These words are 'core' words or 'high frequency' words. Children need to know them by sight in order to be more fluent readers. The red words are not phonetic (cannot be sounded out) and we teach the children to 'see it - say it'. The black words can be Fred-Talked but it's important they stay in our memory so we 'see it - say it' with these too. You could cut them out and stick them up around the house to practise seeing them and saying them!

he	she		
you	SW		
me	be		
had	his		
that	this		
then	them		