VERY PRELIMINARY*VERY PRELIMINARY*VERY PRELIMINARY

A New Dataset of Foreign Portfolio Investment in the U.S.

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Abstract

This paper describes the construction and potential uses of a new data on foreign equity investment in the U.S. The new data is based on 13f filings of institutional investment managers. While far from capturing all foreign holdings of U.S. stocks, the data offers a quarterly security-level view of foreign equity investments it the U.S. It has the potential to allow precise evaluation of the performance of domestic and foreign based investment managers as well as distinguishing foreign managers who are subsidiaries of U.S. firms vs. foreign managers who are subsidiaries of foreign firms.

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1. Introduction

When analyzing foreign portfolio investment in the U.S., researchers normally rely on publicly available TIC data from the Department of Treasury. The TIC system consists of monthly data on flows (i.e. purchases and sales of U.S. securities by foreign residents) and annual data on positions (i.e. holdings of U.S. securities by foreign residents). The publicly available part of the data breaks down flows and positions by country and asset class (equity, Treasury notes and bonds, agency bonds and corporate bonds).[1] This paper describes the construction and potential uses of an alternative security level quarterly dataset of foreign portfolio equity positions in the U.S. The source of this new data is quarterly filings by institutional investment managers with the SEC. These filings are required by Section 13(f) of the Securities Exchange Act passed by congress in 1975. They apply to all institutional investment managers with discretion over more than $100 million of 13f securities (equities and convertible bonds). Importantly, foreign institutional managers are not exempt from this filing requirement as long as they pass the $100 million reporting threshold and "use any means or instrumentality of United States interstate commerce in the course of their business".

The 13f filings enable the construction of quarterly security level holdings by foreign institutional investment managers investing in the U.S. The most important advantage of this new dataset over the TIC data is that it provides us with foreign positions in every U.S. equity at quarterly frequency. This enables us to investigate not only what kind of stocks foreigners hold but also the dynamics of their purchases and sales. Moreover, the breakdown by institutional investment managers allows us to

[1] The Federal Reserve has access to the annual security-level data and this was utilized in Cai and Warnock (2006).

investigate how investment strategies and performance vary across different managers. For example, since many of the foreign investment managers are subsidiaries of U.S. firms, one can investigate the differences between foreign investment managers with a U.S. parent and foreign investment managers with a foreign parent.

Of course, there are several shortcomings to the new data. First, the information on holdings is not complete. The incompleteness comes from at least three sources. It necessarily includes only holdings of *institutional* investors and not *individual* investors. Given that investment by foreign institutions is likely to dwarf investment by foreign individual investors, this may not be a big problem. The second source of incompleteness is that only institutional managers with positions over $100 million are required to file. The third sources of incompleteness is imperfect compliance with the filing requirements. For example, Norges Bank – despite having large positions in the U.S. since 2000 filed its first 13f form in 2007. Fortunately, Norges Bank back-filed 13f reports to 2000, but is unlikely that all foreign institutions are as conscientious as the Norges Bank. There is, however, some evidence that the SEC enforces 13f filings as indicated by a recent enforcement action against one domestic manager (see Levin and Materson (2006)).

The second shortcoming is that the attribution of positions to a specific foreign residents is far from perfect. Investment manager based in London may be managing portfolios on behalf of clients in Britain as well as clients in Germany or China. The 13f report does not distinguish on whose behalf the holdings are managed. I rely only on the *overseas location* of the manager to identify holdings by foreign residents. Here, the TIC annual holdings data have a definitive advantage. They survey large U.S. custodians

about the ultimate beneficial owner of the securities.[2] In contrast, the TIC transactions data uses surveys of brokers and attributes flows to countries from which transactions are made. As most brokers are located in financial centers, the TIC transactions data suffer from a well-known financial center bias (see Warnock and Cleaver (2003)). Given that most foreign institutional investment managers are also based in financial centers, the data based on 13f reports suffer from this bias as well.

Another problem is that managers located in the U.S. can manage investments for foreign clients. Just like I cannot tell if manager in London manages assets on behalf of a British resident, I cannot tell if a manager in New York manages assets on behalf of a U.S. resident. Fortunately, most global financial firms, such as Goldman Sachs, Morgan Stanley or J.P. Morgan report holdings separately for their U.S. and foreign subsidiaries. One notable exception is Lehman Brothers who reports holdings for Lehman Brothers as a whole but does not provide breakdown by different subsidiaries.

2. Construction of the Data

2.1. Form 13F

There are two kinds of 13f reports: the "holdings" report (13F-HR) and the "notice" report (13F-NT).[3] The cover page of the "holdings" report includes address of the reporting manager and the list of other managers whose holdings are being reported. According to the instructions on the 13f form (page 5), institutions are required to

[2] However, even this method is imperfect though. As pointed out by Bertaut, Griever and Tryon (2006, p. A63), U.S. custodians might hold securities on behalf of a Swiss custodian who may hold securities on behalf of a German investor. Because the Federal reserve surveys only the U.S. custodian the securities will be reported as belonging to a Swiss resident.

[3] There is also a combination report (13F-CR) used when some holdings are reported on the reporter's 13F form and other holdings on someone else's 13F form. These reports are infrequent which is good news because it is impossible to find out which holdings belong to which manager. For more information on the 13f filings see http://www.sec.gov/divisions/investment/13ffaq.htm.

"*segregate* the holdings of securities of a class according to the nature of the investment discretion held by the manager." Managers must report "shared" investment discretion if they control or are controlled by another entity. Thus, a parent company must report shared investment discretion over securities held by its subsidiaries. It is typical that the "holdings" report is filed by the parent company while its subsidiaries file only the "notice" report in which they indicate that a parent institution is reporting its holdings. Importantly, the list of holdings in the parent's 13f report indicate which manager shares investment discretion over that particular holding.[4]

As an example, Table 1 shows parts of the 13f report filed by Goldman Sachs Group for the first quarter of 2008. Following the name of the institutional investment manager filing this report is the manager's address and his 13f file number. Then follows a list of other managers included in this report. In the case of Goldman Sachs Group, these managers include Goldman Sachs & Co., Goldman Sachs Asset Management, Goldman Sachs International, and others. Each of these other managers has its own file number. Using this file number one can find their own 13f reports, which in this case are the "notice" reports since the parent "Goldman Sachs Group Inc." is already reporting their holdings. The "notice" reports include addresses of these managers. For example, using the "notice" 13f reports I find that Goldman Sachs & Co is in New York, Goldman Sachs International is in London and Goldman Sachs AG is in Geneva.

