

# J.P.Morgan

**Worldwide Securities Services**

**Performance Measurement Report  
for  
Durham County Council Pension Fund**

*for period ending  
September 30, 2012*



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## **Benchmark Association Table**

<b>PORTFOLIO</b>	<b>INDEX</b>	<b>TARGET</b>	<b>WEIGHT %</b>
<b>Edinburgh Partners</b>	MSCI AC World Index (Gross)	+3% pa	100.00
<b>Blackrock</b>	FTSE All Share (Gross)	+3% pa	100.00
<b>Blackrock Passive Equity</b>	FTSE-Ftse Aw Developed (Gross)	Not Applicable	100.00
<b>Alliance Berstein</b>	GBP Libor (3 month)	+3% pa	100.00
<b>Royal London</b>	FTSE index Linked >5 years	+0.5% pa	100.00
<b>Barings</b>	GBP Libor (3 month)	+4% pa	100.00
<b>CBRE 1</b>	Headline RPI	+5% pa	100.00
<b>CBRE 2</b>	Headline RPI	+5% pa	100.00
<b>Re Alliance Berstein PPIP</b>	GBP Libor (3 month)	+3% pa	100.00
<b>Total Plan Composite</b>	Manager Weighted Benchmark	Not Applicable	100.00

## Executive Summary of Total Plan as at 30/09/2012

### Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£30.7m to £1,858.65m. There were no significant contributions or withdrawals from the plan.

The performance return for the Plan over the third quarter of 2012 was +1.67%, compared to the Plan benchmark return of +1.59%. The Plan therefore outperformed the benchmark by +0.08%.

Equity markets were up over this quarter with the FTSE All Share (+3% pa) rising +5.48% and the FTSE Aw Developed also up by +3.86% in Sterling terms. Index Linked bonds were down with the FTSE index linked over 5 years index (+0.5% pa) decreasing by -3.04%.

