

**City of Sacramento  
Treasurer's Office**

Thomas P. Friery, City Treasurer

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

**Monthly Review – January 2007**

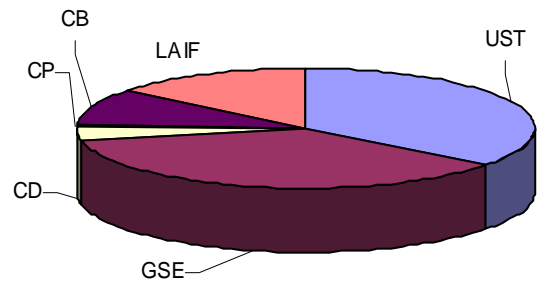
**STRATEGY**

The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the 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	\$274,028,400
Earned Interest Yield for the Month	4.83%
Weighted Average Maturity (Yrs)	1.2
Estimated Duration (Yrs)	1.1
Historical Book Value	\$283,191,501
Month-End Market Value	\$285,445,589
Percent of Market to Book Value	100.80%

**PORTFOLIO BY ASSET CLASS**



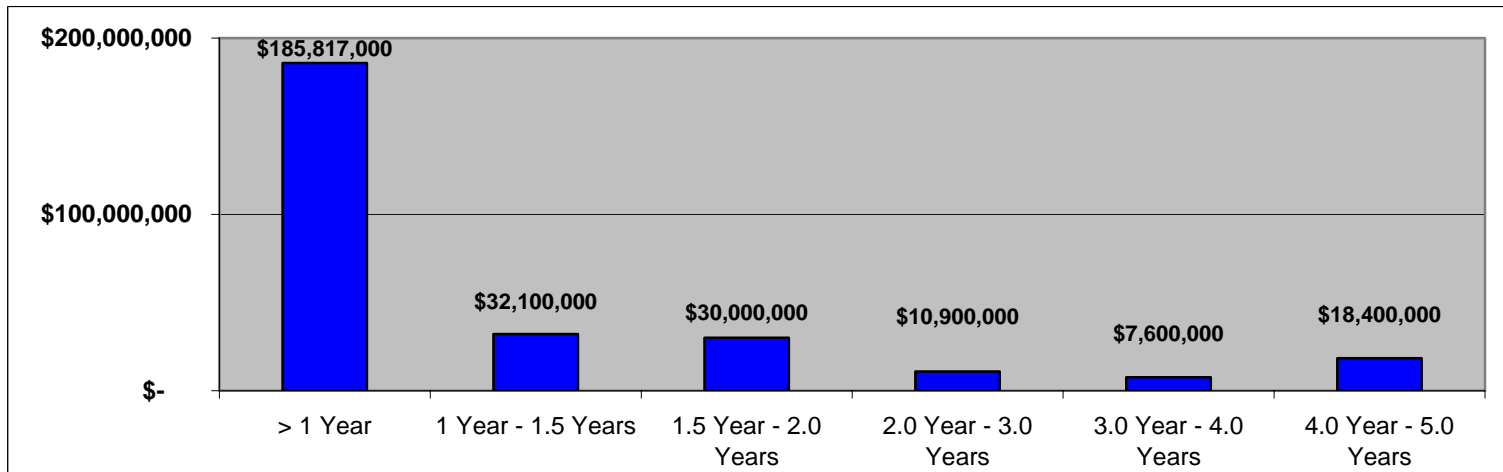
External third party Investment Managers

State Treasurer's Office (LAIF)	\$ 39,799,000
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**MATURITY SCHEDULE (POOL D)**

Maturity	Face	%
> 1 Year	\$ 185,817,000	65.24%
1 Year - 1.5 Years	\$ 32,100,000	11.27%
1.5 Year - 2.0 Years	\$ 30,000,000	10.53%
2.0 Year - 3.0 Years	\$ 10,900,000	3.83%
3.0 Year - 4.0 Years	\$ 7,600,000	2.67%
4.0 Year - 5.0 Years	\$ 18,400,000	6.46%
<b>Total</b>	<b>\$ 284,817,000</b>	<b>100.00%</b>