The cover page is followed by a table that lists all the holdings. This table includes name of the security, CUSIP, market value as of the end of the reported quarter, number of shares held, investment discretion and a code indicating which manager "shares investment discretion" for that particular position. Using Goldman Sachs Group

[4] See frequently asked questions 45 to 50 at http://www.sec.gov/divisions/investment/13ffaq.htm.

again as an example, 399 thousand shares of 1-800 Flowers are held by manager number 2 (Goldman Sachs & Co), while 377 thousand shares of 1-800 Flowers are held by manager number 3 (Goldman Sachs Asset Management).

As with all SEC filings, the 13f reports are available on EDGAR for free in electronic plain text form. Unfortunately, the format of the report varies across filers and over-time making the compilation of these reports very time consuming. There are commercial databases that compile 13f reports such as CDA/Spectrum. However, the CDA/Spectrum has one very serious shortcoming as it aggregates holdings across different mangers in one 13f report. Thus, it includes holdings only for the institution as a whole and does not break down holdings by each subsidiary. The breakdown by subsidiaries is critical in constructing the database of foreign holdings.[5] In the absence of a commercial database would have the complete detail that the 13f forms offer, I resorted to compiling the database by hand.

2.2. Description of the Database So Far

2.2.1 Norway

Unlike probably any other country in the world, Norway has one large institutional investor that invests in the U.S. It is the Norwegian Global Pension fund formerly known as the Government Petroleum Fund. The fund is managed by the Norwegian central bank which in 2007 back-filed 13f reports all the way back to December 2000. According to these reports, the bank's holdings increased from $0.7

[5] The breakdown by each manager can be important in other contexts as well. For example one could investigate to what extend managers who share a parent hold the same stocks. One could also ask if asset management subsidiaries which presumably hold assets on behalf of clients perform differently that differently from subsidiaries that hold assets in the firms own account. In other words, whether they act differently when performing as an agent than when performing as a principal.

billion to $47 billion in March 2008. The number of stocks they hold increased from about 400 to 2,400. In figure 2, I compare the Norwegian central bank's holdings of U.S. stocks to Norway's holdings according to annual surveys by the Department of Treasury. The two series show the same trend and it is clear that the central bank's holdings make up the majority of Norway's holdings of U.S. stocks.

The 13f form does not report transactions – only positions. However, by putting together two consecutive reports I can estimate transactions by observing the changes in positions. In particular, I assume that shares in the current quarter are bought and sold at the average price at the beginning and end of the current quarter. I estimate the net purchase by adding up the products of this average price and the change in the number of shares, formally:

$$net_t = \sum_i (s_{i,t} - s_{i,t-1})(p_{i,t} + p_{i,t-1})/2$$

where $s_{i,t}$ is the number of shares of stock i held at time t, and $p_{i,t}$ is the stock i's price at time t. Of course, if a stock is not held in period t, $s_{i,t}$ is zero.

Figure 3 shows the net purchases of U.S. stocks by Norwegian central bank calculated using 13f reports and Norway's net purchases of U.S. stocks as reported by Department of Treasury's TIC data. The two series are highly correlated, with correlation coefficient 0.76. Figure 4 shows the same comparison for gross purchases and gross sales. All three cases indicate that there are other Norwegian investors besides the central bank but, the TIC data and the data based on the 13f reports are highly correlated. In summary, it appears that at least in the case of Norway, the data based on 13f reports correspond rather well to the TIC data.

2.2.3 U.S. institutions with foreign subsidiaries

At this point, I focus on U.S. institutions that have subsidiaries abroad. I compiled information on 8 U.S. institutions. These institutions reported holdings for over 150 investment managers. Of these 150 I dropped managers that at any point held fewer than 10 stocks, or held less than $100 million in value, or did not file in March 2008, or reported fewer than 5 quarters. This screen left me with 74 managers in 27 different locations. The most common location is New York (22) followed by London (17). A total of 31 managers are located overseas. Table 1 lists the managers and their parents. On average each of the 74 managers holds about 1,500 stocks and is in the sample for about 14 quarters - yielding a total of about 1.6 million observations.

Figures 5 through 7 show positions and transactions of managers based in the U.K. and how they compare to TIC data. In this case, the data based on 13f reports correspond less well than in the case of Norway. In many ways that is understandable since at this point the data does not include any foreign firms that are very active in facilitating foreign investment in the U.S.

3. Potential Uses of the 13f Data

3.1. Performance of Foreign Equity Investors in the U.S.

As pointed out by Lane and Milesi-Ferretti (2005), the performance of foreign investors in the U.S. relative to the performance of U.S. investors abroad is an important determinant U.S. net investment position. If foreigners perform relatively poorly when investing in the U.S., the U.S. net investment position will worsen by less than implied by the current account deficit. Given that the gross external claims and liabilities are well

over 100% of GDP even a small return differential has serious implications. A great deal of research attempts to understand the nature and the size of the return differential (see Grourinchas and Rey (2007) and Curcuru, Dvorak and Warnock (2008a)).

