

Metropolitan Water Reclamation District Retirement Fund

Minutes Board of Trustees March 23, 2011

The regular meeting of the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund was held March 23, 2011. Joseph Kennedy, President called the meeting #1058 to order at 10:00 a.m. in the Metropolitan Water Reclamation District of Greater Chicago Board Room at 100 E. Erie Street, Chicago, Illinois.

Trustees present: Joseph F. Kennedy, Barbara McGowan, John P. Dalton, Robert T. Regan, and Joseph W. Rose.

Staff present: Susan Boutin (*Executive Director*), Mary Wilson (*Supervising Benefits Analyst*), George Kirie (*Financial Analyst*), and Vitaliy Bunimovich (*Programmer/Analyst*)

Investment Managers present: Len A. Haussler, and Kevin P. Whelan of Opus Capital Management; Kitty Swenson Wasatch Advisors; Mike Lammers and Grant Bughman of UBS Global Asset.

Also present: Ivory Day, Gray & Co. (*Investment Consultant*) and Mary Ann Boyle (*Assistant Treasurer MWRDGC*), and Members of the Public.

Regular Business:

Approval of Minutes

A motion was made by Mr. Regan, seconded by Mr. Dalton, to approve the amended minutes of the Regular Board Meeting held on February 23, 2011. The motion was unanimously approved.

Consent Agenda

Expenses

Administrative expenses to be paid in April 2011 in the amount of \$68,219.90 were presented for approval. The itemized report is on file.

A motion was made by Mr. Dalton, seconded by Mr. Rose, to approve the Administrative Expenses. The motion was unanimously approved.

Regular Business, continued:

Consent Agenda, continued:

Employee Annuitants

There were no new employee annuitants presented for the March 23, 2011 Board Meeting.

Surviving Spouse Annuitants

The applications for two new surviving spouse annuitants with a total monthly annuity benefit of \$6,888.86 was presented with the recommendation that they be approved and granted as follows:

<u>Beneficiary/Annuitant Name</u>	<u>Deceased MWRD Employee</u>	<u>Annuity Begins</u>
Durr, Ira S.	Durr, Joseph O.	02/01/11
Sullivan, Kathleen F.	Sullivan, Daniel F.	03/01/11

A motion was made by Mr. Rose, seconded by Mr. Regan, to approve the Surviving Spouse Annuitant applications. The motion was unanimously approved. The itemized report is on file.

Refunds and Final Payments

The applications for two refunds and final payments in the combined amount of \$146,967.62 were presented with the recommendation that they be approved and granted as listed on the following page:

<u>Employee/Annuitant Name</u>	<u>Retirement Date</u>	<u>Event</u>	<u>Payee</u>
Crane, Martin E.	10/11/10	Refund to Estate	Crane, Jesse R.
Dal Porto, Richard J.	02/02/11	Refund to Estate	Utterback, Margaret A.

A motion was made by Mr. Regan, seconded by Mr. Dalton, to approve the Refunds and Final Payments applications. The motion was unanimously approved.

Regular Business, continued:

Consent Agenda, continued:

Duty Disability

The 33 applications for Duty Disability benefits were presented with the recommendation that they be approved and granted. The itemized report is on file.

Mr. Rose commented that there is a new Hoisting Engineer on Duty Disability, the fourth one since December, out of a total of about 14 such positions, and as such this is a concern. Ms. Boutin reported that some of the new applications were snow (the January blizzard) related, indicating that this has been discussed with the appropriate District personnel and that applications were deemed valid.

A motion was made by Mr. Dalton, seconded by Mr. Rose, to approve the Duty Disability applications. The motion was unanimously approved.

Ordinary Disability

The 11 applications for Ordinary Disability benefits were presented with the recommendation that they be approved and granted. The itemized report is on file.

A motion was made by Mr. Rose, seconded by Mr. Regan, to approve the Ordinary Disability applications. The motion was unanimously approved.

Entire Consent Agenda

Mr. Kennedy conducted a roll call vote on the entire Consent Agenda, which was unanimously approved.

Administrative:

Cash Allocation – May 2011 Annuitant Payroll funding

Recommendation to transfer a maximum of \$9 million from the SSgA Bond Market Index to supplement funds available to cover the May 2011 payroll and expenses estimated to be \$10.0 million.

Mr. Dalton made the motion to transfer a maximum of \$9 million from the SSgA Bond Market Index to supplement funds available to cover the May 2011 payroll and expenses estimated to be \$10 million. Mr. Rose seconded the motion which was unanimously approved by roll call vote.

Speaker Madigan's Letter to Pension Funds

Ms. Boutin reported that on December 30, 2010, Speaker Madigan sent a letter to all Illinois Pension Trustees regarding identifying abuses of local pension systems. A copy of this letter was forwarded to the trustees on January 3rd. Some examples of abuses stated in this letter are longevity bonuses at the end of an employee's service and the inclusion of various perks into the definition of salary which inflates the final average salary resulting in an increased pension. On February 23rd Ms. Boutin received a call from Greg Willis, Speaker Madigan's staffer requesting a copy of the Board discussion or a letter responding to Speaker Madigan's request. Trustees discussed their role as fiduciaries, and stating that our Statutes do not allow an annuity to be based on anything other than salary. Annuity calculations do NOT include termination pay, sick pay, etc., thus eliminating opportunities for pension spiking. Trustees stated they take a strong stand against pension fund abuses and agreed to send a letter to Speaker Madigan responding to his request.

