

**Metropolitan Water Reclamation  
District Retirement Fund**

**Minutes  
Regular Meeting  
Board of Trustees  
October 26, 2011**

Meeting#: 1065

Called to order: 10:00 a.m.

Place: MWRD Board Room, 100 E. Erie St., Chicago, IL

Presiding: Mr. Joseph Kennedy, President

		<u>Present</u>
Trustees:	Joseph F. Kennedy, President	X
	Robert T. Regan, Vice-President	X
	Hon Cynthia M. Santos, Secretary	
	John P. Dalton Jr.	X
	Hon. Barbara J. McGowan	X
	Stephen J. Carmody	X
	Joseph W. Rose	X

Staff present: Sue Boutin, Executive Director  
Mary Wilson, Supervising Benefits Analyst  
Vrinda Kulkarni, Accountant/Analyst  
George Kirie, Financial Analyst

Also present: Ivory Day, Investment Consultant, Gray & Company  
Members of the Public

Investment Managers present:

Northern Trust Global Investments – Daniel T. Hynes, Investment Relationship Manager

State Street Global Advisors - Daniel P. Ryan, Relationship Manager

## Regular Business:

### **Approval of Minutes**

A motion was made by Mr. Regan, seconded by Mr. Dalton, to approve the minutes of the Regular Board Meeting held on September 28, 2011. The motion was unanimously approved.

A motion was made by Mr. Dalton, seconded by Mr. Rose, to approve the minutes of the October Investment Meeting held on October 21, 2011. The motion was unanimously approved.

### **Consent Agenda**

#### ***Expenses***

Administrative expenses to be paid in November 2011 in the amount of \$392,397.08 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 application for one new employee annuitant, monthly annuity benefit of \$11,040.57 was presented with the recommendation that it 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>
Runquist, Richard A.	Associate Electrical Engineer	10/1/2011	17.98	0.00
Young, Patricia A.	Manager of Public Affairs	10/1/2011	34.00	0.00

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

#### ***Surviving Spouse Annuitants***

The applications for six new surviving spouse/child annuitants with a total monthly annuity benefit of \$13,230.58 were 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>
Clement, Jo Anne	Clement, Patrick J.	10/01/11
Courchene, Ruth	Courchene, James M.	11/01/11
Grant, Jarvis D.	Grant, Jesse D.	10/01/11
Klestil, Marcella A.	Klestil, Robert	10/01/11
Reynolds, Dorothy	Reynolds, Marable E.	08/01/11
Yourell, Millicent	Yourell, Harry "Bus"	10/01/11

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

## Regular Business, continued:

### Consent Agenda, continued:

#### ***Refunds and Final Payments***

The applications for three refunds and final payments in the combined amount of \$66,793.54 were presented with the recommendation that they be approved and granted as follows:

<u>Employee/Annuitant Name</u>	<u>Date</u>	<u>Event</u>	<u>Payee</u>
Runquist, Richard A.	09/30/11	Retirement	No Spouse Refund
Young, Patricia A.	09/30/11	Retirement	Excess Optional
Young, Patricia A.	09/30/11	Retirement	No Spouse Refund

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

#### ***Duty Disability***

The 29 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***

The 12 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. Carmody, 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. The Consent Agenda was unanimously approved.

## Administrative:

#### **Cash Allocation – December 2011 Annuitant Payroll funding**

Ms. Boutin made the recommendation for funding the December 2011 payroll and expenses estimated to be \$10.7 million.

*Mr. Dalton made the motion to transfer a maximum of \$9.7 million from the State Street Bond Market Index Fund to supplement funds available to cover the December 2011 payroll and expenses estimated to be \$10.7 million. Mr. Carmody seconded the motion which was unanimously approved by roll call vote.*

#### **Senate Committee on Pensions and Investments**

Ms. Boutin reported that on October 12<sup>th</sup>, we received notification from Senator Kwame Raoul, Chairman for the Pension & Investment Committee informing our Fund that the Senate Committee will conduct their hearings on December 6<sup>th</sup>. Responses to the 34 detailed questions are due on November 7<sup>th</sup>. Mr. Kirie and Ms. Kulkarni are currently working on preparing the responses.

## Administrative, continued:

### **Tentative 2012 Meeting Schedule**

Ms. Boutin stated that at the November Board meeting, she will be passing out a tentative 2012 meeting schedule for Trustee review and approval at the December meeting. She solicited comments regarding manager presentations since we will have 8 new managers next year or a total of 22 managers. Two managers are index managers and can come 1 time each year, but the number of total presentations is still large - 42 for the year. After some discussion considering the length of the Board meetings, and considering Mr. Roses' inquiry about the formation of an Investment Committee, the Trustees decided to keep the presentations to 3 per meeting, and to hold separate Investment meetings twice a year in May and October, to meet with the 8 Emerging Managers.

