

J.P.Morgan

Worldwide Securities Services

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

*for period ending
December 31, 2013*



Contents

Page

Benchmark Association Table 3

Executive Summary of Total Plan 4

Total Plan Performance Returns 5

Portfolio Comparison 6

Disclaimer 7

Benchmark Association Table

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

Executive Summary of Total Plan as at 31/12/2013

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£58.18m to £2,115.27m. There was a total outflow from the plan of -£14,651 in the quarter meaning the plan experienced net gains of +£58.2m.

The performance return for the Plan over the fourth quarter of 2013 was +2.83%, compared to the Plan benchmark return of +2.65. The Plan therefore outperformed the benchmark by +0.18%.

Equity markets were up this quarter with the FTSE All Share (+3% pa) rising +6.24% and the FTSE Aw Developed also up by +5.57% in Sterling terms. Index Linked bonds were down with the FTSE index linked over 5 years index (+0.5% pa) decreasing by -0.95%.

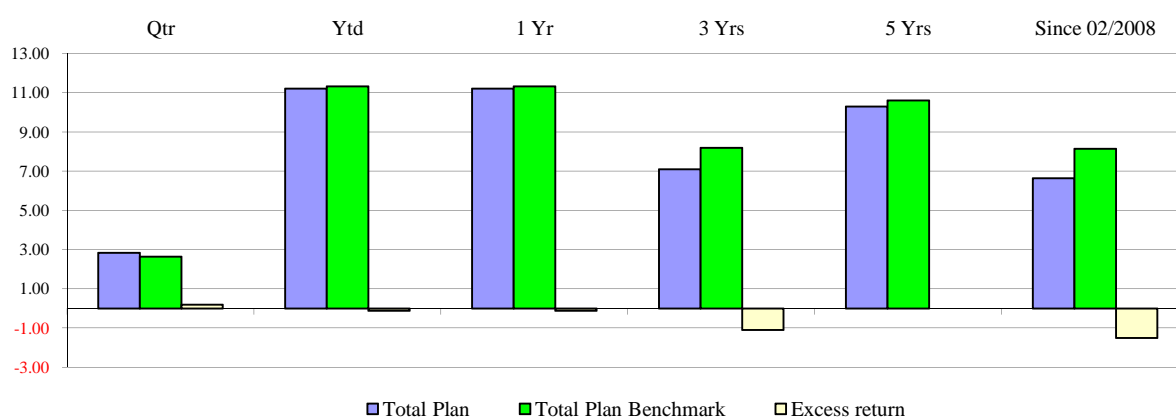
Market Values

	In GBP mil's			
	Qtr 4 - 13	Qtr 3 - 13	Qtr 2 - 13	Qtr 1 - 13
Total Plan	2,115.27	2,057.09	2,015.97	2,060.34

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	2.83	11.20	11.20	7.1	10.3	6.63
Total Plan Benchmark	2.65	11.33	11.33	8.2	10.6	8.14
<i>Excess return</i>	<i>0.18</i>	<i>-0.12</i>	<i>-0.12</i>	<i>-1.10</i>		<i>-1.51</i>

