

J.P.Morgan

Worldwide Securities Services

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

*for period ending
March 31, 2014*

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 31/03/2014

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£13.28m to £2,128.55m. There was a total outflow from the plan of -£15,000 in the quarter meaning the plan experienced net gains of +£28.28m.

The performance return for the Plan over the first quarter of 2014 was +1.34%, compared to the Plan benchmark return of +1.36. The Plan therefore underperformed the benchmark by -0.02%.

Equity markets were up this quarter with the FTSE All Share (+3% pa) rising +0.35% and the FTSE Aw Developed also up by +0.66% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5% pa) increasing by +3.69%.

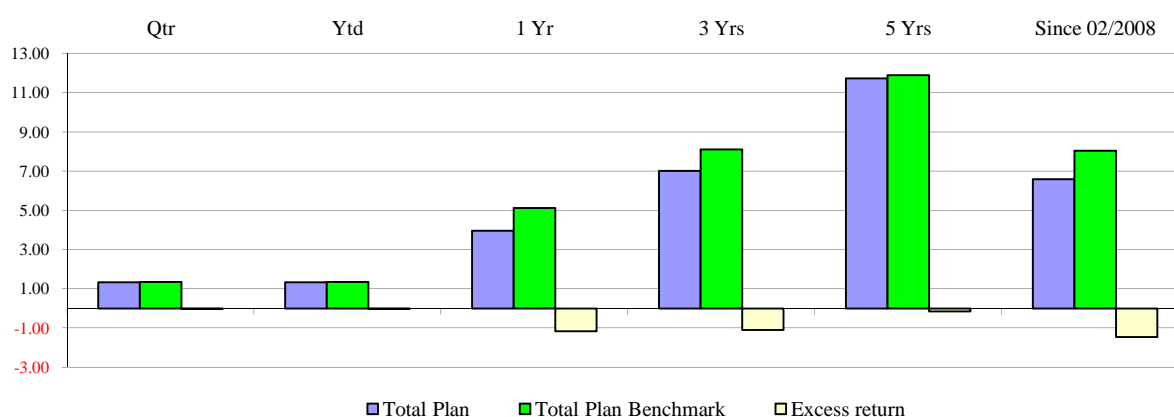
Market Values

	In GBP mil's			
	Qtr 1 - 14	Qtr 4 - 13	Qtr 3 - 13	Qtr 2 - 13
Total Plan	2,128.55	2,115.27	2,057.09	2,015.97

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	1.34	1.34	3.96	7.0	11.7	6.58
Total Plan Benchmark	1.36	1.36	5.13	8.1	11.9	8.03
<i>Excess return</i>	<i>-0.02</i>	<i>-0.02</i>	<i>-1.17</i>	<i>-1.10</i>	<i>-0.15</i>	<i>-1.45</i>

