

**City of Sacramento  
Treasurer's Office  
Thomas P. Friery, City Treasurer  
City General Pool A**

**Monthly Review – September 2007**

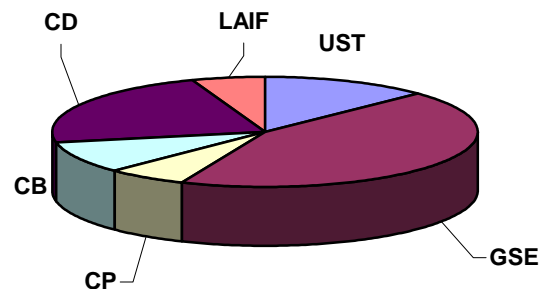
**STRATEGY**

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	\$773,300,014
Earned Interest Yield for the Month	5.17%
Weighted Average Maturity (Yrs)	1.0
Estimated Duration (Yrs)	0.9
Historical Book Value	\$731,349,496
Month-End Market Value	\$740,407,573
Percent of Market to Book Value	101.24%

**PORTFOLIO BY ASSET CLASS**



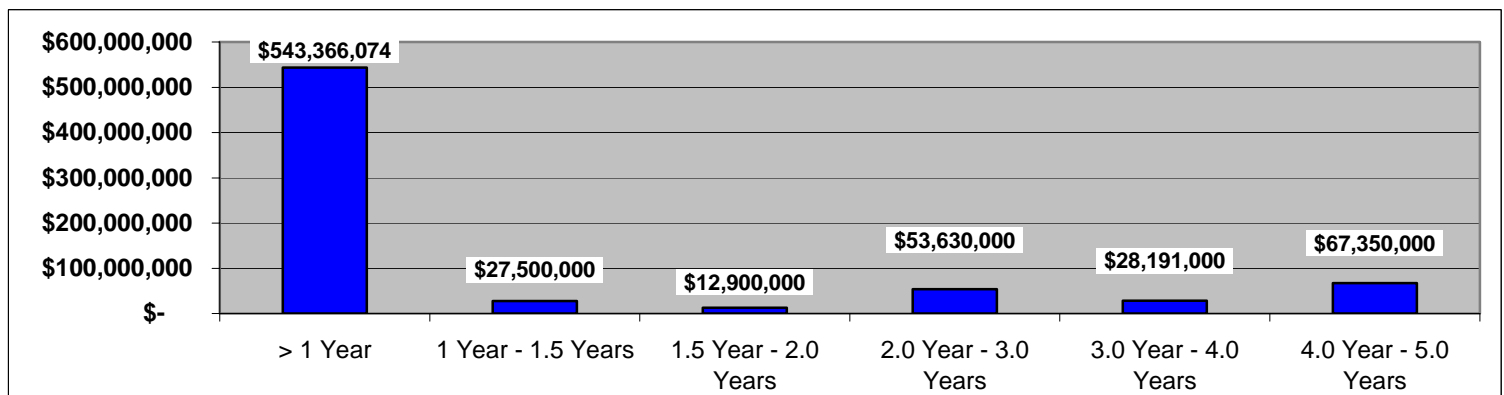
External third party Investment Managers

State Treasurer's Office (LAIF)	\$ 39,959,074
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**MATURITY SCHEDULE**

Maturity	Face	%
> 1 Year	\$ 543,366,074	74.14%
1 Year - 1.5 Years	\$ 27,500,000	3.75%
1.5 Year - 2.0 Years	\$ 12,900,000	1.76%
2.0 Year - 3.0 Years	\$ 53,630,000	7.32%
3.0 Year - 4.0 Years	\$ 28,191,000	3.85%
4.0 Year - 5.0 Years	\$ 67,350,000	9.19%
<b>Total</b>	<b>\$ 732,937,074</b>	<b>100.00%</b>

