

**J.P.Morgan**

**Worldwide Securities Services**

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

*for period ending  
June 30, 2015*

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## Benchmark Association Table

PORTFOLIO	INDEX	TARGET	WEIGHT %
<b>Blackrock</b>	Zero Return - Historically FTSE All Share (Gross)	+3% pa	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>	Zero Return - Historically 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>BlackRock DAA</b>	GBP Libor (3 month)	+4% pa	100.00
<b>Mondrian</b>	MSCI EM (Emerging Markets) (Gross)	+2.5% pa	100.00
<b>Aberdeen</b>	MSCI-Acwi (Gross)	+3% pa	100.00
<b>BNY</b>	MSCI AC World Index (Gross)	+2.5% pa	100.00
<b>Total Plan Composite</b>	Manager Weighted Benchmark	Not Applicable	100.00

## Executive Summary of Total Plan as at 30/06/2015

### Overview

During the quarter the total market value of the Durham County Council Pension Plan decreased by £78.92m to £2,205.49m. There was a total flow into the plan of £0.90m during the quarter meaning the plan experienced net loss of £79.82m.

The performance return for the Plan over the second quarter of 2015 was -3.49%, compared to the Plan benchmark return of -1.85% The Plan therefore underperformed the benchmark by 164 bps.

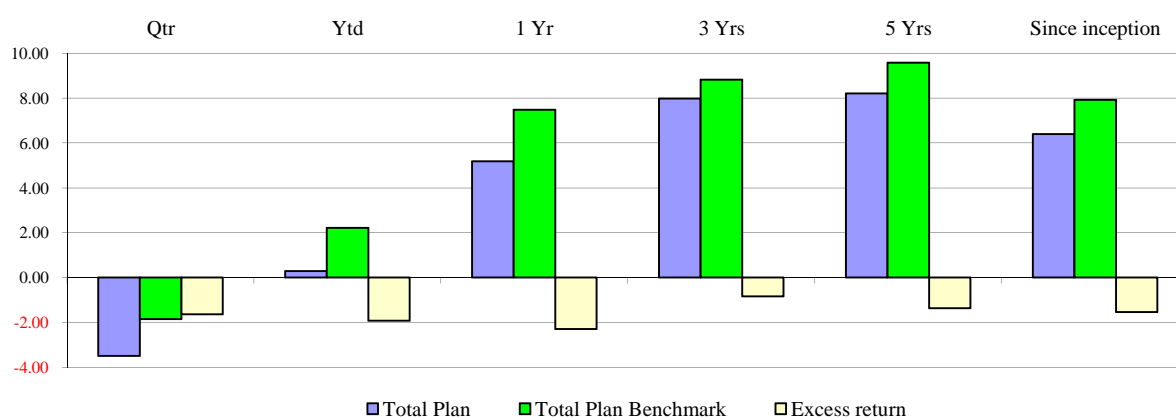
### Market Values

	In GBP mil's			
	Qtr 2 - 15	Qtr 1 - 15	Qtr 4 - 14	Qtr 3 - 14
<b>Total Plan</b>	<b>2,205.49</b>	<b>2,284.41</b>	<b>2,198.32</b>	<b>2,178.58</b>

### Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since inception
<b>Total Plan</b>	<b>-3.49</b>	0.29	5.19	8.0	8.2	6.39
Total Plan Benchmark	-1.85	2.22	7.48	8.8	9.6	7.93
<i>Excess return</i>	<i>-1.64</i>	<i>-1.93</i>	<i>-2.29</i>	<i>-0.83</i>	<i>-1.36</i>	<i>-1.54</i>

