHRA Pool L	(15.643)
SHRA Trust	(0.050)
Ann Land/Bertha Henschel Endowment Fund	(0.012)
Ethel Hart Mutual Endowment Fund	(0.079)
George H. Clark Memorial Scholarship Fund	(0.010)
Capitol Area Development Authority (CADA)	(15.664)
American River Flood Control District (ARFCD)	(1.754)
The Natomas Basin Conservancy (TNBC)	(5.461)
Sacramento Public Library Authority (SPLA)	(18.410)
Gifts to Share	(0.939)
Sacramento Convention and Visitors Bureau	(1.899)
Other Misc Non-City Funds (CalEPA, Sports Commission, N Natomas Housing Trust, etc)	(4.467)
<i>Total cash balances of non-City and/or Pool A participants: 2</i>	(113.769)
<i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months: 3</i>	189.032

¹The City will be able to meet its cash flow needs for the next twelve months, with \$303 mm in excess of policy

² Non-City and/or Pool A participants have \$114 mm invested in Pool A

³ If all non-City and/or Pool A participants withdraw the entire \$114 mm within the next twelve months, the City will still have an excess of \$189 mm

City of Sacramento Investment Pool A

This fund portfolio invests under the guidelines of California Government Code section 53601, and any deviation from this government code will require City Council approval prior to execution of such investment.

City of Sacramento Investment Pool A

Monthly Review – October 2008

STRATEGY

The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

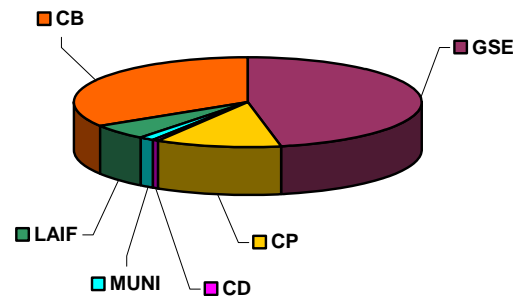
PORTFOLIO STATISTICS

Portfolio's Beginning Balance	\$ 677,410,629
Earned Interest Yield for the Month	3.78%
Weighted Average Maturity (Yrs)	1.5
Estimated Duration (Yrs)	1.3
Historical Book Value	\$ 680,029,148
Month-End Market Value	\$ 677,187,054
Percent of Market to Book Value	99.58%

External third party Investment Managers

State Treasurer's Office (LAIF)	\$ 37,400,000
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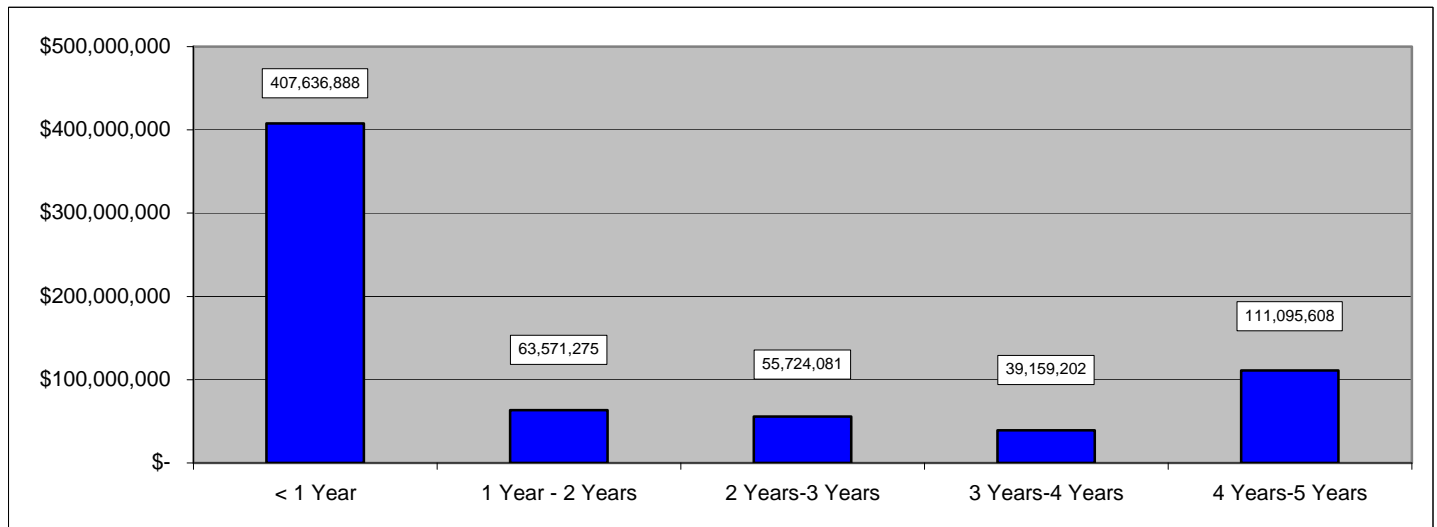
PORTFOLIO BY ASSET CLASS



MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%

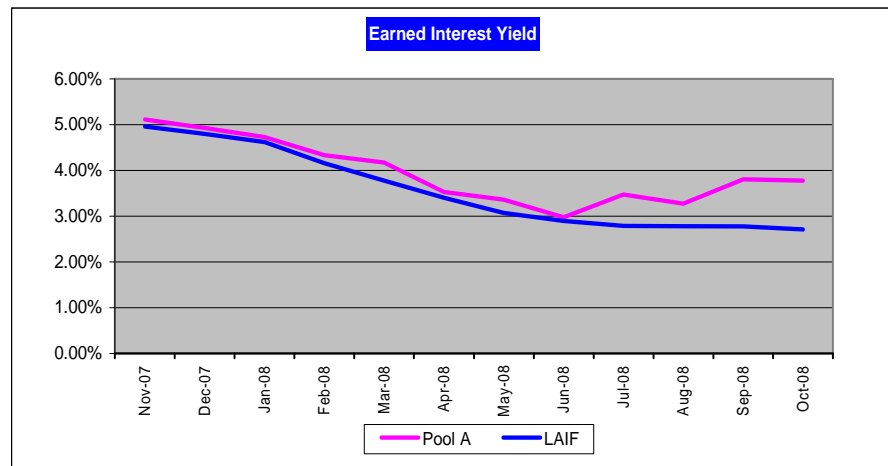
Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
<i>US Agency Notes (GSE)</i>	47.02%	3.16%
<i>Subtotal Agency/Notes</i>	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%



MONTHLY HIGHLIGHTS

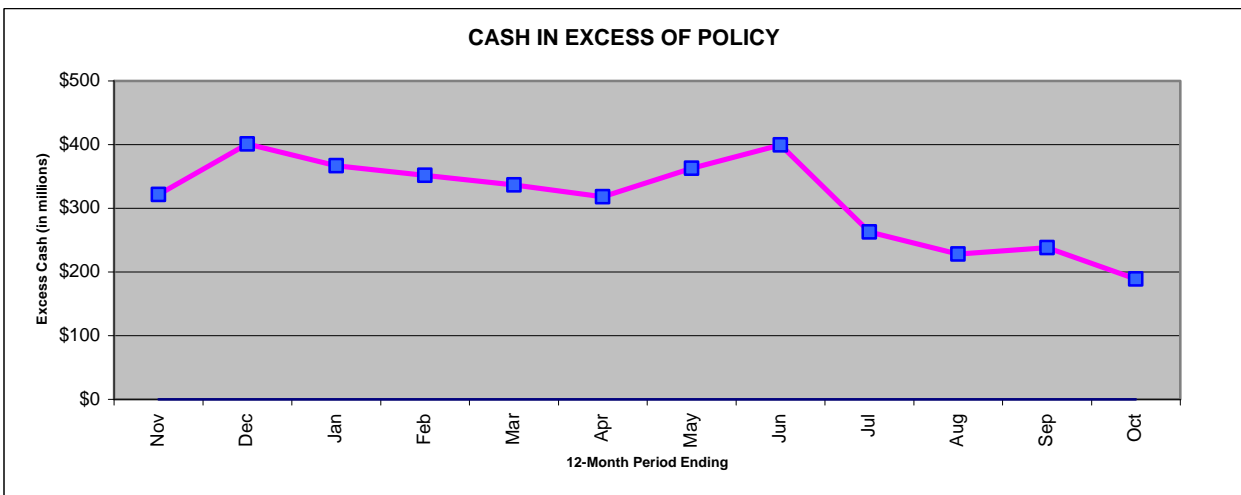
The corollary of the weakness in U.S. stocks was a rally in short-term Treasuries as investors continued to flee risky assets to the safety of government bonds. The yield on two-year Treasury notes fell 41 basis points, and three-month Treasury Bill yields declined 80 basis points. At the longer end, 10-year Treasury bond yields finished the month virtually unchanged. U.S. Fixed Income credit markets posted extremely negative numbers. High yield spreads over Treasuries rose by 226 basis points – a record monthly increase. This rush to quality enabled the investment staff to sell more of Pool A’s U.S. Treasury bonds that were yielding under 2% and swap them into shorter U.S. agency securities, booking an additional \$35k in capital gains and adding over 50 basis points in yield. The investment environment continues to become more difficult with short-term rates yielding around 1% in one-year Treasuries and around 15-20 basis points in overnight lending. Consequently we have been utilizing LAIF quite a bit to fund the City’s liquidity needs. Fortunately, the investment staff has matched maturities with City liabilities three to six months in advance thereby reducing a lot of the reinvestment risk.

Earned Interest Yield		
Month	Pool A	LAIF
Nov-07	5.11%	4.96%
Dec-07	4.93%	4.80%
Jan-08	4.73%	4.62%
Feb-08	4.33%	4.16%
Mar-08	4.17%	3.78%
Apr-08	3.53%	3.40%
May-08	3.36%	3.07%
Jun-08	2.98%	2.89%
Jul-08	3.47%	2.79%
Aug-08	3.27%	2.78%
Sep-08	3.80%	2.77%
Oct-08	3.78%	2.71%
FYTD	3.57%	2.76%



CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Mnths Cash Flow	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Excess Cash	\$ 322	\$ 401	\$ 367	\$ 352	\$ 336	\$ 318	\$ 363	\$ 400	\$ 263	\$ 228	\$ 238	\$ 189