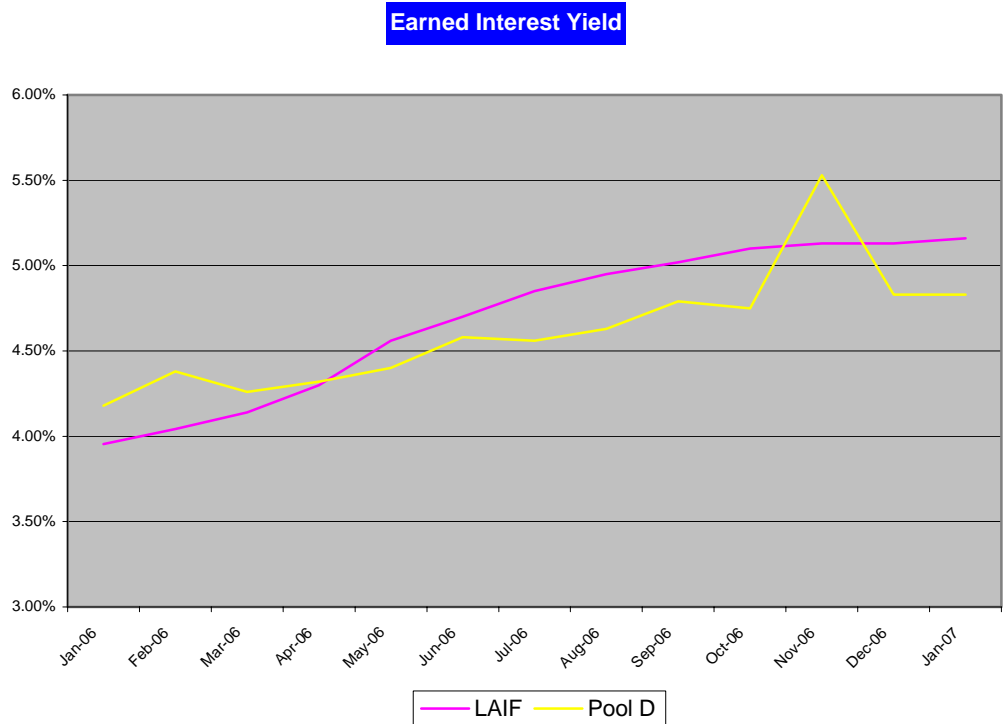
Investment Description	Portfolio at Cost	Yield at Month End
<b>US Agency and Treasury Notes:</b>		
US Treasury Notes (UST)	35.64%	4.18%
US Agency Notes (GSE)	36.21%	4.86%
<b>Subtotal Agency/Notes</b>	<b>71.85%</b>	<b>4.52%</b>
<b>Commercial Paper (CP)</b>	<b>0.05%</b>	<b>5.23%</b>
<b>Certificates of Deposit (CD)</b>	<b>3.79%</b>	<b>5.26%</b>
<b>LAIF</b>	<b>14.10%</b>	<b>5.18%</b>
<b>Corporate Bonds (CB)</b>	<b>10.21%</b>	<b>4.67%</b>



## MONTHLY HIGHLIGHTS

U.S. fixed income markets posted losses after interest rates increased across the yield curve. Even though the data on inflation and GDP were benign, the FOMC's decision to leave the federal funds rate unchanged at 5.25% disappointed the fixed income markets. The City received \$6.7 million in property tax revenue from the county at the end of the month. These funds were invested in one-year Treasury and agency securities with an average yield of 5.25% where we could maintain the Pool's flexibility given the uncertainty of the Federal Reserve's policy, and find some yield.