The 13f reports can easily be used to evaluate investment performance of foreign equity investors. Given that existing literature uses mostly aggregate data, the security-level detail would provide a great deal of precision in evaluating foreign performance. Specifically, I plan to borrow methodology from the finance literature on portfolio performance. This literature originated by Grinblatt and Titman (1993) uses the correlation between portfolio weights and subsequent returns to summarize the ability of investors to shift their investments that subsequently rise in value. The ability of foreign investors to pick stocks would complement a recent paper by Curcuru, Dvorak and Warnock (2008b) which finds that foreigners tend to poorly time their purchases across different U.S. asset classes - they buy stocks when stocks peak and sell stocks when they bottom out. The question of performance is also related to the role of foreign investors in contributing to financial bubbles. For example, one would like to know whether foreigners tend to pile into assets that are already overvalued and rapidly sell when the bubble bursts, or whether foreigners exert stabilizing influence and tend arbitrage away mis-pricings. For example, Brunnermeier and Nagel (2004) use 13f forms to ask if hedge funds contributed to the tech bubble of the late 1990.

3.2 The Impact of a U.S. Parent on the Holdings and Performance of Foreign Institutional Investors in the U.S.

The 13f reports can distinguish among different kinds of foreign investors. The literature on information asymmetries usually treats foreign investors as a homogenous group (see e.g. Cho, Kho and Stulz (2006). However, the most active investors today appear to be global financial firms that can import expertise and information from anywhere in the world. There seems to be no reason why a German investor whose assets are managed by Goldman Sachs in London should perform any worse than a U.S. investor whose assets are managed by Goldman Sachs in New York. The 13f reports allow us to test this proposition. Moreover, whether foreign investor who employs a U.S. parent asset manager does better than foreign investors who employ a foreign parent asset manager seems an important question for foreign investors.

3.3. Is Gross Volume Driven by Disagreement Among Foreign Investors?

It is well known that there is tremendous amount of gross cross border trading. As pointed out by Tesar and Werner (1995), foreign investors trade a lot relative to their positions and the gross purchases and gross sales swamp net flows. Without security level data it is impossible to tell whether gross flows are driven by disagreement among foreign investors, i.e. some foreigners buy and some foreigners sell, or if it is driven by foreigners buying some stocks and selling others. Albuquerque, Bauer and Schneider (2007) assume that gross flows are driven by disagreement among foreign investors and use this assumption to conclude that information asymmetries are stronger within the group of foreign investor than between foreign and domestic investors. The 13f reports

can evaluate to what extent is the gross volume driven by disagreement among foreign institutions and thus offer insights into the nature of the information asymmetries in these markets.

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Figure 1
Excerpts from Goldman Sachs Group Inc. 13F-HR

Goldman Sachs Group, Inc. (The)

Name of Institutional Investment Manager

85 BROAD ST	NEW YORK	NY	10004
Business Address (Street)	(City)	(State)	(Zip)

13F Filing Number: 28-04981

Report Type:

[x] 13F HOLDINGS REPORT
[ ] 13F NOTICE
[ ] 13F COMBINATION REPORT

List of Other included Managers:

	13F File No:	Name
1	28-05158	Amalgatrust
2	28-00687	Goldman, Sachs & Co.
3	28-10981	Goldman Sachs Asset Management
4	28-05109	Goldman Sachs International
5	28-05111	Goldman Sachs AG (formerly Goldman, Sachs & Co. Bank)
6	28-10292	Goldman Sachs Execution & Clearing, L.P.
7	28-06738	The Ayco Company, L.P.
8	28-12021	Goldman Sachs Trust Company, N.A. (The)

FORM 13F
INFORMATION TABLE

ITEM1	ITEM2	ITEM3	ITEM4	ITEM5			ITEM6	ITEM7	ITEM8		
			FAIR						VOTING AUTHORITY		
NAME OF ISSUER	TITLE OF CLASS	CUSIP NUMBER	MARKET VALUE (x$1000)	SHARES OR PRINCIPAL AMOUNT	SH/ PRN (A)	PUT/ CAL (B)	Inv Dscr (C)	Other Mana-gers	SOLE (A)	SHARED (B)	NONE (C)
1 800 FLOWERS COM CL A	CMN	68243Q106	3,399.57	399,479	SH		SH-DEF	3	363,883	0	35,596
1 800 FLOWERS COM CL A	CMN	68243Q106	3,208.93	377,077	SH		SH-DEF	2	377,077	0	0
1 800 FLOWERS COM CL A	CMN	68243Q106	3.29	387	SH		SH-DEF	6	387	0	0
1 800 FLOWERS COM CL A	CMN	68243Q106	502.94	59,100	SH		OTHER	8,3	0	59,100	0
1ST PACIFIC BANK	CMN	335894101	138.05	17,256	SH		SH-DEF	2	0	0	17,256