## Legal and Legislation

### **Report on Status of Legislative Initiatives [16-21]**

Ma Boutin directed Trustee attention to their packets in which they will find an amendment to SB 1673 which includes the draft language of our legislative initiatives which was prepared by Jeff Houch and myself with a goal of filing the bill on October 21st. However on October 20<sup>th</sup>, President O'Brien asked that the bill be delayed until the spring 2012 session. At this point, we will have to make changes regarding the commencement date for the increased contributions and the higher tax multiple. The draft includes an employee contribution split recommended by Sandor Goldstein, discussed at the last meeting. However at that time the trustees did not do a formal motion to approve this split in the following manner:

- Year 1 & Year 2 – Increase employee contribution 1% each year, split as .5% for the employee annuity and .5% for the COLA
- Year 3 – Increase employee contribution by 1%, split as .5% for the employee annuity and .5% for the spouse annuity.

After these increases, in 2014 the split would be 8.5% for the employee annuity, 1.5% for the COLA and 2.0% for the spouse annuity which is refundable if the employee is not married at retirement. These changes will be introduced in the spring 2012 Legislative session.

*Mr. Dalton made the motion to accept the recommendation made by the Fund's Actuary Goldstein & Associates, in splitting the three years of annual 1% increases in employee contributions as follows: at Year 1 & Year 2 – Increase for the employee annuity .5% and for the COLA .5% both years and Year 3 – Increase for the employee annuity .5% and for the spouse annuity .5%. In 2014, the resulting 12% employee contributions will be split as follows: 8.5% for the employee annuity, 1.5% for the COLA, and 2.0% for the spouse annuity. Mr. Carmody seconded the motion which was unanimously approved by roll call vote.*

Ms. Boutin also noted that an interesting bill to watch is HB 3827 which requires an individual to report any suspicion of a false statement or falsified record being submitted by a commissioner, trustee, director, board member or employee of a retirement fund. It also terminates the existing pension boards for 7 funds. She responded to the inquiries by Mr. Kennedy and Mr. Dalton, and reported that the proposal to dissolve the boards of Police, Fire, Municipal, County, Laborers, Park and Chicago Teachers gives the authority to recreate them to the county president or the Mayor, with increasing the number of appointed members. She reported the statute sections about fraud (5/1-114 and 5/1-135) will apply to the Fund, but currently the section on board dissolution does not on apply to us and is not likely to apply to us in the future. Mr. Dalton suggested that the Fund invite Joseph Burns, consulting attorney, to speak on this topic next year as Trustee training.

## Investment Reports:

### **Reports by Staff**

#### ***Manager Updates***

Mr. Kirie presented the Manager Profiles that summarize the second quarter 2011 performance of the two investment managers scheduled to present today; Northern Trust and State Street Global Advisors. Reports are on file.

#### ***Custodian Report***

Mr. Kirie reviewed the Bank of New York Mellon Custodian reports, which showed Fund assets at \$932M at 9/30/11, split approximately as follows: 62.3% equities, 35% fixed income, and 2.8% cash. The asset allocation schedule showed assets at \$981.9M at 10/21/11. Report is on file.

#### ***Securities Lending Report***

Mr. Kirie presented the securities lending activity for the third quarter. Northern Trust reported approximately \$6,900 in securities lending income; SSGA did not have their third quarter numbers yet; and BNY Mellon reported \$53,388 income.

#### ***Brokerage Report***

Mr. Kirie presented the 9/30/11 YTD brokerage report, showing that YTD 36% of commissions were directed by our domestic equity managers to minority/women broker dealers. The report also showed brokerage commissions directed to minority/women broker dealers by our international equity and transition managers.

### **Reports by Investment Managers**

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

- Mr. Dan Hynes of Northern Trust Global Investments
- Mr. Dan Ryan of State Street Global Advisors

Mr. Hynes noted YTD performance of 6.77% on the \$106M invested in the NTGI Aggregate Bond Index Fund as of 9/30/11, noting the primary driver was U.S. Treasuries. Further review followed.

*(Enter Ms. McGowan)*

Mr. Hynes responded to Ms. Boutin's inquiry about Northern Trust's (NT) organizational changes regarding a new grouping for alternative investments, which now combines private equity and hedge funds under the same leader. Mr. Hynes responded to Mr. Kennedy's inquiry about the prospect of securities lending coming back to prior levels, stating that the low interest rate environment as well as low risk tolerance will contribute to low lending revenue. Further discussion followed. Mr. Kirie noted the new performance schedule on p.7, and clarified that we would like to continue to see quarterly performance figures on this schedule. Mr. Hynes agreed with Mr. Kennedy's observation that NT is now taking a very conservative approach to securities lending.