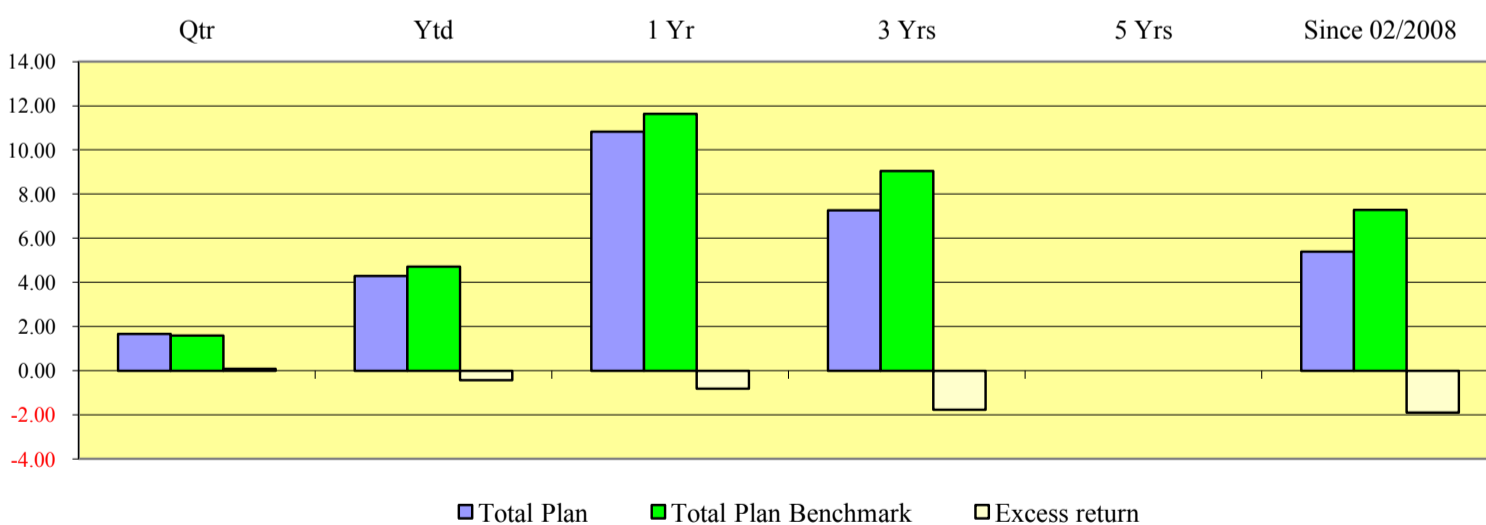
### Market Values

	In GBP mil's			
	Qtr 3 - 12	Qtr 2 - 12	Qtr 1 - 12	Qtr 4 - 11
<b>Total Plan</b>	<b>1,858.65</b>	<b>1,827.96</b>	<b>1,862.81</b>	<b>1,796.67</b>

### Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
<b>Total Plan</b>	1.67	4.28	10.83	7.3	-	5.39
Total Plan Benchmark	1.59	4.71	11.64	9.0	-	7.28
<i>Excess return</i>	<i>0.08</i>	<i>-0.43</i>	<i>-0.81</i>	<i>-1.78</i>		<i>-1.89</i>

