

J.P.Morgan

Worldwide Securities Services

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

*for period ending
December 31, 2012*



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Benchmark Association Table

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

Executive Summary of Total Plan as at 31/12/2012

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£42.00m to £1,900.66m. There was a total outflow from the plan of -£10.24m in the quarter meaning the plan experienced net gains of +£52.25m.

The performance return for the Plan over the fourth quarter of 2012 was +2.82%, compared to the Plan benchmark return of +2.74%. The Plan therefore outperformed the benchmark by +0.09%.

Equity markets were up over this quarter with the FTSE All Share (+3% pa) rising +4.6% and the FTSE AW Developed also up by +2.19% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5% pa) increasing by +5.16%.

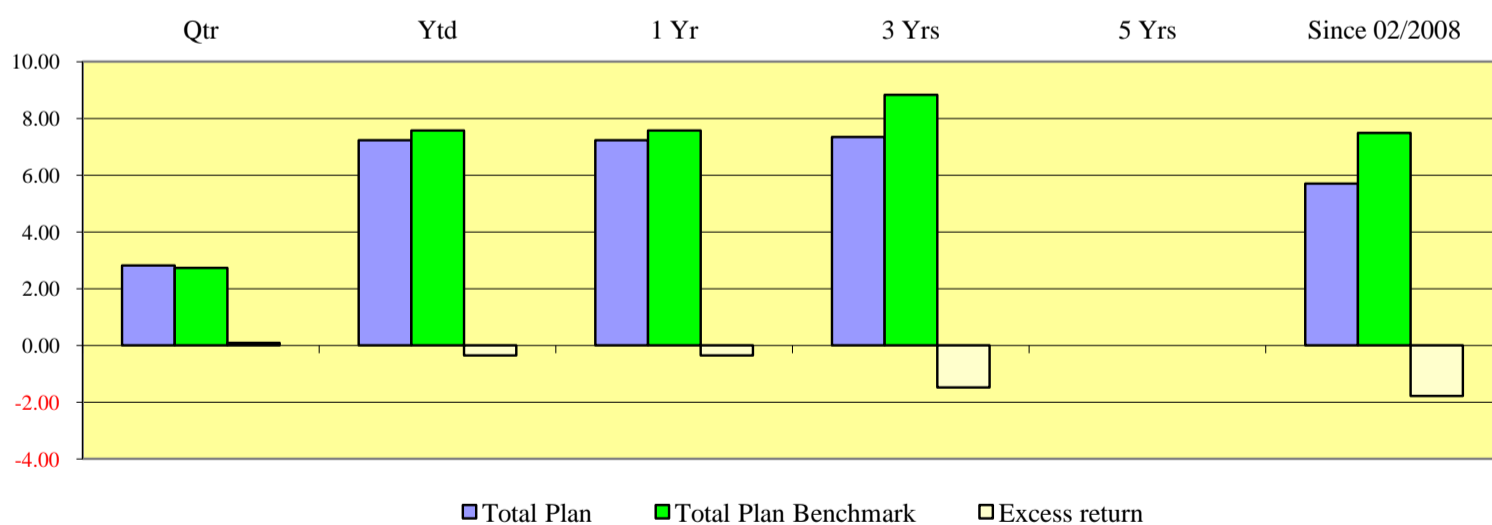
Market Values

	In GBP mil's			
	Qtr 4 - 12	Qtr 3 - 12	Qtr 2 - 12	Qtr 1 - 12
Total Plan	1,900.66	1,858.65	1,827.96	1,862.81

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	2.82	7.23	7.23	7.3	-	5.71
Total Plan Benchmark	2.74	7.57	7.57	8.8	-	7.49
<i>Excess return</i>	<i>0.09</i>	<i>-0.35</i>	<i>-0.35</i>	<i>-1.48</i>		<i>-1.78</i>

Total Plan Performance



Total Plan Performance Returns as at 31/12/12

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					
		Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Total Plan	1900.7	2.82	7.23	7.23	5.09	7.35	5.71
Total Plan Benchmark		2.74	7.57	7.57	6.66	8.83	7.49
<i>Excess return</i>		0.09	-0.35	-0.35	-1.57	-1.48	-1.78