*(A brief recess was had)*

Mr. Ryan noted the longstanding relationship State Street has had with MWRD RF, and commented on the YTD performance of 6.58% on the \$220M invested in the SSGA Aggregate Bond Index Fund as of 9/30/11, noting the returns are within expectations for delivering returns of the benchmark. Mr. Ryan responded to Mr. Kirie's inquiry as to why the lag in getting third quarter securities lending numbers. He responded to Mr. Kennedy's inquiry about the securities lending policies since 2007, noting that the reinvestment guidelines for the collateral pool funds have become more conservative with the shorter duration of the portfolio. He noted that no new asset-backed securities are being purchased, and the residual asset backed securities are only 6% of the collateral pool.

Reports are on file.

## Other Investment Related Issues:

### **Avon Products Litigation Update**

Ms Boutin reviewed that last month she reported that the three investors involved in the litigation agreed to an allocation of work responsibilities with LBBW taking 55%, MWRD RF 30% and City of Brockton 15% which was submitted to the court on September 22nd. On September 29<sup>th</sup>, the judge signed the proposed order appointing lead and named plaintiffs today; the Fund is a named plaintiff. The next step is for the attorneys to prepare the amended complaint, which under the current scheduling order is due on 1/31/2012.

### **Reports by Gray & Co.**

#### **General**

Mr. Day pointed out various reading materials handed out to the Trustees. He reviewed the capital market review, which included a spoof of Diary of a Wimpy Kid, called Diary of a Wimpy Investor. He noted the S&P 500 is down about 14% this year, and Financials were down about 17% per year over the last five years.

#### **Rebalancing to Preferred Asset Allocation**

Mr. Day presented the asset rebalancing schedule, which included the soon-to-be-hired large cap value manager. Presentations were heard last week from prospective managers, and today the Board will choose one to hire, with the goal to transfer assets from Lombardia and balance the allocation between what will be two large cap managers.

#### **Emerging Manager SCV and SCG Funding**

Mr. Day reviewed the page of the rebalancing schedule that showed the chosen emerging small cap managers, commending Mr. Kirie for negotiating a \$25,000 fee reduction with Fiduciary Management Associates. Mr. Kirie stated the agreement with Fiduciary has now been signed. Mr. Day reviewed the page showing the funding plan to fund the new emerging small cap managers; funding will come from Wellington Mid Cap Core-Opportunity, Wasatch, Opus and UBS Small Cap Growth,

*Mr. Dalton made the motion to approve the funding of our new emerging small cap managers, WCM Investment Management, Fiduciary Management Associates, Geneva Capital Mgt and Profit Investment Management with approximately \$51 million, from Wellington Mid Cap Core-Opportunity, Wasatch Small Cap Value, Opus Small Cap Value and UBS Small Cap Growth portfolios. Mr. Carmody seconded the motion which was unanimously approved by roll call vote.*

#### **LCV Manager Search**

Brief discussion was had about impressions from the LCV Manager interviews.

*Mr. Rose made the motion to terminate the investment management relationship with Lombardia Capital Partners. Mr. Dalton seconded the motion which was unanimously approved by roll call vote.*

*Mr. Rose made the motion to hire LSV Asset Management to manage 4.09% of the Fund's total assets or approximately \$40.2 million, in large cap value equities, subject to fee schedule and investment management agreement acceptance. Funding will be made from the Lombardia Large Cap Value portfolio and the overweight in the UBS Large Cap Value and any additional funds necessary from the overweight in the Herndon Capital Large Cap Core portfolio. Mr. Regan seconded the motion which was unanimously approved by roll call vote.*

Mr. Day noted that with today's motions for funding the emerging small cap managers, we will have fulfilled the emerging manager program for equity managers, but the policy also calls for an allocation of 0-5% to emerging fixed income managers. Gray & Company is looking into the selection universe for this mandate. Mr. Day noted that in fixed income, unlike equities, managers need to have a lot of money to outperform, which is by definition opposite to "emerging manager". Mr. Day responded to inquiries by Mr. Dalton and Mr. Kennedy about emerging fixed income index managers, stating in greater detail that the universe is likely small or nonexistent. Gray & Co. will canvas their database before recommending to do, or not to do, a search.

## Other Investment Related Issues, continued:

### ***Fixed Income Diversification***

Mr. Day raised the issue again about the possibility of conducting a Fixed Income Core Plus mainstream manager search. In light of the rock-bottom U.S. interest rates, the aggregate index we are invested in will go down in value when interest rates eventually start to rise. One way to combat that is to diversify the fixed income portfolio to include core plus, whose high yields will run contrary to the interest rates. We would look for funds with some international fixed income allocations, that would have low correlation to the U.S. interest rates.

Mr. Dalton requested one more hour of training on Core Plus, and Mr. Day agreed to present it after the November meeting.

Mr. Day stated that next month he will present a performance attribution report, so the Board can understand where the returns are coming from, and why. Mr. Day noted that on the equity side we are seeing high correlations in the market place, with high volatility which was recently as high as 30%.

Mr. Day responded to Mr. Rose's request to speak on why we are expecting things to improve, in a historical context. He stated that in general the consultant industry focuses on too short a time frame, and expanded on a research project he is conducting that shows the long-term view over historical periods point to the likelihood of good returns over the long run in the future.