### Total Plan Performance

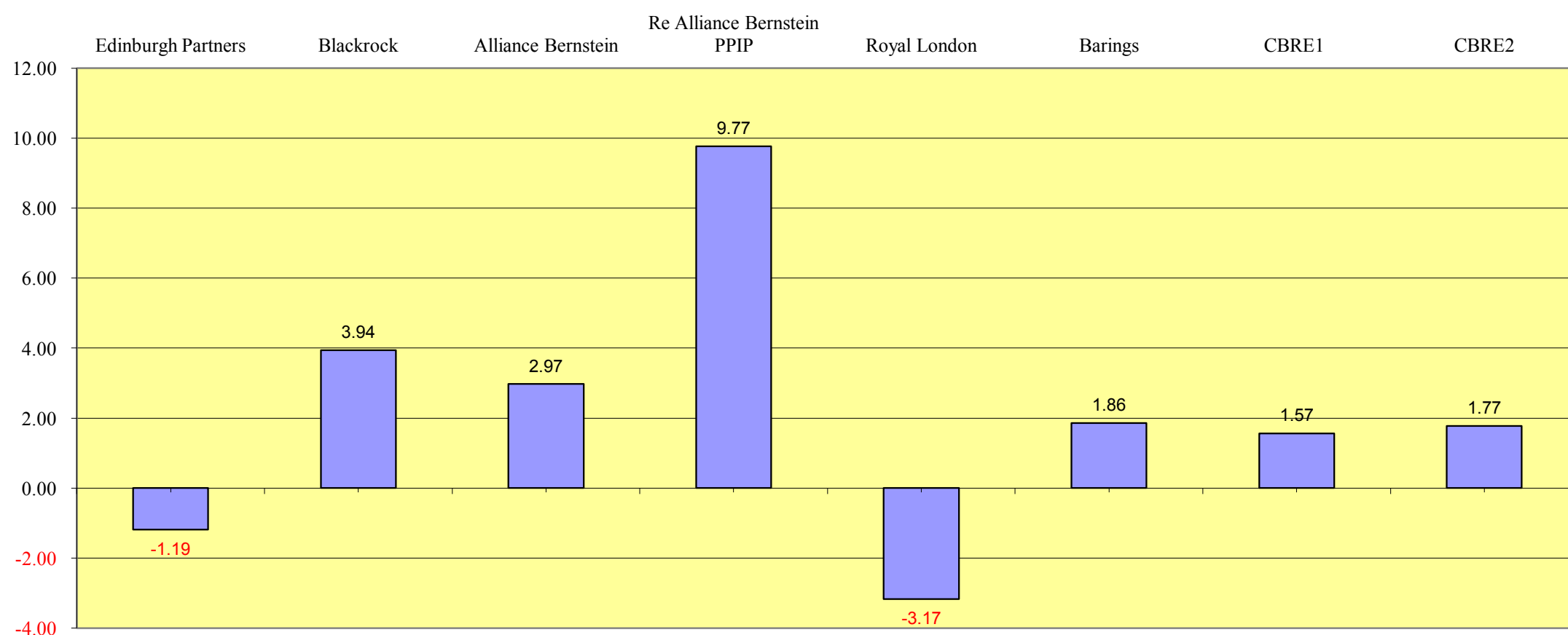


**Total Plan Performance Returns as at 30/09/12**

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					
		Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Total Plan</b>	<b>1858.7</b>	1.67	4.28	10.83	5.74	7.26	5.39
Total Plan Benchmark		1.59	4.71	11.64	8.00	9.04	7.28
<i>Excess return</i>		0.08	-0.43	-0.81	-2.25	-1.78	-1.89

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Edinburgh Partners</b>	<b>0.3</b>	-1.19	0.89	7.51	-0.32	0.61	2.14
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		-0.35	6.22	15.10	6.43	8.86	7.16
<i>Excess return</i>		-0.84	-5.33	-7.59	-6.75	-8.25	-5.02
<b>Blackrock</b>	<b>397.3</b>	3.94	8.45	18.26	6.62	11.01	5.04
FTSE All Share (Gross) +3% pa		5.48	10.86	21.06	9.31	11.45	7.00
<i>Excess return</i>		-1.54	-2.40	-2.80	-2.69	-0.44	-1.96
<b>Blackrock (Passive Equity)</b>	<b>526.2</b>	3.89	-	-	-	-	2.26
FTSE-Ftse Aw Developed (Gross)		3.86	-	-	-	-	2.43
<i>Excess return</i>		0.03	-	-	-	-	-0.17
<b>Alliance Bernstein</b>	<b>290.3</b>	2.97	6.91	8.27	4.73	6.17	4.88
GBP Libor +3% pa		0.92	2.95	3.97	3.89	3.82	4.79
<i>Excess return</i>		2.05	3.96	4.29	0.84	2.35	0.09
<b>Re Alliance Bernstein PPIP</b>	<b>0.6</b>	9.77	32.45	24.88	11.15	-	16.26
GBP Libor +3% pa		0.92	2.95	3.97	3.89	-	3.83
<i>Excess return</i>		8.85	29.50	20.90	7.26	-	12.43
<b>Royal London</b>	<b>363.4</b>	-3.17	-3.91	5.74	9.63	9.90	8.04
FTSE index Linked >5 years +0.5% pa		-3.04	-3.96	5.55	9.87	9.93	7.85
<i>Excess return</i>		-0.13	0.05	0.19	-0.24	-0.03	0.19
<b>Barings</b>	<b>152.0</b>	1.86	4.46	6.85	4.95	6.86	7.18
GBP Libor +4% pa		1.17	3.70	4.98	4.90	4.83	5.80
<i>Excess return</i>		0.69	0.77	1.87	0.05	2.03	1.37
<b>CBRE1</b>	<b>101.0</b>	1.57	5.51	7.67	8.34	9.26	-1.76
Headline RPI +5% pa		2.23	5.80	7.78	9.30	9.48	8.34
<i>Excess return</i>		-0.66	-0.29	-0.11	-0.96	-0.23	-10.11
<b>CBRE2</b>	<b>26.7</b>	1.77	12.86	19.41	3.58	7.93	2.31
Headline RPI +5% pa		2.23	5.80	7.78	9.30	9.48	8.34
<i>Excess return</i>		-0.45	7.06	11.63	-5.72	-1.55	-6.03