Total Plan Performance

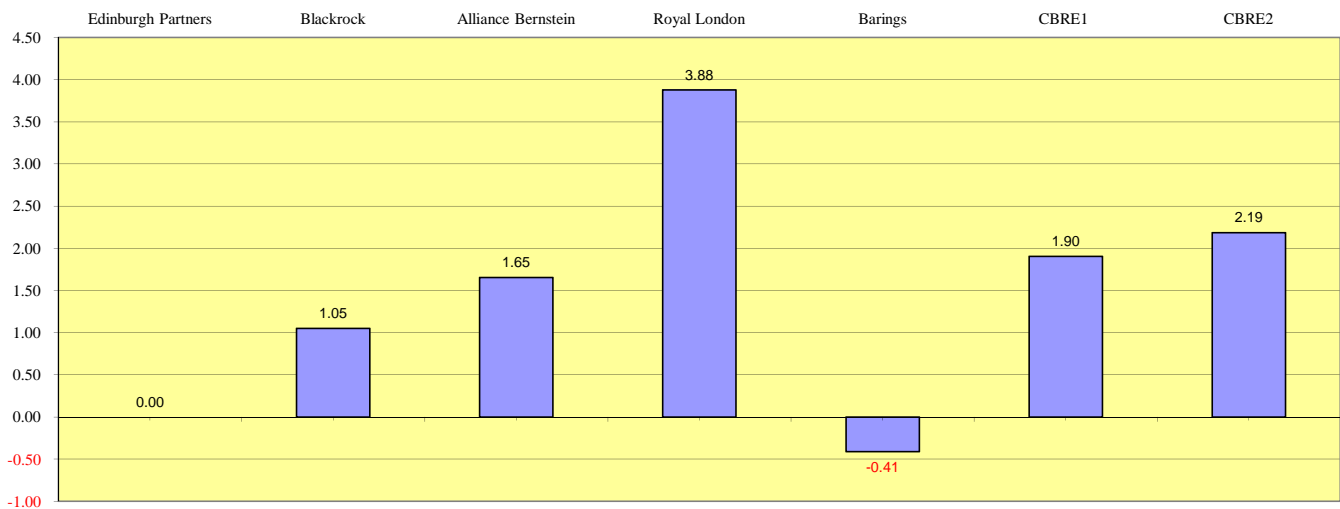


Total Plan Performance Returns as at 31/03/14

Currency GBP		Performance (%) *					
	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Total Plan	2128.6	1.34	1.34	3.96	7.52	7.01	6.58
Total Plan Benchmark		1.36	1.36	5.13	8.17	8.11	8.03
<i>Excess return</i>		-0.02	-0.02	-1.17	-0.65	-1.10	-1.45

	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	-3.56	-2.63	1.61
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	0.00	-1.62	-0.06	5.35
<i>Excess return</i>		0.00	0.00	0.00	-1.93	-2.57	-3.74
Blackrock	358.8	1.05	1.05	8.84	11.68	8.45	7.52
FTSE All Share (Gross) +3% pa		0.35	0.35	12.36	16.38	12.33	9.95
<i>Excess return</i>		0.70	0.70	-3.51	-4.71	-3.88	-2.44
Blackrock (Passive Equity)	508.1	0.70	0.70	9.04	13.55	-	13.32
FTSE-Ftse Aw Developed (Gross)		0.66	0.66	8.80	13.47	-	13.31
<i>Excess return</i>		0.05	0.05	0.24	-	-	0.01
Alliance Bernstein	305.4	1.65	1.65	1.39	4.24	4.11	4.48
GBP Libor +3% pa		0.87	0.87	3.53	3.62	3.74	4.48
<i>Excess return</i>		0.78	0.78	-2.14	0.62	0.38	0.01
Royal London	400.2	3.88	3.88	-3.35	3.78	9.42	7.69
FTSE index Linked >5 years +0.5% pa		3.69	3.69	-3.97	3.85	9.57	7.57
<i>Excess return</i>		0.19	0.19	0.62	-0.07	-0.15	0.13
Barings	410.1	-0.41	-0.41	2.68	5.43	5.29	7.05
GBP Libor +4% pa		1.11	1.11	4.53	4.63	4.74	5.49
<i>Excess return</i>		-1.52	-1.52	-1.85	0.79	0.55	1.56
CBRE1	120.4	1.90	1.90	8.34	7.76	8.01	0.56
Headline RPI +5% pa		1.78	1.78	7.56	8.00	8.25	8.26
<i>Excess return</i>		0.12	0.12	0.78	-0.24	-0.24	-7.70
CBRE2	25.2	2.19	2.19	-3.82	8.49	4.16	3.73
Headline RPI +5% pa		1.78	1.78	7.56	8.00	8.25	8.26
<i>Excess return</i>		0.40	0.40	-11.39	0.50	-4.08	-4.53