### Adjournment:

At 11:26 p.m. a motion to adjourn was made by Mr. Dalton, seconded by Mr. Regan, unanimously approved, whereupon Mr. Kennedy adjourned the meeting.

### Next Meeting Notice:

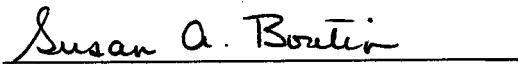
The next Regular Board Meeting will be held on Wednesday November 16, 2011.

Respectfully submitted,



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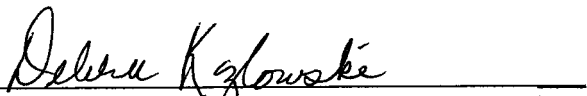
Robert T. Regan/Vice-President



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Susan A. Boutin / Executive Director

Prepared by:



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Debra Kozlowski/ Office Services Assistant



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Vrinda Kulkarni/ Accountant-Analyst

**MWRD RETIREMENT FUND SECURITY TRANSACTIONS FOR THE MONTH OF OCTOBER 2011**

<u>PURCHASES</u>	<u>SHARES</u>	<u>PURCHASES</u>	<u>SHARES</u>
ABB LTD	2,950	CORNING INC	14,531
ABBOTT LABORATORIES	3,250	COVENTRY HEALTH CARE INC	2,535
ACE LIMITED SHS	2,700	CTRIIP.COM INTERNATIONAL LTD	2,810
ADTRAN INC	1,275	CUMMINS INC	1,350
ADVANCE AMERICA CASH ADVANCE C	15,222	CVS CAREMARK CORP	4,400
ADVANCE AUTO PARTS INC	2,650	DAIMLER AG ORD NPV	1,633
AFLAC INC	3,200	DANONE	1,036
AGILENT TECHNOLOGIES INC	4,600	DBS HLDGS SGD1	10,000
AKZO NOBEL NV EUR2	1,465	DEERE & CO	2,330
ALKERMES PLC	4,575	DENBURY RESOURCES INC	6,620
ALPHA NATURAL RESOURCES INC	7,375	DIAGEO ORD 28 101/108P	3,166
AMAZON.COM INC	470	DIAMOND OFFSHORE DRILLING INC	2,200
AMERICAN TOWER CORP	1,950	DOLLAR TREE INC	5,500
AMERIPRISE FINANCIAL INC	1,500	DOW CHEMICAL CO/THE	16,210
ANGLO AMERICAN	7,842	DREAMWORKS ANIMATION SKG INC	7,325
ANN INC	6,500	EAST WEST BANCORP INC	4,550
APACHE CORP	4,191	EI DU PONT DE NEMOURS & CO	2,940
ARCELORMITTAL	3,348	ELECTRONIC ARTS INC	9,475
ASAHI GLASS CO Y50	9,000	ENCANA CORPORATION	2,464
ASTRAL MEDIA INC	469	ENDURANCE SPECIALTY HLDGS LTD	200
ATWOOD OCEANICS INC	6,440	ENERGEN CORP	2,250
AVON PRODUCTS INC	30,645	ENERSYS	6,500
BAIDU INC/CHINA	900	ENSCO PLC	2,915
BAKER HUGHES INC	19,610	EOG RESOURCES INC	1,730
BARRICK GOLD CORP	2,060	EQT CORP	1,400
BASF SE NPV	1,193	EQUINIX INC	1,300
BE AEROSPACE INC	1,300	ESTERLINE TECHNOLOGIES CORP	1,500
BHP BILLITON LIMITED	11,208	EXPRESS SCRIPTS INC	9,592
BHP BILLITON PLC USD0.50	10,873	EXXON MOBIL CORP	1,000
BIOMED REALTY TRUST INC	5,900	EZCORP INC	4,800
BLACKSTONE GROUP LP	9,300	F5 NETWORKS INC	260
BMC SOFTWARE INC	7,000	FABRINET	3,784
BOSTON PROPERTIES INC	1,500	FEDEX CORP	4,100
BRISTOL-MYERS SQUIBB CO	13,630	FIFTH THIRD BANCORP	11,475
BRITISH SKY BRDCSTG	9,300	FIRST AMERICAN FINANCIAL CORP	6,300
BT GROUP ORD GBP0.05	29,716	FIRST REPUBLIC BANK/SAN FRANCI	1,520
BUCKLE INC/THE	1,100	FRANCE TELECOM EUR4	4,289
CADENCE DESIGN SYSTEMS INC	39,491	FRANKLIN RESOURCES INC	1,100
CAIRN ENERGY PLC	5,263	FRESNILLO PLC	1,726
CAMERON INTERNATIONAL CORP	400	GENPACT LTD	4,825
CAMPBELL SOUP CO	11,711	GIVAUDAN AG CHF10	87
CANADIAN IMPERIAL BK OF COMM	217	GLAXOSMITHKLINE ORD GBP0.25	13,214
CANADIAN NATURAL RESOURCES LTD	1,313	GOLDCORP INC	4,152
CARLISLE COS INC	1,500	GOOGLE INC	1,498
CARPENTER TECHNOLOGY CORP	4,944	GREEN MOUNTAIN COFFEE ROASTERS	1,100
CELANESE CORP	7,280	GULFPORT ENERGY CORP	11,400
CETIP SA - BALCAO ORGANIZADO D	1,900	HALLIBURTON CO	8,960
CH ROBINSON WORLDWIDE INC	3,200	HASBRO INC	3,250
CHEUNG KONG(HLDGS) HK\$0.50	5,000	HEALTH NET INC	6,215
CHILDRENS PLACE RETAIL STORES	400	HENDERSON LAND DEVELOPMENT CO	17,000
CHIMERA INVESTMENT CORP	69,029	HERMAN MILLER INC	2,400
CHUBB CORP	3,089	HERTZ GLOBAL HOLDINGS INC	5,700
CITIGROUP INC	6,800	HESS CORP	4,300
CLIFFS NATURAL RESOURCES INC	3,510	HITACHI NPV	11,000
COLONY FINANCIAL INC	2,400	HOME PROPERTIES INC	1,025
COMCAST CORP	8,726	HOSPIRA INC	5,900
CONSOL ENERGY INC	8,720	IDEX CORP	8,340
CONSTELLATION BRANDS INC	11,050	ILLUMINA INC	3,350