Total Plan Performance

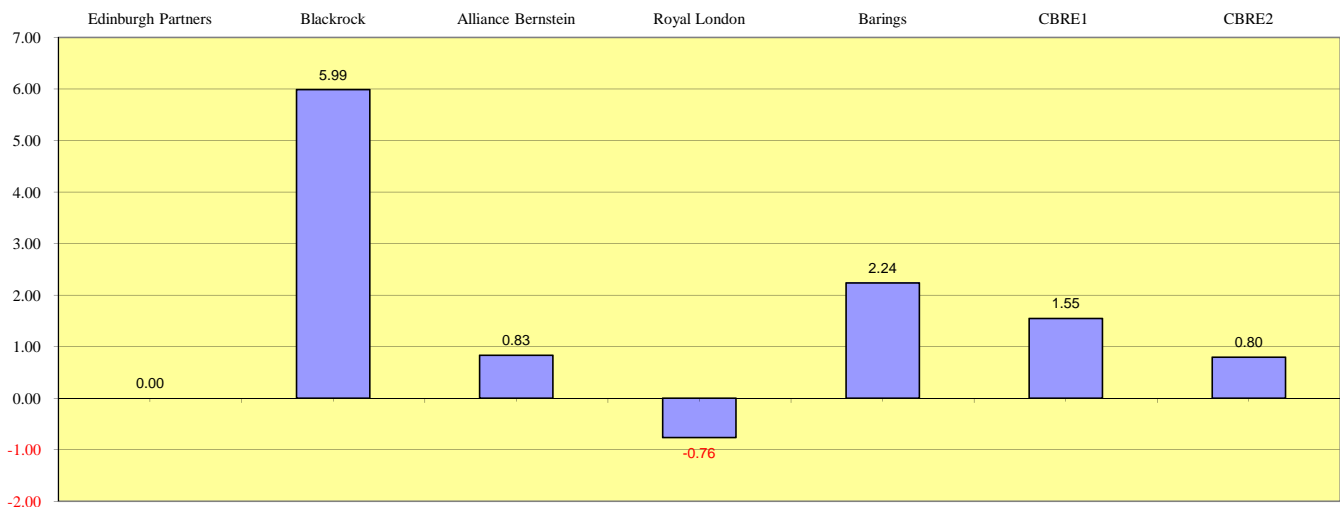


Total Plan Performance Returns as at 31/12/13

Currency GBP		Performance (%) *					
	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Total Plan	2115.3	2.83	11.20	11.20	9.20	7.09	6.63
Total Plan Benchmark		2.65	11.33	11.33	9.43	8.19	8.14
<i>Excess return</i>		0.18	-0.12	-0.12	-0.24	-1.10	-1.51

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	0.3	0.00	0.00	0.00	0.45	-2.18	1.68
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	0.00	3.06	0.88	5.59
<i>Excess return</i>		0.00	0.00	0.00	-2.62	-3.06	-3.91
Blackrock	355.1	5.99	19.63	19.63	15.37	9.32	7.66
FTSE All Share (Gross) +3% pa		6.24	24.43	24.43	20.12	12.86	10.33
<i>Excess return</i>		-0.26	-4.80	-4.80	-4.74	-3.53	-2.68
Blackrock (Passive Equity)	519.6	5.61	24.70	24.70	-	-	14.76
FTSE-Ftse Aw Developed (Gross)		5.57	24.42	24.42	-	-	14.77
<i>Excess return</i>		0.04	0.29	0.29	-	-	-0.01
Alliance Bernstein	300.4	0.83	1.10	1.10	5.06	4.05	4.39
GBP Libor +3% pa		0.87	3.54	3.54	3.69	3.76	4.52
<i>Excess return</i>		-0.04	-2.44	-2.44	1.37	0.29	-0.13
Royal London	385.3	-0.76	0.71	0.71	0.93	8.07	7.33
FTSE index Linked >5 years +0.5% pa		-0.95	0.94	0.94	0.97	8.18	7.21
<i>Excess return</i>		0.18	-0.23	-0.23	-0.04	-0.11	0.12
Barings	411.8	2.24	9.02	9.02	7.49	5.59	7.43
GBP Libor +4% pa		1.12	4.55	4.55	4.70	4.77	5.53
<i>Excess return</i>		1.12	4.48	4.48	2.78	0.83	1.90
CBRE1	118.1	1.55	9.58	9.58	7.81	7.92	0.26
Headline RPI +5% pa		1.83	7.80	7.80	8.01	8.69	8.30
<i>Excess return</i>		-0.28	1.79	1.79	-0.21	-0.76	-8.04
CBRE2	24.7	0.80	5.26	5.26	11.47	3.63	3.51
Headline RPI +5% pa		1.83	7.80	7.80	8.01	8.69	8.30
<i>Excess return</i>		-1.03	-2.54	-2.54	3.46	-5.05	-4.79