Report on Annual Audit and Actuarial Valuation

Ms. Boutin reported that preliminary work has been completed so that our auditors, Legacy Professionals can complete their reports for year-end 2010 in a timely manner. On March 9th, we received the draft financial statements which were forwarded to Sandor Goldstein to complete his actuarial report. On March 21st, we received the draft actuarial report which is currently being reviewed. This report shows a funded ratio of 56.5%. We hope to have a draft of the financial report by next week.

Administrative, continued:

Retirement Fund Funding Discussions and Requested Projections

Ms. Boutin reported that at the February Board meeting, the Trustees discussed the February 16, 2011 meeting with the District regarding Pension Obligation Bonds. On March 11, 2011, Joseph Kennedy, Kevin Fitzpatrick, Mary Ann Boyle, Eileen McElligott and Sue Boutin met with Carole Brown, who was President of the CTA Board that negotiated the CTA Pension Bond Transaction to discuss issues related to the CTA Bond Transaction. Kevin Fitzpatrick suggested that we obtain additional projections if the District gave the Retirement Fund \$50M for 5 years. At that meeting Trustees also indicated interest in two additional projections which include a projection based on a flat dollar amount that would be needed each year to be 90% funded in 40 years a projection on current funding which would include 2010. Sandor estimated the cost of the 3 projections to be \$3,000. Ms. Boutin reported the District is still discussion Pension Obligation Bonds. (Mary Ann Boyle contacted GRS, Deloitte and the RTA but has not been successful in getting a sample of an RFP regarding this issue.) Trustees discussed possible projections.

Mr. Regan made the motion to have Goldstein & Associates provide three funding projections on the following alternative bases at a cost not to exceed \$3,000. Mr. Dalton seconded the motion and unanimously approved by roll call vote.

1. *Based on the current funding provisions,*
2. *Assuming the employer contributes an additional \$50 million a year for five years, and*
3. *Assuming the employer contributes a flat dollar amount each year in order to attain a 90% funded ratio by the year 2050.*

IT Consulting Services

Ms. Boutin reported on the impending Tier 2 IT Project. Due to the signing of PA 96-0889, which modifies benefits for employees who first become an employee on or after January 1, 2011, computer changes are required to our PBMS system. The Trustees approved a 2011 IT budget to JC Consulting of 592 hours at \$155/hr or a total of \$93,620. JC Consulting is requesting a payment plan which is based on a reduced hourly rate of \$150 or a total project cost of \$90,600 which is a savings of \$3,020.

Mr. Dalton made the motion to accept the payment plan as recommended by JC Consulting for 25% of the total cost of the project or \$22,650 payable April 1st and \$7,550 each month from March to August. The remaining balance would be due upon completion of the Tier 2 project. Mr. Regan seconded the motion which was unanimously approved by roll call vote.

Disaster Recovery and Business Continuity Plan [30-53]

Ms. Boutin reported on the Fund's development of a disaster recovery and business continuity plan.

Recent Events: We are still trying to find the ideal set-up for off-site back up of our data as well as an office space in the event that we could not enter our building. While we often think of a disaster as a rare occurrence such as 9/11, this recently became a very real issue for the County Fund. On March 6, 2011, a fire broke out on the first floor of their building at the Bank of America. While the County Fund did not to have any damage to their office, their offices have been closed for the past two weeks. County was fortunate to have a backup site in Lombard which allowed them to have access to their data to run payrolls and to service the immediate needs of their participants. While this is a rare occurrence, it is an important issue.

Stickney Office: In 2004, the District agreed to give the Credit Union space at the Stickney plant which could be used as a contingency back-up station. The Fund currently has a small area in the Credit Union which is used for counseling and as a back-up site. This site has a small server, 2 old PC's and a safe for direct deposit advices and checks. However the backup server storage space at Stickney is too small for a fully functional recovery. While data can be compressed or backed up off site, a large enough server is required to utilize this data in the event of a disaster.

Options and Challenges: Our goal would be to set up a location which could be tested to ensure business continuity in the event that we could not access our current offices.

New Space: In order to be prepared for events such as the Bank of America fire, I would like to recommend that we ask the Executive Director for new space at Stickney which would allow a skeleton crew to answer phones, run payrolls and meet the immediate needs of our participants.

Administrative, continued:

Disaster Recovery and Business Continuity Plan, continued

Required Equipment: Some of the items needed include a server with the capacity to back up our files, tape drive, 3-4 PC's, printer to print checks and advices, furniture and office supplies..This set up will not ensure complete continuity but a solid transition period.

Vitaliy Bunimovich, Fund IT staff, answered several Trustee questions regarding options. Trustees instructed staff to contact Steve Carmody to discuss a location at the Stickney Plant which might be available and to report to the Board at the April meeting regarding the costs involved.

Trustee & Staff Training and Education

Ms. Boutin reported that there are 6 opportunities for education and training during the months of May and June.

