

Metropolitan Water Reclamation District Retirement Fund

Minutes Board of Trustees July 27, 2011

The regular meeting of the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund was held July 27, 2011. Joseph Kennedy, President called the meeting #1062 to order at 10:07 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, Cynthia M. Santos, Stephen J. Carmody, John P. Dalton Jr., and Joseph W. Rose.

Investment Manager present: James Wallerius (*Systematic Financial Management*); Krista Rivers and Jason Tyler (*Ariel Investments*); and Michelle Hunter and Gregory Johnsen (*Wellington Management*).

Staff present: Susan Boutin (*Executive Director*), Mary Wilson (*Supervising Benefits Analyst*), George Kirie (*Financial Analyst*), and Vrinda Kulkarni (*Accountant/Analyst*)

Also present: Ivory Day, Gray & Co. (*Investment Consultant*) and Members of the Public.

Regular Business:

Approval of Minutes

A motion was made by Mr. Dalton, seconded by Ms. McGowan, to approve the minutes of the Regular Board Meeting held on June 22, 2011. The motion was unanimously approved.

A motion was made by Ms. McGowan, seconded by Mr. Rose, to approve the minutes of the July Investment Meeting held on July 19, 2011. The motion was unanimously approved.

Consent Agenda

Expenses

Administrative expenses to be paid in August 2011 in the amount of \$483,872.36 were presented for approval. The itemized report is on file.

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

Employee Annuitants

The applications for nineteen new employee annuitants with a combined monthly annuity benefit of \$79,100.56 were presented with the recommendation that they be approved and granted as follows:

| <u>Employee Name</u> | <u>Position</u> | <u>Annuity Begins</u> | <u># Years @ MWRD</u> | <u># Years Reciprocal</u> |
|-------------------------|-----------------------------------|-----------------------|-----------------------|---------------------------|
| Csaki Jr., Daniel | Laborer Foreman | 7/1/2011 | 32.00 | 0.00 |
| Duncan, Lawrence | Police Officer | 6/1/2011 | 28.00 | 5.81 |
| Dusek, Robert J. | Electrical Mechanic Sub-Foreman | 6/1/2011 | 22.00 | 3.00 |
| Fazzi, Julian | Operating Engineer I | 7/1/2011 | 36.00 | 0.00 |
| Flynn, Michael F. | Principal Electrical Engineer | 7/1/2011 | 34.00 | 0.00 |
| Holic, Lawrence J. | Laboratory Assistant | 7/1/2011 | 7.00 | 0.00 |
| Kraszczyk, James E. | Police Officer | 7/1/2011 | 19.00 | 0.00 |
| Luepke, Charles H. | Truck Driver | 7/1/2011 | 27.53 | 0.00 |
| Markovich, Stephen C. | Electrical Operator II | 7/1/2011 | 30.00 | 0.00 |
| Peacock, John | MLAS | 7/1/2011 | 21.13 | 0.00 |
| Poongbunkor, Prakarn | Pollution Control Technician II | 7/1/2011 | 20.99 | 0.00 |
| Provenzano, Kathleen L. | Secretary | 7/1/2011 | 25.88 | 0.00 |
| Rodriguez, Lillian L. | Associate Human Resources Analyst | 7/1/2011 | 27.53 | 0.00 |
| Schaefer III, George J. | Laborer Foreman | 7/1/2011 | 33.00 | 0.00 |
| Siegel, Bennett | MLB | 7/1/2011 | 33.00 | 0.00 |
| Skrbec, John L. | Electrical Operator II | 7/1/2011 | 11.00 | 0.00 |
| Tatarczuch, John | MLAS | 7/1/2011 | 26.62 | 0.00 |
| Urso, Joseph J. | Architectural Ironworker | 7/1/2011 | 23.00 | 0.00 |
| Wood, Eugene | MLAS | 7/1/2011 | 23.00 | 0.00 |

A motion was made by Mr. Carmody, seconded by Mr. Dalton to approve the Employee Annuitant applications. The motion was unanimously approved. The itemized report is on file.

Regular Business, continued:

Consent Agenda, continued:

Surviving Spouse Annuitants

The applications for four new surviving spouse/child annuitants with a total monthly annuity benefit of \$3,122.72 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> |
|--|--|----------------------------------|
| Czachor, Lorraine M. | Czachor, Ferdinand E. | 06/01/11 |
| Hopkins, Charlotte * | Hopkins, Caleb A. | 06/01/11 |
| Kloepfel, Joyce B. | Kloepfel, George J. | 04/01/11 |
| Thomas, Charlene | Thomas, Lawrence | 07/01/11 |

* Reversionary Annuity

A motion was made by Mr. Dalton, seconded by Ms. McGowan, to approve the Surviving Spouse/Child Annuitant applications. The motion was unanimously approved. The itemized report is on file.