City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
CASH AND EQUIVALENTS														
	cashbofa	B Of A Cash		1,622,997		1,622,997		1,622,997	0.24	0.294	4,772	0.29		
	fidfund	Fidelity Fund		17,258		17,258		17,258	0.00	0.790	136	0.79		
	laifa	Local Agency Investment Fund, Pool A		37,400,000		37,400,000		37,400,000	5.56	2.709	1,013,166	2.71		
	miscintrec	Misc Interest Receivable		183,803		183,803		183,803	0.03	4.000	7,352	4.00		
	sweep	Overnight Sweep		1,855,488		1,855,488		1,855,488	0.28	0.294	5,455	0.29		
				<u>41,079,546</u>		<u>41,079,546</u>		<u>41,079,546</u>	<u>6.10</u>		<u>1,030,881</u>	<u>2.51</u>		
CERTIFICATES OF DEPOSIT														
2,500,000	90333uur1	US Bank CD 5.380% Due 06-01-09	100.00	2,500,000	100.39	2,509,698	192,410	2,702,107	0.37	5.380	134,500	5.36	A1	P1
COMMERCIAL PAPER														
Not Classified														
10,000,000	02635r149	American General Finance Corp 2.720% Due 11-04-08	98.83	9,882,889	98.64	9,864,307	0	9,864,307	1.47	2.720	272,000	2.76	A1	P1
2,900,000	60680al55	Mitsubishi International Corp 3.250% Due 11-05-08	99.94	2,898,167	99.96	2,898,971	0	2,898,971	0.43	3.250	94,250	3.25	A1	P1
10,700,000	02635r1j6	American General Finance Corp 3.000% Due 11-18-08	99.17	10,611,591	98.10	10,496,353	0	10,496,353	1.56	3.000	321,000	3.06	A1	P1
21,660,000	4042f0ls8	HSBC Finance 3.250% Due 11-26-08	99.69	21,593,760	99.78	21,613,106	0	21,613,106	3.21	3.250	703,950	3.26	A1	P1
11,500,000	02635rm14	American General Finance Corp 3.100% Due 12-01-08	99.04	11,389,089	97.58	11,222,147	0	11,222,147	1.67	3.100	356,500	3.18	A1	P1
6,000,000	02635rm22	American General Finance Corp 3.040% Due 12-02-08	99.32	5,958,960	99.06	5,943,373	0	5,943,373	0.88	3.040	182,400	3.07	A1	P1
5,000,000	36959hm20	General Electric Capital Corp 2.500% Due 12-02-08	99.39	4,969,444	99.78	4,989,117	0	4,989,117	0.74	2.500	125,000	2.51	A1	P1
11,560,000	4042f0mg3	HSBC Finance 2.950% Due 12-16-08	99.36	11,486,047	99.67	11,522,280	0	11,522,280	1.71	2.950	341,020	2.96	A1	P1
				<u>78,789,948</u>		<u>78,549,655</u>	<u>0</u>	<u>78,549,655</u>	<u>11.67</u>		<u>2,396,120</u>	<u>3.05</u>		
				78,789,948		78,549,655	0	78,549,655	11.67		2,396,120	3.05		
GOVT AGENCY DISCOUNT PAPER														
Not Classified														
33,200,000	313384p86	Federal Home Loan Bank 2.110% Due 11-17-08	99.64	33,079,355	99.99	33,196,680	0	33,196,680	4.93	2.110	700,520	2.11	AAA	AAA
16,600,000	313396q30	Freddie Mac 2.050% Due 11-20-08	98.88	16,414,726	99.99	16,598,340	0	16,598,340	2.47	2.050	340,300	2.05	AAA	AAA
10,000,000	313588r31	Fannie Mae 3.820% Due 11-28-08	96.35	9,634,978	99.99	9,999,000	0	9,999,000	1.49	3.820	382,000	3.82	AAA	AAA
25,000,000	313384s83	Federal Home Loan Bank 2.360% Due 12-11-08	98.01	24,501,778	99.96	24,990,000	0	24,990,000	3.71	2.360	590,000	2.36	AAA	AAA
50,000,000	313384t41	Federal Home Loan Bank 2.120% Due 12-15-08	99.47	49,735,000	99.96	49,980,000	0	49,980,000	7.43	2.120	1,060,000	2.12	AAA	AAA
4,400,000	313385bj4	Federal Home Loan Bank 3.100% Due 02-02-09	98.92	4,352,639	99.56	4,380,640	0	4,380,640	0.65	3.100	136,400	3.11	AAA	AAA
5,800,000	313385cw4	Federal Home Loan Bank 2.290% Due 03-10-09	99.01	5,742,814	99.25	5,756,500	0	5,756,500	0.86	2.290	132,820	2.31	AAA	
20,000,000	313385cz7	Federal Home Loan Bank 2.420% Due 03-13-09	98.80	19,760,689	99.23	19,846,000	0	19,846,000	2.95	2.420	484,000	2.44	AAA	AAA

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
10,000,000	313385eg7	Federal Home Loan Bank 2.540% Due 04-13-09	98.54	9,853,950	98.98	9,898,000	0	9,898,000	1.47	2,540	254,000	2.57	AAA	AAA
				<u>173,075,927</u>		<u>174,645,160</u>	<u>0</u>	<u>174,645,160</u>	<u>25.95</u>		<u>4,080,040</u>	<u>2.34</u>		
				173,075,927		174,645,160	0	174,645,160	25.95		4,080,040	2.34		
FEDERAL HOME LOAN BANK														
Not Classified														
6,000,000	3133xqda7	Federal Home Loan Bank 2.200% Due 03-25-09	100.00	6,000,000	99.91	5,994,375	13,200	6,007,575	0.89	2,200	132,000	2.20	AAA	AAA
5,100,000	3133xqen8	Federal Home Loan Bank 2.260% Due 03-25-09	100.10	5,105,100	99.94	5,096,812	11,526	5,108,338	0.76	2,260	115,260	2.26	AAA	AAA
17,300,000	3133xqjd5	Federal Home Loan Bank 2.200% Due 04-01-09	99.79	17,263,667	99.91	17,283,781	31,717	17,315,498	2.57	2,200	380,600	2.20	AAA	AAA
5,000,000	3133x4zc8	Federal Home Loan Bank 3.000% Due 04-15-09	100.18	5,008,900	100.22	5,010,937	6,667	5,017,604	0.74	3,000	150,000	2.99	AAA	AAA
2,400,000	3133xppz1	Federal Home Loan Bank 2.800% Due 08-25-09	100.00	2,400,000	99.91	2,397,750	12,320	2,410,070	0.36	2,800	67,200	2.80	AAA	AAA
10,000,000	3133xqu26	Federal Home Loan Bank 2.750% Due 06-18-10	99.91	9,990,600	99.19	9,918,750	101,597	10,020,347	1.47	2,750	275,000	2.77	AAA	AAA
5,000,000	3133xcqz9	Federal Home Loan Bank 4.375% Due 09-17-10	98.80	4,940,000	102.00	5,100,000	26,736	5,126,736	0.76	4,375	218,750	4.29	AAA	AAA
10,000,000	3133xp5b6	Federal Home Loan Bank 3.800% Due 02-04-11	100.00	10,000,000	100.00	10,000,000	91,833	10,091,833	1.49	3,800	380,000	3.80	AAA	AAA
5,000,000	3133xprv8	Federal Home Loan Bank 3.260% Due 02-25-11	99.65	4,982,500	99.50	4,975,000	29,883	5,004,883	0.74	3,260	163,000	3.28	AAA	AAA
5,000,000	3133xnxy0	Federal Home Loan Bank 4.700% Due 01-25-13	100.00	5,000,000	100.00	5,000,000	62,667	5,062,667	0.74	4,700	235,000	4.70	AAA	AAA
5,000,000	3133xpcd5	Federal Home Loan Bank 4.500% Due 02-01-13	100.00	5,000,000	98.12	4,906,250	56,250	4,962,500	0.73	4,500	225,000	4.59	AAA	AAA
4,000,000	3133xpsn5	Federal Home Loan Bank 4.250% Due 02-19-13	99.95	3,998,000	99.50	3,980,000	34,000	4,014,000	0.59	4,250	170,000	4.27	AAA	AAA
5,000,000	3133xqye6	Federal Home Loan Bank 4.300% Due 04-29-13	100.00	5,000,000	99.47	4,973,437	1,194	4,974,632	0.74	4,300	215,000	4.32	AAA	AAA
				<u>84,688,767</u>		<u>84,637,094</u>	<u>479,590</u>	<u>85,116,684</u>	<u>12.58</u>		<u>2,726,810</u>	<u>3.22</u>		
				84,688,767		84,637,094	479,590	85,116,684	12.58		2,726,810	3.22		
FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)														
Not Classified														
2,500,000	31398aaf9	Fannie Mae 4.900% Due 11-03-08	99.62	2,490,400	100.00	2,500,000	60,569	2,560,569	0.37	4,900	122,500	4.90	AAA	Aaa
2,500,000	31359mc76	Fannie Mae 4.500% Due 06-01-10	98.35	2,458,725	101.81	2,545,312	46,875	2,592,187	0.38	4,500	112,500	4.42	AAA	Aaa
8,000,000	31398aks0	Fannie Mae 4.500% Due 01-07-11	101.05	8,084,000	100.31	8,025,000	114,000	8,139,000	1.19	4,500	360,000	4.49	AAA	AAA
6,300,000	31398ajr4	Fannie Mae 5.125% Due 11-05-12	100.00	6,300,000	100.72	6,345,281	157,850	6,503,131	0.94	5,125	322,875	5.09	AAA	AAA
5,000,000	31398ame9	Fannie Mae 4.000% Due 01-28-13	99.82	4,991,250	99.03	4,951,562	51,667	5,003,229	0.74	4,000	200,000	4.04	AAA	AAA
				<u>24,324,375</u>		<u>24,367,156</u>	<u>430,961</u>	<u>24,798,117</u>	<u>3.62</u>		<u>1,117,875</u>	<u>4.59</u>		
				24,324,375		24,367,156	430,961	24,798,117	3.62		1,117,875	4.59		

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)														
Not Classified														
5,000,000	3128x6j56	Freddie Mac 3.875% Due 01-30-12	99.77	4,988,500	99.65	4,982,300	48,976	5,031,276	0.74	3.875	193,750	3.89	AAA	AAA
5,000,000	3128x6h90	Freddie Mac 4.250% Due 02-12-13	100.00	5,000,000	99.44	4,972,250	46,632	5,018,882	0.74	4.250	212,500	4.27	AAA	AAA
3,100,000	3128x62c9	Freddie Mac 4.125% Due 02-13-13	99.96	3,098,853	99.07	3,071,294	27,706	3,099,000	0.46	4.125	127,875	4.16	AAA	AAA
5,000,000	3128x7ju9	Freddie Mac 4.000% Due 04-16-13	99.40	4,969,850	98.48	4,924,000	8,333	4,932,333	0.73	4.000	200,000	4.06	AAA	AAA
5,000,000	3128x7qu1	Freddie Mac 4.350% Due 05-20-13	99.76	4,987,950	99.49	4,974,400	97,271	5,071,671	0.74	4.350	217,500	4.37	AAA	AAA
				<u>23,045,153</u>		<u>22,924,244</u>	<u>228,918</u>	<u>23,153,162</u>	<u>3.41</u>		<u>951,625</u>	<u>4.15</u>		
				23,045,153		22,924,244	228,918	23,153,162	3.41		951,625	4.15		
FEDERAL FARM CREDIT BANK - FRMMT														
Not Classified														
10,000,000	31331yf88	Federal Farm Credit Bank 4.125% Due 04-22-13	99.04	9,904,300	98.47	9,846,875	10,312	9,857,187	1.46	4.125	412,500	4.19	AAA	AAA
				<u>9,904,300</u>		<u>9,846,875</u>	<u>10,312</u>	<u>9,857,187</u>	<u>1.46</u>		<u>412,500</u>	<u>4.19</u>		
				9,904,300		9,846,875	10,312	9,857,187	1.46		412,500	4.19		
MUNICIPAL BONDS														
Not Classified														
7,000,000	13063a3p7	California State Rev Antic Nts - Ser A 5.500% Due 06-22-09	100.81	7,056,420	101.62	7,113,470	8,556	7,122,026	1.06	5.500	385,000	5.41	SP-1	MIG1
				<u>7,056,420</u>		<u>7,113,470</u>	<u>8,556</u>	<u>7,122,026</u>	<u>1.06</u>		<u>385,000</u>	<u>5.41</u>		
				7,056,420		7,113,470	8,556	7,122,026	1.06		385,000	5.41		
CORPORATE BONDS														
CONSUMER DISCRETIONARY														
4,000,000	254687av8	Disney Walt Co Mtns Be 4.700% Due 12-01-12	99.77	3,990,880	95.64	3,825,520	78,333	3,903,853	0.57	4.700	188,000	4.91	A	A2
FINANCIAL														
3,000,000	125581as7	Citigroup Inc 5.000% Due 11-24-08	99.05	2,971,500	97.95	2,938,620	65,833	3,004,453	0.44	5.000	150,000	5.10	A-	BAA1
5,000,000	14912l2q3	Caterpillar Finl Svcs Mtns BE 4.350% Due 03-04-09	97.90	4,894,900	99.56	4,978,050	34,437	5,012,487	0.74	4.350	217,500	4.37	A	A2
10,000,000	36962gd27	General Electric Capital Corp 3.250% Due 06-15-09	100.16	10,016,400	98.41	9,841,400	122,778	9,964,178	1.46	3.250	325,000	3.30	AAA	AAA
4,400,000	36962gr48	General Electric Capital Corp 4.125% Due 09-01-09	97.43	4,287,096	98.62	4,339,280	30,250	4,369,530	0.64	4.125	181,500	4.18	AAA	Aaa
8,130,000	45974vzn1	International Lease Fin Mtn Be 4.375% Due 11-01-09	97.55	7,930,571	84.09	6,836,822	15,808	6,852,630	1.02	4.375	355,687	5.20	A-	BAA1
5,000,000	88579eab1	3m Company 5.125% Due 11-06-09	100.95	5,047,750	102.25	5,112,300	124,566	5,236,866	0.76	5.125	256,250	5.01	AA	AA1
5,000,000	89233pv60	Toyota Motor Credit Corp 2.850% Due 04-28-10	99.50	4,975,000	97.69	4,884,750	1,187	4,885,937	0.73	2.850	142,500	2.92	AAAc	Aaa
5,000,000	172967da6	Citigroup Inc 4.625% Due 08-03-10	93.58	4,679,050	96.26	4,813,100	56,528	4,869,628	0.72	4.625	231,250	4.80	AA-	AA3
5,000,000	64952wae3	New York Life Global 4.625% Due 08-16-10	101.72	5,086,000	99.28	4,964,250	48,177	5,012,427	0.74	4.625	231,250	4.66	AAA	Aaa
3,000,000	38141gaz7	Goldman Sachs Group Inc 6.875% Due 01-15-11	104.38	3,131,520	97.50	2,924,940	60,729	2,985,669	0.43	6.875	206,250	7.05	AA-	AA3