Earned Interest Yield		
Month	Pool D	LAIF
Jan-06	4.18%	3.96%
Feb-06	4.38%	4.04%
Mar-06	4.26%	4.14%
Apr-06	4.32%	4.30%
May-06	4.40%	4.56%
Jun-06	4.58%	4.70%
Jul-06	4.56%	4.85%
Aug-06	4.63%	4.95%
Sep-06	4.79%	5.02%
Oct-06	4.75%	5.10%
Nov-06	5.53%	5.13%
Dec-06	4.83%	5.13%
Jan-07	4.83%	5.16%



## SHRA LOCAL MONEY

Pool	Begin Balance	Withdrawal	Interest Earned	End Balance	Rate of Return
J	\$ 7,186,190	\$ (27,269)	\$ 27,545	\$ 7,189,465	4.68%
L	\$ 27,000,763	\$ (102,012)	\$ 103,491	\$ 27,002,242	4.68%
M	\$ 2,535,646	\$ (10,406)	\$ 10,381	\$ 2,535,621	4.83%
N	\$ 6,819,369	\$ (27,985)	\$ 27,918	\$ 6,819,303	4.83%
Q	\$ 43,225,953	\$ (177,386)	\$ 176,965	\$ 43,225,532	4.83%
R	\$ 72,694,812	\$ (298,318)	\$ 297,608	\$ 72,694,102	4.83%
S	\$ 5,375,886	\$ (22,061)	\$ 22,009	\$ 5,375,834	4.83%
T	\$ 2,781,329	\$ (11,414)	\$ 11,387	\$ 2,781,302	4.83%
U	\$ 13,617,058	\$ (57,298)	\$ 55,746	\$ 13,615,506	4.83%
V	\$ 9,096,510	\$ (37,329)	\$ 37,241	\$ 9,096,421	4.83%

\*Balances represent market values at month end.

