

Nebraska Public Agency Investment Trust

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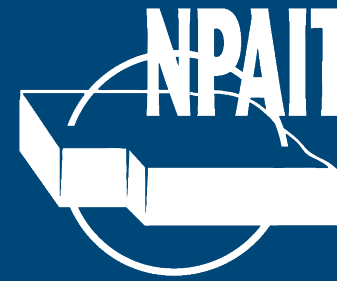
Essays, *continued from page 2*

of the popular vote in the state. Furthermore, each of the three congressional districts are given one elector to award the winner of the popular vote in each respective district. The 2008 election marked the first time in history that Nebraska's electors were split based on this principle. Opponents to this system wish to prevent this from happening again by instituting a winner-take-all method where all five of Nebraska's electors would go to the winner of the popular vote.

This election was historic in many ways and was made even more memorable when a predominantly Republican state gave one of its electoral votes to Senator Barack Obama, a Democrat. Though the majority of Nebraska's electors, four of the five, went to Senator Obama's Republican adversary, Senator John McCain, a majority of the voters in Nebraska's second congressional district voted for the Democrat. This meant that for the first time in forty-four years a Democratic candidate would receive an electoral vote from Nebraska.

Though I'm sure many will disagree with me, I firmly believe the system we now have in place is the fairest to the citizens of Nebraska. We have been told countless times in school, by the media, and by campaigning politicians that our vote counts. However, if a winner-take-all method had been in place in our state, the votes of Nebraska's second congressional district in favor of Senator Obama would not have mattered. Allowing each district to decide who their vote should go to is the closest way to make sure that each person's voice is heard.

It is interesting that in a pre-session survey, 18 of Nebraska's 49 state senators supported Nebraska changing to a winner-take-all method. Change is certainly coming to the United States, and it is needed. However, Nebraska's election method best suits Nebraskans and should not be changed.



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Investment News

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August 2009, Volume XII, Issue 3

2nd Quarter Investment Commentary

by Laurie Mardis, CFA

Senior Vice President and Portfolio Manager, WB Capital Management

The market stabilization which began in the first quarter of 2009 moved into full swing during the second quarter. Treasuries posted negative returns as rates rose, but risk sectors posted positive returns as investors gained confidence in the recovery story. The market recovery is advancing despite mixed results from the economic landscape. Bright spots include rising home sales and the improving ISM manufacturing and service indexes. Additionally, job losses have declined to the slowest pace since September 2008. However, many challenges still remain. Prime and subprime delinquencies both rose and the inventory of foreclosed homes remains elevated. Capacity utilization fell to 68.3% following two straight quarters of GDP contraction. The significant output gap will not be filled until 2012 at the earliest, resulting in stubbornly high unemployment and slack inflation.

The U.S. government continues to be active in fueling market healing. The government's purchase of Agency mortgage-backed securities helped push thirty-year conforming mortgage rates down to the 4.75% range, providing an indirect stimulus to eligible homeowners and buyers. At the conclusion of the quarter, the Obama administration announced a program where Fannie Mae and Freddie Mac will refinance homes with loan-to-value as high as

125%, up from current limits of 105%. And the TARP program continues to be important. Following the Fed's stress test of the largest nineteen financial institutions, a number have elected to return their capital as soon as possible. The list of firms interested in returning capital includes JP Morgan, Goldman Sachs, Morgan Stanley, and US Bank.



The first half of 2009 has been one of reversal in the fixed income markets. The highest yielding and most volatile sectors dramatically outperformed U.S. Treasury issues due in part to a market recovery and massive amounts of anticipated Treasury issuance. However, much work remains to be done and the Fed will not be quick to raise short interest rates and risk cutting down any "green shoots" of activity.

The NPAIT portfolio continues to enjoy high credit quality and safety of principal in this difficult time. Unfortunately, yields available in the money market sector have declined to incredibly low levels with no end in sight. We look forward to the day that rates begin to rise in anticipation of a growing economy. Until then, we continue to place the highest value on safety and liquidity and appreciate the opportunity to provide a high quality yield in this volatile environment.