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
5,000,000	68402lae4	Oracle Corp 5.000% Due 01-15-11	99.13	4,956,750	99.17	4,958,650	73,611	5,032,261	0.74	5.000	250,000	5.04	A	A2
1,627,000	172967dh1	Citigroup Inc 5.125% Due 02-14-11	99.79	1,623,518	94.77	1,541,859	17,835	1,559,694	0.23	5.125	83,384	5.41	AA-	AA3
5,000,000	89233pw36	Toyota Motor Credit Corp 3.840% Due 04-29-11	100.00	5,000,000	97.74	4,886,850	1,067	4,887,917	0.73	3.840	192,000	3.93	AAA	AAA
5,000,000	40429caa0	Hsbc Finance Corp 6.750% Due 05-15-11	102.71	5,135,521	94.36	4,717,900	155,625	4,873,525	0.70	6.750	337,500	7.15	AA-	AA3
10,000,000	822582aa0	Shell International Fin Bv 5.625% Due 06-27-11	103.88	10,387,734	103.59	10,359,375	193,750	10,553,125	1.54	5.625	562,500	5.43	AA+	AA1
5,000,000	36962gz56	General Electric Capital Corp 5.500% Due 11-15-11	100.00	5,000,000	95.29	4,764,500	126,806	4,891,306	0.71	5.500	275,000	5.77	AAA	AAA
5,000,000	36962gxs8	General Electric Capital Corp 5.875% Due 02-15-12	104.26	5,213,200	95.23	4,761,750	62,014	4,823,764	0.71	5.875	293,750	6.17	AAA	AAA
5,000,000	713448bf4	Pepsico Inc 5.150% Due 05-15-12	99.95	4,997,650	98.12	4,906,150	118,736	5,024,886	0.73	5.150	257,500	5.25	A+	AA2
5,000,000	36962gyy4	General Electric Capital Corp 6.000% Due 06-15-12	99.45	4,972,293	95.60	4,780,250	113,333	4,893,583	0.71	6.000	300,000	6.28	AAA	AAA
5,000,000	59018yj36	Merrill Lynch & Co 6.050% Due 08-15-12	95.02	4,751,100	91.03	4,551,300	63,861	4,615,161	0.68	6.050	302,500	6.65	A	A2
5,000,000	084664ay7	Berkshire Hathaway Corp 5.125% Due 09-15-12	99.89	4,994,350	101.12	5,056,150	32,743	5,088,893	0.75	5.125	256,250	5.07	AAA	AAA
5,000,000	949746nw7	Wells Fargo & Co New 5.250% Due 10-23-12	99.77	4,988,550	95.69	4,784,500	5,833	4,790,333	0.71	5.250	262,500	5.49	AA+	AA1
5,000,000	06406hbe8	Bank of New York Mellon 4.950% Due 11-01-12	99.90	4,994,950	96.49	4,824,700	123,750	4,948,450	0.72	4.950	247,500	5.13	AA-	AA2
5,000,000	38144lac4	Goldman Sachs Group Inc 5.450% Due 11-01-12	101.21	5,060,600	88.68	4,434,250	136,250	4,570,500	0.66	5.450	272,500	6.15	AA-	AA3
5,000,000	665859ah7	Northern Trust Company 5.200% Due 11-09-12	99.81	4,990,450	98.01	4,900,650	124,222	5,024,872	0.73	5.200	260,000	5.31	AA-	A1
3,000,000	369604ay9	General Electric Co 5.000% Due 02-01-13	100.05	3,001,500	94.33	2,829,870	37,500	2,867,370	0.42	5.000	150,000	5.30	AAA	Aaa
10,000,000	36962g3t9	General Electric Capital Corp 4.800% Due 05-01-13	99.79	9,979,100	89.87	8,986,900	253,333	9,240,233	1.34	4.800	480,000	5.34	AAA	AAA
2,850,000	64953bap3	New York Life Global 4.650% Due 05-09-13	98.20	2,798,785	93.73	2,671,305	63,317	2,734,622	0.40	4.650	132,525	4.96	AAA	AAA
5,000,000	084664bb6	Berkshire Hathaway Corp 4.600% Due 05-15-13	100.75	5,037,350	96.72	4,836,100	107,333	4,943,433	0.72	4.600	230,000	4.76	AAA	Aaa
5,000,000	0258m0cy3	American Express Credit Corp 7.300% Due 08-20-13	99.83	4,991,750	88.27	4,413,281	71,986	4,485,267	0.66	7.300	365,000	8.27	A+	A1
				155,894,938		149,599,802	2,443,201	152,043,003	22.23		7,807,596	5.22		
HEALTHCARE														
5,000,000	377372ac1	Glaxosmithkline Cap Inc 4.850% Due 05-15-13	100.50	5,025,000	94.85	4,742,600	113,167	4,855,767	0.70	4.850	242,500	5.11	A+	A1
				164,910,818		158,167,922	2,634,701	160,802,623	23.50		8,238,096	5.21		
VARIABLE RATE SECURITIES														
Not Classified														
7,350,000	172967df5	Citigroup Inc 3.809% Due 12-26-08	99.73	7,330,270	99.86	7,339,664	25,661	7,365,325	1.09	3.809	279,943	3.81	AA-	AA3
10,000,000	25153daj2	Deutsche Bank NY 3.414% Due 01-21-09	100.00	10,000,000	99.95	9,995,040	37,411	10,032,451	1.49	3.414	341,375	3.42	AA	AA1
7,500,000	3133xmr60	Federal Home Loan Bank 3.285% Due 04-30-09	99.91	7,493,625	99.92	7,494,300	1,369	7,495,669	1.11	3.285	246,375	3.29	AAA	Aaa

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
5,000,000	026874ba4	American International Group 4.519% Due 06-16-09	99.15	4,957,562	100.01	5,000,500	10,042	5,010,542	0.74	4.519	225,937	4.52	AA	Aa2
5,000,000	38141ekq1	Goldman Sachs Group Inc 3.300% Due 06-23-09	99.26	4,963,246	96.88	4,843,900	17,875	4,861,775	0.72	3.300	165,000	3.41	AA-	Aa3
8,000,000	25152xgr5	Deutsche Bank NY 3.475% Due 07-30-09	99.72	7,977,609	100.01	8,000,784	1,544	8,002,328	1.19	3.475	278,000	3.47	AA-e	Aa1
5,000,000	38141ekw8	Goldman Sachs Group Inc 3.607% Due 12-23-09	98.63	4,931,579	90.55	4,527,700	4,509	4,532,209	0.67	3.607	180,375	3.98	AA-	Aa3
5,000,000	89233pw44	Toyota Motor Credit Corp 3.264% Due 05-07-10	100.00	5,000,000	99.93	4,996,500	38,984	5,035,484	0.74	3.264	163,187	3.27	AA Ae	Aaae
5,000,000	0258m0cv9	American Express Credit Co 4.659% Due 05-27-10	100.00	5,000,000	87.62	4,380,800	3,235	4,384,035	0.65	4.659	232,937	5.32	A+	A1
5,000,000	02666qc35	American Honda Finance 3.265% Due 06-07-10	100.00	5,000,000	99.97	4,998,300	24,487	5,022,787	0.74	3.265	163,250	3.27	A+	AA3
3,000,000	59018yw11	Merrill Lynch & Co. 8.400% Due 12-14-10	100.00	3,000,000	86.13	2,583,780	12,393	2,596,173	0.38	8.400	252,000	9.75	A	A2
5,000,000	3136f8yt6	Fannie Mae 3.112% Due 12-19-12	100.00	5,000,000	100.08	5,003,850	18,156	5,022,006	0.74	3.112	155,625	3.11	AA Ae	AAA
				<u>70,653,892</u>		<u>69,165,118</u>	<u>195,668</u>	<u>69,360,785</u>	<u>10.28</u>		<u>2,684,006</u>	<u>3.88</u>		
				70,653,892		69,165,118	195,668	69,360,785	10.28		2,684,006	3.88		
TOTAL PORTFOLIO				680,029,148		673,005,938	4,181,116	677,187,054	100.00		24,157,453	3.59		

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 10-01-08 To 10-31-08

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Moody	Unit Price	Amount
PURCHASES										
10-01-08	10-01-08	cpus	4042f0k34	4042F0K34	1,650,000	HSBC Finance 1.100% Due 10-03-08	A1	P1	100	1,649,899
10-02-08	10-02-08	cpus	4042f0k67	4042F0K67	1,000,000	HSBC Finance 0.950% Due 10-06-08	A1	P1	100	999,894
10-06-08	10-06-08	dpus	313385cw4	313385CW4	5,800,000	Federal Home Loan Bank 2.290% Due 03-10-09	AAA		99	5,742,814
10-06-08	10-06-08	vrus	3133xmr60	3133XMR60	7,500,000	Federal Home Loan Bank 3.285% Due 04-30-09	AAA	Aaa	100	7,493,625
10-07-08	10-07-08	cpus	4042f0k91	4042F0K91	2,100,000	HSBC Finance 2.200% Due 10-09-08	A1	P1	100	2,099,708
10-15-08	10-15-08	cpus	4042f0ls8	4042F0LS8	9,360,000	HSBC Finance 3.250% Due 11-26-08	A1	P1	100	9,324,510
10-16-08	10-16-08	cpus	90262ckh9	90262CKH9	1,285,000	UBS Finance 1.000% Due 10-17-08	A1	P1	100	1,284,964
10-16-08	10-16-08	cpus	36959hkl0	36959HKL0	5,000,000	General Electric Capital Corp 1.250% Due 10-20-08	A1	P1	100	4,999,306
10-17-08	10-17-08	cpus	4042f0mg3	4042F0MG3	8,560,000	HSBC Finance 2.950% Due 12-16-08	A1	P1	99	8,507,927
10-17-08	10-23-08	mbus	13063a3p7	13063A3P7	3,000,000	California State Rev Antic Nts - Ser A 5.500% Due 06-22-09	SP-1	MIG1	101	3,024,180
10-17-08	10-23-08	mbus	13063a3p7	13063A3P7	4,000,000	California State Rev Antic Nts - Ser A 5.500% Due 06-22-09	SP-1	MIG1	101	4,032,240
10-20-08	10-20-08	cpus	90262ckm8	90262CKM8	2,000,000	UBS Finance 1.000% Due 10-21-08	A1	P1	100	1,999,944
10-20-08	10-20-08	cpus	36959hkn6	36959HKN6	5,800,000	General Electric Capital Corp 1.000% Due 10-22-08	A1	P1	100	5,799,678
10-21-08	10-21-08	cpus	36959hkp1	36959HKP1	6,000,000	General Electric Capital Corp 1.000% Due 10-23-08	A1	P1	100	5,999,667
10-27-08	10-27-08	cpus	4042f0ls8	4042F0LS8	12,300,000	HSBC Finance 3.250% Due 11-26-08	A1	P1	100	12,269,250
10-29-08	10-29-08	cpus	60680al55	60680AL55	2,900,000	Mitsubishi International Corp 3.250% Due 11-05-08	A1	P1	100	2,898,167
										78,125,773
SALES										
10-01-08	10-01-08	cpus	4042f0k18	4042F0K18	3,000,000	HSBC Finance 2.100% Due 10-01-08	A1	P1	100	2,999,825
10-03-08	10-03-08	cpus	4042f0k34	4042F0K34	1,650,000	HSBC Finance 1.100% Due 10-03-08	A1	P1	100	1,649,899
10-03-08	10-06-08	gbus	912828ch1	912828CH1	5,000,000	U.S. Treasury Note 3.875% Due 05-15-09	AAA	AAA	102	5,075,781
10-03-08	10-06-08	gbus	912828gp9	912828GP9	5,000,000	U.S. Treasury Note 4.500% Due 04-30-09	AAA	AAA	102	5,091,406
10-06-08	10-06-08	cpus	4042f0k67	4042F0K67	1,000,000	HSBC Finance 0.950% Due 10-06-08	A1	P1	100	999,894