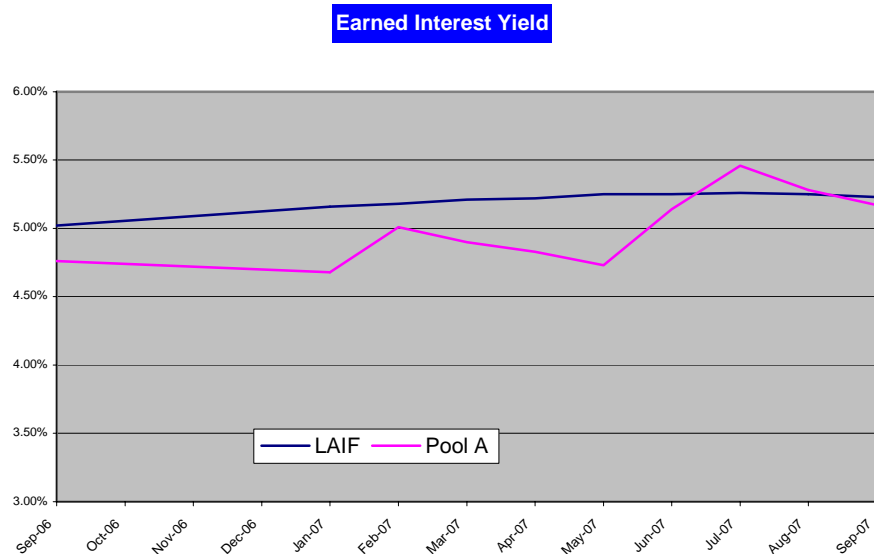
Investment Description	Portfolio at Cost	Yield at Month End
<b>US Agency and Treasury Notes:</b>		
US Treasury Notes (UST)	12.73%	3.54%
US Agency Notes (GSE)	43.70%	5.21%
<b>Subtotal Agency/Notes</b>	<b>56.43%</b>	<b>4.83%</b>
<b>Commercial Paper (CP)</b>	<b>6.09%</b>	<b>5.55%</b>
<b>Certificates of Deposit (CD)</b>	<b>22.69%</b>	<b>5.31%</b>
<b>LAIF</b>	<b>5.44%</b>	<b>5.23%</b>
<b>Corporate Bonds (CB)</b>	<b>9.35%</b>	<b>5.07%</b>



## MONTHLY HIGHLIGHTS

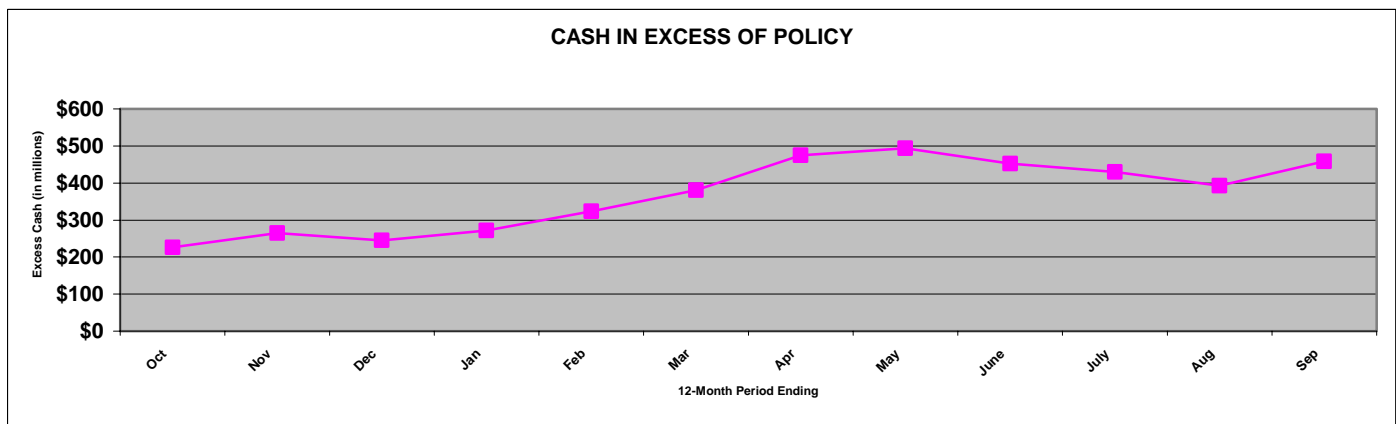
U.S. fixed income markets rose as the Federal Reserve Board cut the fed funds rate by an assertive 50 basis points. Liquidity returned and a broad-based gain ensued in spread sectors following the Fed action. We believe that the Fed's intervention should go a long way in returning stability and liquidity to the financial markets. During the month the Pool had a net cash outflow of about \$33 million predominantly due to putting cash back to work in the SCERS equity portfolios. For reinvestment, we continued to see the best value in short-term certificate of deposits and commercial paper versus longer-term securities and government securities. The only activity to note was a Freddie Mac with a 6% coupon purchased in June was called by the lender.