<u>PURCHASES</u>	<u>SHARES</u>	<u>PURCHASES</u>	<u>SHARES</u>
IMAX CORP	3,500	NUCOR CORP	8,500
INCYTE CORP LTD	6,525	NVIDIA CORP	8,655
INTEL CORP	5,500	OCCIDENTAL PETROLEUM CORP	2,050
INTUITIVE SURGICAL INC	200	OIL STATES INTERNATIONAL INC	200
INVESCO LTD SHS	31,445	OMV AG NPV	3,790
ISHARES MSCI EMU INDEX FUND	16,673	ONEOK INC	1,700
ISHARES MSCI GERMANY INDEX FUN	6,293	ORACLE CORP	7,300
ISHARES MSCI SWITZERLAND INDEX	10,209	O'REILLY AUTOMOTIVE INC	1,240
ISHARES MSCI UNITED KINGDOM IN	15,892	OWENS-ILLINOIS INC	4,500
ITAU UNIBANCO HOLDING SA	16,479	PACCAR INC	3,780
ITT EDUCATIONAL SERVICES INC	400	PFIZER INC	5,822
JAPAN TOBACCO INC Y50000	36	PHILIP MORRIS INTERNATIONAL IN	2,570
JB HI-FI NPV	2,972	PIONEER NATURAL RESOURCES CO	500
JOHNSON CONTROLS INC	2,890	POLYCOM INC	1,180
JOY GLOBAL INC	700	POTASH CORP OF SASKATCHEWAN IN	12,660
JPMORGAN CHASE & CO	7,700	PROSPERITY BANCSHARES INC	2,614
JPMORGAN CHASE BK N A LONDON	7,413	PRUDENTIAL PLC GBP0.05	17,012
JUNIPER NETWORKS INC	11,060	QUALCOMM INC	300
KEYCORP	11,000	RAYMOND JAMES FINANCIAL INC	2,875
KINDER MORGAN INC/DELAWARE	7,860	RED HAT INC	11,120
KKR & CO LP	17,900	REPSOL YPF SA EUR1	1,452
LABORATORY CORP OF AMERICA HOL	1,780	RESEARCH IN MOTION LTD	703
LAFARGE SA EUR4.00	1,250	RESMED INC	3,350
LENNOX INTERNATIONAL INC	780	RIO TINTO LIMITED NPV	4,626
LIBERTY GLOBAL INC	1,030	RIO TINTO ORD GBP0.10	7,653
LIFE TECHNOLOGIES CORP	3,990	ROBERT HALF INTERNATIONAL INC	1,530
LINCOLN NATIONAL CORP	9,575	ROYAL BANK OF CANADA	340
LINDT SPRUENGLI PTG CERT CHF10	50	SANDISK CORP	4,200
LPL INVESTMENT HOLDINGS INC	3,500	SANOFI	1,714
MAKITA CORP Y50	1,700	SANTOS LIMITED NPV	9,467
MANPOWER INC	2,000	SCHLUMBERGER LTD	1,350
MANTECH INTERNATIONAL CORP	1,900	SHAW GROUP INC/THE	4,570
MCDERMOTT INTERNATIONAL INC	55,350	SHUFFLE MASTER INC	14,100
MCDONALD'S CORP	1,270	SKYWORKS SOLUTIONS INC	5,925
MCKESSON CORP	3,273	SLM CORP	5,275
MEDIDATA SOLUTIONS INC	9,550	SMC CORP NPV	400
MERCK KGAA NPV	779	SONY FINANCIAL HOLDINGS INC	5,100
MIRVAC GROUP STAPLED SHS	70,917	SOTHEBY'S	5,000
MOLSON COORS BREWING CO	850	SPECTRA ENERGY CORP	7,375
MONSANTO CO	1,950	SPIRIT AIRLINES INC	4,200
MORGAN STANLEY	18,983	STATE STREET CORP	9,900
MSC INDUSTRIAL DIRECT CO	2,200	STATOIL ASA NOK2.50	5,342
MYLAN INC/PA	2,030	SUMITOMO METAL MNG NPV	5,000
NABORS INDUSTRIES LTD SHS	6,470	SUNCOR ENERGY INC	960
NATIONAL OILWELL VARCO INC	949	SUPERIOR ENERGY SERVICES INC	7,750
NATL AUSTRALIA BK NPV	4,373	SYNTEL INC	2,495
NAVISTAR INTERNATIONAL CORP	600	T ROWE PRICE GROUP INC	1,985
NEWFIELD EXPLORATION CO	12,715	TALISMAN ENERGY INC	7,609
NEWMONT MINING CORP	2,200	TEVA PHARMACEUTICAL INDUSTRIES	16,000
NIPPON STEEL CORP NPV	43,000	TEXTRON INC	5,800
NIPPON TEL & TEL CORP Y50000	3,300	THERMO FISHER SCIENTIFIC INC	3,750
NOBLE CORPORATION BAAR	4,700	UBS AG LONDON	199,100
NOBLE ENERGY INC	1,978	UBS AG LONDON CALL WTS	50,100
NOVARTIS AG	2,750	ULTRA PETROLEUM CORP	1,900
NOVO-NORDISK AS DKK1	643	UNILEVER NV CVA EUR0.16	5,673
NSTAR	3,300	UNIVERSAL HEALTH SERVICES INC	1,300
NTT DOCOMO INC	52	VALERO ENERGY CORP	7,075
NU SKIN ENTERPRISES INC	1,375	VALUECLICK INC	150