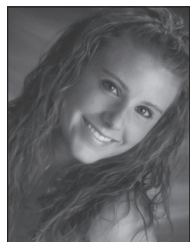
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Essays From the 2009-2010 NPAIT Academic Scholarship Recipients

The following are essays of the 2009-2010 NPAIT Academic Scholarship recipients. The opinion(s) of Katelyn Moravec and Michael Sholes are not necessarily the opinion(s) of NPAIT, the NPAIT Board of Trustees, or the NPAIT Service Providers.

A New American Era

by Katelyn Moravec



Over the decades, our country has overcome crisis after crisis and has gone through changes that have led to much controversy. Even if we don't agree with some of these alterations, we as American have to be prepared to deal with them for the good of our country. With President-Elect Obama soon in the hot seat, even more changes will be coming our way.

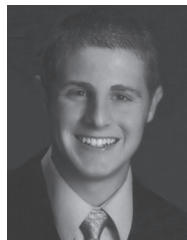
Just as Dr. Martin Luther King, Jr. would have wanted, we are slowly paving the way for all men to be treated equally by inaugurating Barack Obama as the next United States President. It shouldn't matter what he looks like or where he's from and we shouldn't judge him by his ethnicity. What matters the most is that he does his job to the best of his ability and meets the needs of the United States and his fellow Americans. In order to keep peace in our country, people will have to learn to live with his decisions and actions. As citizens, we need to trust that he will do everything in his power to better this country, no matter what obstacles he may face. It is imperative to give him a chance to show his leadership and not belabor over the racial aspects of someone who could become one of the greatest leaders of our time.

Whether we know it or not, we are coming upon the dawn of a new era; a time where the color of people's skin or country in which they live no longer

matters. By electing Barack Obama as President of the United States, we are taking a huge step toward equality. Hopefully we will come together as one, working toward peace among all races. This is my vision for the future and what I see as an emerging new era for America.

Winner Take All?

by Michael Sholes



"Either they ought to be like us, or we ought to be like the system was set up." These are the words of Nebraska Governor Dave Heineman when asked about whether or not Nebraska should conform to the forty-eight states in the Union that utilize the winner-take-all method in casting electoral votes for President. There has been speculation recently in both the state and the national media as to whether or not Nebraska will change the way that its citizens' votes are counted. While I agree with Governor Heineman that we should be consistent with voting practices throughout the United States, I believe the fairest and most democratic method of casting electoral votes is the system that Nebraska currently has in place.

The United States Constitution provides for each state legislature to establish how to cast electoral votes for President. Nebraska and Maine are unique from every other state in the Union in that they have the option of splitting electoral votes based on the popular vote of each congressional district. Nebraska gives two of its five electors to the overall winner

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NPAIT News

Congratulations to the following Participants...

The City of La Vista received the Safe Communities Award and a grant of \$500 on May 13th at the Annual Safety and Health Summit – "Awards and Sustenance", at the Qwest Center in Omaha.

The City of Lincoln received an "Award of Honor with Distinction" on May 13th at the Annual Safety and Health Summit – "Awards and Sustenance", at the Qwest Center in Omaha from the National Safety Council. The award was presented for outstanding occupational health program results and achievement for eleven consecutive years.

The City of Lincoln received a 2008 Star Performance Award on April 15th at the Nebraska Safety Conference and Exposition in Lincoln. The award was presented in recognition for the City of Lincoln's record in the areas of injury prevention and safety policies and practices.

The City of Schuyler received \$250,000 in Community Development Block Grant from the Nebraska Department of Economic Development. The City of Schuyler is using these funds to build a new 500,000 gallon elevated water storage facility. The Schuyler Board of Public Works is contributing an additional \$600,000. The Nebraska Department of Health and \$2,537,500 from the Human Services' Safe Drinking Water State Revolving Loan fund will complete the project of updating the existing city's water system.

Monthly Comparison of NPAIT and Other Short-Term Funds

Month	NPAIT	91-Day T-Bill	Fed U.S. Treas. – Cash	Goldman Sachs	iMoneyNet Monthly Avg.
04-2009	0.47%	0.25%	0.44%	0.47%	0.09%
05-2009	0.39%	0.17%	0.33%	0.32%	0.07%
06-2009	0.35%	0.19%	0.26%	0.30%	0.06%

Past performance does not guarantee future results.



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