### Total Plan Performance

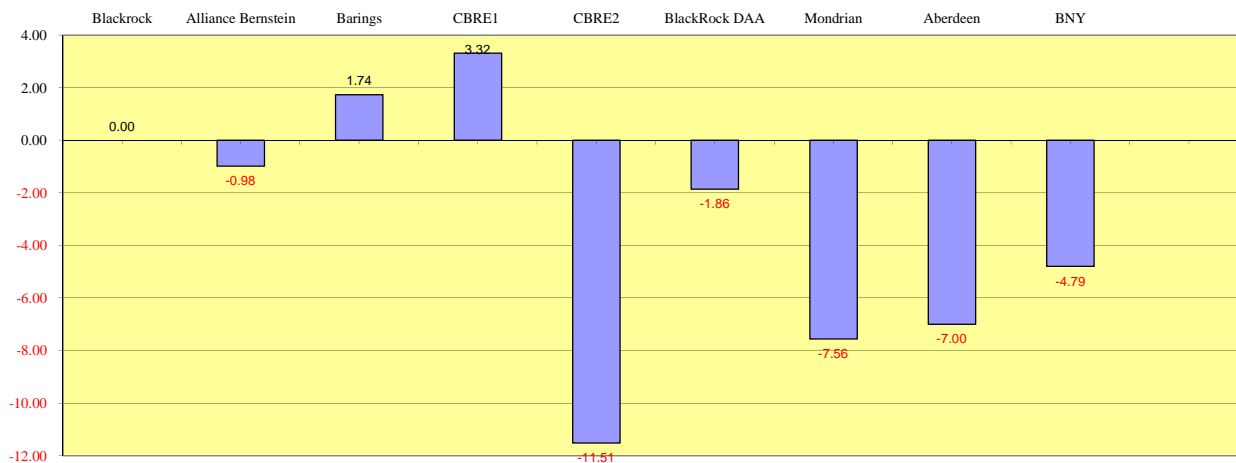


**Total Plan Performance Returns as at 30/06/2015**

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					
		Qtr	Ytd	1 Year	2 Years	3 Years	Since inception
<b>Total Plan</b>	<b>2205.5</b>	<b>-3.49</b>	0.29	5.19	6.61	7.99	6.39
Total Plan Benchmark		-1.85	2.22	7.48	7.76	8.82	7.93
<i>Excess return</i>		-1.64	-1.93	-2.29	-1.15	-0.83	-1.54

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since inception
<b>Blackrock</b>	<b>0.0</b>	0.00	0.00	-1.29	6.38	8.65	6.12
Zero Return - Historically FTSE All Share (Gross) +3% pa		0.00	0.00	-3.11	6.38	11.19	8.16
<i>Excess return</i>		0.00	0.00	1.82	-0.00	-2.54	-2.04
<b>Alliance Bernstein</b>	<b>335.7</b>	-0.98	0.35	1.32	2.64	3.45	4.05
GBP Libor +3% pa		0.88	1.77	3.58	3.55	3.57	4.32
<i>Excess return</i>		-1.86	-1.42	-2.25	-0.92	-0.11	-0.27
<b>Royal London</b>	<b>446.8</b>	-3.18	0.04	15.23	10.14	7.53	8.59
FTSE index Linked >5 years +0.5% pa		-3.17	0.12	16.33	10.43	7.98	8.64
<i>Excess return</i>		-0.01	-0.09	-1.10	-0.29	-0.45	-0.04
<b>Barings</b>	<b>1.0</b>	1.74	6.84	10.20	7.90	7.98	7.49
GBP Libor +4% pa		0.37	1.26	3.55	4.04	4.23	5.19
<i>Excess return</i>		1.36	5.58	6.64	3.86	3.75	2.30
<b>CBRE1</b>	<b>123.2</b>	3.32	5.86	12.85	10.46	9.61	2.46
Headline RPI +5% pa		1.93	3.02	6.07	6.91	7.41	7.93
<i>Excess return</i>		1.39	2.84	6.78	3.55	2.20	-5.47
<b>CBRE2</b>	<b>28.1</b>	-11.51	-4.55	5.17	5.67	8.40	4.59
Headline RPI +5% pa		1.93	3.02	6.07	6.91	7.41	7.93
<i>Excess return</i>		-13.44	-7.57	-0.90	-1.24	0.98	-3.34
<b>BlackRock DAA</b>	<b>436.2</b>	-1.86	0.78	-	-	-	0.78
3 Month Libor in GBP +4% pa		1.13	2.13	-	-	-	2.13
<i>Excess return</i>		-2.99	-1.35	-	-	-	-1.35
<b>Mondrian</b>	<b>150.5</b>	-7.56	-3.54	-	-	-	-6.97
MSCI EM (Emerging Markets) (Gross) + 2.5%		-4.37	3.33	-	-	-	3.23
<i>Excess return</i>		-3.19	-6.87	-	-	-	-10.19
<b>Aberdeen</b>	<b>327.1</b>	-7.00	-2.17	-	-	-	-1.94
MSCI-Acwi (Gross) + 3%		-4.42	3.60	-	-	-	6.60
<i>Excess return</i>		-2.58	-5.77	-	-	-	-8.54
<b>BNY</b>	<b>341.5</b>	-4.79	2.08	-	-	-	5.31
MSCI AC World Index (Gross) + 2.5%		-4.53	3.35	-	-	-	6.66
<i>Excess return</i>		-0.25	-1.27	-	-	-	-1.35

