

**J.P.Morgan**

**Worldwide Securities Services**

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

*for period ending  
June 30, 2013*

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## **Benchmark Association Table**

<b>PORTFOLIO</b>	<b>INDEX</b>	<b>TARGET</b>	<b>WEIGHT %</b>
<b>Edinburgh Partners</b>	Zero Return - Historically 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 Bernstein</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>Total Plan Composite</b>	Manager Weighted Benchmark	Not Applicable	100.00

## Executive Summary of Total Plan as at 30/06/2013

### Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£115.31m to £2,015.97m. There was a total inflow to the plan of £1.60m in the quarter meaning the plan experienced net gains of +£113.71m.

The performance return for the Plan over the first quarter of 2013 was -2.23%, compared to the Plan benchmark return of -0.95%. The Plan therefore underperformed the benchmark by -1.28%.

Equity markets registered mixed results over this quarter with the FTSE All Share (+3% pa) down -0.93% and the FTSE Aw Developed up by +0.83% in Sterling terms. Index Linked bonds were down with the FTSE index linked over 5 years index (+0.5% pa) decreasing by -7.24%.

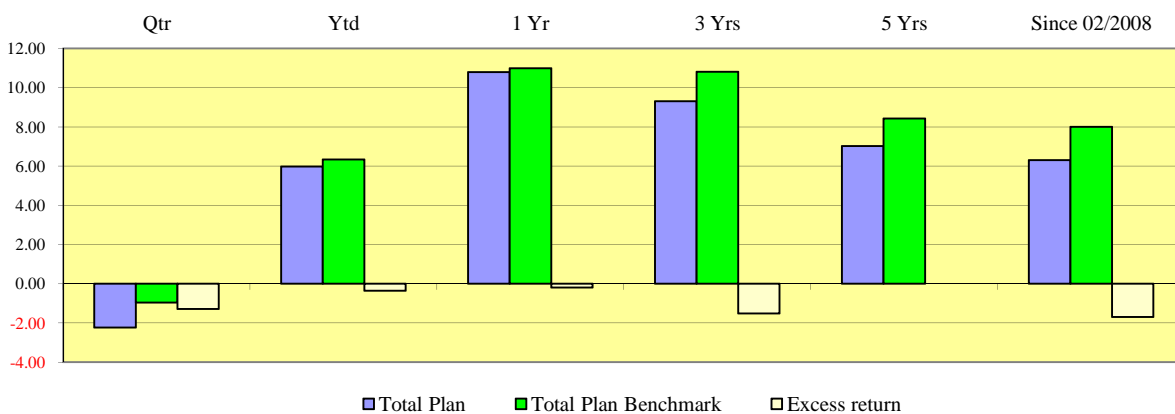
### Market Values

	In GBP mil's			
	Qtr 2 - 13	Qtr 1 - 13	Qtr 4 - 12	Qtr 3 - 12
<b>Total Plan</b>	<b>2,015.97</b>	<b>2,060.34</b>	<b>1,900.66</b>	<b>1,858.65</b>

### Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
<b>Total Plan</b>	<b>-2.23</b>	5.98	10.80	9.3	7.0	6.31
Total Plan Benchmark	-0.95	6.34	10.99	10.8	8.4	8.00
<i>Excess return</i>	<i>-1.28</i>	<i>-0.35</i>	<i>-0.19</i>	<i>-1.51</i>		<i>-1.69</i>

### Total Plan Performance



**Total Plan Performance Returns as at 30/06/13**

Currency GBP		Performance (%) *					
	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Total Plan</b>	<b>2016.0</b>	<b>-2.23</b>	5.98	10.80	6.51	9.30	6.31
Total Plan Benchmark		<b>-0.95</b>	6.34	10.99	7.90	10.82	8.00
<i>Excess return</i>		<b>-1.28</b>	<b>-0.35</b>	<b>-0.19</b>	<b>-1.39</b>	<b>-1.51</b>	<b>-1.69</b>

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Edinburgh Partners</b>	<b>0.3</b>	0.00	0.00	<b>-1.19</b>	<b>-3.74</b>	2.29	1.84
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	<b>-0.35</b>	<b>-0.60</b>	7.44	6.12
<i>Excess return</i>		0.00	0.00	<b>-0.84</b>	<b>-3.14</b>	<b>-5.15</b>	<b>-4.29</b>
<b>Blackrock</b>	<b>315.5</b>	<b>-4.31</b>	6.28	13.33	4.80	12.11	6.02
FTSE All Share (Gross) +3% pa		<b>-0.93</b>	10.10	21.47	10.23	16.36	8.83
<i>Excess return</i>		<b>-3.38</b>	<b>-3.82</b>	<b>-8.14</b>	<b>-5.43</b>	<b>-4.25</b>	<b>-2.81</b>
<b>Blackrock (Passive Equity)</b>	<b>484.1</b>	0.89	16.20	23.26	-	-	14.62
FTSE-Ftse Aw Developed (Gross)		0.83	16.07	23.19	-	-	14.73
<i>Excess return</i>		0.06	0.13	0.08	-	-	<b>-0.11</b>
<b>Alliance Bernstein</b>	<b>297.0</b>	<b>-1.39</b>	<b>-0.05</b>	5.11	4.17	4.60	4.58
GBP Libor +3% pa		0.87	1.75	3.59	3.81	3.79	4.61
<i>Excess return</i>		<b>-2.26</b>	<b>-1.81</b>	1.51	0.36	0.81	<b>-0.03</b>
<b>Royal London</b>	<b>384.7</b>	<b>-7.09</b>	0.56	2.50	9.82	9.92	8.02
FTSE index Linked >5 years +0.5% pa		<b>-7.24</b>	1.24	3.23	10.11	10.22	7.97
<i>Excess return</i>		0.14	<b>-0.69</b>	<b>-0.73</b>	<b>-0.30</b>	<b>-0.31</b>	0.05
<b>Barings</b>	<b>395.3</b>	<b>-1.04</b>	4.64	8.12	5.35	7.63	7.33
GBP Libor +4% pa		1.11	2.25	4.60	4.82	4.80	5.62
<i>Excess return</i>		<b>-2.15</b>	2.39	3.52	0.53	2.83	1.71
<b>CBRE1</b>	<b>113.9</b>	2.55	5.70	7.91	7.67	8.45	<b>-0.39</b>
Headline RPI +5% pa		1.63	3.67	8.42	8.18	8.84	8.32
<i>Excess return</i>		0.92	2.03	<b>-0.50</b>	<b>-0.51</b>	<b>-0.39</b>	<b>-8.71</b>
<b>CBRE2</b>	<b>25.1</b>	<b>-4.20</b>	7.14	14.06	5.66	9.45	4.19
Headline RPI +5% pa		1.63	3.67	8.42	8.18	8.84	8.32
<i>Excess return</i>		<b>-5.83</b>	3.47	5.65	<b>-2.52</b>	0.61	<b>-4.13</b>