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool D*  
**SHRA Local Money**  
*January 31, 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>														
	laifd	Local Agency Investment Fund, Pool D		39,799,000.00		39,799,000.00		39,799,000.00	14.06	5.253	2,090,641	5.25		
	miscintrec	Misc Interest Receivable		183,132.03		183,132.03		183,132.03	0.06	4.000	7,325	4.00		
	nattsy	Nations Treasury Fund		1,677.55		1,677.55		1,677.55	0.00	3.970	67	3.97		
				<u>39,983,809.58</u>		<u>39,983,809.58</u>		<u>39,983,809.58</u>	14.12		<u>2,098,033</u>	<u>5.25</u>		
<b>CERTIFICATES OF DEPOSIT</b>														
3,000,000	90333utf9	US Bank CD 5.260% Due 04-03-07	100.00	3,000,000.00	99.99	2,999,632.80	12,711.67	3,012,344.47	1.06	5.260	157,800	5.26	A1	P1
4,600,000	90333uth5	US Bank CD 5.260% Due 04-10-07	100.00	4,600,000.00	99.99	4,599,421.32	14,786.44	4,614,207.76	1.62	5.260	241,960	5.26	A1+	P1
3,100,000	90333utm4	US Bank CD 5.300% Due 07-23-08	100.00	3,100,000.00	100.77	3,123,865.97	4,563.89	3,128,429.86	1.10	5.300	164,300	5.26	A1	P1
				<u>10,700,000.00</u>		<u>10,722,920.09</u>	<u>32,062.00</u>	<u>10,754,982.09</u>	<u>3.79</u>		<u>564,060</u>	<u>5.26</u>		
<b>COMMERCIAL PAPER</b>														
	Not Classified													
150,000	00137fp14	AIG Funding Inc 5.230% Due 02-01-07	99.99	149,978.21	99.98	149,975.11	0.00	149,975.11	0.05	5.230	7,845	5.23	A1	P1
				<u>149,978.21</u>		<u>149,975.11</u>	<u>0.00</u>	<u>149,975.11</u>	<u>0.05</u>		<u>7,845</u>	<u>5.23</u>		
<b>GOVT AGENCY DISCOUNT PAPER</b>														
	Not Classified													
2,500,000	313396ed1	Freddie Mac 5.100% Due 04-10-07	97.80	2,445,104.17	98.62	2,465,500.00	0.00	2,465,500.00	0.87	5.100	127,500	5.17	AAA	AAA
2,975,000	313588gf6	Fannie Mae 5.130% Due 05-30-07	97.46	2,899,314.35	98.33	2,925,317.50	0.00	2,925,317.50	1.03	5.130	152,617	5.22	AAA	AAA
9,363,000	313588rb3	Fannie Mae 5.020% Due 12-28-07	95.38	8,930,840.33	95.40	8,932,302.00	0.00	8,932,302.00	3.16	5.020	470,023	5.26	AAA	AAA
				<u>14,275,258.85</u>		<u>14,323,119.50</u>	<u>0.00</u>	<u>14,323,119.50</u>	<u>5.06</u>		<u>750,140</u>	<u>5.24</u>		
				<u>14,275,258.85</u>		<u>14,323,119.50</u>	<u>0.00</u>	<u>14,323,119.50</u>	<u>5.06</u>		<u>750,140</u>	<u>5.24</u>		
<b>U.S. GOVERNMENT BONDS</b>														
	Not Classified													
8,000,000	912828dn7	U.S. Treasury Note 3.375% Due 02-28-07	98.76	7,900,937.50	99.87	7,989,360.00	114,861.88	8,104,221.88	2.82	3.375	270,000	3.38	AAA	AAA
8,000,000	912828ac4	U.S. Treasury Note 4.375% Due 05-15-07	99.98	7,998,125.00	99.78	7,982,500.00	75,414.36	8,057,914.36	2.82	4.375	350,000	4.38	AAA	AAA
2,000,000	912828eb2	U.S. Treasury Note 3.875% Due 07-31-07	99.59	1,991,796.88	99.41	1,988,125.00	214.09	1,988,339.09	0.70	3.875	77,500	3.90	AAA	AAA
6,000,000	912828ef3	U.S. Treasury Note 4.000% Due 08-31-07	99.30	5,957,812.50	99.37	5,962,500.00	102,099.45	6,064,599.45	2.11	4.000	240,000	4.03	AAA	AAA
2,000,000	912828ek2	U.S. Treasury Note 4.250% Due 10-31-07	99.88	1,997,656.25	99.39	1,987,740.00	21,837.02	2,009,577.02	0.70	4.250	85,000	4.28	AAA	AAA
18,000,000	912828ep1	U.S. Treasury Note 4.250% Due 11-30-07	99.70	17,946,875.00	99.32	17,878,320.00	132,403.85	18,010,723.85	6.32	4.250	765,000	4.28	AAA	AAA
2,000,000	912828eu0	U.S. Treasury Note 4.375% Due 01-31-08	99.34	1,986,875.00	99.34	1,986,720.00	241.71	1,986,961.71	0.70	4.375	87,500	4.40	AAA	AAA
10,000,000	912828at7	U.S. Treasury Note 3.000% Due 02-15-08	97.09	9,709,375.00	97.94	9,794,100.00	138,586.96	9,932,686.96	3.46	3.000	300,000	3.06	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**  
 January 31, 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