- **P&I Fixed Income Summit** on April 28, 2011 at the Gleacher Center . No cost.
- **P&I Outsourcing CIO's Summit** on May 17, 2011 at the Gleacher Center. No cost
- The **Emerging Manager Summit** will be held at the Swissotel on May 16th & 17th. The plan sponsor rate is \$300.
- The **IMN Public Retirement Systems Summit** will be held on June 1st and 2nd at the Chicago Marriott. The plan sponsor rate is \$95.
- **Northwestern Pension Fund Trustee Continuing Education Course**— Spring 2011 May 16-19, 2011 Full program includes eight modules at a cost of \$400. Individual modules are \$100 each. Modules include: Fundamentals of Pension Fund Administration (Monday AM), Medical/Disability Issues (Monday PM), Accounting for Pension Fund Trustees (Tuesday AM), Legal Issues (Tuesday PM), Actuarial Issues (Wednesday AM), Pension Fund Trustee Ethics (Wednesday PM), Fixed Income and Equity Investing (Thursday AM) and Current Topics in Pension Fund Administration (Thursday PM)
- **IFEFP CAPPP** Part 1 Pensions will be held on June 14th and 15th and Part 2 will be held June 16th^h and 17th in Chicago. Cost is \$925 for members. Recommendation for Ksenija and Vrinda to attend Part II.

Trustees indicated their interest in these various seminars and Ms. Boutin will follow up with registration.

Legal and Legislative:

Report on status of legislation

Ms. Boutin read a recent email from Fund lobbyist Tom Walsh regarding current climate regarding pension reforms in Springfield. She reported on HB 3344:

- HB 3344 sponsored by Rep. Kevin McCarthy. Referred to Rules Committee on 3/17/2011. According to Tom Walsh, Speaker Madigan stated that he will not pass any pension bills. At this point, it is difficult to tell whether the Senate will approve a bill for current employees.

Other legal related discussion

Ms. Boutin gave an update as to the reporting the Fund is receiving from the three Securities Monitoring firms that were contracted last fall. She also reported that some of the firms are not able to get the historical transaction data from Bank of New York Mellon, which is limiting their reporting. Ms. Kulkarni will be continuing to work on getting these firms the data they need, and will be able to report details to the Board shortly.

Investment Reports:

Reports by Staff

Mr. Kirie gave summaries of the first quarter 2011 performance of the three investment managers that will present today; Opus Capital Management, Wasatch Advisors and UBS Global Asset Management. Mr. Kirie then reviewed the Bank of New York Mellon Custodian reports, which showed Fund assets at \$1.095B at 2/28/11. The asset rebalancing schedule showed assets at \$1.059B at 3/18/11.

Emerging Manager Large Cap Value (LCV) and Large Cap Growth (LCG) Presentations

Ms. Boutin reported that the emerging manager presentations will be heard Tuesday March 29, 2011 at 9:00 a.m. in the MWRD Board Room. Agenda is included in Trustee packets.

Investment Consultant Search

Ms. Boutin reported that the Fund's investment consultant contract expires June 30, 2011. Mr. Kirie reported that there were 7 responders to the Investment Consultant RFP. He presented a worksheet summarizing characteristics of the responding firms, and made the recommendation to interview three of the firms. Trustees discussed expectations of level of service from an investment consultant.

Ms. McGowan made the motion to hear presentations from the three recommended investment consulting firms who responded to the RFP, NEPC LLC, Callan Associates Inc, and Gray & Co. Mr. Regan seconded the motion which was unanimously approved by roll call vote.

The consultant presentations will be held on April 20, 2011 following the April Board meeting.

Reports by Investment Managers:

Presentations were made of first quarter 2011 performance reports by the Funds investment managers as follows:

- Mr. Len Haussler and Mr. Kevin Whelan of Opus Capital Management
- Ms. Kitty Swenson of Wasatch Advisors
- Mr. Mike Lammers and Mr. Grant Bughman of UBS Global Asset Management

Other Investment related discussion

Mr. Ivory Day commented on an article in Pension & Investments magazine by Wilshire Associates about actuarial return assumptions of 126 public plans, and gave the Trustees a rebuttal of the article to review at their leisure. He recapped the Emerging Manager searches, stating that we are in the process of winding down the LCV and LCG searches, and that the RFP's for MCV and MCG are posted. At a later date the Fund will perform SCV and SCG Emerging Manager searches. Mr. Day presented a quantitative analysis of the LCV and LCG finalists chosen at the February Board Meeting, from which the Fund will select two managers from each (LCV and LCG) of the groups of five finalists. The quantitative analysis presented pairings of possible choices and analyzed performance of each. Finalist presentations will be heard on Tuesday March 29, 2011. Mr. Day addressed Trustee questions.

Mr. Day went on to discuss the asset allocation rebalancing schedule as of March 18, pointing out the 5.9% overweight in equities and the 5.9% underweight in fixed income; rebalancing is recommended at 5% or more. Mr. Day proposed achieving the rebalancing by making benefit payments from the overweight accounts over the next few months; discussion followed. Ms. Boutin posed a question about the implication of pension obligation bonds actual returns vs. the actuarial assumed rate of return; discussion followed.