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 10-01-08 To 10-31-08

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Moody	Unit Price	Amount
10-07-08	10-07-08	cpus	02635rk73	02635RK73	5,000,000	American General Finance Corp 2.710% Due 10-07-08	A1	P1	99	4,947,682
10-07-08	10-07-08	cpus	0660p0k77	0660P0K77	5,000,000	Bank of America Corp 2.520% Due 10-07-08	A1	P1	99	4,951,000
10-09-08	10-09-08	cpus	4042f0k91	4042F0K91	2,100,000	HSBC Finance 2.200% Due 10-09-08	A1	P1	100	2,099,708
10-16-08	10-16-08	flus	3133xhfa5	3133XHFA5	6,000,000	Federal Home Loan Bank 5.000% Due 10-16-09	AAA	AAA	100	6,000,000
10-17-08	10-17-08	cpus	90262ckh9	90262CKH9	1,285,000	UBS Finance 1.000% Due 10-17-08	A1	P1	100	1,284,964
10-20-08	10-20-08	cpus	36959hkl0	36959HKL0	5,000,000	General Electric Capital Corp 1.250% Due 10-20-08	A1	P1	100	4,999,306
10-21-08	10-21-08	cpus	90262ckm8	90262CKM8	2,000,000	UBS Finance 1.000% Due 10-21-08	A1	P1	100	1,999,944
10-21-08	10-21-08	dpus	313588l52	313588L52	10,000,000	Fannie Mae 2.140% Due 10-21-08	AAA	AAA	99	9,908,456
10-22-08	10-22-08	cpus	36959hkn6	36959HKN6	5,800,000	General Electric Capital Corp 1.000% Due 10-22-08	A1	P1	100	5,799,678
10-23-08	10-23-08	cpus	36959hkp1	36959HKP1	6,000,000	General Electric Capital Corp 1.000% Due 10-23-08	A1	P1	100	5,999,667
10-31-08	10-31-08	cpus	02635rkx6	02635RKX6	11,350,000	American General Finance Corp 2.750% Due 10-31-08	A1	P1	99	11,207,917
										75,015,127

**Sacramento Housing
&
Redevelopment
Agency
(SHRA)**

Sacramento Housing & Redevelopment Agency (SHRA)

Monthly Review – October 2008

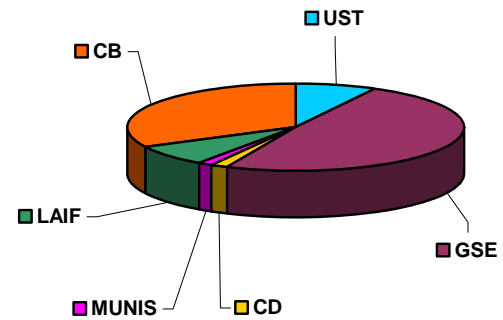
STRATEGY

The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the SHRA. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

PORTFOLIO STATISTICS

Portfolio's Beginning Balance	\$ 264,123,827
Earned Interest Yield for the Month	4.03%
Weighted Average Maturity (Yrs)	1.7
Estimated Duration (Yrs)	1.6
Historical Book Value	\$ 246,456,764
Month-End Market Value	\$ 246,017,483
Percent of Market to Book Value	99.82%

PORTFOLIO BY ASSET CLASS



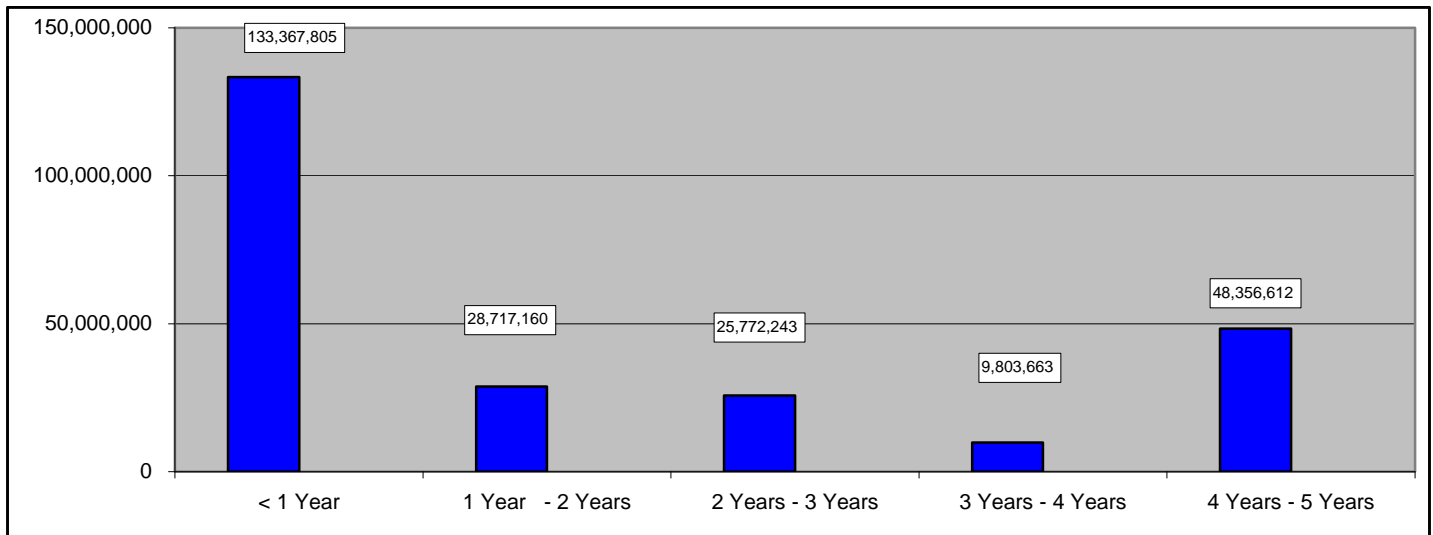
External third party Investment Managers

State Treasurer's Office (LAIF)	\$ 19,262,000
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MATURITY SCHEDULE (POOL D)

Maturity	Market Value	%
< 1 Year	133,367,805	54.21%
1 Year - 2 Years	28,717,160	11.67%
2 Years - 3 Years	25,772,243	10.48%
3 Years - 4 Years	9,803,663	3.98%
4 Years - 5 Years	48,356,612	19.66%
Total	246,017,483	100.00%

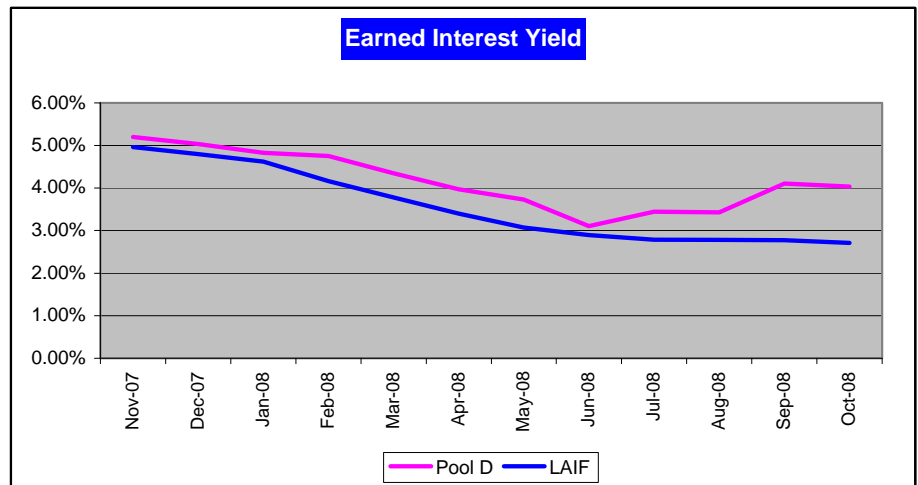
Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
<i>US Treasury Notes (UST)</i>	7.83%	3.59%
<i>US Agency Notes (GSE)</i>	48.96%	3.28%
Subtotal Agency/Notes	56.79%	3.32%
Certificates of Deposit (CD)	1.57%	5.58%
Municipals	1.36%	4.25%
LAIF	7.90%	2.71%
Corporate Bonds (CB)	32.38%	4.71%



MONTHLY HIGHLIGHTS

The corollary of the weakness in U.S. stocks was a rally in short-term Treasuries as investors continued to flee risky assets to the safety of government bonds. The yield on two-year Treasury notes fell 41 basis points, and three-month Treasury Bill yields declined 80 basis points. At the longer end, 10-year Treasury bond yields finished the month virtually unchanged. U.S. Fixed Income credit markets posted extremely negative numbers. High yield spreads over Treasuries rose by 226 basis points – a record monthly increase. The investment environment continues to become more difficult with short-term rates yielding around 1% in one-year Treasuries and around 15-20 basis points in overnight lending. During the month the Pool had an outflow of over \$19 million. As a result, we have been utilizing LAIF to fund the Agency’s liquidity needs. Fortunately, through communication with SHRA’s staff, we have been able to anticipate the Agency’s cash flow and position the Pool’s maturity schedule to meet their needs; thereby reducing a lot of the reinvestment risk.

Earned Interest Yield		
Month	Pool D	LAIF
Nov-07	5.20%	4.96%
Dec-07	5.03%	4.80%
Jan-08	4.83%	4.62%
Feb-08	4.75%	4.16%
Mar-08	4.35%	3.78%
Apr-08	3.97%	3.40%
May-08	3.73%	3.07%
Jun-08	3.10%	2.89%
Jul-08	3.44%	2.79%
Aug-08	3.43%	2.78%
Sep-08	4.10%	2.77%
Oct-08	4.03%	2.71%
CYTD	3.96%	3.30%



SHRA LOCAL MONEY

Pool	Beginning Balance	Additions/ Withdrawals	Interest Earnings /Gains (Losses)	Ending Balance	Rate of Return
D	\$ 264,123,827	\$ (19,050,858)	\$ 944,514	\$ 246,017,483	4.03%
J*	\$ 4,008,983	\$ (12,530)	\$ 12,849	\$ 4,009,302	3.78%
K	\$ 3,039,651	\$ -	\$ (16,369)	\$ 3,023,282	3.92%
L*	\$ 17,567,470	\$ (1,233,342)	\$ 55,085	\$ 16,389,213	3.78%
M**	\$ 1,480,814	\$ (4,995)	\$ 5,070	\$ 1,480,889	4.03%
N**	\$ 6,302,305	\$ (429,889)	\$ 21,126	\$ 5,893,542	4.03%
Q**	\$ 19,671,986	\$ (1,007,131)	\$ 66,314	\$ 18,731,169	4.03%
R**	\$ 44,398,012	\$ (10,618,044)	\$ 140,443	\$ 33,920,411	4.03%
S**	\$ 4,919,953	\$ (16,577)	\$ 16,845	\$ 4,920,221	4.03%
T**	\$ 2,317,389	\$ (145,117)	\$ 7,783	\$ 2,180,055	4.03%
U**	\$ 7,232,397	\$ (24,375)	\$ 24,762	\$ 7,232,784	4.03%
V**	\$ 7,741,312	\$ (211,798)	\$ 26,300	\$ 7,555,814	4.03%

* Pools J & L are invested in City’s Pool A.