6,000,000	912828dt4	U.S. Treasury Note 3.750% Due 05-15-08	98.47	5,908,125.00	98.44	5,906,700.00	48,480.66	5,955,180.66	2.09	3.750	225,000	3.81	AAA	AAA
2,500,000	912828fm7	U.S. Treasury Note 5.000% Due 07-31-08	100.23	2,505,664.06	100.01	2,500,300.00	345.30	2,500,645.30	0.88	5.000	125,000	5.00	AAA	AAA
9,000,000	912828ec0	U.S. Treasury Note 4.125% Due 08-15-08	99.31	8,938,125.00	98.80	8,892,090.00	171,501.36	9,063,591.36	3.14	4.125	371,250	4.18	AAA	AAA
9,000,000	912828e10	U.S. Treasury Note 4.375% Due 11-15-08	99.92	8,992,968.75	99.01	8,911,080.00	84,841.16	8,995,921.16	3.15	4.375	393,750	4.42	AAA	AAA
2,000,000	912828bt6	U.S. Treasury Note 3.375% Due 12-15-08	97.08	1,941,562.50	97.27	1,945,312.40	8,901.10	1,954,213.50	0.69	3.375	67,500	3.47	AAA	AAA
				<u>83,775,898.44</u>		<u>83,724,847.40</u>	<u>899,728.90</u>	<u>84,624,576.30</u>	<u>29.58</u>		<u>3,357,500</u>	<u>4.01</u>		
				83,775,898.44		83,724,847.40	899,728.90	84,624,576.30	29.58		3,357,500	4.01		
<b>FEDERAL HOME LOAN BANK</b>														
Not Classified														
5,000,000	3133mmxx6	Federal Home Loan Bank 5.375% Due 02-15-07	99.91	4,995,490.15	100.00	5,000,000.00	123,923.61	5,123,923.61	1.77	5.375	268,750	5.37	AAA	AAA
7,000,000	3133xdgl9	Federal Home Loan Bank 4.250% Due 04-16-07	99.14	6,939,680.00	99.78	6,984,687.50	86,770.83	7,071,458.33	2.47	4.250	297,500	4.26	AAA	AAA
5,000,000	3133mmpq8	Federal Home Loan Bank 4.875% Due 05-15-07	99.47	4,973,360.00	99.87	4,993,750.00	51,458.33	5,045,208.33	1.76	4.875	243,750	4.88	AAA	AAA
5,000,000	3133xadm24	Federal Home Loan Bank 4.500% Due 05-21-07	99.70	4,984,800.00	99.75	4,987,500.00	43,750.00	5,031,250.00	1.76	4.500	225,000	4.51	AAA	AAA
9,500,000	3133xbsu0	Federal Home Loan Bank 3.875% Due 06-08-07	100.21	9,520,187.84	99.50	9,452,500.00	54,196.18	9,506,696.18	3.34	3.875	368,125	3.89	AAA	AAA
5,000,000	3133xfwq5	Federal Home Loan Bank 5.250% Due 06-18-07	99.81	4,990,700.00	99.97	4,998,437.50	31,354.17	5,029,791.67	1.77	5.250	262,500	5.25	AAA	AAA
2,000,000	3133xfzb5	Federal Home Loan Bank 5.500% Due 06-21-07	99.96	1,999,200.00	100.06	2,001,250.00	12,222.22	2,013,472.22	0.71	5.500	110,000	5.50	AAA	AAA
4,000,000	3133xcfd0	Federal Home Loan Bank 4.000% Due 07-13-07	98.46	3,938,240.00	99.37	3,975,000.00	8,000.00	3,983,000.00	1.40	4.000	160,000	4.03	AAA	AAA
3,000,000	3133x82v3	Federal Home Loan Bank 3.375% Due 09-14-07	98.53	2,955,810.00	98.87	2,966,250.00	38,531.25	3,004,781.25	1.05	3.375	101,250	3.41	AAA	AAA
2,000,000	3133xce25	Federal Home Loan Bank 4.125% Due 10-26-07	98.79	1,975,800.00	99.19	1,983,750.00	1,145.83	1,984,895.83	0.70	4.125	82,500	4.16	AAA	AAA
2,000,000	3133xe5k1	Federal Home Loan Bank 4.625% Due 01-18-08	99.88	1,997,600.00	99.37	1,987,500.00	3,340.28	1,990,840.28	0.70	4.625	92,500	4.65	AAA	AAA
3,000,000	3133xbfd2	Federal Home Loan Bank 4.500% Due 04-11-08	100.53	3,015,937.50	99.16	2,974,687.50	41,250.00	3,015,937.50	1.05	4.500	135,000	4.54	AAA	AAA
2,000,000	3133x1xc6	Federal Home Loan Bank 3.625% Due 11-14-08	97.82	1,956,434.00	97.47	1,949,375.00	15,506.94	1,964,881.94	0.69	3.625	72,500	3.72	AAA	AAA
2,500,000	3133xgeq3	Federal Home Loan Bank 5.250% Due 08-05-09	100.36	2,508,975.00	100.41	2,510,156.25	65,260.42	2,575,416.67	0.89	5.250	131,250	5.23	AAA	AAA
2,000,000	3133xg4n1	Federal Home Loan Bank 6.000% Due 06-29-11	100.27	2,005,460.00	100.22	2,004,375.00	10,666.67	2,015,041.67	0.71	6.000	120,000	5.99	AAA	Aaa
				<u>58,757,674.49</u>		<u>58,769,218.75</u>	<u>587,376.74</u>	<u>59,356,595.49</u>	<u>20.76</u>		<u>2,670,625</u>	<u>4.54</u>		
				58,757,674.49		58,769,218.75	587,376.74	59,356,595.49	20.76		2,670,625	4.54		