Adjournment:

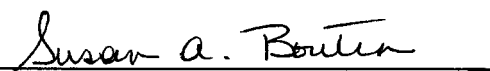
At 12:50 p.m. a motion to adjourn was made by Mr. Regan, seconded by Mr. Dalton, unanimously approved

Next Meeting Notice:

The next Regular Board Meeting will be held on Wednesday April 20, 2011.

Respectfully submitted,


Robert T. Regan/Vice President


Susan A. Boutin / Executive Director

Prepared by:


Jessica Taylor/ Office Services Assistant


Vrinda Kulkarni/ Accountant-Analyst

MWRD RETIREMENT FUND SECURITY TRANSACTIONS FOR THE MONTH OF MARCH 2011

<u>PURCHASES</u>	<u>SHARES</u>	<u>PURCHASES</u>	<u>SHARES</u>
ADOBE SYSTEMS INC	6,000	CORNERSTONE ONDEMAND INC	4,200
ADVANCE AMERICA CASH ADVANCE C	3,530	CORNING INC	3,697
AEROPOSTALE INC	19,500	CORPORATE EXECUTIVE BOARD CO/T	2,065
AFLAC INC	3,300	CORUS ENTERTAINMENT INC	7,947
AGILENT TECHNOLOGIES INC	6,400	COTT CORP	6,100
AGRIUM INC	1,100	CRACKER BARREL OLD COUNTRY STO	700
AKAMAI TECHNOLOGIES INC	4,200	CTRIIP.COM INTERNATIONAL LTD	3,900
ALCATEL-LUCENT/FRANCE	36,650	CUMMINS INC	500
ALIMENTATION COUCHE-TARD INC	4,933	DANSKE BANK AS DKK10	5,103
ALLEGIANT TRAVEL CO	32,400	DELHAIZE GROUP	1,488
ALLSCRIPTS HEALTHCARE SOLUTION	1,400	DENBURY RESOURCES INC	23,425
ALPHA NATURAL RESOURCES INC	16,375	DEVRY INC	3,550
ALTERA CORP	600	DIRECTV	14,004
AMERIPRISE FINANCIAL INC	1,100	DOMINOS PIZZA UK & IRL ORD	20,630
AMYLIN PHARMACEUTICALS INC	3,700	DOVER CORP	600
ANALOG DEVICES INC	3,450	EBIX INC	15,400
ANHEUSER-BUSCH INBEV NV	5,043	EISAI CO Y50	3,300
ANNALY CAPITAL MANAGEMENT INC	13,988	EMC CORP/MASSACHUSETTS	4,690
APOLLO GROUP INC	4,900	ENERGEN CORP	2,125
APPLE INC	720	ENTROPIC COMMUNICATIONS INC	84,200
ARROW ELECTRONICS INC	5,300	EOG RESOURCES INC	2,600
ASTELLAS PHARMA INC Y50	3,500	ESTEE LAUDER COS INC/THE	1,760
ATMEL CORP	30,102	EXELIXIS INC	13,000
AUSTRALIA & NEW ZEALAND BANK	5,602	EXELON CORP	2,616
BABCOCK & WILCOX CO	13,856	EXPEDITORS INTERNATIONAL OF WA	4,125
BAKER HUGHES INC	3,991	EXXON MOBIL CORP	5,304
BALLY TECHNOLOGIES INC	2,900	FABRINET	17,610
BANK OF AMERICA CORP	905	FINISAR CORP	23,845
BANK OF THE OZARKS INC	7,900	FIRST AMERICAN FINANCIAL CORP	35,800
BANKUNITED INC	4,100	FMC CORP	2,100
BARRICK GOLD CORP	3,900	FOSSIL INC	7,240
BCD SEMICONDUCTOR MANUFA LTD	12,640	FOSTER WHEELER AG COM	2,400
BCE INC	5,931	FREEPORT-MCMORAN COPPER & GOLD	3,000
BE AEROSPACE INC	3,600	GENPACT LTD	1,700
BELDEN INC	1,500	GILEAD SCIENCES INC	3,800
BODY CENTRAL CORP	8,600	GLOBAL PAYMENTS INC	600
BRIDGEPOINT EDUCATION INC	4,215	GRAND CANYON EDUCATION INC	3,000
BUCKLE INC/THE	3,800	GREENHILL & CO INC	1,900
CAMECO CORP	4,900	GUESS? INC	4,100
CANADIAN NATURAL RESOURCES LTD	3,000	HAIN CELESTIAL GROUP INC/THE	2,275
CARDINAL HEALTH INC	12,725	HARTFORD FINANCIAL SERVICES GR	7,200
CASH AMERICA INTERNATIONAL INC	4,100	HCA HOLDINGS INC	7,400
CBL & ASSOCIATES PROPERTIES IN	17,500	HERBALIFE LTD USD COM SHS	3,253
CELANESE CORP	2,100	HERMAN MILLER INC	2,100
CELGENE CORP	2,670	HESS CORP	8,540
CENOVUS ENERGY INC	3,121	HITACHI NPV	19,000
CHART INDUSTRIES INC	8,600	HOME DEPOT INC	17,620
CHILDRENS PLACE RETAIL STORES	2,900	HOYA PENTAX HD CORPORATION	5,500
CHUBB CORP	2,229	HUMANA INC	500
CHUBU ELECTRIC PWR Y500	6,300	HURON CONSULTING GROUP INC	2,955
CITIGROUP INC	46,600	HUSKY ENERGY INC	4,594
CITRIX SYSTEMS INC	600	IBERIABANK CORP	3,000
CLIFFS NATURAL RESOURCES INC	1,100	ICON PLC	4,770
COACH INC	5,300	IGATE CORP	8,900
COCA-COLA AMATIL NPV	15,115	IMPERIAL OIL LTD	4,480
COINSTAR INC	4,500	INSULET CORP	15,100
COLGATE-PALMOLIVE CO	14,300	INTEVAC INC	6,370
CONTANGO OIL & GAS CO	1,400	IRONWOOD PHARMACEUTICALS INC	13,500