Earned Interest Yield		
Month	Pool A	LAIF
Sep-06	4.76%	5.02%
Oct-06	4.61%	5.10%
Nov-06	5.16%	5.13%
Dec-06	4.82%	5.13%
Jan-07	4.68%	5.16%
Feb-07	5.01%	5.18%
Mar-07	4.90%	5.21%
Apr-07	4.83%	5.22%
May-07	4.73%	5.25%
Jun-07	5.14%	5.25%
Jul-07	5.46%	5.26%
Aug-07	5.28%	5.25%
Sep-07	5.17%	5.23%



## CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Months Ending	April	May	Jun	Jul	Aug	Sep
Excess Cash	\$ 474.687	\$ 493.457	\$ 452.230	\$ 430.217	\$ 392.550	\$ 458.074



City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool A*  
**City General Pool**  
September 30, 2007

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
<b>CASH AND EQUIVALENTS</b>														
	cashbofa	B Of A Cash		2,907,561.43		2,907,561.43		2,907,561.43	0.40	3.236	94,077	3.24		
	fidfund	Fidelity Fund		44,129.66		44,129.66		44,129.66	0.01	4.260	1,880	4.26		
	laifa	Local Agency Investment Fund, Pool A		39,959,074.04		39,959,074.04		39,959,074.04	5.44	5.231	2,090,259	5.23		
	miscintrec	Misc Interest Receivable		546,599.58		546,599.58		546,599.58	0.07	4.000	21,864	4.00		
	sweep	Overnight Sweep		188,446.63		188,446.63		188,446.63	0.03	3.236	6,097	3.24		
				43,645,811.34		43,645,811.34		43,645,811.34	5.94		2,214,178	5.07		
<b>CERTIFICATES OF DEPOSIT</b>														
6,600,000	90333uug5	US Bank CD 5.200% Due 10-09-07	100.00	6,600,000.00	100.00	6,599,886.48	139,186.67	6,739,073.15	0.90	5.200	343,200	5.20	A1	P1
3,000,000	90333uuk6	US Bank CD 5.200% Due 10-09-07	100.00	3,000,000.00	100.00	2,999,950.50	61,966.67	3,061,917.17	0.41	5.200	156,000	5.20	A1	P1
6,800,000	06050gj27	Bank of America CD 5.210% Due 10-11-07	100.00	6,800,000.00	100.00	6,799,864.00	155,489.56	6,955,353.56	0.93	5.210	354,280	5.21	A1	P1
5,000,000	0673p1p40	Barclays Bank CD 5.310% Due 10-19-07	99.99	4,999,524.97	100.00	5,000,109.50	121,687.50	5,121,797.00	0.68	5.310	265,500	5.31	A1	P1
5,980,000	90333uwb4	US Bank CD 5.300% Due 10-19-07	100.00	5,980,000.00	100.01	5,980,418.60	36,976.33	6,017,394.93	0.81	5.300	316,940	5.30	A1	P1
6,495,000	90333uuq3	US Bank CD 5.220% Due 10-23-07	100.00	6,495,000.00	100.00	6,494,905.17	117,721.87	6,612,627.05	0.88	5.220	339,039	5.22	A1	P1
15,000,000	06050gl40	Bank of America CD 5.300% Due 11-06-07	100.00	15,000,000.00	100.00	15,000,106.50	276,041.67	15,276,148.17	2.04	5.300	795,000	5.30	A1	P1