Refunds and Final Payments

The applications for eleven refunds and final payments in the combined amount of \$201,999.62 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> |
|---------------------------------------|-------------------------------|---------------------|-------------------------|
| Csaki Jr., Daniel | 06/30/11 | Excess Optional | Csaki Jr., Daniel |
| Duncan, Lawrence | 05/31/11 | Excess Optional | Duncan, Lawrence |
| Duncan, Lawrence | 05/31/11 | No Spouse Refund | Duncan, Lawrence |
| Luepke, Charles H. | 06/30/11 | No Spouse Refund | Luepke, Charles H. |
| Markovich, Stephen C. | 06/27/11 | Excess Optional | Markovich, Stephen C. |
| Markovich, Stephen C. | 06/27/11 | No Spouse Refund | Markovich, Stephen C. |
| Rodriguez, Lillian L. | 06/30/11 | No Spouse Refund | Rodriguez, Lillian L. |
| Schaefer III, George J. | 06/30/11 | Excess Optional | Schaefer III, George J. |
| Schaefer III, George J. | 06/30/11 | No Spouse Refund | Schaefer III, George J. |
| Siegel, Bennett | 06/30/11 | Excess Optional | Siegel, Bennett |
| Siegel, Bennett | 06/30/11 | No Spouse Refund | Siegel, Bennett |

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

Duty Disability

The 30 applications for Duty 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. Carmody, to approve the Duty Disability applications. The motion was unanimously approved.

Ordinary Disability

Staff recommended approval of one 30-day waiver request submitted by an OD applicant.

The 18 applications for Ordinary Disability benefits were presented with the recommendation that they be approved and granted. The itemized report is on file.

Regular Business, continued:

Consent Agenda, continued:

Ordinary Disability Continued:

A motion was made by Mr. Carmody, seconded by Mr. Dalton to approve the 30-day waiver and 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 – September 2011 Annuitant Payroll funding

Ms. Boutin made the recommendation to transfer a maximum of \$9.4 million from Systematic Mid Cap Core portfolio to supplement funds available to cover the September 2011 payroll and expenses estimated to be \$10.8 million.

Mr. Dalton made the motion to transfer a maximum of \$9.4 million from Systematic Financial to supplement funds available to cover the September 2011 payroll and expenses estimated to be \$10.8 million. Mr. Carmody seconded the motion which was unanimously approved by roll call vote.

SSgA Global Cash Transfer

Ms. Boutin made the recommendation to transfer approximately \$515 million from Systematic Mid Cap Value portfolio to Hexavest; funds are foreign currency cash received as dividends after the transition of SSgA Global assets to Hexavest and Vontobel. Ms. Boutin clarified for Mr. Rose that the underweight of Hexavest on the Asset Rebalancing schedule was not due to difference in funding the two new international managers, but due to a difference in returns.

Mr. Rose made the motion to transfer approximately \$515,230 from the SSgA Global account to the Hexavest International Equity account due to the underweight in this portfolio. Mr. Carmody seconded the motion which was unanimously approved by roll call vote.

Office Services Assistant Search

Ms. Boutin reported the job posting for the position of Office Services Assistant for the Retirement Fund was posted on June 27th. Resumes had to be submitted to Vrinda Kulkarni by July 22nd. We received approximately 230 resumes for the position. Because this position requires writing, computer and math skills, applicants will be given 20 minute test to be administered in two sessions on Thursday, July 28th at the Stickney Plant. The District's HR department will assist in scoring the tests, and from there staff will determine which resumes will be reviewed.

Independent Contractor

Ms. Boutin reviewed last month's decision to hire Elizabeth Cataudella as a part time employee to work on special projects. The trustees instructed staff to discuss the type of position with our attorney and the District's HR Department. Based on a conversation with our attorney, Ms. Boutin informed the trustees that an independent contractor position was a better fit for the fund. She reported that an independent contractor agreement was signed with Ms. Cataudella on June 30th for the period of June 30, 2011 to December 31, 2011. However based on the payment as an independent contractor staff is requesting approval for additional funds in the amount of \$16,000 for acct 462 Consulting Services.

Administrative, continued:

Independent Contractor, continued

Ms. Boutin made the following recommendations, which the Board approved as follows:

Mr. Carmody made the motion to amend June's motion by striking out part time and adding independent contractor. Mr. Rose seconded the motion which was unanimously approved by roll call vote.

Mr. Dalton made the motion to hire Elizabeth Cataudella at the hourly rate of \$42.64 for the period of June 30, 2011 through December 31, 2011 at an amount not to exceed \$16,000. Mrs. McGowan seconded the motion which was unanimously approved by roll call vote.

Mr. Rose made the motion to approve payment to Elizabeth Cataudella in the amount of \$1,929.46 for the period of June 30, 2011 to July 21, 2011. Mr. Dalton seconded the motion which was unanimously approved by roll call vote.

Trustee & Staff Training and Education

Ms. Boutin reported on three upcoming opportunities for training for the Trustees to consider as follows:

- P&I – Low Volatility Investing Summit on October 11, 2011 8:45 am to 5:00 pm at the Gleacher Center
- IPPFA - Midwest Pension Conference on October 4-7, 2011 at the Grand Geneva Resort, Cost is \$400 before 8-1, \$450 from August 1st to Sept. 18th then \$725.
- Institutional Investor Institute - Roundtable for Consultants and Institutional Investors on October 17-19th at the Four Seasons Hotel Chicago

Mr. Dalton noted from prior experience, the Institutional Investor Institute Roundtable was very educational.

(The Legal and Legislative agenda items were discussed after a portion of the Investment agenda items were discussed.)

Investment Reports:

Reports by Staff

Mr. Kirie presented the Manager Profiles that summarize the second quarter 2011 performance of the three investment managers scheduled to present today; Systematic Financial, Ariel Investments and Wellington Management. Mr. Day noted that when Wellington terminated their Mid-Cap Intersection Fund and we entered the Mid-Cap Opportunities Fund, Wellington granted us a lower fee than was normally charged for that Fund for a one year period. He reported that Mr. Kirie successfully negotiated an extension for one year of that fee discount, which will amount to a savings of approximately \$25,000 for the year. Mr. Day suggested that in this current market situation, even large managers like Wellington are willing to respond to the needs of public plans, and that the Fund may want to talk to a few other managers in the same way. Mr. Kennedy agreed.