<u>PURCHASES</u>	<u>SHARES</u>	<u>PURCHASES</u>	<u>SHARES</u>
ISHARES MSCI EMU INDEX FUND	3,917	PRECISION CASTPARTS CORP	1,200
ISHARES MSCI JAPAN INDEX FUND	101,721	PROASSURANCE CORP	2,450
ITT EDUCATIONAL SERVICES INC	1,500	PROSEGUR COMPANIA SEGURIDAD	6,746
JAMES RIVER COAL CO	2,700	PSS WORLD MEDICAL INC	14,400
JB HUNT TRANSPORT SERVICES INC	3,300	QIHOO 360 TECHNOLOGIES CO LTD	2,200
JDS UNIPHASE CORP	13,900	QUALCOMM INC	5,980
JOY GLOBAL INC	600	RAYMOND JAMES FINANCIAL INC	1,950
KANSAI ELEC POWER NPV	11,200	RED HAT INC	3,800
KBR INC	15,140	REGENERON PHARMACEUTICALS INC	1,150
KONINKLIJKE AHOLD NV EUR0.30	8,722	ROBERT HALF INTERNATIONAL INC	4,325
KRAFT FOODS INC	42,400	ROYAL DUTCH SHELL A SHS	12,017
LAZARD LTD SHS -A-	6,200	SABMILLER PLC	4,928
LEAR CORP	1,278	SALESFORCE.COM INC	1,570
LINCARE HOLDINGS INC	6,575	SEI INVESTMENTS CO	4,100
LSB INDUSTRIES INC	8,844	SHAW GROUP INC/THE	9,100
M&T BANK CORP	1,675	SHIONOGI & CO JPY50	6,400
MACY'S INC	6,125	SIGMA DESIGNS INC	29,000
MADISON SQUARE GARDEN INC	21,800	SIGNET JEWELERS LIMITED SHS	5,120
MAIDENFORM BRANDS INC	10,430	SILGAN HOLDINGS INC	2,400
MANPOWER INC	700	SKECHERS U.S.A. INC	24,120
MARSH & MCLENNAN COS INC	24,325	SKYWORKS SOLUTIONS INC	4,625
MARTEN TRANSPORT LTD	3,815	SMITHFIELD FOODS INC	3,750
MAXIM INTEGRATED PRODUCTS INC	10,000	SONY FINANCIAL HOLDINGS INC	27
METLIFE INC	9,500	SPRINT NEXTEL CORP	138,100
METRO AG ORD NPV	3,153	STOCKLAND TRUST GROUP NPV	33,902
METROPCS COMMUNICATIONS INC	9,275	STR HOLDINGS INC	14,480
MITSUBISHI CORP NPV	4,000	STRAYER EDUCATION INC	1,800
MOHAWK INDUSTRIES INC	1,700	SUNCOR ENERGY INC	4,315
MOLSON COORS BREWING CO	5,000	SWEDBANK AB SEK'A' NPV	7,241
MS&AD INSURANCE GROUP HOLDINGS	6,000	TELENOR AS ORD NOK6	7,591
MSC INDUSTRIAL DIRECT CO	1,950	TERADATA CORP	2,350
MYLAN INC/PA	8,825	THOMSON REUTERS CORP	5,990
NARA BANCORP INC	8,095	TIMBERLAND CO/THE	9,500
NATIONAL OILWELL VARCO INC	2,700	TIMKEN CO	1,975
NAVISTAR INTERNATIONAL CORP	1,200	TOKYO ELECTRIC PWR CO NPV	12,800
NETAPP INC	700	TTM TECHNOLOGIES INC	3,535
NETFLIX INC	1,595	ULTRA PETROLEUM CORP	4,215
NOBLE ENERGY INC	2,857	UNILEVER NV CVA EUR0.16	17,816
NOKIA (AB) OY EUR0.06	24,036	UNIVERSAL HEALTH SERVICES INC	500
NORDSTROM INC	600	VOLCOM INC	4,550
NORFOLK SOUTHERN CORP	1,800	WADDELL & REED FINANCIAL INC	700
NUANCE COMMUNICATIONS INC	6,400	WAL-MART DE MEXICO SAB DE CV	3,900
NVIDIA CORP	34,200	WALTER ENERGY INC	6,950
O2MICRO INTERNATIONAL LTD	5,085	WEIGHT WATCHERS INTERNATIONAL	6,900
OCLARO INC	17,800	WESCO INTERNATIONAL INC	800
OCWEN FINANCIAL CORP	12,150	WESTERN REFINING INC	7,200
OM GROUP INC	22,150	WESTERN UNION CO/THE	8,200
ORACLE CORP	19,000	WHITING PETROLEUM CORP	900
ORIX CORP Y50	1,270	WISCONSIN ENERGY CORP	26,940
OWENS CORNING	5,325	XILINX INC	7,900
PATTERSON COS INC	1,150	XL GROUP PLC	15,200
PEABODY ENERGY CORP	5,725	ZIMMER HOLDINGS INC	3,375
PERNOD-RICARD EUR1.55	7,500		
PETROHAWK ENERGY CORP	2,585		
PHILIP MORRIS INTERNATIONAL IN	2,990		
PIER 1 IMPORTS INC	13,975		
PIONEER DRILLING CO	19,200		
PIONEER NATURAL RESOURCES CO	1,025		