** Pools M, N, Q, R, S, T, U & V are invested in Pool D.

City of Sacramento
PORTFOLIO APPRAISAL
Pool D
SHRA Local Money
October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
CASH AND EQUIVALENTS														
	laifd	Local Agency Investment Fund, Pool D		19,262,000		19,262,000		19,262,000	7.90	2.709	521,808	2.71		
	miscintrec	Misc Interest Receivable		132,966		132,966		132,966	0.05	4.000	5,319	4.00		
	nattsy	Nations Treasury Fund		149,154		149,154		149,154	0.06	0.150	224	0.15		
				19,544,120		19,544,120		19,544,120	8.01		527,350	2.70		
CERTIFICATES OF DEPOSIT														
3,800,000	90333uux8	US Bank CD 5.580% Due 06-18-09	100.00	3,800,000	100.54	3,820,615	292,144	4,112,759	1.57	5.580	212,040	5.55	A1	P1
GOVT AGENCY DISCOUNT PAPER														
Not Classified														
12,000,000	313384p86	Federal Home Loan Bank 2.110% Due 11-17-08	99.64	11,956,393	99.99	11,998,800	0	11,998,800	4.92	2.110	253,200	2.11	AAA	AAA
3,000,000	313384q93	Federal Home Loan Bank 2.470% Due 11-26-08	99.32	2,979,622	99.99	2,999,700	0	2,999,700	1.23	2.470	74,100	2.47	AAA	AAA
2,100,000	313385bv7	Federal Home Loan Bank 2.750% Due 02-13-09	98.64	2,071,446	99.50	2,089,500	0	2,089,500	0.86	2.750	57,750	2.76	AAA	AAA
4,000,000	313385cv6	Federal Home Loan Bank 2.820% Due 03-09-09	98.54	3,941,407	99.26	3,970,400	0	3,970,400	1.63	2.820	112,800	2.84	AAA	AAA
5,000,000	313385cz7	Federal Home Loan Bank 2.420% Due 03-13-09	98.80	4,940,172	99.23	4,961,500	0	4,961,500	2.03	2.420	121,000	2.44	AAA	AAA
9,000,000	313385eg7	Federal Home Loan Bank 2.540% Due 04-13-09	98.54	8,868,555	98.98	8,908,200	0	8,908,200	3.65	2.540	228,600	2.57	AAA	AAA
2,100,000	313385hq2	Federal Home Loan Bank 3.030% Due 07-02-09	97.70	2,051,747	98.36	2,065,560	0	2,065,560	0.85	3.030	63,630	3.08	AAA	AAA
				36,809,343		36,993,660	0	36,993,660	15.17		911,080	2.46		
				36,809,343		36,993,660	0	36,993,660	15.17		911,080	2.46		
U.S. GOVERNMENT BONDS														
Not Classified														
9,000,000	912828e10	U.S. Treasury Note 4.375% Due 11-15-08	99.92	8,992,969	100.12	9,010,530	181,895	9,192,425	3.69	4.375	393,750	4.37	AAA	AAA
2,000,000	912828bt6	U.S. Treasury Note 3.375% Due 12-15-08	97.08	1,941,562	100.34	2,006,720	25,635	2,032,355	0.82	3.375	67,500	3.36	AAA	AAA
8,000,000	912828hx1	U.S. Treasury Note 2.125% Due 04-30-10	99.33	7,946,118	101.11	8,088,750	470	8,089,219	3.32	2.125	170,000	2.10	AAA	AAA
				18,880,650		19,106,000	208,000	19,314,000	7.83		631,250	3.30		
				18,880,650		19,106,000	208,000	19,314,000	7.83		631,250	3.30		
FEDERAL HOME LOAN BANK														
Not Classified														
2,000,000	3133x1xc6	Federal Home Loan Bank 3.625% Due 11-14-08	97.82	1,956,434	100.03	2,000,625	33,632	2,034,257	0.82	3.625	72,500	3.62	AAA	AAA
5,000,000	3133xkp82	Federal Home Loan Bank 4.875% Due 11-19-08	99.46	4,972,850	100.09	5,004,687	109,687	5,114,375	2.05	4.875	243,750	4.87	AAA	Aaa
14,750,000	3133xqjd5	Federal Home Loan Bank 2.200% Due 04-01-09	99.81	14,721,792	99.91	14,736,172	27,042	14,763,214	6.04	2.200	324,500	2.20	AAA	AAA
5,000,000	3133x4zc8	Federal Home Loan Bank 3.000% Due 04-15-09	100.18	5,008,900	100.22	5,010,937	6,667	5,017,604	2.05	3.000	150,000	2.99	AAA	AAA

Total portfolio includes investments from Pools M, N, Q, R, S, T, U & V

City of Sacramento
PORTFOLIO APPRAISAL
Pool D
SHRA Local Money
 October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
3,000,000	3133xqps5	Federal Home Loan Bank 2.300% Due 04-15-09	99.85	2,995,530	99.91	2,997,187	37,567	3,034,754	1.23	2.300	69,000	2.30	AAA	AAA
2,500,000	3133xgeq3	Federal Home Loan Bank 5.250% Due 08-05-09	100.36	2,508,975	101.78	2,544,531	31,354	2,575,885	1.04	5.250	131,250	5.16	AAA	AAA
5,000,000	3133xqu26	Federal Home Loan Bank 2.750% Due 06-18-10	99.91	4,995,300	99.19	4,959,375	50,799	5,010,174	2.03	2.750	137,500	2.77	AAA	AAA
5,000,000	3133xp5b6	Federal Home Loan Bank 3.800% Due 02-04-11	100.00	5,000,000	100.00	5,000,000	45,917	5,045,917	2.05	3.800	190,000	3.80	AAA	AAA
3,000,000	3133xprv8	Federal Home Loan Bank 3.260% Due 02-25-11	99.65	2,989,500	99.50	2,985,000	17,930	3,002,930	1.22	3.260	97,800	3.28	AAA	AAA
5,000,000	3133xnxy0	Federal Home Loan Bank 4.700% Due 01-25-13	100.00	5,000,000	100.00	5,000,000	62,667	5,062,667	2.05	4.700	235,000	4.70	AAA	AAA
5,000,000	3133xpdc5	Federal Home Loan Bank 4.500% Due 02-01-13	100.00	5,000,000	98.12	4,906,250	56,250	4,962,500	2.01	4.500	225,000	4.59	AAA	AAA
2,000,000	3133xpsn5	Federal Home Loan Bank 4.250% Due 02-19-13	99.95	1,999,000	99.50	1,990,000	17,000	2,007,000	0.82	4.250	85,000	4.27	AAA	AAA
5,000,000	3133xqye6	Federal Home Loan Bank 4.300% Due 04-29-13	100.00	5,000,000	99.47	4,973,437	1,194	4,974,632	2.04	4.300	215,000	4.32	AAA	AAA
				<u>62,148,281</u>		<u>62,108,203</u>	<u>497,705</u>	<u>62,605,908</u>	<u>25.47</u>		<u>2,176,300</u>	<u>3.50</u>		
				62,148,281		62,108,203	497,705	62,605,908	25.47		2,176,300	3.50		
FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)														
Not Classified														
4,900,000	31359mtr4	Fannie Mae 3.375% Due 12-15-08	100.72	4,935,231	100.06	4,903,062	62,475	4,965,537	2.01	3.375	165,375	3.37	AAA	AAA
5,000,000	31398aks0	Fannie Mae 4.500% Due 01-07-11	101.05	5,052,500	100.31	5,015,625	71,250	5,086,875	2.06	4.500	225,000	4.49	AAA	AAA
				<u>9,987,731</u>		<u>9,918,687</u>	<u>133,725</u>	<u>10,052,412</u>	<u>4.07</u>		<u>390,375</u>	<u>3.94</u>		
				9,987,731		9,918,687	133,725	10,052,412	4.07		390,375	3.94		
FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)														
Not Classified														
3,000,000	3128x6h90	Freddie Mac 4.250% Due 02-12-13	100.00	3,000,000	99.44	2,983,350	27,979	3,011,329	1.22	4.250	127,500	4.27	AAA	AAA
2,500,000	3128x7ju9	Freddie Mac 4.000% Due 04-16-13	99.40	2,484,925	98.48	2,462,000	4,167	2,466,167	1.01	4.000	100,000	4.06	AAA	AAA
				<u>5,484,925</u>		<u>5,445,350</u>	<u>32,146</u>	<u>5,477,496</u>	<u>2.23</u>		<u>227,500</u>	<u>4.18</u>		
				5,484,925		5,445,350	32,146	5,477,496	2.23		227,500	4.18		
FEDERAL FARM CREDIT BANK - FRMMT														
Not Classified														
5,000,000	31331yf88	Federal Farm Credit Bank 4.125% Due 04-22-13	99.04	4,952,150	98.47	4,923,437	5,156	4,928,594	2.02	4.125	206,250	4.19	AAA	AAA
				<u>4,952,150</u>		<u>4,923,437</u>	<u>5,156</u>	<u>4,928,594</u>	<u>2.02</u>		<u>206,250</u>	<u>4.19</u>		
				4,952,150		4,923,437	5,156	4,928,594	2.02		206,250	4.19		

Total portfolio includes investments from Pools M, N, Q, R, S, T, U & V

City of Sacramento
PORTFOLIO APPRAISAL
Pool D
SHRA Local Money
October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
MUNICIPAL BONDS														
Not Classified														
3,000,000	13063a3p7	California State Rev Antic Nts - Ser A 5.500% Due 06-22-09	100.81	3,024,180	101.62	3,048,630	3,667	3,052,297	1.25	5.500	165,000	5.41	SP-1	MIG1
				3,024,180		3,048,630	3,667	3,052,297	1.25		165,000	5.41		
CORPORATE BONDS														
FINANCIAL														
3,000,000	635405a17	National City Corp 5.750% Due 02-01-09	100.99	3,029,730	97.10	2,912,940	43,125	2,956,065	1.19	5.750	172,500	5.92	BBB+	BAA1
3,000,000	36962gd27	General Electric Capital Corp 3.250% Due 06-15-09	100.16	3,004,920	98.41	2,952,420	36,833	2,989,253	1.21	3.250	97,500	3.30	AAA	AAA
4,000,000	89233pv60	Toyota Motor Credit Corp 2.850% Due 04-28-10	99.50	3,980,000	97.69	3,907,800	950	3,908,750	1.60	2.850	114,000	2.92	AAAc	Aaa
2,000,000	172967da6	Citigroup Inc 4.625% Due 08-03-10	93.58	1,871,620	96.26	1,925,240	22,611	1,947,851	0.79	4.625	92,500	4.80	AA-	AA3
2,350,000	64952wae3	New York Life Global 4.625% Due 08-16-10	101.72	2,390,420	99.28	2,333,197	22,643	2,355,841	0.96	4.625	108,687	4.66	AAA	Aaa
2,000,000	38141gaz7	Goldman Sachs Group Inc 6.875% Due 01-15-11	104.38	2,087,680	97.50	1,949,960	40,486	1,990,446	0.80	6.875	137,500	7.05	AA-	AA3
3,000,000	89233pw36	Toyota Motor Credit Corp 3.840% Due 04-29-11	100.00	3,000,000	97.74	2,932,110	640	2,932,750	1.20	3.840	115,200	3.93	AAA	AAA
2,500,000	40429caa0	Hsbc Finance Corp 6.750% Due 05-15-11	102.71	2,567,760	94.36	2,358,950	77,812	2,436,762	0.97	6.750	168,750	7.15	AA-	AA3
5,000,000	822582aa0	Shell International Fin Bv 5.625% Due 06-27-11	103.88	5,193,867	103.59	5,179,687	96,875	5,276,562	2.12	5.625	281,250	5.43	AA+	AA1
3,000,000	36962gz56	General Electric Capital Corp 5.500% Due 11-15-11	100.00	3,000,000	95.29	2,858,700	76,083	2,934,783	1.17	5.500	165,000	5.77	AAA	AAA
1,985,000	36962gyy4	General Electric Capital Corp 6.000% Due 06-15-12	96.75	1,920,547	95.60	1,897,759	44,993	1,942,753	0.78	6.000	119,100	6.28	AAA	AAA
1,250,000	40429cfz0	HSBC Finance Corp 5.900% Due 06-19-12	101.65	1,270,662	90.95	1,136,887	27,042	1,163,929	0.47	5.900	73,750	6.49	AA-	AA3
2,000,000	59018yj36	Merrill Lynch & Co 6.050% Due 08-15-12	95.02	1,900,440	91.03	1,820,520	25,544	1,846,064	0.75	6.050	121,000	6.65	A	A2
2,000,000	949746nw7	Wells Fargo & Co New 5.250% Due 10-23-12	99.77	1,995,420	95.69	1,913,800	2,333	1,916,133	0.78	5.250	105,000	5.49	AA+	AA1
2,000,000	665859ah7	Northern Trust Company 5.200% Due 11-09-12	99.81	1,996,180	98.01	1,960,260	49,689	2,009,949	0.80	5.200	104,000	5.31	AA-	A1
3,000,000	911312ag1	United Parcel Service Inc 4.500% Due 01-15-13	99.57	2,987,250	97.42	2,922,656	39,750	2,962,406	1.20	4.500	135,000	4.62	AA-	AA2
2,762,000	369604ay9	General Electric Co 5.000% Due 02-01-13	100.05	2,763,381	94.33	2,605,367	34,525	2,639,892	1.07	5.000	138,100	5.30	AAA	Aaa
3,000,000	02666qb69	American Honda Finance 4.625% Due 04-02-13	97.20	2,916,062	90.71	2,721,420	11,177	2,732,597	1.12	4.625	138,750	5.10	A+	AA3
2,000,000	64953bap3	New York Life Global 4.650% Due 05-09-13	98.20	1,964,060	93.73	1,874,600	44,433	1,919,033	0.77	4.650	93,000	4.96	AAA	AAA
5,000,000	084664bb6	Berkshire Hathaway Corp 4.600% Due 05-15-13	100.75	5,037,350	96.72	4,836,100	107,333	4,943,433	1.98	4.600	230,000	4.76	AAA	Aaa
2,000,000	0258m0cy3	American Express Credit Corp 7.300% Due 08-20-13	99.83	1,996,700	88.27	1,765,312	28,794	1,794,107	0.72	7.300	146,000	8.27	A+	A1
Total portfolio includes investments from Pools M, N, Q, R, S, T, U & V				56,874,050		54,765,687	833,674	55,599,362	22.46		2,856,587	5.22		