Manager Quarterly Returns

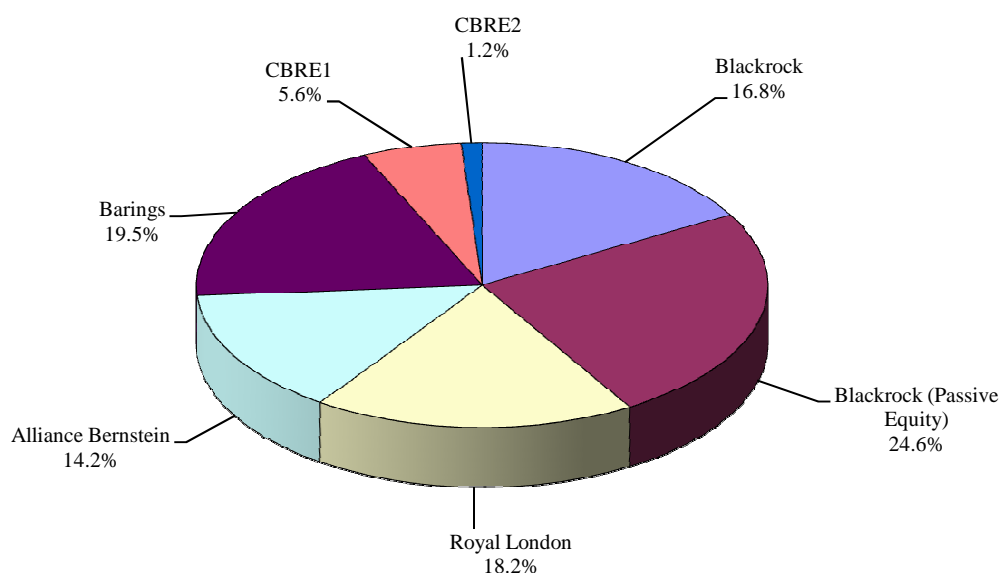


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 4, 2013

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	2,115,274,969	100.00%	2.83	2.65	0.18	2.83
Edinburgh Partners	287,759	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	355,108,283	16.79%	5.99	6.24	(0.26)	0.98
Blackrock (Passive Equity)	519,574,449	24.56%	5.61	5.57	0.04	1.34
Royal London	385,262,752	18.21%	(0.76)	(0.95)	0.18	(0.14)
Alliance Bernstein	300,441,790	14.20%	0.83	1.12	(0.28)	0.12
Barings	411,799,564	19.47%	2.24	1.12	1.12	0.44
CBRE1	118,123,063	5.58%	1.55	1.83	(0.28)	0.09
CBRE2	24,684,505	1.17%	0.80	1.83	(1.03)	0.01
JPMSL Transition Account	-7,220	0.00%	0.00	-	-	(0.00)
Transition Account	25	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
Total Plan	2,115,274,969	100.00%	11.20	11.33	(0.12)	11.20
Edinburgh Partners	287,759	0.01%	0.00	0.00	0.00	0.00
Blackrock	355,108,283	16.79%	19.63	24.43	(4.80)	3.06
Blackrock (Passive Equity)	519,574,449	24.56%	24.70	24.42	-	5.41
Royal London	385,262,752	18.21%	0.71	0.94	(0.23)	0.14
Alliance Bernstein	300,441,790	14.20%	1.10	4.55	(3.45)	0.17
Barings	411,799,564	19.47%	9.02	4.55	4.48	1.79
CBRE1	118,123,063	5.58%	9.58	7.80	1.79	0.52
CBRE2	24,684,505	1.17%	5.26	7.80	(2.54)	0.09
JPMSL Transition Account	-7,220	0.00%	0.00	-	-	(0.00)
Transition Account	25	0.00%	0.00	-	-	0.00

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