<u>SALES</u>	<u>SHARES</u>	<u>SALES</u>	<u>SHARES</u>
3M CO	1,253	CBS CORP	7,500
99 CENTS ONLY STORES	21,800	CELANESE CORP	1,400
ABB LTD CHF1.03 (REGD)	610	CHECKPOINT SOFTWARE TECH	3,675
ACME PACKET INC	1,000	CHOICE HOTELS INTERNATIONAL IN	1,150
ADDUS HOMECARE CORP	953	CIA DE BEBIDAS DAS AMERICAS	12,100
ADIDAS AG NPV	202	CIRRUS LOGIC INC	2,100
ADTRAN INC	1,525	CLOUD PEAK ENERGY INC	2,450
ADVANCE AUTO PARTS INC	4,600	CLSA FINANCIAL PRO WTS/CERT	49,200
AERCAP HOLDINGS N V SHS	3,425	COACH INC	6,900
AEROPOSTALE INC	21,500	COLRUYT SA NPV	1,800
AGCO CORP	4,400	COMPAGNIE DE SAINT-GOBAIN	221
AGRIUM INC	5,525	COMPAGNIE FINANCIERE	196
ALLERGAN INC/UNITED STATES	8,800	CONOCOPHILLIPS	7,850
ALLIANCE DATA SYSTEMS CORP	500	CONSOL ENERGY INC	14,200
ALLIANZ SE (SOCIETAS EUROPEAE)	184	CONSTELLATION BRANDS INC	12,350
ALLSCRIPTS HEALTHCARE SOLUTION	800	COOPER INDUSTRIES PLC	1,500
ALMOST FAMILY INC	19,400	CORE LABORATORIES N V	700
ALSTOM EUR7 (POST	149	COVIDIEN PLC	8,100
ALTERA CORP	600	CPFL ENERGIA SA	600
AMAZON.COM INC	4,230	CREDIT SUISSE GROUP AG CHF0.04	483
AMERICAN REPROGRAPHICS CO	7,405	DAITO TRUST CONSTRUCTION Y50	1,800
AMSURG CORP	12,559	DANONE	189
ANHEUSER-BUSCH INBEV NV	299	DANSKE BANK A/S-RTS	9,055
ANNALY CAPITAL MANAGEMENT INC	16,000	DANSKE BANK AS DKK10	504
ANNTAYLOR STORES CORP	8,100	DEERE & CO	1,640
AON CORP	2,900	DELHAIZE GROUP	203
ARGO GROUP INTERNATIONAL	3,700	DELPHI FINANCIAL GROUP INC	4,250
ASCENA RETAIL GROUP INC	1,300	DEUTSCHE BANK AG ORD NPV REGD	343
ASSURED GUARANTY LTD SHS	3,800	DEUTSCHE TELEKOM AG NPV (REGD)	1,264
ASTRAZENECA ORD USD0.25	576	DEXCOM INC	20,300
ATMOS ENERGY CORP	14,150	DIAGEO ORD 28 101/108P	472
ATWOOD OCEANICS INC	1,100	DISCOVER FINANCIAL SERVICES	12,225
AXA EUR2.29	527	DOVER CORP	24,200
BABCOCK & WILCOX CO	5,900	DREAMWORKS ANIMATION SKG INC	4,300
BAKER HUGHES INC	4,500	DRIL-QUIP INC	3,100
BANCO BILBAO VIZCAYA	20,759	E.ON AG NPV	612
BANCO SANTANDER SA EUR0.50	12,593	E-COMMERCE CHINA DANGDANG INC	6,200
BANK OF MONTREAL	5,990	EDWARDS LIFESCIENCES CORP	2,300
BARCLAYS ORD GBP0.25	3,528	EMERITUS CORP	6,195
BASF SE NPV	265	ENEL EUR1	37,516
BAYER AG ORD NPV	286	ENERGIZER HOLDINGS INC	8,300
BELDEN INC	600	ENI EUR1	575
BG GROUP PLC ORD GBP0.10	10,400	ENZON PHARMACEUTICALS INC	9,800
BIG 5 SPORTING GOODS CORP	6,125	ESTERLINE TECHNOLOGIES CORP	7,000
BIOMERIEUX NPV	618	EXPEDIA INC	500
BIO-RAD LABORATORIES INC	500	F5 NETWORKS INC	2,321
BLACKSTONE GROUP LP	1,379	FAMILY DOLLAR STORES INC	4,300
BNP PARIBAS EUR2	261	FLOWERVE CORP	100
BP PLC ORD USD.25	4,921	FMC CORP	575
BT GROUP ORD GBP0.05	3,611	FMC TECHNOLOGIES INC	3,441
BUCKLE INC/THE	6,200	FORTUNE BRANDS INC	4,916
CALPINE CORP	19,500	FRANCE TELECOM EUR4	1,046
CAMERON INTERNATIONAL CORP	700	FRESH MARKET INC/THE	1,400
CANADIAN IMPERIAL BK OF COMM	7,011	G4S PLC ORD GBP0.25	76,459
CAPITA GROUP PLC	21,285	GAMESTOP CORP	1,700
CARREFOUR EUR2.5	241	GARTNER INC	1,000
CB RICHARD ELLIS GROUP INC	1,600	GDF SUEZ EUR1	477