<b><u>PURCHASES</u></b>	<b><u>SHARES</u></b>	<b><u>SALES</u></b>	<b><u>SHARES</u></b>
VANGUARD MSCI EMERGING MARKETS	1,203	ANNALY CAPITAL MANAGEMENT INC	9,700
VEDANTA RESOURCES PLC	3,475	APACHE CORP	4,500
VITRAN CORP INC	21,207	APOLLO GROUP INC	19,000
WACKER CHEMIE AG NPV (BR)	760	APPLE INC	1,481
WADDELL & REED FINANCIAL INC	3,800	ARROW ELECTRONICS INC	800
WALT DISNEY CO/THE	4,880	ATMEL CORP	7,489
WARNER CHILCOTT PLC CLASS A	11,636	ATRIUM INNOVATIONS INC	1,874
WATERS CORP	1,720	ATWOOD OCEANICS INC	500
WATSON PHARMACEUTICALS INC	3,069	AXA EUR2.29	8,119
WEBSTER FINANCIAL CORP	10,600	BABCOCK & WILCOX CO/THE	4,390
WELLS FARGO & CO	19,960	BAIDU INC/CHINA	447
WESCO AIRCRAFT HOLDINGS INC	294	BALL CORP	1,700
WESCO INTERNATIONAL INC	800	BARRICK GOLD CORP	391
WESFARMERS ORD NPV	4,329	BASF SE NPV	2,189
WESTERN UNION CO/THE	5,950	BAXTER INTERNATIONAL INC	1,400
WESTFIELD RETAIL TRUST	39,185	BELDEN INC	900
WESTPAC BANKING CORP NPV	4,672	BHP BILLITON LIMITED	8,711
WEYERHAEUSER CO	11,050	BHP BILLITON PLC USD0.50	4,366
WHITING PETROLEUM CORP	2,100	BIOMERIEUX NPV	941
WHOLE FOODS MARKET INC	2,948	BOSTON SCIENTIFIC CORP	13,900
WOODSIDE PETROLEUM NPV	4,608	BROWN & BROWN INC	15,260
WORTHINGTON INDUSTRIES INC	500	BUCKLE INC/THE	3,800
WRIGHT EXPRESS CORP	3,200	CAMERON INTERNATIONAL CORP	2,000
XSTRATA COM STK USD0.50	14,167	CANADIAN NATIONAL RAILWAY CO	425
		CANADIAN NATURAL RESOURCES LTD	3,400
		CAPITAL ONE FINANCIAL CORP	2,200
<b><u>SALES</u></b>	<b><u>SHARES</u></b>	CARDINAL HEALTH INC	860
99 CENTS ONLY STORES	9,100	CARLISLE COS INC	400
ABBOTT LABORATORIES	4,908	CBS CORP	7,500
ACCENTURE PLC IRELAND SHS CL A	1,200	CELANESE CORP	2,000
ACME PACKET INC	3,700	CENTRAL JAPAN RY Y5000	11
AEON CO LTD NPV	4,800	CF INDUSTRIES HOLDINGS INC	100
AERCAP HOLDINGS N V SHS	30,415	CHEUNG KONG(HLDGS) HK\$0.50	8,000
AFLAC INC	4,929	CHILDRENS PLACE RETAIL STORES	300
AFRICAN BARRICK GOLD LTD	3,130	CITRIX SYSTEMS INC	1,575
AGILENT TECHNOLOGIES INC	3,100	CLSA FINANCIAL PRO BHARAT)	18,500
AIR LIQUIDE(L')	1,017	CME GROUP INC	360
AISIN SEIKI CO Y50	3,100	CMS ENERGY CORP	9,100
AKAMAI TECHNOLOGIES INC	6,600	COACH INC	300
AKZO NOBEL NV EUR2	1,022	COINSTAR INC	4,800
ALCATEL-LUCENT/FRANCE	146,650	COLGATE-PALMOLIVE CO	3,400
ALCOA INC	36,975	COLRUYT SA NPV	1,588
ALIMENTATION COUCHE-TARD INC	945	CONAGRA FOODS INC	9,885
ALLEGHENY TECHNOLOGIES INC	9,570	CONOCOPHILLIPS	2,963
ALLEGiant TRAVEL CO	1,863	CORE LABORATORIES N V	1,495
ALLIANCE DATA SYSTEMS CORP	800	CORNING INC	14,299
ALLIANZ SE (SOCIETAS EUROPEAE)	1,725	COVIDIEN PLC	1,135
ALPHA NATURAL RESOURCES INC	3,900	CRACKER BARREL OLD COUNTRY STO	600
ALTERA CORP	7,925	CRANE CO	6,150
AMAZON.COM INC	2,934	CREE INC	3,770
AMERICAN ELECTRIC POWER CO INC	12,600	CYPRESS SEMICONDUCTOR CORP	7,200
AMERICAN WATER WORKS CO INC	1,325	DECKERS OUTDOOR CORP	700
AMERIPRISE FINANCIAL INC	2,000	DENBURY RESOURCES INC	51,515
AMERISOURCEBERGEN CORP	7,160	DOMINOS PIZZA UK & IRL ORD	4,405
AMGEN INC	1,282	DOVER CORP	2,300
AMLIN ORD GBP0.28125	36,558	E.ON AG NPV	4,170
ANALOG DEVICES INC	1,500	EASTMAN CHEMICAL CO	19,960
ANGLO AMERICAN	3,074	EATON VANCE CORP	7,937
ANHEUSER-BUSCH INBEV NV	783		