Figure 2

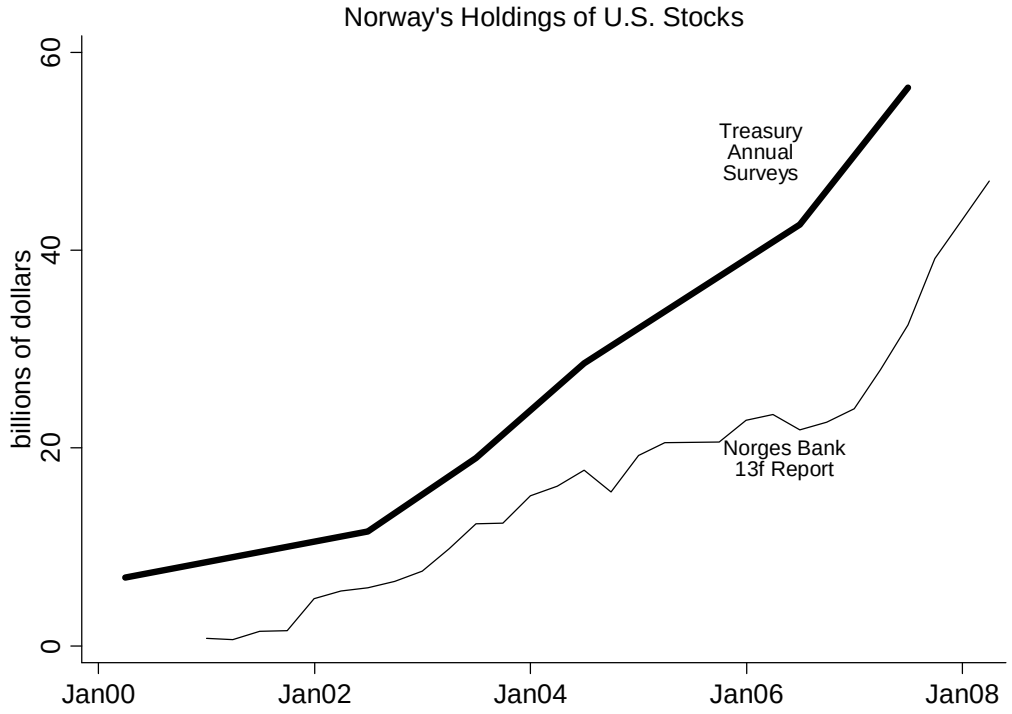


Figure 3

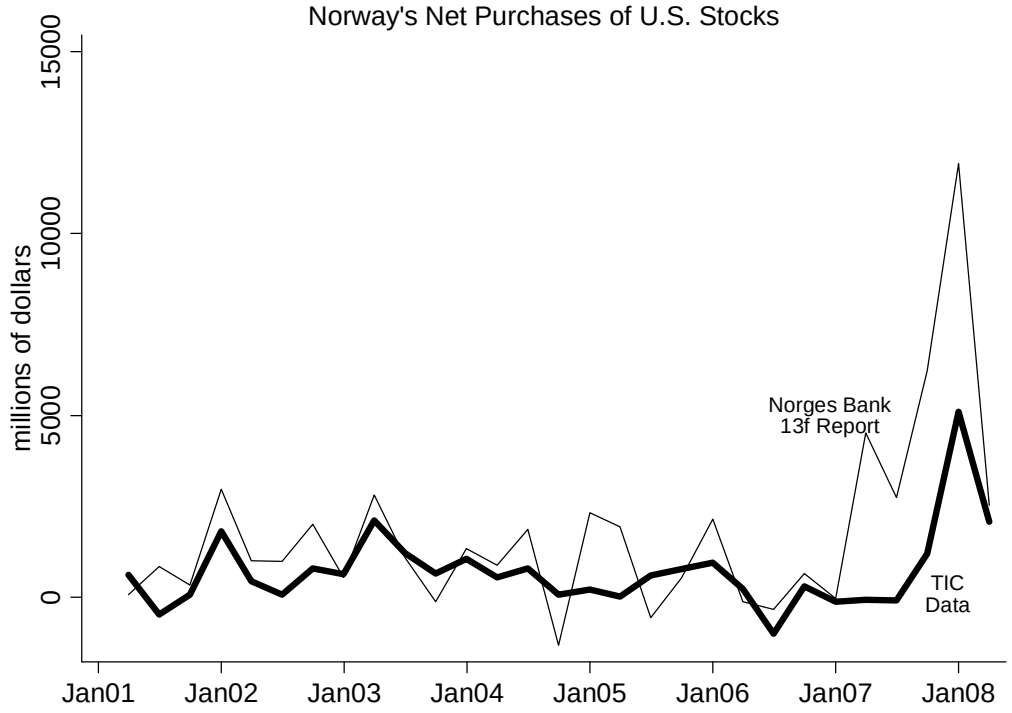
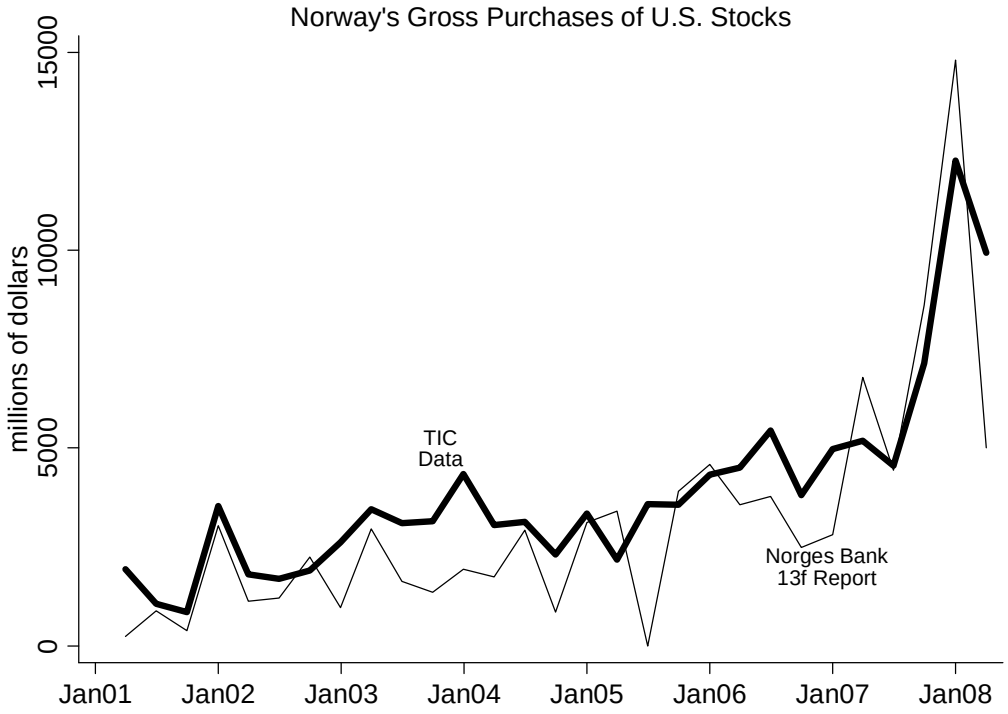


Figure 4


Norway's Gross Purchases of U.S. Stocks
millions of dollars
0
5000
10000
15000
TIC
Data
Norges Bank
13f Report
Jan01
Jan02
Jan03
Jan04
Jan05
Jan06
Jan07
Jan08