<u>SALES</u>	<u>SHARES</u>	<u>SALES</u>	<u>SHARES</u>
GENERAL ELECTRIC CO	1,250	MICROSOFT CORP	3,012
GENWORTH FINANCIAL INC	3,500	MIZUHO FINL GP NPV	74,600
GILEAD SCIENCES INC	4,200	MOTOROLA MOBILITY HOLDINGS INC	25,034
GLAXOSMITHKLINE ORD GBP0.25	2,004	MUENCHENER RUECKVERSICHERUNGS	45
GLOBAL PAYMENTS INC	400	NATIONAL OILWELL VARCO INC	1,900
GRAND CANYON EDUCATION INC	1,700	NAVISTAR INTERNATIONAL CORP	100
GREEN MOUNTAIN COFFEE ROASTERS	10,500	NESTLE SA CHF0.1 (REGD)	1,046
HAIN CELESTIAL GROUP INC/THE	3,275	NETAPP INC	13,600
HANSEN NATURAL CORP	6,310	NEWFIELD EXPLORATION CO	11,380
HARTE-HANKS INC	10,000	NEXEN INC	15,800
HAYNES INTERNATIONAL INC	620	NII HOLDINGS INC	5,651
HCA HOLDINGS INC	7,400	NITORI HOLDINGS CO LTD	400
HCC INSURANCE HOLDINGS INC	14,200	NOBLE ENERGY INC	1,475
HEICO CORP	2,214	NOKIA (AB) OY EUR0.06	2,900
HEINEKEN NV EUR1.60	159	NORDEA BANK AB EUR0.39632	1,372
HERBALIFE LTD USD COM SHS	200	NORTHERN OIL AND GAS INC	4,505
HERMAN MILLER INC	2,600	NOVARTIS AG CHF0.50 (REGD)	758
HERTZ GLOBAL HOLDINGS INC	18,925	NOVO-NORDISK AS DKK1	95
HNI CORP	1,425	NUANCE COMMUNICATIONS INC	3,400
HSBC HLDGS ORD USD0.50 (UK)	2,857	NUVASIVE INC	3,200
HUMANA INC	300	OCCIDENTAL PETROLEUM CORP	2,500
HUNTSMAN CORP	18,875	OIL STATES INTERNATIONAL INC	6,700
IBERDROLA SA EUR0.75 (POST	922	OMV AG NPV	265
ILLINOIS TOOL WORKS INC	2,200	OPNET TECHNOLOGIES INC	10,045
IMPERIAL TOBACCO GROUP ORD 10P	1,100	ORION MARINE GROUP INC	11,400
ING GROEP N.V. CVA EUR0.24	782	OVERSEA-CHINESE BKG CORP	22,000
INSPIRE PHARMACEUTICALS INC	19,200	OVERSEAS SHIPHOLDING GROUP INC	1,300
INTERCONTINENTALEXCHANGE INC	800	PARMALAT S P A EUR1	3,069
INTERPUBLIC GROUP OF COS INC/T	43,300	PEABODY ENERGY CORP	1,175
INTESA SANPAOLO EUR0.52	50,300	PEOPLE'S UNITED FINANCIAL INC	20,400
INVESTOR AB SEK 6.25 'B'	339	PETMED EXPRESS INC	2,600
ISHARES MSCI EMU INDEX FUND	23,917	PRECISION CASTPARTS CORP	100
ISHARES MSCI GERMANY INDEX FUN	6,000	PRINCIPAL FINANCIAL GROUP INC	11,850
ISHARES MSCI SWITZERLAND INDEX	7,900	PROGRESS ENERGY INC	19,481
ISHARES MSCI UNITED KINGDOM IN	26,800	QBE INS GROUP A\$1	1,854
JACK IN THE BOX INC	1,100	QIHOO 360 TECHNOLOGIES CO LTD	2,200
JAMES RIVER COAL CO	2,700	QKL STORES INC	24,470
JDA SOFTWARE GROUP INC	2,700	QUESTAR CORP	8,250
JDS UNIPHASE CORP	1,200	RC2 CORP	17,000
JOY GLOBAL INC	5,750	RECKITT BENCKISER GROUP PLC	242
KELLOGG CO	14,600	REDWOOD TRUST INC	20,940
KIRKLAND'S INC	31,600	REPSOL YPF SA EUR1	259
KONINKLIJKE AHOLD NV EUR0.30	1,331	REYNOLDS AMERICAN INC	6,725
KONINKLIJKE KPN NV EUR0.24	553	RIO TINTO LIMITED NPV	1,987
KUEHNE & NAGEL AG CHF1(REGD)	1,191	RIVERBED TECHNOLOGY INC	12,800
L'OREAL EUR0.2	101	ROCHE HLDG AG GENUSSSCHEINE NPV	220
MANTECH INTERNATIONAL CORP	5,000	ROYAL BANK OF CANADA	8,962
MAP PHARMACEUTICALS INC	5,800	ROYAL DUTCH SHELL 'A' SHS	594
MARVELL TECHNOLOGY GROUP LTD	27,700	ROYAL DUTCH SHELL 'B' SHS	503
MCCORMICK & CO INC/MD	7,000	RWE AG (NEU) NPV 'A'	176
MCGRAW-HILL COS INC/THE	14,345	RYDER SYSTEM INC	3,800
MEDCO HEALTH SOLUTIONS INC	6,800	SABMILLER PLC	275
MERCK KGAA NPV	197	SALIX PHARMACEUTICALS LTD	4,500
METRO AG ORD NPV	265	SANOFI-AVENTIS EUR2	613
MICHELIN CIE GLE DES ETABL	153	SANTOS LIMITED NPV	14,311
MICROMET INC	16,600	SEABRIGHT HOLDINGS INC	13,445
MICROS SYSTEMS INC	2,200	SECOM CO Y50	800