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

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool D*  
**SHRA Local Money**  
 January 31, 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>FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)</b>														
Not Classified														
5,000,000	31359m2h5	Fannie Mae 5.150% Due 11-21-07	99.89	4,994,300.00	99.87	4,993,750.00	50,069.44	5,043,819.44	1.76	5.150	257,500	5.16	AAA	AAA
2,000,000	31359mg49	Fannie Mae 5.000% Due 02-27-08	99.84	1,996,760.00	99.72	1,994,375.00	42,777.78	2,037,152.78	0.70	5.000	100,000	5.01	AAA	AAA
2,500,000	3136f5c90	Fannie Mae 5.200% Due 06-02-08	100.00	2,500,000.00	99.84	2,496,093.75	21,305.56	2,517,399.31	0.88	5.200	130,000	5.21	AAA	Aaa
5,400,000	31359mh97	Fannie Mae 5.280% Due 02-27-09	99.94	5,396,760.00	100.00	5,400,000.00	121,968.00	5,521,968.00	1.91	5.280	285,120	5.28	AAA	Aaa
2,000,000	3136f73w5	Fannie Mae 5.625% Due 10-20-11	99.97	1,999,500.00	99.50	1,990,000.00	31,562.50	2,021,562.50	0.70	5.625	112,500	5.65	AAA	Aaa
				<u>16,887,320.00</u>		<u>16,874,218.75</u>	<u>267,683.28</u>	<u>17,141,902.03</u>	<u>5.96</u>		<u>885,120</u>	<u>5.25</u>		
				16,887,320.00		16,874,218.75	267,683.28	17,141,902.03	5.96		885,120	5.25		
<b>FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)</b>														
Not Classified														
2,000,000	3128x4hx2	Freddie Mac 4.875% Due 08-24-10	100.00	2,000,000.00	98.98	1,979,660.00	42,520.83	2,022,180.83	0.70	4.875	97,500	4.93	AAA	AAA
2,000,000	3128x4p96	Freddie Mac 5.400% Due 03-09-11	99.57	1,991,500.00	99.98	1,999,700.00	42,600.00	2,042,300.00	0.71	5.400	108,000	5.40	AAA	Aaa
6,400,000	3134a4ew0	Freddie Mac 5.875% Due 03-21-11	103.41	6,618,496.00	102.19	6,540,000.00	135,777.78	6,675,777.78	2.31	5.875	376,000	5.75	AA-	AA2
				<u>10,609,996.00</u>		<u>10,519,360.00</u>	<u>220,898.61</u>	<u>10,740,258.61</u>	<u>3.72</u>		<u>581,500</u>	<u>5.53</u>		
				10,609,996.00		10,519,360.00	220,898.61	10,740,258.61	3.72		581,500	5.53		
<b>CORPORATE BONDS</b>														
FINANCIAL														
3,000,000	89233pyd2	Toyota Motor Credit Corp 5.300% Due 05-01-07	100.00	3,000,000.00	99.93	2,997,780.00	46,375.00	3,044,155.00	1.06	5.300	159,000	5.30	AAA	AAA
2,500,000	59018ywd9	Merrill Lynch & Co 4.250% Due 09-14-07	100.00	2,500,000.00	99.29	2,482,300.00	40,434.03	2,522,734.03	0.88	4.250	106,250	4.28	AA-	AA3
3,000,000	172967bs9	Citigroup Inc 3.500% Due 02-01-08	98.27	2,948,073.09	98.22	2,946,660.00	52,500.00	2,999,160.00	1.04	3.500	105,000	3.56	AA	AA1
3,000,000	635405al7	National City Corp 5.750% Due 02-01-09	100.99	3,029,730.00	101.21	3,036,330.00	86,250.00	3,122,580.00	1.07	5.750	172,500	5.68	A-	A2
2,000,000	89233pwf9	Toyota Motor Credit Corp 5.125% Due 01-11-11	100.00	2,000,000.00	99.07	1,981,480.00	5,979.17	1,987,459.17	0.70	5.125	102,500	5.17	AAA	AAA
1,600,000	38141gef7	Goldman Sachs Group Inc 5.000% Due 01-15-11	98.55	1,576,864.00	98.91	1,582,500.00	3,555.56	1,586,055.56	0.56	5.000	80,000	5.06	AA-	Aa3
3,000,000	89233pxq4	Toyota Motor Credit Corp 5.250% Due 03-24-11	100.00	3,000,000.00	99.38	2,981,310.00	55,562.50	3,036,872.50	1.05	5.250	157,500	5.28	AAA	AAA
3,000,000	36962gz56	General Electric Capital Corp 5.500% Due 11-15-11	100.00	3,000,000.00	100.14	3,004,350.00	34,833.33	3,039,183.33	1.06	5.500	165,000	5.49	AAA	AAA
				<u>21,054,667.09</u>		<u>21,012,710.00</u>	<u>325,489.58</u>	<u>21,338,199.58</u>	<u>7.42</u>		<u>1,047,750</u>	<u>4.99</u>		
				21,054,667.09		21,012,710.00	325,489.58	21,338,199.58	7.42		1,047,750	4.99		