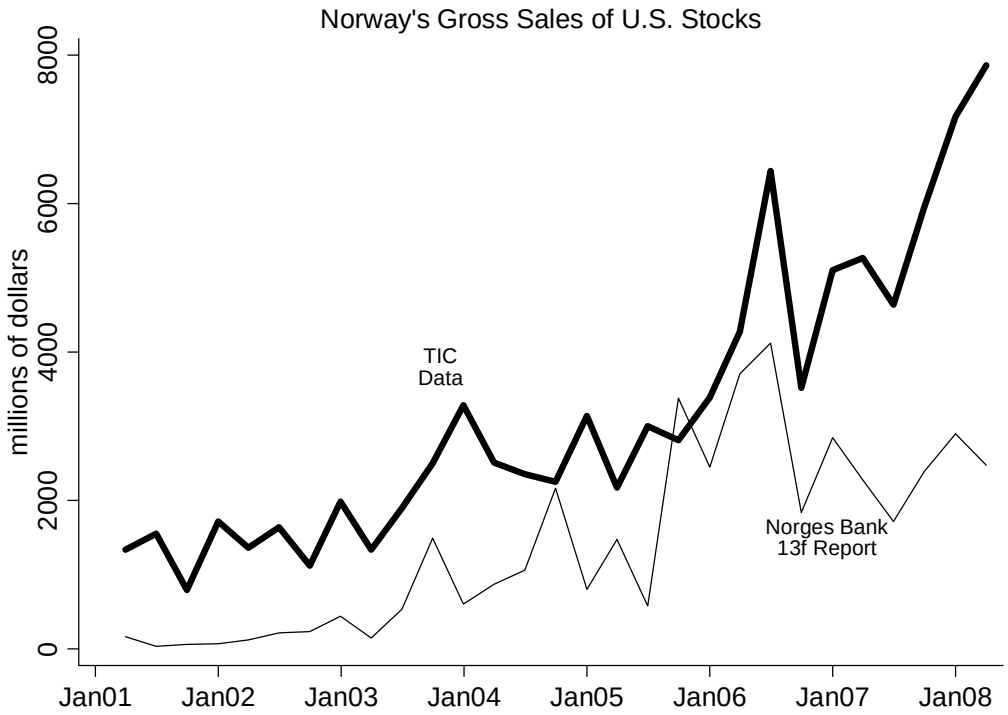

Norway's Gross Sales of U.S. Stocks
millions of dollars
0
2000
4000
6000
8000
TIC
Data
Norges Bank
13f Report
Jan01
Jan02
Jan03
Jan04
Jan05
Jan06
Jan07
Jan08

Figure 5

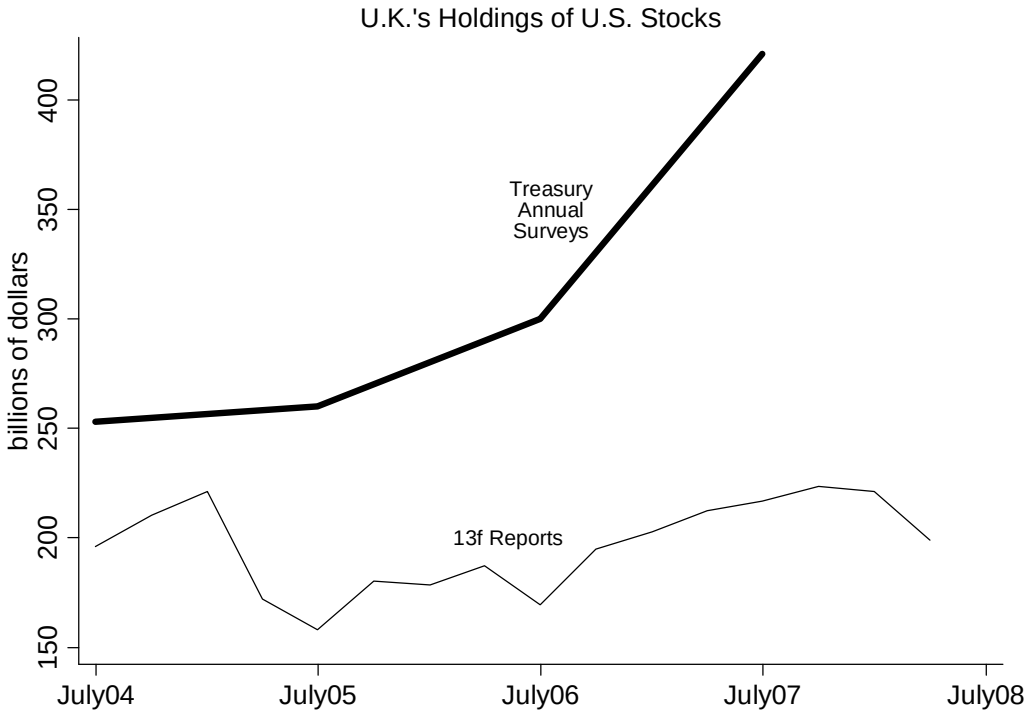

U.K.'s Holdings of U.S. Stocks
billions of dollars
150
200
250
300
350
400
Treasury
Annual
Surveys
13f Reports
July04
July05
July06
July07
July08