<u>SALES</u>	<u>SHARES</u>	<u>SALES</u>	<u>SHARES</u>
SHAW GROUP INC/THE	3,800	TIME WARNER INC	2,158
SHIRE PLC ORD GBP0.05	437	TOKYO ELECTRIC PWR CO NPV	12,800
SIEMENS AG NPV REGD	107	SA EUR2.5	529
SILICON GRAPHICS INTERNATIONAL	7,010	TOWER GROUP INC	5,400
SKYWORKS SOLUTIONS INC	1,080	UBS AG CHF0.1 (POST	1,217
SLM CORP	5,979	ULTRA PETROLEUM CORP	1,300
SM ENERGY CO	1,775	UNICREDIT EUR0.50	98,320
SMITH & NEPHEW ORD USD0.20	725	UNILEVER NV CVA EUR0.16	577
SMITHFIELD FOODS INC	22,300	UNILEVER PLC ORD GBP0.031111	281
SOCIETE GENERALE EUR1.25	177	UNITED OVERSEAS BANK SG\$1	20,000
SOLAR CAPITAL LTD	7,690	UNITED PARCEL SERVICE INC	7,790
SSGA PASSIVE BOND MKT INDEX SL	337,454	UTSTARCOM INC	49,057
ST JUDE MEDICAL INC	3,700	VANCEINFO TECHNOLOGIES INC	6,400
STATOIL ASA NOK2.50	794	VEECO INSTRUMENTS INC	3,000
STEEL DYNAMICS INC	12,850	VERIZON COMMUNICATIONS INC	18,100
STIFEL FINANCIAL CORP	1,575	VERTEX PHARMACEUTICALS INC	4,950
SUMITOMO MITSUI GR NPV	4,600	VIACOM INC	13,625
SUPERIOR ENERGY SERVICES INC	2,850	VINCI EUR2.50 (POST SUBDIVISIO	175
SWISSCOM AG CHF1.00	44	VITRAN CORP INC	5,055
SYNGENTA AG CHF0.1	26	VIVENDI SA EUR5.5	752
TELECOM ITALIA EUR0.55	5,144	VMWARE INC	9,240
TELENOR AS ORD NOK6	890	VODAFONE GROUP	18,935
TELIASONERA AB NPV	2,737	VORNADO REALTY TRUST	2,650
TELIASONERA AB SALES RIGHTS	49,198	WAL-MART STORES INC	10,750
TEMPUR-PEDIC INTERNATIONAL INC	1,300	WALT DISNEY CO/THE	7,000
TERADYNE INC	2,000	WELLS FARGO & CO	3,865
TESCO ORD 5P	50,831	WESCO INTERNATIONAL INC	3,500
TESORO CORP	24,175	WHITING PETROLEUM CORP	1,872
TETRA TECH INC	5,700	WOOLWORTHS LIMITED ORD A\$0.25	5,600
TEVA PHARMACEUTICAL IND ILS0.1	363	WYNDHAM WORLDWIDE CORP	20,900
THERAVANCE INC	6,900	ZIMMER HOLDINGS INC	600
TIFFANY & CO	6,030	ZURICH FINANCIAL SERVICES AG	45