**Manager Quarterly Returns**

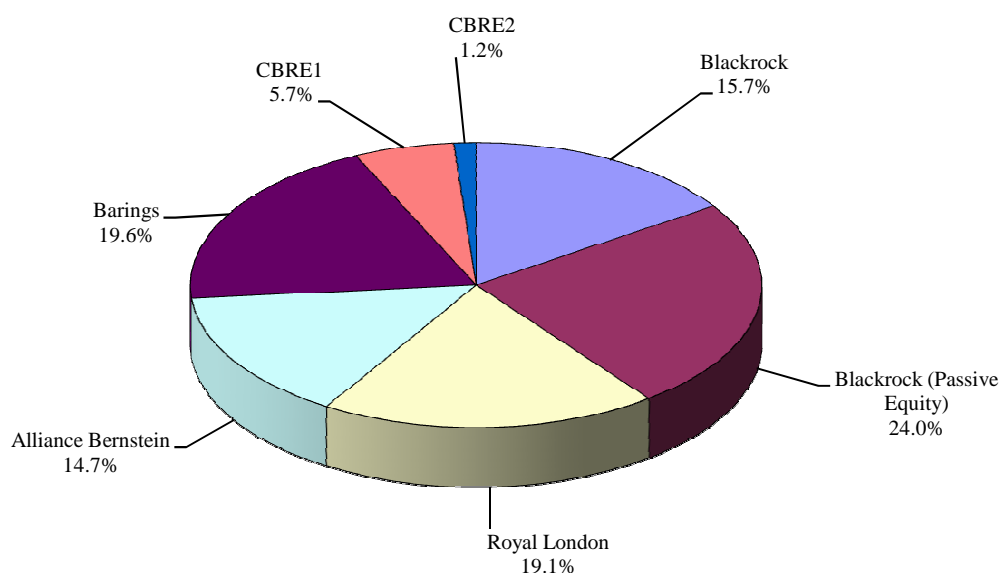


\*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

## Portfolio Comparison for Quarter 2, 2013

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,015,970,405</b>	<b>100.00%</b>	<b>(2.23)</b>	<b>(0.95)</b>	<b>(1.28)</b>	<b>(2.23)</b>
Edinburgh Partners	301,126	0.01%	0.00	0.00	0.00	0.00
Blackrock	315,474,385	15.65%	(4.31)	(0.93)	(3.38)	(0.69)
Blackrock (Passive Equity)	484,143,850	24.02%	0.89	0.83	0.06	0.21
Royal London	384,693,552	19.08%	(7.09)	(7.24)	0.14	(1.43)
Alliance Bernstein	297,029,441	14.73%	(1.39)	1.11	(2.50)	(0.20)
Barings	395,256,976	19.61%	(1.04)	1.11	(2.15)	(0.20)
CBRE1	113,936,932	5.65%	2.55	1.63	0.92	0.13
CBRE2	25,126,128	1.25%	(4.20)	1.63	(5.83)	(0.05)
JPMSL Transition Account	7,989	0.00%	0.00	-	-	(0.00)
Transition Account	26	0.00%	0.00	-	-	0.00

### Manager Allocation



## Portfolio Comparison for Year to Date, 2013

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,015,970,405</b>	<b>100.00%</b>	<b>5.98</b>	<b>6.34</b>	<b>(0.35)</b>	<b>5.98</b>
Edinburgh Partners	301,126	0.01%	0.00	0.00	0.00	0.00
Blackrock	315,474,385	15.65%	6.28	10.10	(3.82)	0.98
Blackrock (Passive Equity)	484,143,850	24.02%	16.20	16.07	-	3.55
Royal London	384,693,552	19.08%	0.56	1.24	(0.69)	0.11
Alliance Bernstein	297,029,441	14.73%	(0.05)	2.25	(2.30)	(0.01)
Barings	395,256,976	19.61%	4.64	2.25	2.39	0.92
CBRE1	113,936,932	5.65%	5.70	3.67	2.03	0.30
CBRE2	25,126,128	1.25%	7.14	3.67	3.47	0.12
JPMSL Transition Account	7,989	0.00%	0.00	-	-	(0.00)
Transition Account	26	0.00%	0.00	-	-	0.00

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