Mr. Kirie then reviewed the Bank of New York Mellon Custodian reports, which showed Fund assets at \$1.090B at 6/30/11. The asset allocation schedule showed assets at \$1.098B at 7/22/11.

Investment Reports, continued:

Report by Investment Managers

Presentations were made of second quarter 2011 performance reports by the Fund's investment managers as follows:

- Mr. James Wallerius of Systematic Financial Management
- Mr. Jason Tyler and Ms. Krista Rivers of Ariel Investments
- Ms. Michelle Hunter and Mr. Gregory Johnsen of Wellington Management

Mr. Wallerius responded to Ms. Boutin's question about the effect of the debt crisis on the market, noting that the crisis has not influenced the portfolio's bottom-up stock selection process much so far. He responded to Mr. Day's inquiry about what the "jobless recovery" means for Systematic, and to Mr. Kirie's observation that the energy stocks held in the portfolio are not paying dividends implying a "growth" type of company rather than "value". Mr. Wallerius agreed to respond by email to Mr. Kirie's inquiry about the current average yield on REIT's. He also agreed to Mr. Rose's request that next quarterly report include a sector summary versus the benchmark, noting that the portfolio guidelines are to not over- or under- invest a sector more than 5%. Mr. Wallerius responded to Mr. Dalton's inquiry, explaining about the Dupont REIT which is a server farm.

Mr. Tyler responded to Mr. Dalton's question about Ariel's outlook on Northern Trust, and Mr. Kennedy's request that he comment on the debt crisis and a worst case scenario for Ariel. Mr. Kirie noted the portfolio appraisal shows a large run up on CBS and Viacom, and inquired as to Ariel's selling philosophy, which Mr. Wallerius commented on.

Ms. Hunter responded to Ms. Boutin's request to comment on the newly re-negotiated discounted fee for the Opportunities Fund that will be in effect from August 2011 through July 2012. Ms. Boutin thanked Ms. Hunter for being proactive in increasing the (minority) broker/dealer percentages and negotiating the extension on our fee discount.

Reports are on file.

(A brief recess was had.)

(The remaining Investment agenda items were continued after Legal and Legislative.)

(Enter Ms. Santos)

Legal and Legislative

Legislative Initiatives

Ms. Boutin reported that on June 27, 2011, Joseph Kennedy, Mary Wilson and herself met with the new District Executive Director, David St. Pierre to discuss Retirement Fund funding. Mr. St. Pierre was very positive about improving funding and stated his concern about the decline in the funded ratio. Ms. Boutin called Trustees attention to the handout of the presentation slides in their packets that she and Mary Wilson presented to Mr. St. Pierre.

Subsequent to that meeting, on July 26th she also met with Kevin Fitzpatrick, Mary Ann Boyle, and Eileen McElligott to discuss potential legislative changes for the fall veto session, assuming an employee contribution increase of 1% per year for the three years 2012 to 2014 based upon previous trustee discussions. Ms. Boutin reviewed the handout for that meeting which showed a history of contributions and the required multiple, and estimates through 2016. She addressed questions by Mr. Dalton and Ms. Santos about the District payroll estimates on that handout, and Mr. Kennedy commented.

Legal and Legislative, continued:

Retirement Fund Funding, continued

Further discussion followed that included more details of the July 26th meeting, resulting in the Board approving two legislative pension initiatives. These initiatives will be presented to the MWRDGC Board for further approval before introducing them in Springfield to be included in the Fund's 2011 legislative package. The initiatives are:

1. Employee Contributions - increase employee contributions 1% per year for 3 years beginning in 2012 for members who first became participants in the MWRD or a reciprocal fund before January 1, 2011.
2. Employer Contributions - increase the tax levy multiple to an amount calculated by the actuary to be sufficient to bring the total assets of the Fund up to 90% over a 40-year period. Beginning with the 2012 tax levy, and each year thereafter, the District shall levy a tax annually which will be sufficient to meet the annual required contribution by the Fund but shall not exceed an amount equal to the total employee contribution 2 years prior multiplied by 4.19.

Mr. Kennedy noted that Mr. Goldstein, consulting actuary, would be preparing some projections using the proposed 4.19 multiple, anticipating this would get us to fully-funded by 2040 or 2050. He noted the District study session would address how to fund the increased employer contributions.

Ms. McGowan made the motion to approve the legislative initiatives (above) and Ms. Santos seconded the motion which was unanimously approved

Direction was given to the Executive Director to put the legislative initiatives in the form of a Board Letter and to submit it in advance of the August 11 MWRDGC Board meeting.

(Whereupon discussion of the Investments agenda items was continued)

Investment Reports, continued:

Emerging Manager Large Cap Post Trade Analysis

Mr. Day reviewed handouts on the emerging manager mid cap transition, including the Credit Suisse report. He presented the large cap transition analysis prepared by Gray & Co. which is a summary of the Credit Suisse report. He reported among other details that the transition which took place June 16th-18th cost less than expected, and that about 30% of the trades were assigned to the minority broker Loop Capital.