<u>SALES</u>	<u>SHARES</u>	<u>SALES</u>	<u>SHARES</u>
ELI LILLY & CO	8,889	MATTEL INC	11,000
ENDO PHARMACEUTICALS HOLDINGS	5,605	MERCK & CO INC	14,500
ENI EUR1	11,361	METTLER-TOLEDO INTERNATIONAL I	2,050
ESTEE LAUDER COS INC/THE	980	MOLEX INC	7,850
EXPRESS INC	600	MONSANTO CO	1,280
EXPRESS SCRIPTS INC	4,364	MS&AD INSURANCE GROUP HOLDINGS	5,500
F5 NETWORKS INC	780	NATIONAL FUEL GAS CO	2,000
FINISAR CORP	5,449	NAVIGATORS GROUP INC/THE	2,750
FIRST NIAGARA FINANCIAL GROUP	59,600	NAVISTAR INTERNATIONAL CORP	1,000
FOSSIL INC	600	NESTLE SA CHF0.1 (REGD)	1,500
GANNETT CO INC	7,600	NETAPP INC	10,680
GDF SUEZ EUR1	3,179	NETFLIX INC	9,500
GENTIVA HEALTH SERVICES INC	25,750	NEWCREST MINING LTD ORD NPV	5,803
GLAXOSMITHKLINE ORD GBP0.25	5,357	NINTENDO CO	500
GLOBAL PAYMENTS INC	12,525	NIPPON TEL & TEL CORP Y50000	2,300
GOLDCORP INC	1,876	NISSHIN SEIFUN GROUP INC	3,000
GOLDMAN SACHS GROUP INC/THE	11,400	NISSIN FOODS HOLDINGS CO LTD	1,200
GRAND CANYON EDUCATION INC	1,600	NORDSTROM INC	2,900
GREEN MOUNTAIN COFFEE ROASTERS	13,561	NORTHEAST UTILITIES	13,570
GUESS? INC	2,000	NOVARTIS AG	3,380
HAYNES INTERNATIONAL INC	481	NUANCE COMMUNICATIONS INC	7,500
HENDERSON LAND DEVELOPMENT CO	17,000	NUCOR CORP	3,700
HERBALIFE LTD USD COM SHS	1,300	NVIDIA CORP	2,180
HERMES INTL FRF10 POST SPLIT	166	OCCIDENTAL PETROLEUM CORP	990
HONG KONG & CHINA GAS HKD0.25	51,900	OCLARO INC	4,900
HUMANA INC	1,100	ORITANI FINANCIAL CORP	29,175
HUNTINGTON BANCSHARES INC/OH	139,175	OWENS-ILLINOIS INC	9,515
HURON CONSULTING GROUP INC	4,754	PARKER HANNIFIN CORP	3,750
IGATE CORP	4,100	PATTERSON COS INC	2,200
INTERCONTINENTALEXCHANGE INC	730	PATTERSON-UTI ENERGY INC	14,741
INTERLINE BRANDS INC	27,730	PEPSICO INC/NC	27,429
INTERNATIONAL BUSINESS MACHINE	1,030	PERICOM SEMICONDUCTOR CORP	9,629
INTEVAC INC	7,358	PHARMASSET INC	3,300
INTUIT INC	3,020	PIONEER NATURAL RESOURCES CO	200
ISHARES S&P/TSX GBL GOLD INDEX	13,877	POLARIS INDUSTRIES INC	200
ITAU UNIBANCO HOLDING SA	12,518	POWER INTEGRATIONS INC	1,584
ITT EDUCATIONAL SERVICES INC	2,700	PRICELINE.COM INC	50
JB HUNT TRANSPORT SERVICES INC	610	PVH CORP	4,300
JDA SOFTWARE GROUP INC	2,200	RANDGOLD RESOURCES ORD USD0.05	373
JFE HOLDINGS INC NPV	500	RANGE RESOURCES CORP	250
JOHNSON CONTROLS INC	1,500	RECKITT BENCKISER GROUP PLC	921
JOY GLOBAL INC	3,897	RED HAT INC	7,379
KANSAS CITY SOUTHERN	2,475	REGENERON PHARMACEUTICALS INC	3,685
KAO CORP NPV	6,100	REPSOL YPF SA EUR1	5,107
KDDI CORP Y5000	7	RIO TINTO LIMITED NPV	4,626
KINROSS GOLD CORP	4,307	RIO TINTO ORD GBP0.10	3,217
KIRKLAND'S INC	27,850	RITCHIE BROS AUCTIONEERS INC	9,415
KNIGHT CAPITAL GROUP INC	10,000	ROCKWELL COLLINS INC	7,760
KRAFT FOODS INC	703	RPC INC	27,127
LEAR CORP	2,303	RWE AG (NEU) NPV 'A'	2,441
LIFE TECHNOLOGIES CORP	3,200	SALESFORCE.COM INC	990
LINCARE HOLDINGS INC	750	SANTOS LIMITED NPV	9,467
LINDE AG NPV	314	SEATTLE GENETICS INC	7,310
L'OREAL EUR0.2	556	SHAW GROUP INC/THE	4,320
MACY'S INC	7,150	SHIRE PLC	880
MAGNA INTL INC	2,127	SIEMENS AG	1,450
MANTECH INTERNATIONAL CORP	6,350	SILGAN HOLDINGS INC	2,400
MARATHON OIL CORP	4,700	SKULLCANDY INC	6,700