Figure 6

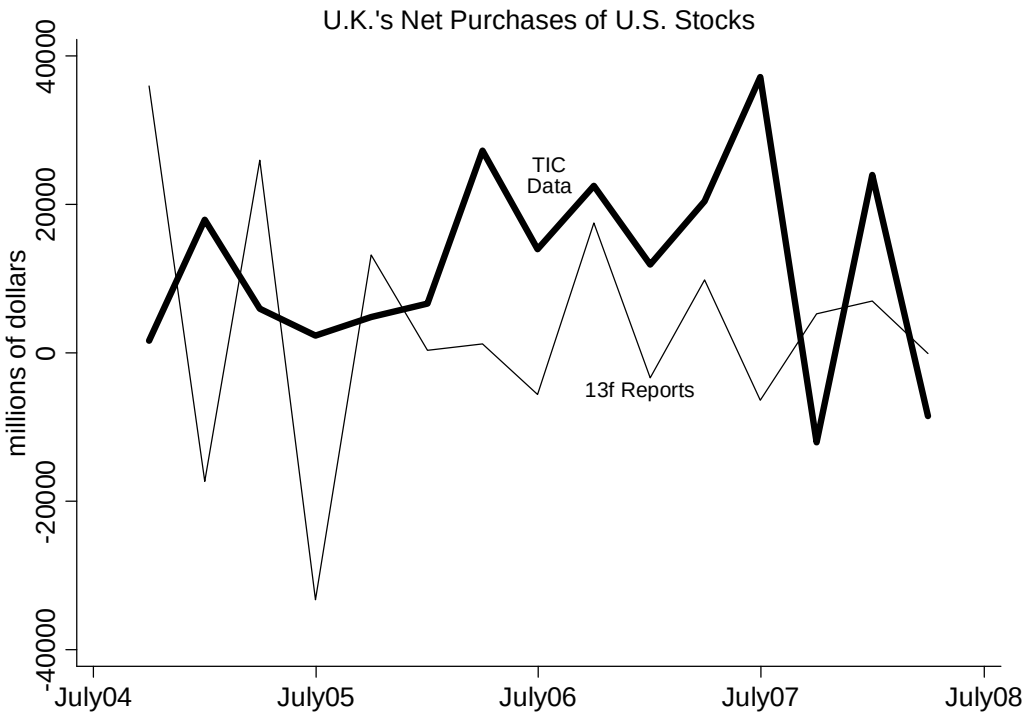
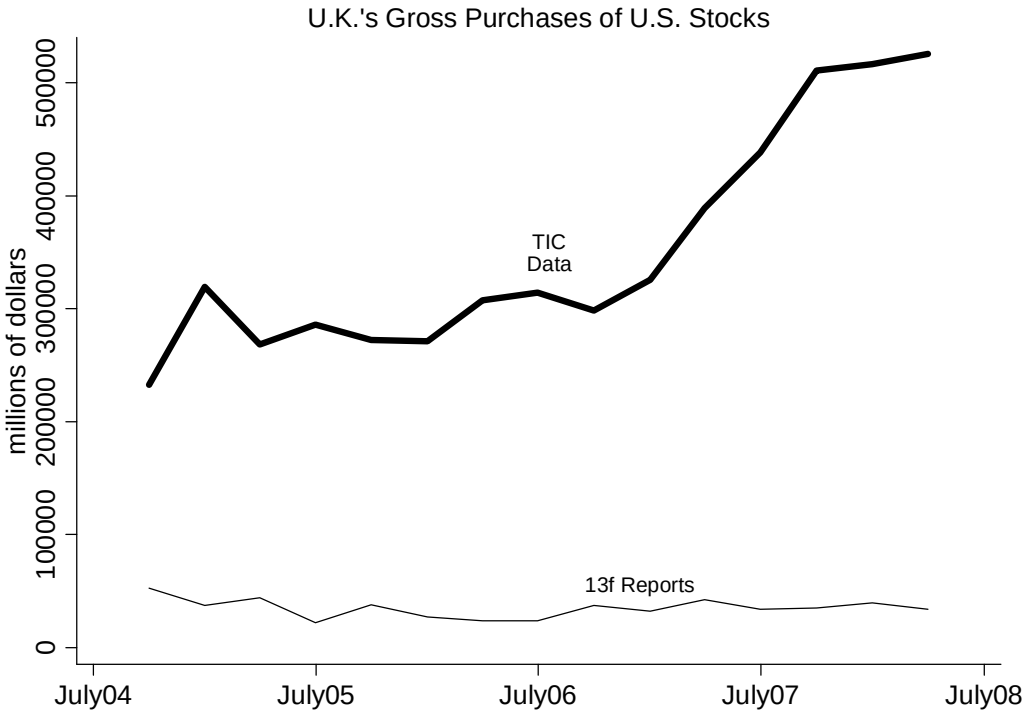

U.K.'s Net Purchases of U.S. Stocks
millions of dollars
40000
20000
0
-20000
-40000
July04
July05
July06
July07
July08
TIC
Data
13f Reports

Figure 7


U.K.'s Gross Purchases of U.S. Stocks
millions of dollars
0
100000
200000
300000
400000
500000
TIC
Data
13f Reports
July04
July05
July06
July07
July08