City of Sacramento
PORTFOLIO APPRAISAL
Pool D
SHRA Local Money
October 31, 2008

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Moody
HEALTHCARE														
2,000,000	377372ac1	Glaxosmithkline Cap Inc 4.850% Due 05-15-13	100.50	2,010,000	94.85	1,897,040	45,267	1,942,307	0.78	4.850	97,000	5.11	A+	A1
				58,884,050		56,662,727	878,941	57,541,668	23.23		2,953,587	5.21		
VARIABLE RATE SECURITIES														
Not Classified														
5,000,000	25153daj2	Deutsche Bank NY 3.414% Due 01-21-09	100.00	5,000,000	99.95	4,997,520	18,705	5,016,225	2.05	3.414	170,687	3.42	AA	AA1
5,000,000	026874ba4	American International Group 4.519% Due 06-16-09	99.15	4,957,562	100.01	5,000,500	10,042	5,010,542	2.05	4.519	225,937	4.52	AA	Aa2
2,000,000	38141ekq1	Goldman Sachs Group Inc 3.300% Due 06-23-09	99.26	1,985,299	96.88	1,937,560	7,150	1,944,710	0.79	3.300	66,000	3.41	AA-	Aa3
3,000,000	25152xgu8	Deutsche Bank NY 2.961% Due 08-21-09	99.95	2,998,474	100.00	3,000,000	17,767	3,017,767	1.23	2.961	88,837	2.96	AA-	AA1
3,000,000	89233pw44	Toyota Motor Credit Corp 3.264% Due 05-07-10	100.00	3,000,000	99.93	2,997,900	23,390	3,021,290	1.23	3.264	97,912	3.27	AA Ae	Aaa e
5,000,000	0258m0cv9	American Express Credit Co 4.659% Due 05-27-10	100.00	5,000,000	87.62	4,380,800	3,235	4,384,035	1.80	4.659	232,937	5.32	A+	A1
				22,941,335		22,314,280	80,290	22,394,570	9.15		882,312	3.95		
				22,941,335		22,314,280	80,290	22,394,570	9.15		882,312	3.95		
TOTAL PORTFOLIO				246,456,764		243,885,709	2,131,774	246,017,483	100.00		9,283,045	3.81		

Total portfolio includes investments from Pools M, N, Q, R, S, T, U & V

City of Sacramento
PURCHASE AND SALE
Pool D
SHRA Local Money
From 10-01-08 To 10-31-08

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Moody	Unit Price	Amount
PURCHASES										
10-01-08	10-01-08	cpus	4042f0kg5	4042F0KG5	1,500,000	HSBC Finance 2.900% Due 10-16-08	A1	P1	100	1,498,187
10-01-08	10-01-08	cpus	4042f0k91	4042F0K91	1,000,000	HSBC Finance 2.200% Due 10-09-08	A1	P1	100	999,511
10-02-08	10-02-08	cpus	4042f0k67	4042F0K67	1,000,000	HSBC Finance 0.950% Due 10-06-08	A1	P1	100	999,894
10-02-08	10-02-08	dpus	313385hq2	313385HQ2	2,100,000	Federal Home Loan Bank 3.030% Due 07-02-09	AAA	AAA	98	2,051,747
10-17-08	10-23-08	mbus	13063a3p7	13063A3P7	3,000,000	California State Rev Antic Nts - Ser A 5.500% Due 06-22-09	SP-1	MIG1	101	3,024,180
										8,573,520
SALES										
10-06-08	10-06-08	cpus	4042f0k67	4042F0K67	1,000,000	HSBC Finance 0.950% Due 10-06-08	A1	P1	100	999,894
10-09-08	10-09-08	cpus	4042f0k91	4042F0K91	1,000,000	HSBC Finance 2.200% Due 10-09-08	A1	P1	100	999,511
10-16-08	10-16-08	cpus	4042f0kg5	4042F0KG5	1,500,000	HSBC Finance 2.900% Due 10-16-08	A1	P1	100	1,498,187
10-27-08	10-27-08	vrus	89233ptq9	89233PTQ9	5,000,000	Toyota Motor Credit Corp 6.600% Due 10-27-08	AAA	AAA	100	5,000,000
										8,497,593

Total portfolio includes investments from Pools M, N, Q, R, S, T, U & V

City of Sacramento
PORTFOLIO APPRAISAL
Pool J
SHRA 1999 TAB
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolA	Pool A Cash		3,831,902		3,831,902		3,831,902	95.58	3.78		
	intreceiv	Pool A Interest Receivable		177,400		177,400		177,400	4.42	3.78		
				4,009,301		4,009,301		4,009,301	100.00	3.78		
TOTAL PORTFOLIO				4,009,301		4,009,301	0	4,009,301	100.00	3.78		

Funds in this portfolio are invested in City's Pool A.

City of Sacramento
PORTFOLIO APPRAISAL
Pool K
SHRA 1998 Bonds
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	miscintrec	Misc Interest Receivable		0		0		0	0.00	4.00		
	nattsy	Nations Treasury Fund		880		880		880	0.03	0.15		
				880		880		880	0.03	0.15		
FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)												
	Not Classified											
3,000,000	3136f9pm9	Fannie Mae 4.000% Due 11-15-12	100.00	3,000,000	98.90	2,967,068	55,333	3,022,401	99.97	4.04	AAA	AAA
				3,000,000		2,967,068	55,333	3,022,401	99.97	4.04		
TOTAL PORTFOLIO				3,000,880		2,967,948	55,333	3,023,281	100.00	4.04		

City of Sacramento
PORTFOLIO APPRAISAL
Pool L
SHRA 2002 Revenue Bonds
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolA	Pool A Cash		15,643,093		15,643,093		15,643,093	95.45	3.78		
	intreceiv	Pool A Interest Receivable		746,120		746,120		746,120	4.55	3.78		
				16,389,213		16,389,213		16,389,213	100.00	3.78		
TOTAL PORTFOLIO				16,389,213		16,389,213	0	16,389,213	100.00	3.78		

Funds in this portfolio are invested in City's Pool A.

City of Sacramento
PORTFOLIO APPRAISAL
Pool M
SHRA 2003 TAB, Series A
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		1,480,888		1,480,888		1,480,888	100.00	4.03		
TOTAL PORTFOLIO				1,480,888		1,480,888	0	1,480,888	100.00	4.03		

Funds in this portfolio are invested in Pool D.

City of Sacramento
PORTFOLIO APPRAISAL
Pool N
SHRA 2003 TAB, Series C
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		5,893,543		5,893,543		5,893,543	100.00	4.03		
TOTAL PORTFOLIO				5,893,543		5,893,543	0	5,893,543	100.00	4.03		

Funds in this portfolio are invested in Pool D.

City of Sacramento
PORTFOLIO APPRAISAL
Pool Q
SHRA 2005 Taxable Bond Proceeds
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		18,731,168		18,731,168		18,731,168	100.00	4.03		
TOTAL PORTFOLIO				18,731,168		18,731,168	0	18,731,168	100.00	4.03		

Funds in this portfolio are invested in Pool D

City of Sacramento
PORTFOLIO APPRAISAL
Pool R
SHRA 2005 Tax-Exempt Bond Proceeds
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		33,920,411		33,920,411		33,920,411	100.00	4.03		
TOTAL PORTFOLIO				33,920,411		33,920,411	0	33,920,411	100.00	4.03		

Funds in this portfolio are invested in Pool D

City of Sacramento
PORTFOLIO APPRAISAL
Pool S
SHRA 2006 TABs, Series A (Tax-Exempt)
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		4,920,221		4,920,221		4,920,221	100.00	4.03		
TOTAL PORTFOLIO				4,920,221		4,920,221	0	4,920,221	100.00	4.03		

Funds in this portfolio are invested in Pool D

City of Sacramento
PORTFOLIO APPRAISAL
Pool T
SHRA 2006 TABs, Series B (Taxable)
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		2,180,055		2,180,055		2,180,055	100.00	4.03		
TOTAL PORTFOLIO				2,180,055		2,180,055	0	2,180,055	100.00	4.03		

Funds in this portfolio are invested in Pool D

City of Sacramento
PORTFOLIO APPRAISAL
Pool U
SHRA 2006 Revenue Bonds - Taxable
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		7,232,784		7,232,784		7,232,784	100.00	4.03		
TOTAL PORTFOLIO				7,232,784		7,232,784	0	7,232,784	100.00	4.03		

Funds in this portfolio are invested in Pool D

City of Sacramento
PORTFOLIO APPRAISAL
Pool V
SHRA 2006 Revenue Bonds - Tax Exempt
October 31, 2008

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>
CASH AND EQUIVALENTS												
	PoolD	Pool D Cash		7,555,814		7,555,814		7,555,814	100.00	4.03		
TOTAL PORTFOLIO				7,555,814		7,555,814	0	7,555,814	100.00	4.03		

Funds in this portfolio are invested in Pool D

Capitol Area Development Authority

Capitol Area Development Authority

Monthly Review – October 2008

STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

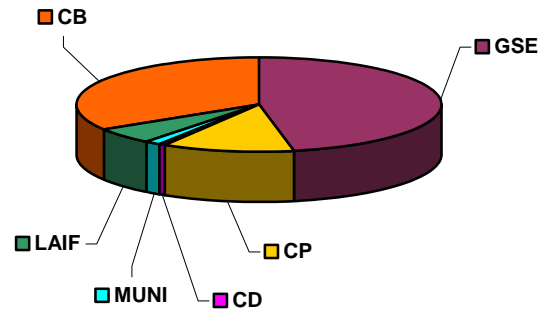
PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$ 11,648,045
Contributions	\$ 200,000
Withdrawals	(\$ 575,000)
Interest Earned	\$ 37,563
Month-End Market Value	\$ 11,310,608

PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

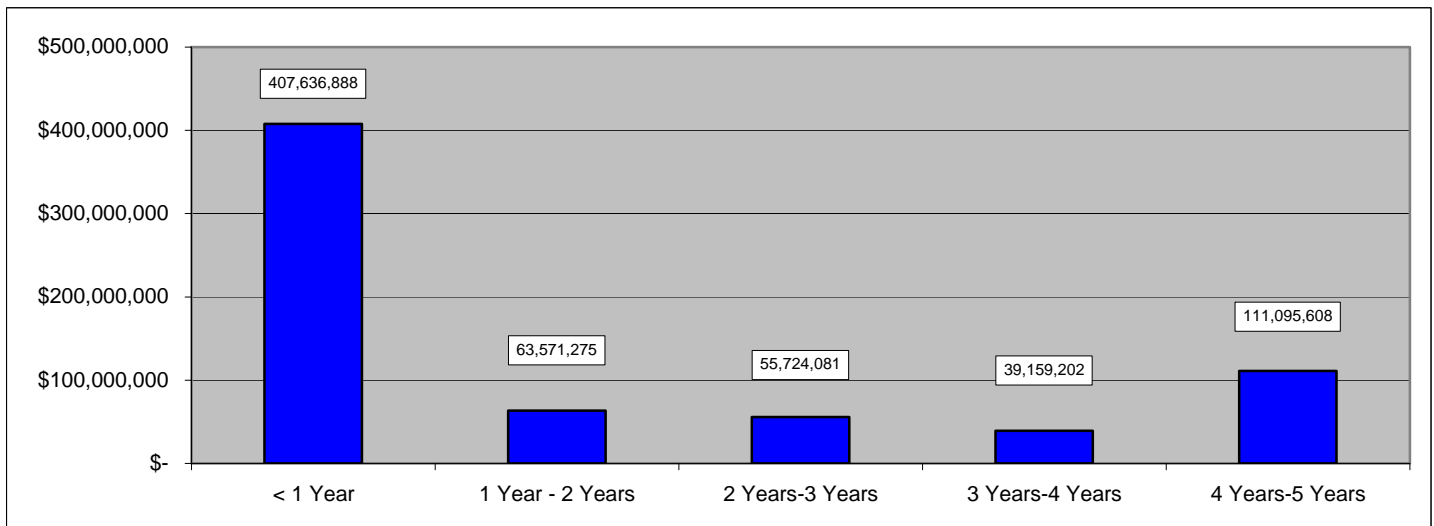
POOL A BY ASSET CLASS



POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	47.02%	3.16%
Subtotal Agency/Notes	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Banking
From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Cash						
10-01-08				Beginning Balance		11,295,380.81
10-16-08	10-16-08	li		Pool A Cash	200,000.00	11,495,380.81
10-30-08	10-30-08	lo		Pool A Cash	-419,000.00	11,076,380.81
10-30-08	10-30-08	lo		Pool A Cash	-156,000.00	10,920,380.81
					<u>-375,000.00</u>	
10-31-08				Ending Balance		10,920,380.81
Pool A Interest Receivable						
10-01-08				Beginning Balance		352,664.25
10-31-08	10-31-08	in		Pool A Cash	37,563.05	390,227.30
				Oct08 estimated Pool A interest		
					<u>37,563.05</u>	
10-31-08				Ending Balance		390,227.30

Capitol Area Development Authority – Tax Exempt

Monthly Review – October 2008

STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$1,284,474
Contributions	\$ 0
Withdrawals	(\$ 0)
Interest Earned	\$ 4,119
Month-End Market Value	\$1,288,593

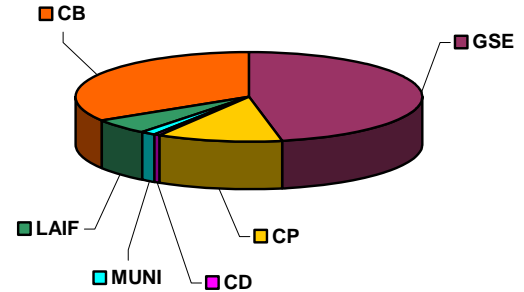
PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

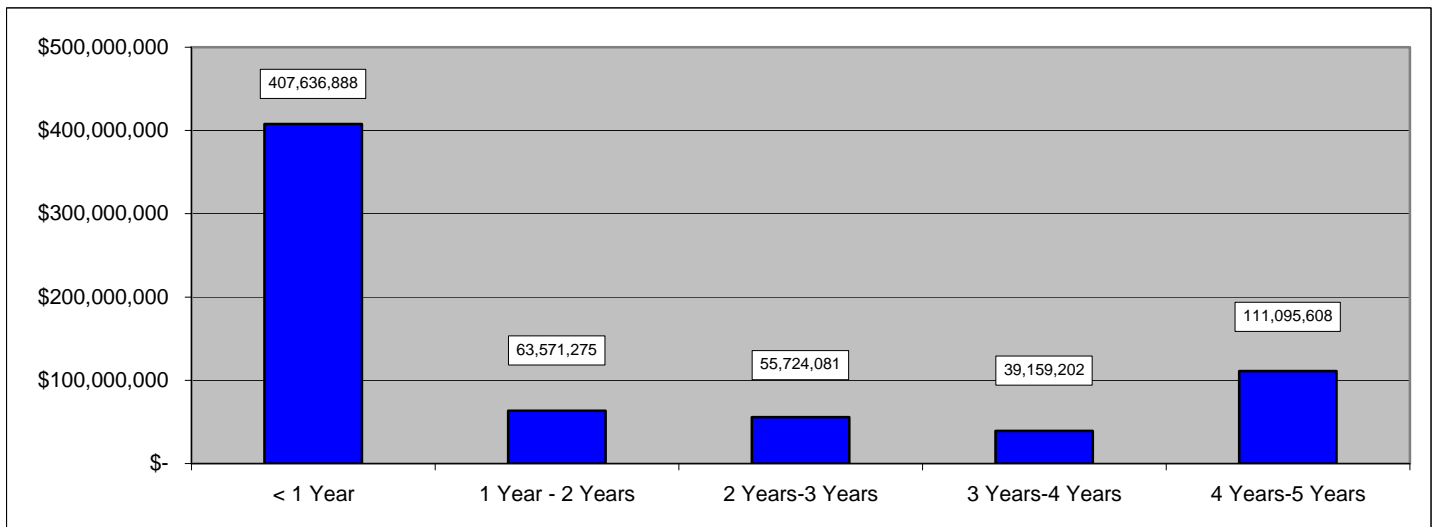
POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%

POOL A BY ASSET CLASS



Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	47.02%	3.16%
Subtotal Agency/Notes	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Tax Exempt
From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
10-01-08				Beginning Balance		41,970.31
10-31-08	10-31-08	in		Pool A Cash	4,118.84	46,089.15
				Oct08 estimated Pool A interest		
					4,118.84	
10-31-08				Ending Balance		46,089.15
Pool A Cash						
10-01-08				Beginning Balance		1,242,503.51
10-31-08				Ending Balance		1,242,503.51

Capitol Area Development Authority – Taxable

Monthly Review – October 2008

STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

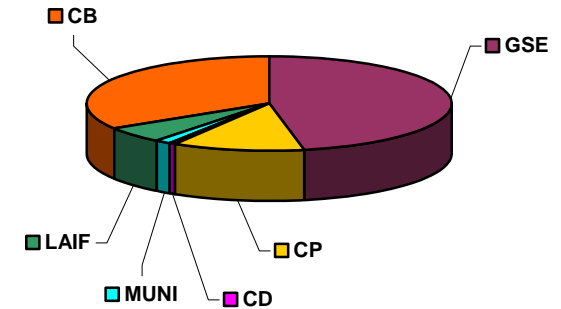
PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$3,623,292
Contributions	\$ 0
Withdrawals	(\$ 0)
Interest Earned	\$ 11,619
Month-End Market Value	\$3,634,911

PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

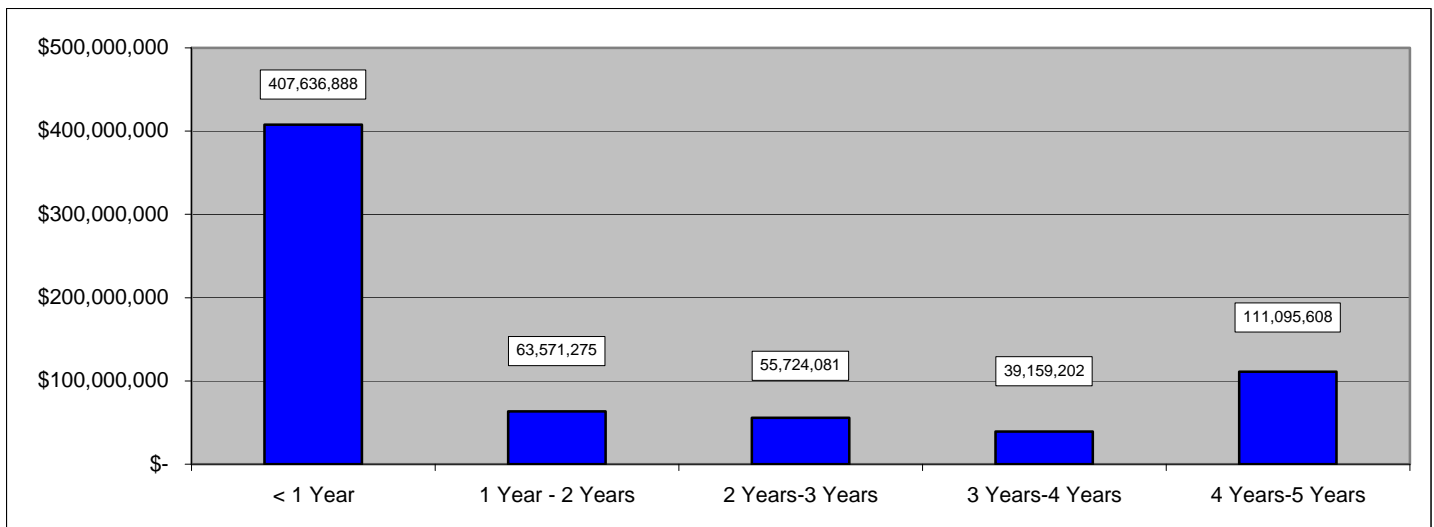
POOL A BY ASSET CLASS



POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	47.02%	3.16%
Subtotal Agency/Notes	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Taxable
From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
10-01-08				Beginning Balance		122,629.26
10-31-08	10-31-08	in		Pool A Cash	11,618.57	134,247.83
				Oct08 estimated Pool A interest		
					11,618.57	
10-31-08				Ending Balance		134,247.83
Pool A Cash						
10-01-08				Beginning Balance		3,500,663.10
10-31-08				Ending Balance		3,500,663.10

American River Flood Control District

American River Flood Control District

Monthly Review – October 2008

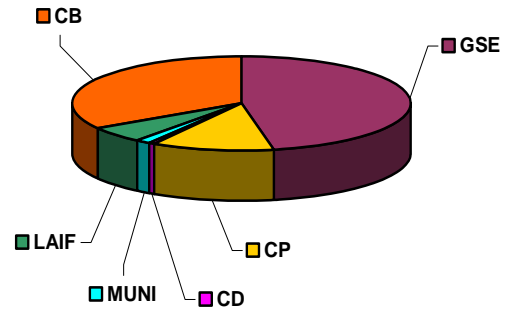
STRATEGY

The ARFCD funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$1,785,066
Contributions	\$ 0
Withdrawals	\$ 0
Interest Earned	\$ 5,724
Month-End Market Value	\$1,790,790

POOL A BY ASSET CLASS



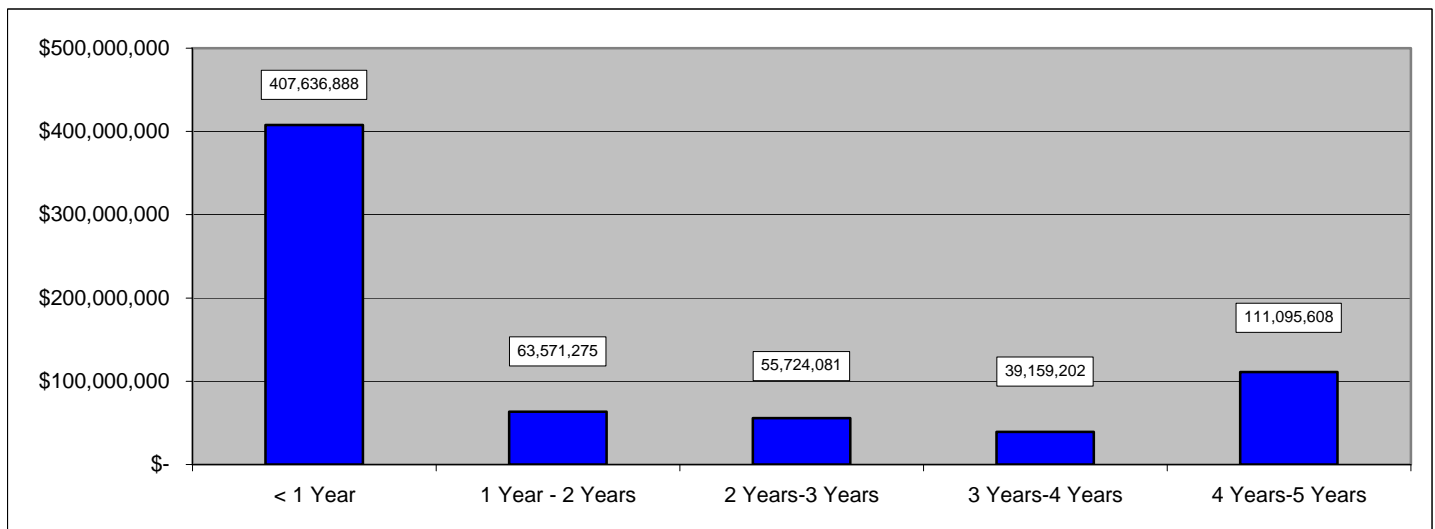
PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	47.02%	3.16%
<i>Subtotal Agency/Notes</i>	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%

POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%



City of Sacramento
CASH LEDGER
American River Flood Control District
 From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
10-01-08				Beginning Balance		30,662.53
10-31-08	10-31-08	in		Pool A Cash	5,724.05	36,386.58
				Oct08 estimated Pool A interest		
					5,724.05	
10-31-08				Ending Balance		36,386.58
Pool A Cash						
10-01-08				Beginning Balance		1,754,403.36
10-31-08				Ending Balance		1,754,403.36

**Sacramento
Public Library
Authority**

Sacramento Public Library Authority

Monthly Review – October 2008

STRATEGY

The SPLA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

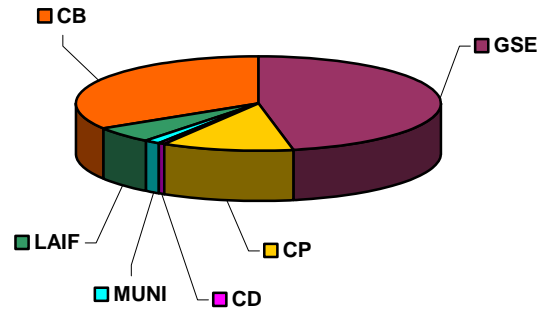
PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$ 20,194,185
Contributions	\$ 2,251,208
Withdrawals	(\$ 3,350,000)
Interest Earned	\$ 64,163
Month-End Market Value	\$ 19,159,555

PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

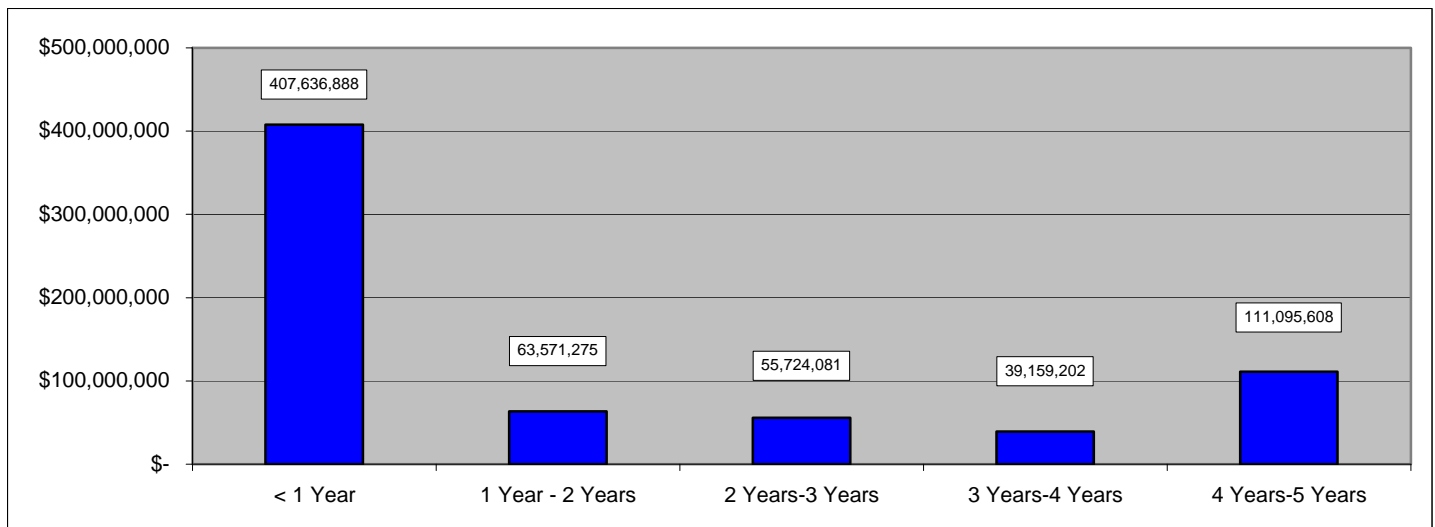
POOL A BY ASSET CLASS



POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	407,636,888	60.20%
1 Year - 2 Years	63,571,275	9.39%
2 Years-3 Years	55,724,081	8.23%
3 Years-4 Years	39,159,202	5.78%
4 Years-5 Years	111,095,608	16.40%
Total	\$ 677,187,054	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	47.02%	3.16%
Subtotal Agency/Notes	47.02%	3.16%
Commercial Paper (CP)	11.67%	2.85%
Certificates of Deposit (CD)	0.37%	5.38%
Municipals	1.60%	4.25%
LAIF	5.56%	2.71%
Corporate Bonds (CB)	33.78%	4.73%



City of Sacramento
CASH LEDGER
Sacramento Public Library Authority
From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Cash						
10-01-08				Beginning Balance		19,508,671.18
10-03-08	10-03-08	lo		Pool A Cash	-800,000.00	18,708,671.18
10-10-08	10-10-08	lo		Pool A Cash	-300,000.00	18,408,671.18
10-13-08	10-13-08	li		Pool A Cash	2,251,207.75	20,659,878.93
				Q2 Gen Fund contribution to SPLA, per AJ#59373, posted on 10/19/08		
10-17-08	10-17-08	lo		Pool A Cash	-1,000,000.00	19,659,878.93
10-24-08	10-24-08	lo		Pool A Cash	-350,000.00	19,309,878.93
10-31-08	10-31-08	lo		Pool A Cash	-900,000.00	18,409,878.93
					-1,098,792.25	
10-31-08				Ending Balance		18,409,878.93
Pool A Interest Receivable						
10-01-08				Beginning Balance		685,513.44
10-31-08	10-31-08	in		Pool A Cash	64,162.92	749,676.36
				Oct08 estimated Pool A interest		
					64,162.92	
10-31-08				Ending Balance		749,676.36

The Natomas Basin Conservancy

The Natomas Basin Conservancy

Monthly Review – October 2008

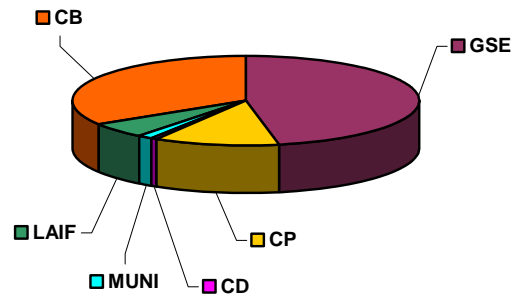
STRATEGY

The TNBC funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	\$ 5,635,535
Contributions	\$ 0
Withdrawals	(\$ 0)
Interest Earned	\$ 18,071
Month-End Market Value	\$ 5,653,606

POOL A BY ASSET CLASS



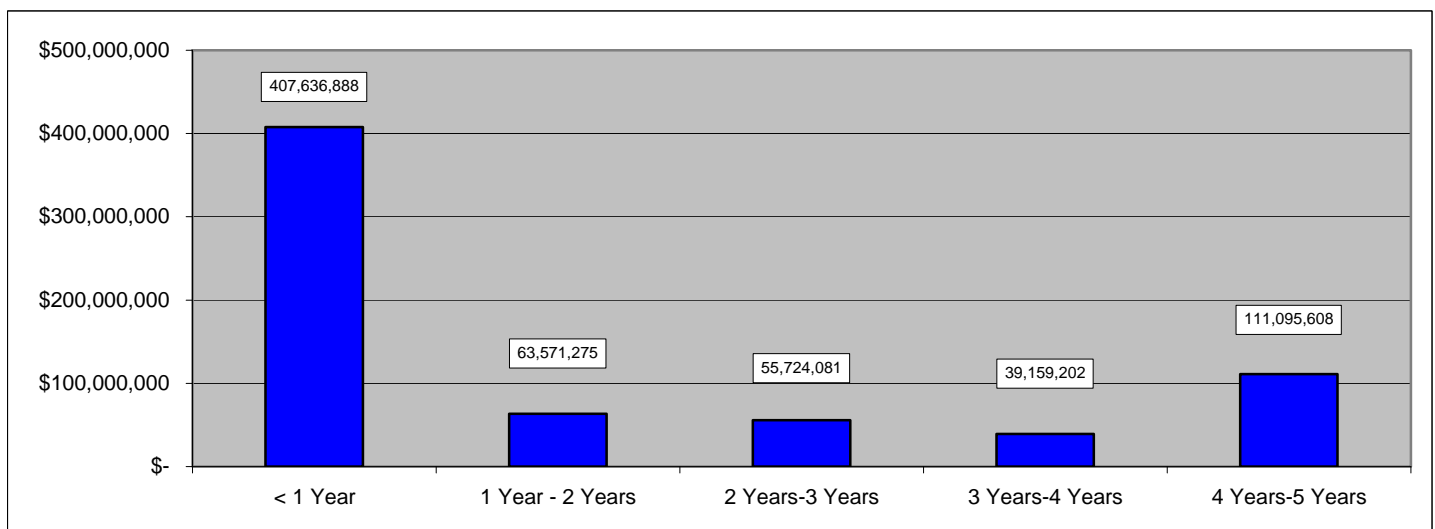
PERFORMANCE

Earned Interest Yield for the Month	3.78%
Laif Rate of Return (book value)	2.71%
ML Ready Asset	2.41%
90 Day T-Bill	0.63%
Federal Funds	0.63%

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City of Sacramento
CASH LEDGER
The Natomas Basin Conservancy
 From 10-01-08 To 10-31-08

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
10-01-08				Beginning Balance		174,562.16
10-31-08	10-31-08	in		Pool A Cash	18,071.09	192,633.25
				Oct08 estimated Pool A interest		
					18,071.09	
10-31-08				Ending Balance		192,633.25
Pool A Cash						
10-01-08				Beginning Balance		5,460,973.17
10-31-08				Ending Balance		5,460,973.17

GLOSSARY OF INVESTMENT TERMS

Average Daily Funds Invested designates the average daily amount of monies that was actually invested by the City Treasurer's Investment and Operations Unit during the reporting period.

Federal Funds Average is the average cost of Federal funds in the U. S. Banking System and is considered a measure of short-term Federal Reserve economic policy.

Interest Income Earned represents, on an accrual accounting basis, the income earned in the reporting period. Interest income earned is apportioned to the majority of City funds and fund managed in the various portfolios.

Investment Cost Recovery Fee is a charge by the City Treasurer's Office to the funds managed which is intended to recover the direct investment costs incurred by the City's General Fund in permitting the City Treasurer's Office to manage the investment funds.

Local Agency Investment Fund (LAIF) is an optional investment pool managed by the State Treasurers for local governments and special districts in California to participate in. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee.

Rate of Return designates the annualized rate of investment return earned. The calculation requires annualizing interest income earned within the reporting period and dividing the actual dollars invested for the period.

Trust Funds Additional investment activity is conducted by the City Treasurer's Office for the Sacramento City Employees Retirement System and certain of the separately invested Trust Funds of the City and third parties. Additionally, the City Treasurer's Office manages short-term investment pools for the Sacramento Housing and Redevelopment Agency.

90-Day UST Bill Average is the average cost of money incurred by the U. S. Treasury in their weekly sales of 90-day U. S. Treasury Bills and is considered a measure of the trend of short-term interest rates.

Weighted Average Life Dollar/time weighted calculation to measure how long all the dollars in a portfolio are invested at that particular time. It is calculated by determining the number of days from the calculation date to the maturity date of the investment and multiplying the dollars invested by the number of days. The sum of all dollar-day weightings are then divided by the total dollars invested to determine the average life.