20,000,000	06050gq29	Bank of America CD 5.320% Due 11-13-07	100.00	20,000,000.00	100.01	20,002,150.00	144,822.22	20,146,972.22	2.72	5.320	1,064,000	5.32	A1	P1
15,100,000	90333uvx7	US Bank CD 5.320% Due 11-13-07	100.00	15,100,000.00	100.01	15,101,623.25	109,340.78	15,210,964.03	2.06	5.320	803,320	5.32	A1	P1
4,700,000	06050yma6	Bank of America CD 5.360% Due 11-19-07	100.00	4,700,000.00	100.01	4,700,329.00	28,690.89	4,729,019.89	0.64	5.360	251,920	5.36	A1	P1
20,000,000	0727m6ag5	Bayerische Landesbk NY 5.330% Due 11-20-07	100.00	20,000,918.52	100.01	20,002,224.00	216,161.11	20,218,385.11	2.72	5.330	1,066,000	5.33	A1	P1
12,500,000	06050gl81	Bank of America CD 5.260% Due 12-11-07	100.00	12,500,000.00	99.97	12,496,122.50	199,076.39	12,695,198.89	1.70	5.260	657,500	5.26	A1	P1
10,000,000	0556m2d66	BNP Paribas 5.350% Due 12-13-07	100.00	10,000,494.89	99.99	9,998,648.00	163,472.22	10,162,120.22	1.36	5.350	535,000	5.35	A1	P1
11,000,000	06050ymu2	Bank of America CD 5.400% Due 12-17-07	100.00	11,000,000.00	100.05	11,005,390.00	23,100.00	11,028,490.00	1.50	5.400	594,000	5.40	A1+	P1
10,000,000	97180py22	Wilmington Trust Company 5.360% Due 12-27-07	100.00	10,000,463.23	99.99	9,999,154.00	125,066.67	10,124,220.67	1.36	5.360	536,000	5.36	A1	P1
5,100,000	22536fcc5	Credit Industry and Commerce 5.300% Due 01-09-08	99.93	5,096,265.48	99.97	5,098,255.29	198,970.83	5,297,226.12	0.69	5.300	270,300	5.30	A1+	P1
6,800,000	90263kw95	UBS AG Stamford Ct 5.490% Due 02-14-08	100.02	6,801,129.83	100.12	6,808,470.08	17,629.00	6,826,099.08	0.93	5.490	373,320	5.48	A1+	P1
2,500,000	90333uur1	US Bank CD 5.380% Due 06-01-09	100.00	2,500,000.00	101.49	2,537,280.00	46,327.78	2,583,607.78	0.35	5.380	134,500	5.30	A1	P1
				166,573,796.92		166,624,886.87	2,181,728.15	168,806,615.03	22.69		8,855,819	5.31		
<b>COMMERCIAL PAPER</b>														
Not Classified														
4,600,000	02635sx10	American General Finance Corp 4.900% Due 10-01-07	99.96	4,598,121.67	99.94	4,597,342.12	0.00	4,597,342.12	0.63	4.900	225,400	4.90	A1	P1
6,000,000	90262dx42	UBS Finance DE 5.670% Due 10-04-07	99.53	5,971,650.00	99.90	5,994,127.80	0.00	5,994,127.80	0.82	5.670	340,200	5.68	A1	P1