Emerging Manager Small Cap Equity Search

Mr. Day reminded the Board that the next transition will be the small cap, and that today one emerging small cap value manager and one emerging small cap growth manager would be chosen. He recommended that Credit Suisse be retained as the transition manager for this transition. He reviewed a summary of the quantitative analysis presented at the June meeting. Prior to the Trustees selection of the managers, Mr. Day reminded the trustees that the mid cap search had been deferred due to low response to our RFP. Mr. Day discussed issues related to mid cap and stated that he thought plan sponsors and consultants felt they could do without mid cap allocations. Mr. Day stated that our asset allocation designated 10% of total assets to the Emerging Manager Program. Mid cap represents 3%. Mr. Day recommended that the trustees consider hiring two pairs of small cap managers, (i.e. two small cap growth and two small cap value) to cover some of the mid cap space.

The quantitative analysis showed 25 pairs of managers, of which the top ranked 12 pairs were considered for hiring. Discussion about the pairings and the dollar amount to be allocated followed. Mr. Kirie responded to Trustee questions about the considered managers.

Mrs. Santos made the motion to award the top two paired emerging small cap value and growth equity manager finalists, (1) GW Capital and Geneva, and (2) WCM and Profit. Mrs. McGowan seconded the motion which was unanimously approved by roll call vote.

Investment Reports, continued:

Emerging Manager Small Cap Equity Search, continued

After a brief discussion, Mr. Kennedy requested that Mr. Day review what the allocations should be to the four managers, taking into consideration the formal investment policy, and to report back to the Board at the next meeting. Mr. Day clarified for Mr. Rose his suggestion that the Fund review fees was meant to be specifically with our long-standing managers, not the newly hired ones. Further discussion followed about the status as "emerging manager" of the four newly awarded emerging managers.

Mr. Kirie responded to Mr. Rose's question about the asset allocation schedule which showed that Wasatch had 9% of assets in cash (as of July 22). He clarified that the balance included cash as well as accruals for pending purchases. Mr. Rose requested Mr. Kirie to verify how much of that 9% was in cash and to get back to him after the meeting.

Trustee Training:

Mr. Kennedy reminded the Board that Trustee Training on the Core Plus product would be presented by Mr. Day immediately following the meeting.

Adjournment:

At 12:18 p.m. a motion to adjourn was made by Mr. Dalton, seconded by Ms. Santos, unanimously approved, whereupon Mr. Kennedy adjourned the meeting.

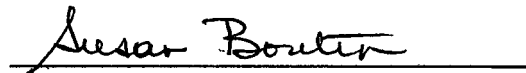
Next Meeting Notice:

The next Regular Board Meeting will be held on Wednesday August 24, 2011.

Respectfully submitted,



Robert T. Regan/Vice-President



Susan A. Boutin / Executive Director

Prepared by:


Jessica Taylor/ Assistant Benefits Analyst
Vrinda Kulkarni/ Accountant-Analyst

MWRD RETIREMENT FUND SECURITY TRANSACTIONS FOR THE MONTH OF JULY 2011

| <u>PURCHASES</u> | <u>SHARES</u> | <u>PURCHASES</u> | <u>SHARES</u> |
|--------------------------------|---------------|---------------------------------|---------------|
| 3M CO | 3,180 | DEUTSCHE TELEKOM AG NPV (REGD) | 3,315 |
| ABBOTT LABORATORIES | 4,453 | DG FASTCHANNEL INC | 6,700 |
| ACCENTURE PLC IRELAND SHS CL A | 7,803 | DOLLAR TREE INC | 150 |
| ADIDAS AG NPV | 883 | DOW CHEMICAL CO/THE | 14,100 |
| ADVANCE AUTO PARTS INC | 9,900 | DUNKIN' BRANDS GROUP INC | 500 |
| AFLAC INC | 900 | E.ON AG NPV | 1,592 |
| AGILENT TECHNOLOGIES INC | 1,700 | ECOPETROL SA | 5,375 |
| AGL ENERGY NPV | 3,839 | ELI LILLY & CO | 6,330 |
| ALCATEL-LUCENT/FRANCE | 52,400 | EMERITUS CORP | 3,620 |
| ALLIANZ SE (SOCIETAS EUROPEAE) | 251 | ENERGEN CORP | 3,275 |
| ALPHA NATURAL RESOURCES INC | 1,700 | ENERGY PARTNERS LTD | 2,300 |
| AMERICAN CAPITAL AGENCY CORP | 7,994 | EQT CORP | 11,120 |
| AMERICAN TOWER CORP | 2,125 | ESTEE LAUDER COS INC/THE | 200 |
| AMERIPRISE FINANCIAL INC | 500 | EXXON MOBIL CORP | 3,246 |
| ANALOG DEVICES INC | 1,400 | F5 NETWORKS INC | 500 |
| ANHEUSER-BUSCH INBEV NV | 3,100 | FIFTH STREET FINANCE CORP | 12,000 |
| ANN INC | 3,000 | FINISAR CORP | 1,200 |
| ANNALY CAPITAL MANAGEMENT INC | 24,175 | FIRST REPUBLIC BANK/SAN FRANCI | 25,175 |
| APOLLO GLOBAL MANAGEMENT LLC | 4,000 | FMC CORP | 1,525 |
| APPLE INC | 1,410 | FRANCESCAS HOLDINGS CORP | 9,900 |
| ARCH CHEMICALS INC | 7,900 | FREEMPORT-MCMORAN COPPER & GOLD | 4,473 |
| ARES CAPITAL CORP | 29,800 | GENERAL ELECTRIC CO | 4,171 |
| ARROW ELECTRONICS INC | 500 | GEN-PROBE INC | 2,650 |
| ASSURED GUARANTY LTD SHS | 1,100 | GLOBAL PAYMENTS INC | 4,100 |
| ATLAS AIR WORLDWIDE HOLDINGS I | 2,550 | GOLDCORP INC | 13,500 |
| ATWOOD OCEANICS INC | 11,655 | GREENHILL & CO INC | 1,250 |
| BABCOCK & WILCOX CO | 5,200 | GUESS? INC | 2,000 |
| BAKER HUGHES INC | 3,823 | HAIN CELESTIAL GROUP INC/THE | 1,700 |
| BALL CORP | 2,900 | HANNOVER RUECKVERSICHERUNG AG | 249 |
| BASF SE NPV | 857 | HASBRO INC | 5,225 |
| BAXTER INTERNATIONAL INC | 11,690 | HERMAN MILLER INC | 1,200 |
| BAYER AG ORD NPV | 743 | HERMES INTL FRF10 POST SPLIT | 781 |
| BCD SEMICONDUCTOR MANUFA LTD | 5,560 | HERTZ GLOBAL HOLDINGS INC | 19,350 |
| BEST BUY CO INC | 7,394 | HOLLYFRONTIER CORP | 3,633 |
| BNY MELLON CASH RESERVE | 10,677 | HONG KONG & CHINA GAS HKD0.25 | 17,000 |
| BRIGHTPOINT INC | 28,000 | HOSPIRA INC | 1,000 |
| C&J ENERGY SERVICES INC | 900 | HUNTINGTON BANCSHARES INC/OH | 15,400 |
| CAMERON INTERNATIONAL CORP | 1,000 | ILLINOIS TOOL WORKS INC | 3,700 |
| CARDINAL HEALTH INC | 1,600 | ILLUMINA INC | 1,900 |
| CARLISLE COS INC | 5,700 | INCYTE CORP LTD | 10,505 |
| CARMAX INC | 18,075 | INTERNATIONAL BUSINESS MACHINE | 1,350 |
| CELESIO AG | 564 | INTERPUBLIC GROUP OF COS INC/T | 23,000 |
| CHILDRENS PLACE RETAIL STORES | 500 | INVESCO LTD SHS | 9,550 |
| CIGNA CORP | 3,900 | ITRON INC | 20,800 |
| CLIFFS NATURAL RESOURCES INC | 300 | ITT EDUCATIONAL SERVICES INC | 400 |
| CLP HLDGS HKD5 | 3,000 | JACOBS ENGINEERING GROUP INC | 2,075 |
| COINSTAR INC | 3,000 | JOS A BANK CLOTHIERS INC | 950 |
| COMMERZBANK AG NPV | 23,619 | JOY GLOBAL INC | 2,530 |
| CORNING INC | 12,756 | JUNIPER NETWORKS INC | 15,500 |
| CPFL ENERGIA SA | 11,100 | LAZARD LTD SHS -A- | 6,200 |
| CREE INC | 4,100 | LEAR CORP | 280 |
| DAIMLER AG ORD NPV | 1,748 | LENDER PROCESSING SERVICES INC | 1,400 |
| DAITO TRUST CONSTRUCTION Y50 | 1,300 | LIFE TECHNOLOGIES CORP | 150 |
| DECKERS OUTDOOR CORP | 1,300 | LINCARE HOLDINGS INC | 1,800 |
| DEERE & CO | 1,550 | LOWE'S COS INC | 5,800 |
| DELL INC | 400 | LUMBER LIQUIDATORS HOLDINGS IN | 22,220 |
| DENBURY RESOURCES INC | 9,075 | MACY'S INC | 4,350 |
| DEUTSCHE BANK AG ORD NPV REGD | 894 | MANPOWERGROUP | 17,930 |