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	0.3	0.00	0.89	0.89	-3.25	0.45	2.03
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	6.22	6.22	1.32	7.28	6.78
<i>Excess return</i>		0.00	-5.33	-5.33	-4.57	-6.84	-4.75
Blackrock	296.8	2.60	11.27	11.27	4.51	9.76	5.33
FTSE All Share (Gross) +3% pa		4.60	15.95	15.95	7.48	10.87	7.62
<i>Excess return</i>		-2.00	-4.69	-4.69	-2.97	-1.10	-2.29
Blackrock (Passive Equity)	416.6	2.10	-	-	-	-	4.41
FTSE-Ftse Aw Developed (Gross)		2.19	-	-	-	-	4.67
<i>Excess return</i>		-0.08	-	-	-	-	-0.26
Alliance Bernstein	297.2	2.13	9.19	9.19	5.56	6.15	5.08
GBP Libor +3% pa		0.88	3.85	3.85	3.87	3.82	4.72
<i>Excess return</i>		1.26	5.34	5.34	1.69	2.33	0.36
Re Alliance Bernstein PPIP	0.0	-0.92	31.39	31.39	7.85	14.81	14.99
GBP Libor +3% pa		0.58	3.55	3.55	3.72	3.71	3.82
<i>Excess return</i>		-1.51	27.84	27.84	4.13	11.10	11.17
Royal London	382.6	5.27	1.15	1.15	11.95	11.18	8.76
FTSE index Linked >5 years +0.5% pa		5.16	1.00	1.00	11.99	11.19	8.56
<i>Excess return</i>		0.11	0.15	0.15	-0.04	-0.01	0.20
Barings	377.7	1.44	5.97	5.97	3.92	6.19	7.11
GBP Libor +4% pa		1.12	4.86	4.86	4.88	4.82	5.74
<i>Excess return</i>		0.32	1.11	1.11	-0.96	1.37	1.37
CBRE1	101.5	0.52	6.06	6.06	7.10	8.05	-1.57
Headline RPI +5% pa		2.30	8.23	8.23	9.13	9.42	8.40
<i>Excess return</i>		-1.78	-2.17	-2.17	-2.03	-1.37	-9.97
CBRE2	27.9	4.61	18.06	18.06	2.83	7.83	3.15
Headline RPI +5% pa		2.30	8.23	8.23	9.13	9.42	8.40
<i>Excess return</i>		2.31	9.83	9.83	-6.30	-1.58	-5.26

Manager Quarterly Returns

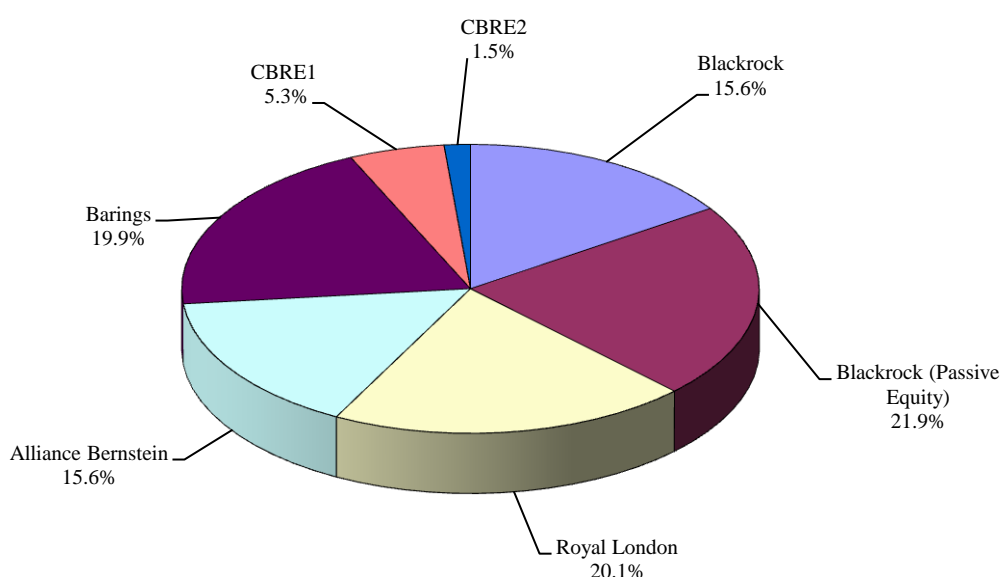


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 4, 2012

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,900,655,790	100.00%	2.82	2.74	0.09	2.82
Edinburgh Partners	259,594	0.01%	0.00	0.00	0.00	0.00
Blackrock	296,842,631	15.62%	2.60	4.60	(2.00)	0.52
Blackrock (Passive Equity)	416,648,817	21.92%	2.10	2.19	(0.08)	0.49
Royal London	382,565,944	20.13%	5.27	5.16	0.11	1.03
Alliance Bernstein	297,184,548	15.64%	2.13	1.12	1.01	0.34
Barings	377,712,067	19.87%	1.44	1.12	0.32	0.30
CBRE1	101,546,771	5.34%	0.52	2.30	(1.78)	0.03
CBRE2	27,884,873	1.47%	4.61	2.30	2.31	0.07
JPMSL Transition Account	10,521	0.00%	5.22	-	-	0.00
Transition Account	24	0.00%	7.05	-	-	0.05

Manager Allocation



Portfolio Comparison for Year to Date, 2012

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,900,655,790	100.00%	7.23	7.57	(0.35)	7.23
Edinburgh Partners	259,594	0.01%	0.89	6.22	(5.33)	0.33
Blackrock	296,842,631	15.62%	11.27	15.95	(4.69)	2.20
Blackrock (Passive Equity)	416,648,817	21.92%	-	-	-	1.29
Royal London	382,565,944	20.13%	1.15	1.00	0.15	0.15
Alliance Bernstein	297,184,548	15.64%	9.19	4.86	4.33	1.34
Re Alliance Bernstein PPIP	0	0.00%	0.00	0.00	0.00	0.36
Barings	377,712,067	19.87%	5.97	4.86	1.11	0.68
CBRE1	101,546,771	5.34%	6.06	8.23	(2.17)	0.31
CBRE2	27,884,873	1.47%	18.06	8.23	9.83	0.26
JPMSL Transition Account	10,521	0.00%	-	-	-	(0.28)
Transition Account	24	0.00%	-	-	-	0.57

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