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool A*  
**City General Pool**  
September 30, 2007

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
1,200,000	00137fx98	AIG Funding Inc 5.180% Due 10-09-07	98.09	1,177,035.33	99.83	1,198,003.92	0.00	1,198,003.92	0.16	5.180	62,160	5.19	A1	P1
6,000,000	02635sxx8	American General Finance Corp 5.210% Due 10-19-07	98.52	5,911,430.00	99.69	5,981,473.20	0.00	5,981,473.20	0.81	5.210	312,600	5.23	A1	P1
2,200,000	0660p1y19	Bank of America Corp 5.350% Due 11-20-07	98.59	2,168,940.28	99.25	2,183,547.74	0.00	2,183,547.74	0.30	5.350	117,700	5.39	A1	P1
25,000,000	14177uyw5	Cargill Global Fund 5.490% Due 11-30-07	98.47	24,618,750.00	99.12	24,781,055.00	0.00	24,781,055.00	3.37	5.490	1,372,500	5.54	A1	P1
				<u>44,445,927.28</u>		<u>44,735,549.78</u>	<u>0.00</u>	<u>44,735,549.78</u>	<u>6.09</u>		<u>2,430,560</u>	<u>5.43</u>		
				44,445,927.28		44,735,549.78	0.00	44,735,549.78	6.09		2,430,560	5.43		
<b>GOVT AGENCY DISCOUNT PAPER</b>														
Not Classified														
15,000,000	313588mk8	Fannie Mae 5.160% Due 10-01-07	99.31	14,896,800.00	100.00	15,000,000.00	0.00	15,000,000.00	2.04	5.160	774,000	5.16	AAA	AAA
32,000,000	313588nr2	Fannie Mae 5.070% Due 10-31-07	97.67	31,255,093.06	99.62	31,878,400.00	0.00	31,878,400.00	4.34	5.070	1,622,400	5.09	AAA	AAA
5,000,000	313384ny1	Federal Home Loan Bank 5.120% Due 11-07-07	98.79	4,939,555.56	99.54	4,977,000.00	0.00	4,977,000.00	0.68	5.120	256,000	5.14	AAA	AAA
5,600,000	313396pa5	Freddie Mac 5.045% Due 11-09-07	96.08	5,380,262.22	99.51	5,572,560.00	0.00	5,572,560.00	0.76	5.045	282,520	5.07	AAA	AAA
30,000,000	313396pe7	Freddie Mac 5.060% Due 11-13-07	97.44	29,232,566.67	99.46	29,838,000.00	0.00	29,838,000.00	4.06	5.060	1,518,000	5.09	AAA	AAA
10,000,000	313588qc2	Fannie Mae 5.115% Due 12-05-07	97.50	9,749,933.33	99.19	9,919,000.00	0.00	9,919,000.00	1.35	5.115	511,500	5.16	AAA	AAA
18,900,000	313396qh9	Freddie Mac 5.100% Due 12-10-07	97.43	18,413,845.96	99.13	18,735,570.00	0.00	18,735,570.00	2.55	5.100	963,900	5.14	AAA	AAA
10,000,000	313588rv9	Fannie Mae 5.010% Due 01-15-08	95.14	9,514,308.33	98.70	9,870,000.00	0.00	9,870,000.00	1.34	5.010	501,000	5.08	AAA	AAA
14,660,000	313396uw1	Freddie Mac 4.760% Due 03-28-08	97.04	14,225,803.38	97.82	14,340,412.00	0.00	14,340,412.00	1.95	4.760	697,816	4.87	AAA	AAA
				<u>137,608,168.51</u>		<u>140,130,942.00</u>	<u>0.00</u>	<u>140,130,942.00</u>	<u>19.08</u>		<u>7,127,136</u>	<u>5.09</u>		
				137,608,168.51		140,130,942.00	0.00	140,130,942.00	19.08		7,127,136	5.09		
<b>U.S. GOVERNMENT BONDS</b>														
Not Classified														
10,000,000	912828er7	U.S. Treasury Note 4.375% Due 12-31-07	99.99	9,999,218.75	100.09	10,008,600.00	110,563.86	10,119,163.86	1.36	4.375	437,500	4.37	AAA	AAA
3,000,000	912828dk3	U.S. Treasury Note 3.375% Due 02-15-08	99.33	2,979,843.75	99.72	2,991,562.50	12,931.39	3,004,493.89	0.41	3.375	101,250	3.38	AAA	AAA
15,000,000	912828az3	U.S. Treasury Note 2.625% Due 05-15-08	101.67	15,250,781.25	99.06	14,859,375.00	148,726.22	15,008,101.22	2.02	2.625	393,750	2.65	AAA	AAA
8,000,000	912828ec0	U.S. Treasury Note 4.125% Due 08-15-08	100.21	8,016,796.88	99.99	7,999,360.00	42,146.74	8,041,506.74	1.09	4.125	330,000	4.13	AAA	AAA
15,000,000	912828bk5	U.S. Treasury Note 3.125% Due 09-15-08	99.07	14,860,937.50	99.13	14,869,950.00	20,604.40	14,890,554.40	2.02	3.125	468,750	3.15	AAA	AAA
10,000,000	912828bm1	U.S. Treasury Note 3.125% Due 10-15-08	98.58	9,857,812.50	99.09	9,908,600.00	144,296.45	10,052,896.45	1.35	3.125	312,500	3.15	AAA	AAA
10,000,000	912828bq2	U.S. Treasury Note 3.375% Due 11-15-08	99.37	9,937,500.00	99.33	9,932,812.00	127,479.62	10,060,291.62	1.35	3.375	337,500	3.40	AAA	AAA
10,000,000	912828bt6	U.S. Treasury Note 3.375% Due 12-15-08	99.34	9,934,375.00	99.27	9,927,300.00	99,590.16	10,026,890.16	1.35	3.375	337,500	3.40	AAA	AAA

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool A*  
**City General Pool**  
 September 30, 2007