| <u>PURCHASES</u> | <u>SHARES</u> | <u>SALES</u> | <u>SHARES</u> |
|--------------------------------|----------------------|--------------------------------|----------------------|
| MARATHON PETROLEUM CORP | 2,082 | 3M CO | 381 |
| MARTEN TRANSPORT LTD | 515 | ABB LTD CHF1.03 (REGD) | 908 |
| MASTERCARD INC | 400 | ABBOTT LABORATORIES | 426 |
| MAXIM INTEGRATED PRODUCTS INC | 3,675 | ABERCROMBIE & FITCH CO | 321 |
| MCDERMOTT INTERNATIONAL INC | 12,538 | ACCENTURE PLC IRELAND SHS CL A | 2,055 |
| MERCK & CO INC | 6,659 | AFLAC INC | 754 |
| MERCK KGAA NPV | 523 | AGNICO-EAGLE MINES LTD | 9,425 |
| METRO AG ORD NPV | 1,000 | AGRIUM INC | 300 |
| MICREL INC | 25,265 | AIR PRODUCTS & CHEMICALS INC | 640 |
| MICROSOFT CORP | 5,661 | AKAMAI TECHNOLOGIES INC | 1,300 |
| MOLSON COORS BREWING CO | 1,950 | ALEXION PHARMACEUTICALS INC | 730 |
| MTR CORP HKD1 | 15,000 | ALLEGHENY TECHNOLOGIES INC | 1,820 |
| MUENCHENER RUECKVERSICHERUNGS | 287 | ALLEGIANTRAVEL CO | 770 |
| NETFLIX INC | 836 | ALLIANCE DATA SYSTEMS CORP | 500 |
| NEWELL RUBBERMAID INC | 2,200 | ALLSCRIPTS HEALTHCARE SOLUTION | 500 |
| NOBLE ENERGY INC | 1,606 | ALSTOM EUR7 (POST) | 179 |
| OCLARO INC | 6,000 | ALTERA CORP | 2,625 |
| OCWEN FINANCIAL CORP | 10,400 | ALTRIA GROUP INC | 1,685 |
| OWENS CORNING | 2,450 | AMAZON.COM INC | 975 |
| OWENS-ILLINOIS INC | 9,066 | AMERICAN CAPITAL AGENCY CORP | 765 |
| PIONEER NATURAL RESOURCES CO | 4,000 | AMERICAN EXPRESS CO | 960 |
| PPL CORP | 21,400 | AMERIPRISE FINANCIAL INC | 700 |
| QLIK TECHNOLOGIES INC | 3,450 | AMERISOURCEBERGEN CORP | 2,300 |
| QUALCOMM INC | 2,260 | ANADARKO PETROLEUM CORP | 1,650 |
| RAYMOND JAMES FINANCIAL INC | 4,050 | ANALOG DEVICES INC | 700 |
| ROBERT HALF INTERNATIONAL INC | 1,775 | ANN INC | 3,000 |
| ROSS STORES INC | 400 | ANNALY CAPITAL MANAGEMENT INC | 2,350 |
| ROVI CORP | 15,725 | AON CORP | 1,110 |
| RUE21 INC | 1,000 | APARTMENT INVESTMENT & MANAGEM | 1,702 |
| RWE AG (NEU) NPV 'A' | 459 | APPLE INC | 1,159 |
| RYDER SYSTEM INC | 1,500 | ARYZTA AG CHF0.02 (REGD) | 244 |
| SAP AG ORD NPV | 313 | ATMEL CORP | 1,689 |
| SCHLUMBERGER LTD | 2,823 | ATWOOD OCEANICS INC | 1,241 |
| SEATTLE GENETICS INC | 14,250 | AVERY DENNISON CORP | 6,150 |
| SIEMENS AG NPV REGD | 265 | AVON PRODUCTS INC | 12,576 |
| SIGNATURE BANK/NEW YORK NY | 6,400 | BABCOCK & WILCOX CO | 22,480 |
| SKECHERS U.S.A. INC | 14,335 | BAKER HUGHES INC | 329 |
| SKULLCANDY INC | 6,700 | BANKUNITED INC | 8,200 |
| ST JUDE MEDICAL INC | 3,100 | BARRICK GOLD CORP | 3,155 |
| STARWOOD PROPERTY TRUST INC | 16,750 | BAXTER INTERNATIONAL INC | 1,600 |
| TEAVANA HOLDINGS INC | 8,800 | BEST BUY CO INC | 8,289 |
| TOLL HLDGS LIMITED NPV | 17,016 | BIOMERIEUX NPV | 605 |
| TRAVELERS COS INC/THE | 2,100 | BNY MELLON CASH RESERVE | 15,544 |
| UBS AG LONDON CALL WTS | 9,500 | BOEING CO/THE | 308 |
| ULTRA PETROLEUM CORP | 500 | BROWN & BROWN INC | 9,625 |
| UNION PACIFIC CORP | 3,361 | BUCKLE INC/THE | 1,900 |
| UNITED PARCEL SERVICE INC | 1,850 | C&J ENERGY SERVICES INC | 900 |
| UNITEDHEALTH GROUP INC | 300 | CALPINE CORP | 4,330 |
| UNIVERSAL HEALTH SERVICES INC | 400 | CAMECO CORP | 3,815 |
| VALUECLICK INC | 4,875 | CAMERON INTERNATIONAL CORP | 800 |
| VERISIGN INC | 1,275 | CARPENTER TECHNOLOGY CORP | 730 |
| VIRTUS INVESTMENT PARTNERS INC | 1,670 | CARREFOUR EUR2.5 | 291 |
| VULCAN MATERIALS CO | 4,400 | CASH AMERICA INTERNATIONAL INC | 3,450 |
| WARNER CHILCOTT PLC CLASS A | 9,806 | CATERPILLAR INC | 472 |
| WESCO INTERNATIONAL INC | 1,600 | CBS CORP | 2,200 |
| WESFARMERS ORD NPV | 2,497 | CELANESE CORP | 2,821 |
| WESTERN DIGITAL CORP | 10,425 | CF INDUSTRIES HOLDINGS INC | 2,156 |
| WESTERN UNION CO/THE | 8,135 | CHEVRON CORP | 1,026 |
| WHITING PETROLEUM CORP | 2,300 | CHIMERA INVESTMENT CORP | 11,002 |
| ZILLOW INC | 2,200 | CLIFFS NATURAL RESOURCES INC | 1,431 |