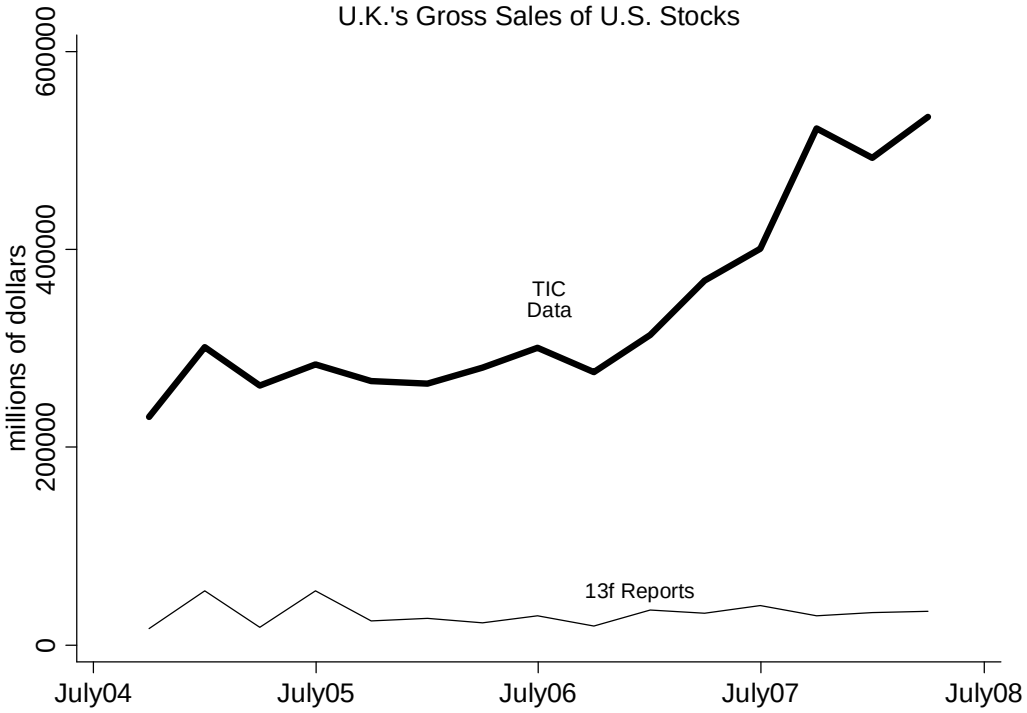

U.K.'s Gross Sales of U.S. Stocks
millions of dollars
0
200000
400000
600000
TIC
Data
13f Reports
July04
July05
July06
July07
July08

Table 1

parent name	manager name	manager location	starting date (all end in '08Q1)	average value of holdings	average number of stocks	top holding	share of top holding
BlackRock Inc.	BlackRock Investment Management, LLC	New York	Dec05	72,367,532	3,722	EXXON MOBIL CORP	4.0
BlackRock Inc.	BlackRock (Channel Islands) Ltd	Jersey	Dec06	26,923,495	904	COMPANHIA VALE DO RIO	7.9
BlackRock Inc.	BlackRock Investment Management (UK) Ltd	London	Dec06	7,001,518	732	COMPANHIA VALE DO RIO	5.6
BlackRock Inc.	BlackRock Asset Management UK Ltd	London	Dec06	6,288,051	1,035	EXXON MOBIL CORP	3.5
BlackRock Inc.	BlackRock Fund Managers Ltd	London	Dec06	1,946,723	204	KINROSS GOLD CORP	9.6
BlackRock Inc.	BlackRock (Netherlands) B.V.	Eindhoven	Dec06	1,028,312	126	EXXON MOBIL CORP	4.6
BlackRock Inc.	IQ Investment Advisers, LLC	Plainsboro NJ	Dec05	302,132	2,168	EXXON MOBIL CORP	1.0
BlackRock Inc.	BlackRock Pensions Ltd.	London	Dec06	204,174	163	FPL GROUP INC	4.2
Citigroup	Citigroup Global Markets Holdings Inc.	New York	Jun04	34,233,597	4,175	RETAIL HOLDRS TR	3.5
Citigroup	Citigroup Financial Products Inc.	New York	Jun04	24,770,415	4,165	RETAIL HOLDRS TR	3.5
Citigroup	Citigroup Global Markets Inc.	New York	Jun04	21,129,522	4,140	RETAIL HOLDRS TR	3.9
Citigroup	Citibank, N.A.	New York	Jun04	6,924,638	1,708	STUDENT LN CORP	9.3
Citigroup	Citigroup Institutional Trust Company	Wilmington	Jun04	3,103,007	458	CARNIVAL CORP	95.9
Citigroup	Citicorp Banking Corporation	New Castle DE	Jun04	1,094,739	1,512	AMIS HLDGS INC	8.1
Citigroup	Citigroup Global Markets International LLC	London	Jun04	1,057,273	455	DAIMLER AG	16.3
Citigroup	Citigroup Global Markets Europe Limited	London	Jun04	902,337	406	DAIMLER AG	16.3
Citigroup	Citigroup Investments Inc.	New York	Jun04	880,167	793	CENTERPOINT ENERGY I	6.3
Citigroup	Citigroup Global Markets Limited	London	Jun04	813,513	383	DAIMLER AG	18.3
Citigroup	Citigroup Derivatives Markets Inc.	New York	Dec05	812,054	574	SPDR TR	26.8
Citigroup	Citicorp Trust, National Association	Palm Beach FL	Dec06	239,952	1,112	GENERAL ELECTRIC CO	2.8
Citigroup	Citibank Overseas Investment Corporation	New Castle DE	Jun04	197,068	207	CISCO SYS INC	8.5
Goldman Sachs	Goldman Sachs Asset Management	New York	Jun04	117,428,212	2,124	EXXON MOBIL CORP	2.0
Goldman Sachs	Goldman Sach & Co.	New York	Jun04	50,410,560	3,336	STD & POORS 500 DEP RCPT	4.5