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
8,000,000	912828eg1	U.S. Treasury Note 3.875% Due 09-15-10	99.03	7,922,656.25	99.61	7,968,749.60	13,626.37	7,982,375.97	1.08	3.875	310,000	3.89	AAA	AAA
5,000,000	912828es5	U.S. Treasury Note 4.250% Due 01-15-11	99.71	4,985,546.88	100.62	5,030,850.00	45,040.76	5,075,890.76	0.68	4.250	212,500	4.22	AAA	AAA
				<u>93,745,468.76</u>		<u>93,497,159.10</u>	<u>765,005.97</u>	<u>94,262,165.07</u>	<u>12.73</u>		<u>3,241,250</u>	<u>3.47</u>		
				93,745,468.76		93,497,159.10	765,005.97	94,262,165.07	12.73		3,241,250	3.47		
<b>FEDERAL HOME LOAN BANK</b>														
Not Classified														
5,000,000	3133xce25	Federal Home Loan Bank 4.125% Due 10-26-07	98.79	4,939,500.00	99.94	4,996,875.00	37,239.58	5,034,114.58	0.68	4.125	206,250	4.13	AAA	AAA
5,000,000	3133xdqw4	Federal Home Loan Bank 5.000% Due 11-23-07	100.00	5,000,000.00	100.00	5,000,000.00	88,888.89	5,088,888.89	0.68	5.000	250,000	5.00	AAA	AAA
5,000,000	3133xe5k1	Federal Home Loan Bank 4.625% Due 01-18-08	99.88	4,994,000.00	99.91	4,995,312.50	46,892.36	5,042,204.86	0.68	4.625	231,250	4.63	AAA	AAA
10,000,000	3133xjr75	Federal Home Loan Bank 5.125% Due 01-24-08	99.88	9,988,000.00	100.06	10,006,250.00	95,381.94	10,101,631.94	1.36	5.125	512,500	5.12	AAA	AAA
10,000,000	3133xakc0	Federal Home Loan Bank 4.500% Due 02-15-08	99.31	9,931,100.00	99.84	9,984,375.00	57,500.00	10,041,875.00	1.36	4.500	450,000	4.51	AAA	Aaa
10,000,000	3133xbfd2	Federal Home Loan Bank 4.500% Due 04-11-08	100.53	10,053,125.00	99.81	9,981,250.00	212,500.00	10,193,750.00	1.36	4.500	450,000	4.51	AAA	AAA
5,000,000	3133xcfh1	Federal Home Loan Bank 3.875% Due 08-22-08	98.20	4,910,000.00	99.31	4,965,625.00	20,989.58	4,986,614.58	0.68	3.875	193,750	3.90	AAA	AAA
6,000,000	3133xhfa5	Federal Home Loan Bank 5.000% Due 10-16-09	99.03	5,941,800.00	100.47	6,028,125.00	137,500.00	6,165,625.00	0.82	5.000	300,000	4.98	AAA	AAA
5,000,000	3133xcvq3	Federal Home Loan Bank 5.000% Due 02-25-10	100.00	5,000,000.00	100.03	5,001,562.50	25,000.00	5,026,562.50	0.68	5.000	250,000	5.00	AAA	AAA
5,000,000	3133xcqz9	Federal Home Loan Bank 4.375% Due 09-17-10	98.80	4,940,000.00	99.78	4,989,062.50	8,506.94	4,997,569.44	0.68	4.375	218,750	4.38	AAA	AAA
6,000,000	3133xk2v6	Federal Home Loan Bank 5.625% Due 03-01-12	99.98	5,998,800.00	100.22	6,013,125.00	28,125.00	6,041,250.00	0.82	5.625	337,500	5.61	AAA	AAA
3,500,000	3133xksc0	Federal Home Loan Bank 5.625% Due 05-08-12	99.88	3,495,800.00	100.12	3,504,375.00	78,203.12	3,582,578.12	0.48	5.625	196,875	5.62	AAA	AAA
15,000,000	3133xkqp3	Federal Home Loan Bank 5.700% Due 05-17-12	99.86	14,979,000.00	100.16	15,023,437.50	318,250.00	15,341,687.50	2.05	5.700	855,000	5.69	AAA	AAA
5,000,000	3133xkwn1	Federal Home Loan Bank 5.700% Due 05-17-12	99.94	4,996,900.00	100.16	5,007,812.50	106,083.33	5,113,895.83	0.68	5.700	285,000	5.69	AAA	AAA
5,650,000	3133xkvg7	Federal Home Loan Bank 5.550% Due 05-30-12	99.81	5,639,547.50	100.16	5,658,828.12	105,396.04	5,764,224.17	0.77	5.550	313,575	5.54	AAA	AAA
2,100,000	3133xky66	Federal Home Loan Bank 5.625% Due 06-14-12	99.80	2,095,758.00	100.22	2,104,593.75	35,109.37	2,139,703.12	0.29	5.625	118,125	5.61	AAA	AAA
				<u>102,903,330.50</u>		<u>103,260,609.37</u>	<u>1,401,566.18</u>	<u>104,662,175.56</u>	<u>14.06</u>		<u>5,168,575</u>	<u>5.01</u>		
				102,903,330.50		103,260,609.37	1,401,566.18	104,662,175.56	14.06		5,168,575	5.01		
<b>FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)</b>														
Not Classified														
4,500,000	31359m2h5	Fannie Mae 5.150% Due 11-21-07	99.95	4,497,705.00	100.03	4,501,406.25	83,687.50	4,585,093.75	0.61	5.150	231,750	5.15	AAA	AAA
20,535,000	31359mu92	Fannie Mae 5.400% Due 02-01-08	100.13	20,561,695.50	100.16	20,567,085.94	184,815.00	20,751,900.94	2.80	5.400	1,108,890	5.39	AAA	Aaa
5,000,000	31359mg49	Fannie Mae 5.000% Due 02-27-08	99.84	4,991,900.00	100.03	5,001,562.50	23,611.11	5,025,173.61	0.68	5.000	250,000	5.00	AAA	AAA