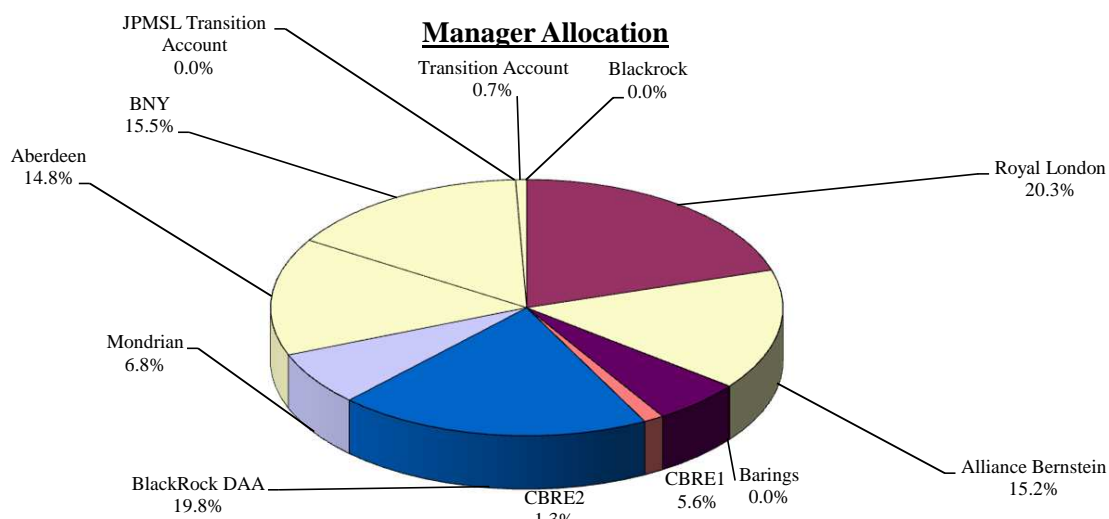
**Manager Quarterly Returns**



\*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, 2015

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,205,485,051</b>	<b>100.00%</b>	<b>(3.49)</b>	<b>(1.85)</b>	<b>(1.64)</b>	<b>(3.49)</b>
Blackrock	10,318	0.00%	0.00	0.00	0.00	0.00
Royal London	446,845,436	20.26%	(3.18)	(3.17)	(0.01)	(0.65)
Alliance Bernstein	335,675,437	15.22%	(0.98)	1.13	(2.11)	(0.14)
Barings	1,026,584	0.05%	1.74	1.13	0.61	0.01
CBRE1	123,191,529	5.59%	3.32	1.93	1.39	0.17
CBRE2	28,056,759	1.27%	(11.51)	1.93	(13.44)	(0.16)
BlackRock DAA	436,182,148	19.78%	(1.86)	1.13	(2.99)	(0.36)
Mondrian	150,473,801	6.82%	(7.56)	(4.37)	(3.19)	(0.54)
Aberdeen	327,076,687	14.83%	(7.00)	(4.42)	(2.58)	(1.08)
BNY	341,504,114	15.48%	(4.79)	(4.53)	(0.25)	(0.75)
JPMSL Transition Account	179	0.00%	0.00	-	-	(0.00)
Transition Account	15,442,061	0.70%	0.00	-	-	0.00



## Portfolio Comparison for Year to Date, 2015

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,205,485,051</b>	<b>100.00%</b>	<b>0.29</b>	<b>2.22</b>	<b>(1.93)</b>	<b>0.29</b>
Blackrock	10,318	0.00%	0.00	0.00	0.00	0.00
Royal London	446,845,436	20.26%	0.04	0.12	(0.09)	0.03
Alliance Bernstein	335,675,437	15.22%	0.35	2.13	(1.78)	0.05
Barings	1,026,584	0.05%	6.84	2.13	4.71	0.13
CBRE1	123,191,529	5.59%	5.86	3.02	2.84	0.31
CBRE2	28,056,759	1.27%	(4.55)	3.02	(7.57)	(0.06)
BlackRock DAA	436,182,148	19.78%	0.78	2.13	(1.35)	0.12
Mondrian	150,473,801	6.82%	(3.54)	3.33	(6.87)	(0.26)
Aberdeen	327,076,687	14.83%	(2.17)	3.60	(5.77)	(0.34)
BNY	341,504,114	15.48%	2.08	3.35	(1.27)	0.32
JPMSL Transition Account	179	0.00%	0.00	-	-	(0.00)
Transition Account	15,442,061	0.70%	0.00	-	-	0.00

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