Goldman Sachs	Goldman Sachs International	London	Jun04	4,515,484	1,593	ROYAL BANK OF CANADA		2.2
Goldman Sachs	Goldman Sachs Execution and Clearing	Jersey City	Jun04	2,483,056	489	NYSE EURONEXT INC		8.9
Goldman Sachs	Goldman Sachs Trust Company	New York	Sep06	1,527,235	691	EXXON MOBIL CORP		3.6
Goldman Sachs	Goldman Sachs AG	Zurich	Jun04	354,211	109	STD & POORS 500 DEP RCPT		6.2
J.P. Morgan	J.P. Morgan Investment Management Inc.	New York	Jun04	81,071,792	2,158	D EXXON MOBIL CORP		2.1
J.P. Morgan	JPMorgan Chase Bank, National Association	Columbus OH	Jun04	27,067,804	1,940	D EXXON MOBIL CORP		14.1
J.P. Morgan	J.P. Morgan Whitefriars Inc.	London	Jun04	18,279,335	810	D TELEFONOS DE MEXICO S A B		2.5
J.P. Morgan	JPMorgan Investment Advisors Inc.	Columbus OH	Mar05	13,699,259	1,581	D EXXON MOBIL CORP		1.6
J.P. Morgan	J.P. Morgan Securities Inc.	New York	Jun04	4,659,963	2,210	D SELECT SECTOR SPDR TR		4.2
J.P. Morgan	JPMorgan Asset Management (UK) Ltd.	London	Jun04	2,949,581	312	D AT&T INC		21.5
J.P. Morgan	J.P. Morgan Trust Company of Delaware	Newark DE	Jun04	2,018,001	408	D EXXON MOBIL CORP		18.5
J.P. Morgan	J.P. Morgan Securities Ltd.	London	Jun04	1,209,546	203	D DAIMLER AG		45.9
J.P. Morgan	J.P. Morgan Trust Company, National Ass'n	Los Angeles	Jun04	1,146,728	605	D INTERNATIONAL FLAVORS &		7.1
J.P. Morgan	J.P. Morgan Ventures Corporation	New York	Jun04	1,019,314	271	D MYLAN INC		5.6
Merrill Lynch	MERRILL LYNCH, PIERCE, FENNER AND SMITH	New York	Jun04	37,280,479	4,865	KONINKLIJKE PHILIPS ELECTRS		1.6
Merrill Lynch	MERRILL LYNCH FINANCIAL MARKET INC	Jacksonville FL	Sep06	9,270,157	1,133	POWERSHARES QQQ TRUST		4.3
Merrill Lynch	MERRILL LYNCH INTERNATIONAL	London	Jun04	9,121,503	1,223	DEUTSCHE BANK AG		7.3
Merrill Lynch	MERRILL LYNCH BANK USA	Salt Lake City	Jun04	3,678,094	528	EXXON MOBIL CORP		4.5
Merrill Lynch	MERRILL LYNCH BANK & TRUST COMPANY, FSB	Pennington NJ	Jun04	3,373,971	2,314	EXXON MOBIL CORP		5.0
Merrill Lynch	MERRILL LYNCH BANK SUISSE, S.A.	Geneva	Jun04	142,721	87	CISCO SYS INC		5.7
Morgan Stanley	Van Kampen Asset Management	New York	Jun04	54,065,589	909	WAL-MART STORES INC	COM	3.1
Morgan Stanley	Morgan Stanley Investment Management Inc.	New York	Dec05	50,096,028	1,982	AMERICA MOVIL SAB	DE CV	2.0
Morgan Stanley	Morgan Stanley & Co. Incorporated	New York	Jun04	34,140,655	4,182	ISHARES RUSSELL 2000		11.9
Morgan Stanley	Morgan Stanley Capital Services Inc.	New York	Jun04	30,764,477	2,355	S & P DEPOSITORY	RECEIPT	32.0
Morgan Stanley	Morgan Stanley Investment Advisors Inc.	New York	Jun04	22,935,662	2,182	MONSANTO CO (NEW)	COM	2.5
Morgan Stanley	Morgan Stanley & Co. International plc	London	Jun04	10,168,673	1,061	COMCAST CORP	CL A CO	29.5

Morgan Stanley	Van Kampen Funds Inc.	New York	Jun04	6,000,032	1,365	AT&T INC	COM	2.0
Morgan Stanley	Morgan Stanley Investment Management Limit'd	London	Jun04	4,016,949	880	KELLOGG CO	COM ST	3.3
Morgan Stanley	FrontPoint Partners LLC	Greenwich CT	Mar07	3,673,160	288	SCHERING PLOUGH CORP	COM	2.5
Morgan Stanley	Van Kampen Advisors Inc.	New York	Dec06	1,865,729	218	VERIZON	COMMUNI	3.6
Morgan Stanley	Morgan Stanley Hedging Co. Ltd.	Cayman Island	Dec04	1,561,740	255	CONOCOPHILLIPS	COM ST	28.2
Morgan Stanley	Morgan Stanley Strategic Investments, Inc	New York	Mar07	1,249,808	106	ENERGY TRANSFER EQUITY L P		12.1
Morgan Stanley	MSDW Equity Finance Services (Luxembourg)	London	Jun04	455,375	31	ROYAL DUTCH SHELL PLC	ADR	27.3
Morgan Stanley	Bank Morgan Stanley AG	Zurich	Jun04	214,045	166	CISCO SYSTEMS INC	COM ST	5.7
State Street	SSgA Funds Management, Inc.	Boston	Jun04	70,667,309	2,999	BP PLC		3.4
State Street	State Street Global Advisors LTD	London	Jun04	59,422,123	2,039	EXXON MOBIL CORP		2.8
State Street	State Street Global Advisors Ltd.	Montreal	Jun04	51,730,897	1,187	EXXON MOBIL CORP		3.2
State Street	State Street Global Advisors GmbH	Munich	Jun04	49,930,532	808	EXXON MOBIL CORP		3.4
State Street	State Street Global Advisors Asia LTD	Hong Kong	Jun04	49,256,958	753	EXXON MOBIL CORP		3.4
State Street	State Street Global Advisors (Japan) Co., Ltd.	Tokyo	Jun04	48,787,139	684	EXXON MOBIL CORP		3.5
State Street	State Street Banque, SA	Paris	Jun04	47,916,847	697	EXXON MOBIL CORP		3.3
State Street	State Street Trust & Banking Co., Ltd.	Tokyo	Jun04	47,098,678	617	EXXON MOBIL CORP		3.5
State Street	State Street Global Advisors, Australia	Sydney	Jun04	47,037,943	618	EXXON MOBIL CORP		3.4
State Street	Tuckerman Group, LLC	Rye Brook NY	Jun04	1,502,271	116	SIMON PPTY GROUP INC		5.6
State Street	State Street Bank and Trust Company	Boston	Jun04	893,961	685	AU OPTRONICS CORP		1.5
Wellington M't	Wellington Management Company, LLP	Boston	Jun04	249,647,952	2,339	GENERAL ELECTRIC CO		1.5
Wellington M't	Wellington Trust Company, NA	Boston	Jun04	16,379,749	1,566	POTASH CORP SASK INC		1.9
Wellington M't	Wellington International Management Company	Tokyo	Jun04	8,139,948	663	BANK OF AMERICA		3.1
Wellington M't	Wellington Management International, Ltd	London	Jun04	3,389,441	392	MICROSOFT CORP		2.6