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool A*  
**City General Pool**  
September 30, 2007

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
2,500,000	31398aaf9	Fannie Mae 4.900% Due 11-03-08	99.62	2,490,400.00	100.37	2,509,375.00	50,361.11	2,559,736.11	0.34	4.900	122,500	4.88	AAA	Aaa
5,000,000	31359m5w9	Fannie Mae 5.550% Due 03-15-10	99.99	4,999,500.00	100.22	5,010,937.50	12,333.33	5,023,270.83	0.68	5.550	277,500	5.54	AAA	AAA
2,500,000	31359mc76	Fannie Mae 4.500% Due 06-01-10	98.35	2,458,725.00	100.00	2,500,000.00	37,500.00	2,537,500.00	0.34	4.500	112,500	4.50	AAA	Aaa
3,564,000	3136f73w5	Fannie Mae 5.625% Due 10-20-11	99.97	3,563,109.00	100.03	3,565,113.75	89,656.87	3,654,770.62	0.49	5.625	200,475	5.62	AAA	Aaa
				<u>43,563,034.50</u>		<u>43,655,480.94</u>	<u>481,964.93</u>	<u>44,137,445.87</u>	<u>5.94</u>		<u>2,303,615</u>	<u>5.28</u>		
				43,563,034.50		43,655,480.94	481,964.93	44,137,445.87	5.94		2,303,615	5.28		
<b>FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)</b>														
Not Classified														
7,000,000	3128x53m8	Freddie Mac 5.550% Due 04-16-12	99.78	6,984,670.00	100.53	7,037,310.00	178,062.50	7,215,372.50	0.96	5.550	388,500	5.52	AAA	AAA
3,100,000	3128x6ak2	Freddie Mac 5.650% Due 05-23-12	99.94	3,098,140.00	100.68	3,121,142.00	62,275.56	3,183,417.56	0.42	5.650	175,150	5.61	AAA	AAA
				<u>10,082,810.00</u>		<u>10,158,452.00</u>	<u>240,338.06</u>	<u>10,398,790.06</u>	<u>1.38</u>		<u>563,650</u>	<u>5.55</u>		
				10,082,810.00		10,158,452.00	240,338.06	10,398,790.06	1.38		563,650	5.55		
<b>FEDERAL FARM CREDIT BANK - FRMMT</b>														
Not Classified														
10,000,000	31331vmc7	Federal Farm Credit Bank 5.300% Due 12-28-09	100.00	10,000,000.00	100.00	10,000,000.00	136,916.67	10,136,916.67	1.36	5.300	530,000	5.30	AAA	AAA
5,000,000	31331xu42	Federal Farm Credit Bank 5.850% Due 08-08-12	99.95	4,997,500.00	100.12	5,006,250.00	43,062.50	5,049,312.50	0.68	5.850	292,500	5.84	AAA	AAA
				<u>14,997,500.00</u>		<u>15,006,250.00</u>	<u>179,979.17</u>	<u>15,186,229.17</u>	<u>2.04</u>		<u>822,500</u>	<u>5.48</u>		
				14,997,500.00		15,006,250.00	179,979.17	15,186,229.17	2.04		822,500	5.48		
<b>CORPORATE BONDS</b>														
FINANCIAL														
3,525,000	172967bs9	Citigroup Inc 3.500% Due 02-01-08	98.27	3,463,985.88	99.43	3,504,907.50	20,562.50	3,525,470.00	0.48	3.500	123,375	3.52	AA	AA1
5,000,000	149121q3	Caterpillar Finl Svcs Mtns BE 4.350% Due 03-04-09	97.90	4,894,900.00	99.08	4,954,250.00	16,312.50	4,970,562.50	0.67	4.350	217,500	4.39	A	A2
4,400,000	36962gr48	General Electric Capital Corp Mtn Be 4.125% Due 09-01-09	97.43	4,287,096.00	98.60	4,338,224.00	15,125.00	4,353,349.00	0.59	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	7,930,571.10	99.17	8,062,195.80	164,011.46	8,226,207.26	1.10	4.375	355,687	4.41	AA-	A1
5,000,000	88579eab1	3m Company 5.125% Due 11-06-09	100.95	5,047,750.00	101.18	5,058,850.00	103,211.81	5,162,061.81	0.69	5.125	256,250	5.07	AA	AA1
5,000,000	89233pwf9	Toyota Motor Credit Corp 5.125% Due 01-11-11	100.00	5,000,000.00	99.81	4,990,625.00	58,368.06	5,048,993.06	0.68	5.125	256,250	5.13	AAA	AAA
5,000,000	68402lae4	Oracle Corp 5.000% Due 01-15-11	99.13	4,956,750.00	99.78	4,988,900.00	52,777.78	5,041,677.78	0.68	5.000	250,000	5.01	A	A2
1,627,000	172967dh1	Citigroup Inc 5.125% Due 02-14-11	99.79	1,623,518.22	99.81	1,623,876.16	10,886.21	1,634,762.37	0.22	5.125	83,384	5.13	AA	AA1
5,000,000	89233pxq4	Toyota Motor Credit Corp 5.250% Due 03-24-11	100.00	5,000,000.00	99.91	4,995,550.00	5,104.17	5,000,654.17	0.68	5.250	262,500	5.25	AAA	AAA
5,000,000	36962gz56	General Electric Capital Corp 5.500% Due 11-15-11	100.00	5,000,000.00	100.08	5,004,050.00	103,888.89	5,107,938.89	0.68	5.500	275,000	5.50	AAA	AAA

