April 2009

IPASeducator

A newsletter published for Iowa schools by IPASeducation

Investment Commentary - By Laurie Mardis

The fixed income markets stabilized somewhat during the first quarter as investors evaluated the government's fiscal and monetary stimulus plans in light of deteriorating economic indicators. U.S. Treasury yields rose and most fixed income risk sectors outperformed, giving investors hope that the darkest days will soon pass. However, money market investments continue to offer minimal yields reflecting both aggressive monetary policy and the significant flight to quality in the short term markets.

Volatility marked the quarter once again with both bond and equity prices falling dramatically through the beginning of March and then recovering substantially by quarter end. The Standard & Poor's 500 Index fell through the beginning of March as economic indexes continued to deteriorate, but turned up when Citigroup and Bank of America announced they were profitable during the first two months of the year. Uncharacteristically, the bond market mirrored the equity market on a smaller scale as the ten-year Treasury fell on investor concerns about rising Treasury supply but turned up when the Fed announced plans to buy large amounts of Treasurys in an effort to lower interest rates and spur housing-related activity. Treasury rates typically move in a range of roughly 1.00 percent in any given year, but the first quarter reflected an entire year's worth of volatility with the ten-year rate moving in a range of 0.84 percent.

Recent government intervention has given investors plenty to consider. Several new programs were enacted during the quarter to enhance market liquidity and address "toxic assets" in the system. The Treasury opened the Term Asset-Backed Securities Loan Facility (TALF) program in March to allow banks to use securities backed by auto loans, credit card receivables, and other consumer loans as collateral when borrowing from the Federal Reserve. The program is expected to improve liquidity for banks and boost lending activity. Announcement of the Treasury's Public/Private Investment Partnership (PPIP) underscored the Treasury's focus on moving distressed assets off bank balance sheets, but renewed skepticism that banks will be willing to sell these assets at the severely depressed prices expected. Unfortunately, Congressional inquiry into bonuses paid at post-bailout AIG has made investors nervous about the PPIP as they worry about the government's willingness to change the rules in the middle of the game. The pending collapse of the domestic auto industry may provide yet another twist to the story if the government writes new rules to bail out the companies instead of using existing bankruptcy law to restructure.

The ultimate goal of the various forms of intervention is to stimulate economic activity and rebuild flagging confidence. Although the inflationary impact of this stimulus may not be felt for a while, the sheer amount of Treasury issuance necessary to support this level of spending should eventually result in higher interest rates.

The portfolio has taken advantage of various government interventions to improve safety and boost yield. Investments in Fannie Mae and Freddie Mac have improved in credit quality with the federal government placing them into conservatorship. There are signs that the first quarter may represent the worst of the economic crisis as consumer spending stabilized after dropping precipitously in 2008 and home sales advanced. However, this may not translate into higher money market yields until year end or later when the Federal Reserve must deal with the impact of enormous Treasury issuance. We continue to look for opportunities to add yield while focusing on our primary considerations of safety and liquidity. We are pleased to continue providing top-notch service in this difficult environment.

If you have any questions please feel free to contact IPASeducation at 866-720-2995.

Comparative Analysis

Fed Funds remained at zero percent to 0.25 percent throughout the first quarter and Treasury securities ranged from 0.12 percent (3-month) to 2.83 percent (10-year). Comparative information including the IPASeducation Money Market Fund yield, the iMoneyNet benchmark index, 6-month CD's, and various U.S. Treasuries follows:

Investment Type	April 16, 2009
IPASeducation Institutional Money Market Fund	0.38%
Seven-day yield (the 7-day SEC yield quotation more closely reflects the current earnings of the Money Market Fund)	0.42%
Average 6-month CD placed through IPASeducation**	1.15%
iMoneyNet Yield (comparable money market index)***	0.07%

Investment Type	April 16, 2009
Federal Funds (overnight rate)	0-0.25%
3-month Treasury Bill*	0.12%
6-month Treasury Bill*	0.31%
2-year Treasury Note*	0.90%
5-year Treasury Note*	1.77%

*Government bonds and Treasury Bills are guaranteed as to the timely payment of principal and interest, if held to maturity.

**Bank CD's are insured by the FDIC up to $100,000

***iMoneyNet is a leading provider of Money Market Fund data.

Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund. **Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please visit www.IPASeducation.org.**

Money market yields are reported daily on www.IPASeducation.org. CD's and other securities may be seen by clicking on the Fixed Rate Investments tab. Please call if you would like to discuss IPASeducation returns or other investments in more detail.

Overview - by Bryant Sheriff

Program Overview

The difficult first quarter of 2009 is finally behind us, but the Recession and turbulent economy is still front page news every morning. Rates on liquid accounts have fallen throughout the first three months, which is not news to anyone, but comparing rates from all your depositories is prudent during these unprecedented times. It is hard not to place all your funds in the highest yielding account, but diversifying your funds is fiscally responsible and following your investment policy will help in this situation.

For a copy of a sample investment policy please contact us toll free at 866-720-2995. We encourage you to visit the www.IPASeducation.org site where you can compare the daily liquid pool rate to your other investment options.

Upcoming Events

No upcoming events for this quarter, but please let me know if there are other conferences or training seminars where vendors like IPASeducation can contribute.

Contact IPASeducation

If you would like to schedule a meeting in person, or have any questions or concerns about the IPASeducation program, feel free to contact me. On behalf of the IPASeducation program, thank you and I hope to see you soon.

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