| <u>SALES</u> | <u>SHARES</u> | <u>SALES</u> | <u>SHARES</u> |
|---------------------------------|---------------|--------------------------------|---------------|
| CLOROX CO | 1,400 | GILEAD SCIENCES INC | 3,635 |
| CLSA FINANCIAL PRO BHARAT) | 600 | GRAND CANYON EDUCATION INC | 1,400 |
| CME GROUP INC | 1,220 | GREEN MOUNTAIN COFFEE ROASTERS | 1,248 |
| COACH INC | 1,873 | HALLIBURTON CO | 2,088 |
| COCA-COLA ENTERPRISES INC | 9,025 | HARLEY-DAVIDSON INC | 7,850 |
| COINSTAR INC | 1,700 | HARTFORD FINANCIAL SERVICES GR | 1,600 |
| COLGATE-PALMOLIVE CO | 793 | HEALTH MANAGEMENT ASSOCIATES I | 2,197 |
| COMMONWEALTH BANK OF AUSTRALIA | 1,157 | HERBALIFE LTD USD COM SHS | 1,616 |
| COMPAGNIE DE SAINT-GOBAIN | 266 | HERMAN MILLER INC | 900 |
| COMPAGNIE FINANCIERE | 296 | HESS CORP | 6,360 |
| COOPER INDUSTRIES PLC | 7,900 | HNI CORP | 2,675 |
| COPA HOLDINGS S A CL A | 971 | HOLLY CORP | 0 |
| CORE LABORATORIES N V | 666 | HOLLYFRONTIER CORP | 1,098 |
| CORNING INC | 2,017 | HUMANA INC | 500 |
| COTT CORP | 7,100 | ILLINOIS TOOL WORKS INC | 6,694 |
| COVIDIEN PLC | 1,800 | ILLUMINA INC | 2,135 |
| CRACKER BARREL OLD COUNTRY STO | 2,000 | INTEL CORP | 2,450 |
| CREDIT SUISSE GROUP AG CHF0.04 | 733 | INTERCONTINENTALEXCHANGE INC | 2,260 |
| CREE INC | 2,710 | INTERNATIONAL BUSINESS MACHINE | 676 |
| CSX CORP | 15,741 | INTERPUBLIC GROUP OF COS INC/T | 4,530 |
| CTRIIP.COM INTERNATIONAL LTD | 1,395 | INTUIT INC | 1,915 |
| CUMMINS INC | 2,828 | ITT EDUCATIONAL SERVICES INC | 4,100 |
| DANONE | 228 | JOHNSON CONTROLS INC | 5,660 |
| DEERE & CO | 1,305 | JOY GLOBAL INC | 944 |
| DENBURY RESOURCES INC | 8,090 | JUNIPER NETWORKS INC | 8,015 |
| DEVON ENERGY CORP | 3,823 | KANSAS CITY SOUTHERN | 897 |
| DEVRY INC | 1,650 | KELLOGG CO | 1,222 |
| DIAMOND OFFSHORE DRILLING INC | 3,044 | KIMBERLY-CLARK CORP | 6,956 |
| DIRECTV | 828 | KINDER MORGAN HOLDCO LLC | 2,240 |
| DISCOVERY COMMUNICATIONS INC | 16,725 | KINETIC CONCEPTS INC | 14,590 |
| DOW CHEMICAL CO/THE | 1,685 | LABORATORY CORP OF AMERICA HOL | 950 |
| DUNKIN' BRANDS GROUP INC | 500 | LAS VEGAS SANDS CORP | 2,800 |
| EADS EURO AERO DEF EUR 1 | 263 | LAZARD LTD SHS -A- | 1,021 |
| EATON CORP | 552 | LEAR CORP | 5,500 |
| EATON VANCE CORP | 2,200 | LOCKHEED MARTIN CORP | 561 |
| EDENRED | 278 | L'OREAL EUR0.2 | 121 |
| ELI LILLY & CO | 1,563 | LOWE'S COS INC | 2,755 |
| ENDO PHARMACEUTICALS HOLDINGS | 1,913 | LULULEMON ATHLETICA INC | 3,470 |
| ENSCO PLC | 7,298 | MANPOWERGROUP | 1,880 |
| EOG RESOURCES INC | 895 | MANTECH INTERNATIONAL CORP | 700 |
| EPOCRATES INC | 2,200 | MARATHON OIL CORP | 5,065 |
| EQUINIX INC | 1,171 | MARATHON PETROLEUM CORP | 1,226 |
| ESTEE LAUDER COS INC/THE | 550 | MASTERCARD INC | 77 |
| EXPRESS SCRIPTS INC | 5,713 | MAXIMUS INC | 4,150 |
| EXXON MOBIL CORP | 2,815 | MCDERMOTT INTERNATIONAL INC | 1,182 |
| FEDERATED INVESTORS INC | 4,465 | MEDCO HEALTH SOLUTIONS INC | 8,185 |
| FINISAR CORP | 400 | MEDICIS PHARMACEUTICAL CORP | 8,850 |
| FLOWSERVE CORP | 100 | MERCK & CO INC | 636 |
| FOREST LABORATORIES INC | 11,670 | MICHELIN CIE GLE DES ETABL | 184 |
| FOSSIL INC | 400 | MICROSOFT CORP | 3,589 |
| FOSTER WHEELER AG COM | 7,885 | MITSUBISHI UFJ FINANCIAL GROUP | 21,600 |
| FRANCE TELECOM EUR4 | 1,261 | MIZUHO FINL GP NPV | 90,000 |
| FRANCESCAS HOLDINGS CORP | 200 | MONRO MUFFLER BRAKE INC | 1,720 |
| FREEMPORT-MCMORAN COPPER & GOLD | 3,026 | MONSANTO CO | 3,720 |
| FXCM INC | 1,768 | MUENCHENER RUECKVERSICHERUNGS | 996 |
| GDF SUEZ EUR1 | 574 | NABORS INDUSTRIES LTD SHS | 3,030 |
| GENCO SHIPPING & TRADING | 93,000 | NARA BANCORP INC | 10,570 |
| GENWORTH FINANCIAL INC | 47,800 | NATIONAL OILWELL VARCO INC | 1,435 |