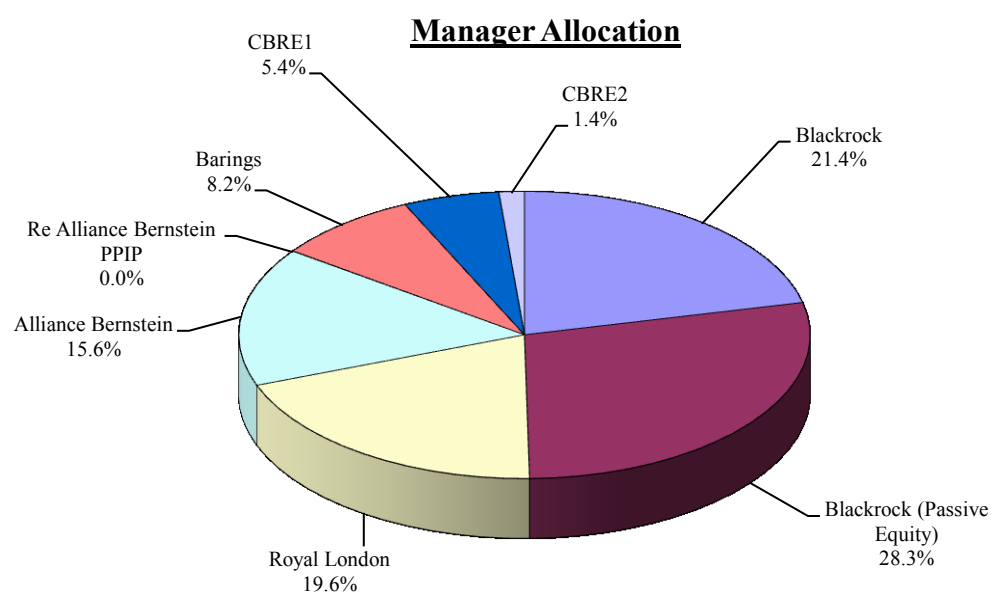
**Manager Quarterly Returns**



\*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

## Portfolio Comparison for Quarter 3, 2012

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>1,858,653,220</b>	<b>100.00%</b>	<b>1.67</b>	<b>1.59</b>	<b>0.08</b>	
Edinburgh Partners	259,240	0.01%	(1.19)	(0.35)	(0.84)	(0.26)
Blackrock	397,277,277	21.37%	3.94	5.48	(1.54)	0.82
Blackrock (Passive Equity)	526,232,986	28.31%	3.89	3.86	0.03	0.87
Royal London	363,418,522	19.55%	(3.17)	(3.04)	(0.13)	(0.65)
Alliance Bernstein	290,342,385	15.62%	2.97	1.17	1.80	0.43
Re Alliance Bernstein PPIP	643,629	0.03%	9.77	0.92	8.85	0.10
Barings	152,047,336	8.18%	1.86	1.17	0.69	0.15
CBRE1	101,030,533	5.44%	1.57	2.23	(0.66)	0.09
CBRE2	26,656,565	1.43%	1.77	2.23	(0.45)	0.03
JPMSL Transition Account	714,605	0.04%	(5.75)	-	-	(0.28)
Transition Account	30,142	0.00%	8.88	-	-	0.37



## Portfolio Comparison for Year to Date, 2012

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>1,858,653,220</b>	<b>100.00%</b>	<b>4.28</b>	<b>4.71</b>	<b>(0.43)</b>	
Edinburgh Partners	259,240	0.01%	0.89	6.22	(5.33)	0.56
Blackrock	397,277,277	21.37%	8.45	10.86	(2.40)	1.62
Blackrock (Passive Equity)	526,232,986	28.31%	-	-	-	0.73
Royal London	363,418,522	19.55%	(3.91)	(3.96)	0.05	(0.87)
Alliance Bernstein	290,342,385	15.62%	6.91	3.70	3.21	0.99
Re Alliance Bernstein PPIP	643,629	0.03%	32.45	2.95	29.50	0.33
Barings	152,047,336	8.18%	4.46	3.70	0.77	0.37
CBRE1	101,030,533	5.44%	5.51	5.80	(0.29)	0.27
CBRE2	26,656,565	1.43%	12.86	5.80	7.06	0.19
JPMSL Transition Account	714,605	0.04%	-	-	-	(0.28)
Transition Account	30,142	0.00%	-	-	-	0.37

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