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool A*  
**City General Pool**  
September 30, 2007

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	713448bf4	Pepsico Inc 5.150% Due 05-15-12	99.95	4,997,650.00	101.02	5,050,850.00	92,986.11	5,143,836.11	0.69	5.150	257,500	5.10	A+	AA2
5,000,000	084664au5	Berkshire Hathaway 5.125% Due 09-15-12	99.89	4,994,350.00	99.89	4,994,350.00	8,541.67	5,002,891.67	0.68	5.125	256,250	5.13	AAA	AAA
				<u>57,196,571.20</u>		<u>57,566,628.46</u>	<u>651,776.14</u>	<u>58,218,404.60</u>	<u>7.84</u>		<u>2,775,196</u>	<u>4.82</u>		
				57,196,571.20		57,566,628.46	651,776.14	58,218,404.60	7.84		2,775,196	4.82		
<b>VARIABLE RATE SECURITIES</b>														
Not Classified														
3,612,000	41659eaf4	Hartford Life Global Fund 3.440% Due 03-15-08	99.31	3,587,077.20	98.33	3,551,824.08	5,522.22	3,557,346.30	0.48	3.440	124,250	3.50	AA-	AA3
5,000,000	61745etc5	Morgan Stanley 4.710% Due 09-02-08	100.00	5,000,000.00	98.75	4,937,500.00	18,970.83	4,956,470.83	0.67	4.710	235,500	4.77	AA-	AA3
5,000,000	3133xc6f5	Federal Home Loan Bank 5.250% Due 06-30-10	100.00	5,000,000.00	100.66	5,033,150.00	729.17	5,033,879.17	0.69	5.250	262,500	5.22	AAA	AAA
3,000,000	59018yw11	Merrill Lynch & Co. 4.114% Due 12-14-10	100.00	3,000,000.00	89.00	2,670,000.00	5,747.77	2,675,747.77	0.36	4.114	123,408	4.62	A+	AA3
				<u>16,587,077.20</u>		<u>16,192,474.08</u>	<u>30,969.99</u>	<u>16,223,444.07</u>	<u>2.20</u>		<u>745,658</u>	<u>4.60</u>		
				16,587,077.20		16,192,474.08	30,969.99	16,223,444.07	2.20		745,658	4.60		
<b>TOTAL PORTFOLIO</b>				<b>731,349,496.21</b>		<b>734,474,243.94</b>	<b>5,933,328.58</b>	<b>740,407,572.53</b>	<b>100.00</b>		<b>36,248,137</b>	<b>4.94</b>		