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

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Pool D*  
**SHRA Local Money**  
*January 31, 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>TREASURY BILLS</b>														
Not Classified														
17,430,000	912795zj3	U. S. Treasury Bill 4.915% Due 05-31-07	97.52	16,996,898.39	98.36	17,143,625.10	0.00	17,143,625.10	6.06	4.915	856,684	5.00		AAA
				16,996,898.39		17,143,625.10	0.00	17,143,625.10	6.06		856,684	5.00		
<b>VARIABLE RATE SECURITIES</b>														
Not Classified														
3,000,000	61745etc5	Morgan Stanley 4.770% Due 09-02-08	100.00	3,000,000.00	98.76	2,962,890.00	11,527.50	2,974,417.50	1.05	4.770	143,100	4.83	AA-	AA3
5,000,000	89233ptq9	Toyota Motor Credit Corp 3.121% Due 10-27-08	100.00	5,000,000.00	97.75	4,887,500.00	2,137.67	4,889,637.67	1.73	3.121	156,050	3.19	AAA	AAA
2,000,000	3133xc6f5	Federal Home Loan Bank 4.500% Due 06-30-10	100.00	2,000,000.00	100.84	2,016,740.00	7,750.00	2,024,490.00	0.71	4.500	90,000	4.46	AAA	AAA
				10,000,000.00		9,867,130.00	21,415.17	9,888,545.17	3.49		389,150	3.94		
				10,000,000.00		9,867,130.00	21,415.17	9,888,545.17	3.49		389,150	3.94		
<b>TOTAL PORTFOLIO</b>				<b>283,191,501.05</b>		<b>283,090,934.29</b>	<b>2,354,654.28</b>	<b>285,445,588.56</b>	<b>100.00</b>		<b>13,208,408</b>	<b>4.67</b>		

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