| <u>SALES</u> | <u>SHARES</u> | <u>SALES</u> | <u>SHARES</u> |
|---------------------------------|---------------|--------------------------------|---------------|
| NESTLE SA CHF0.1 (REGD) | 1,565 | TEAVANA HOLDINGS INC | 400 |
| NETAPP INC | 1,510 | TEMPUR-PEDIC INTERNATIONAL INC | 1,275 |
| NETFLIX INC | 950 | TERADATA CORP | 11,520 |
| NEUSTAR INC | 17,000 | TERADYNE INC | 15,900 |
| NOBLE ENERGY INC | 2,255 | TESCO ORD 5P | 19,700 |
| NORDSTROM INC | 8,600 | TESSERA TECHNOLOGIES INC | 18,100 |
| NOVARTIS AG CHF0.50 (REGD) | 1,142 | TIFFANY & CO | 4,450 |
| NUANCE COMMUNICATIONS INC | 700 | TIMBERLAND CO/THE | 11,865 |
| NVIDIA CORP | 5,185 | TJX COS INC | 1,242 |
| OCCIDENTAL PETROLEUM CORP | 2,331 | SA EUR2.5 | 638 |
| OIL STATES INTERNATIONAL INC | 2,450 | TOYOTA MOTOR CORP | 945 |
| OM GROUP INC | 11,600 | TTM TECHNOLOGIES INC | 5,235 |
| ON SEMICONDUCTOR CORP | 40,177 | TUTOR PERINI CORP | 18,700 |
| ORACLE CORP | 3,465 | UBS AG CHF0.1 (POST | 1,829 |
| O'REILLY AUTOMOTIVE INC | 9,270 | UNITED PARCEL SERVICE INC | 1,621 |
| OWENS-ILLINOIS INC | 9,840 | UNITED STATIONERS INC | 6,600 |
| PATTERSON-UTI ENERGY INC | 993 | UNIVERSAL HEALTH SERVICES INC | 501 |
| PENSKE AUTOMOTIVE GROUP INC | 27,505 | VEECO INSTRUMENTS INC | 3,600 |
| PENTAIR INC | 4,100 | VERIFONE SYSTEMS INC | 529 |
| PEPSICO INC/NC | 1,563 | VINCI EUR2.50 (POST SUBDIVISIO | 210 |
| PETROHAWK ENERGY CORP | 25,725 | VISA INC | 300 |
| PHILIP MORRIS INTERNATIONAL IN | 1,417 | VIVENDI SA EUR5.5 | 907 |
| POLYCOM INC | 4,450 | WABCO HOLDINGS INC | 443 |
| PRECISION CASTPARTS CORP | 600 | WADDELL & REED FINANCIAL INC | 1,249 |
| PRICELINE.COM INC | 296 | WALT DISNEY CO/THE | 1,950 |
| PROGRESS SOFTWARE CORP | 11,300 | WALTER ENERGY INC | 7,037 |
| PROSEGUR COMPANIA SEGURIDAD | 6,308 | WARNER CHILCOTT PLC CLASS A | 935 |
| QIAGEN N V | 23,615 | WATERS CORP | 865 |
| QUALCOMM INC | 2,215 | WESTERN DIGITAL CORP | 1,195 |
| QUEST DIAGNOSTICS INC/DE | 7,770 | WESTERN REFINING INC | 16,550 |
| RADIANT SYSTEMS INC | 5,500 | WEYERHAEUSER CO | 5,115 |
| RANGE RESOURCES CORP | 600 | WINDSTREAM CORP | 3,996 |
| RECKITT BENCKISER GROUP PLC | 3,438 | WYNDHAM WORLDWIDE CORP | 10,000 |
| RED HAT INC | 3,595 | YUM! BRANDS INC | 849 |
| ROCHE HLDG AG GENUSSSCHEINE NPV | 329 | ZURICH FINANCIAL SERVICES AG | 88 |
| ROSS STORES INC | 274 | | |
| RUE21 INC | 2,300 | | |
| SALESFORCE.COM INC | 1,700 | | |
| SANOFI | 739 | | |
| SCHLUMBERGER LTD | 1,056 | | |
| SEAGATE TECHNOLOGY | 15,134 | | |
| SECOM CO Y50 | 7,700 | | |
| SHAW GROUP INC/THE | 3,765 | | |
| SHERWIN-WILLIAMS CO/THE | 530 | | |
| SIGNET JEWELERS LIMITED SHS | 1,900 | | |
| SKECHERS U.S.A. INC | 5,350 | | |
| SKYWORKS SOLUTIONS INC | 200 | | |
| SM ENERGY CO | 4,350 | | |
| SPRINT NEXTEL CORP | 120,525 | | |
| STANCORP FINANCIAL GROUP INC | 3,950 | | |
| STANDARD MICROSYSTEMS CORP | 1,780 | | |
| STARWOOD HOTELS & RESORTS WORL | 915 | | |
| STATE STREET CORP | 12,325 | | |
| SUMITOMO MITSUI GR NPV | 3,600 | | |
| SUMITOMO MITSUI TRUST HOLDINGS | 27,000 | | |
| SUPERIOR ENERGY SERVICES INC | 850 | | |
| SWISSCOM AG CHF1.00 | 69 | | |
| SYNGENTA AG CHF0.1 | 38 | | |