<b><u>SALES</u></b>	<b><u>SHARES</u></b>
SKYWORKS SOLUTIONS INC	1,200
SOLAR CAPITAL LTD	16,227
SOUTHWEST AIRLINES CO	47,075
SUPERTEX INC	2,081
SYNGENTA AG CHF0.1	185
TAKEDA PHARMACEUTICAL CO LTD	1,700
TEMPUR-PEDIC INTERNATIONAL INC	1,925
TESSERA TECHNOLOGIES INC	10,300
THYSSENKRUPP AG NPV	1,948
TIDEWATER INC	4,550
TNT EXPRESS NV	5,980
TOKYO GAS CO NPV	19,000
TRIUMPH GROUP INC	2,100
UBS AG LONDON CALL WTS	249,200
UNITEDHEALTH GROUP INC	1,970
UNIVERSAL HEALTH SERVICES INC	1,100
VEDANTA RESOURCES PLC	3,475
VERIZON COMMUNICATIONS INC	542
VIACOM INC	17,060
VITERRA INC	1,530
WACKER CHEMIE AG NPV (BR)	760
WALGREEN CO	4,600
WALT DISNEY CO/THE	1,370
WATERS CORP	3,180
WATSON PHARMACEUTICALS INC	840
WEIGHT WATCHERS INTERNATIONAL	4,025
WELLS FARGO & CO	3,167
WESCO INTERNATIONAL INC	3,900
WESTERN DIGITAL CORP	10,825
WHITING PETROLEUM CORP	4,400
WISCONSIN ENERGY CORP	8,165
XILINX INC	1,175
XSTRATA COM STK USD0.50	4,568
YAMANA GOLD INC	1,077
YAMAZAKI BAKING CO Y50	1,653
YUM! BRANDS INC	3,722