Manager Quarterly Returns

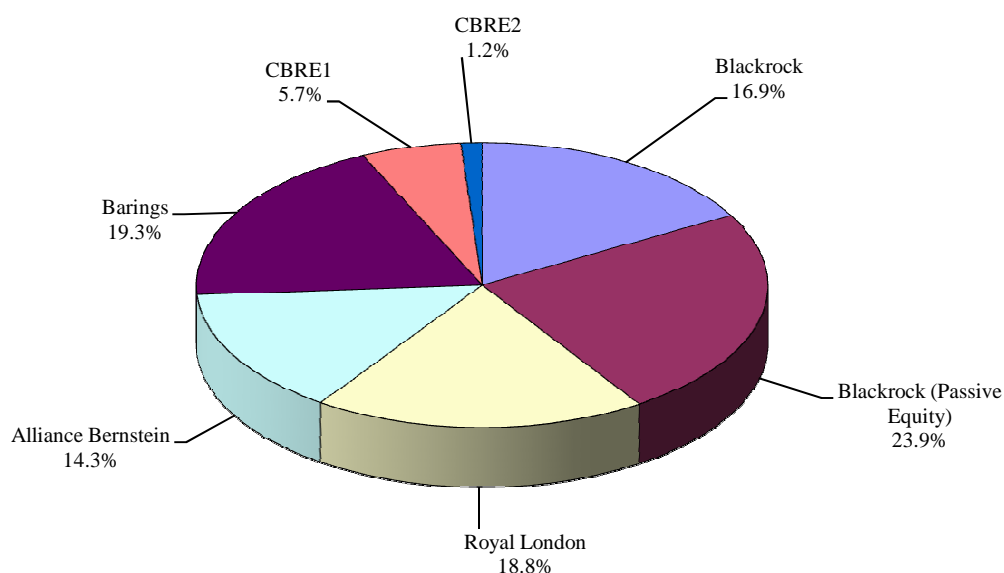


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 1, 2014

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	2,128,550,449	100.00%	1.34	1.36	(0.02)	1.34
Edinburgh Partners	286,816	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	358,838,258	16.86%	1.05	0.35	0.70	0.18
Blackrock (Passive Equity)	508,117,135	23.87%	0.70	0.66	0.05	0.17
Royal London	400,198,277	18.80%	3.88	3.69	0.19	0.71
Alliance Bernstein	305,405,206	14.35%	1.65	1.11	0.54	0.23
Barings	410,109,529	19.27%	(0.41)	1.11	(1.52)	(0.08)
CBRE1	120,370,615	5.66%	1.90	1.78	0.12	0.11
CBRE2	25,224,330	1.19%	2.19	1.78	0.40	0.03
JPMSL Transition Account	257	0.00%	0.00	-	-	0.00
Transition Account	25	0.00%	0.00	-	-	(0.00)

Manager Allocation



Portfolio Comparison for Year to Date, 2014

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	2,128,550,449	100.00%	1.34	1.36	(0.02)	1.34
Edinburgh Partners	286,816	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	358,838,258	16.86%	1.05	0.35	0.70	0.18
Blackrock (Passive Equity)	508,117,135	23.87%	0.70	0.66	-	0.17
Royal London	400,198,277	18.80%	3.88	3.69	0.19	0.71
Alliance Bernstein	305,405,206	14.35%	1.65	1.11	0.54	0.23
Barings	410,109,529	19.27%	(0.41)	1.11	(1.52)	(0.08)
CBRE1	120,370,615	5.66%	1.90	1.78	0.12	0.11
CBRE2	25,224,330	1.19%	2.19	1.78	0.40	0.03
JPMSL Transition Account	257	0.00%	0.00	-	-	0.00
Transition Account	25	0.00%	0.00	-	-	(0.00)

Copyright ©2014 JPMorgan Chase & Co. All rights reserved.

This report is provided exclusively for the purpose of assisting the customer in monitoring the investment performance of its accounts. J.P. Morgan is providing a reporting service to the customer to assist it in the management of the accounts and, in doing so, is not acting in a fiduciary capacity for the accounts. J.P. Morgan has no responsibility for the selection, monitoring or termination of any investment manager with respect to any of the accounts. The reports are not intended to be considered the rendering of investment advice or in any way to influence any investment decisions or the selection of any investment managers for the accounts. The customer assumes sole responsibility for its use of the reports.

This report contains information that is the property of J.P. Morgan and/or its content providers, and is intended for use by the investment officers of our institutional clients. This report may not be copied, published, or used in whole or in part with third-parties for any purposes other than expressly authorized by J.P. Morgan.

The information furnished in this report may contain data obtained from third-party sources that J.P. Morgan believes to be reliable. However, J.P. Morgan makes no warranty, express or implied, concerning the accuracy or completeness of third-party data. Where J.P. Morgan relies on accounting, pricing and associated security data – or instructions for what accounts comprise composites – by the customer or its third party administrators, J.P. Morgan takes no responsibility for the accuracy of such information.

Third-party data is the intellectual property of those vendors and is subject to restrictions contained in the licenses, which J.P. Morgan cannot unilaterally change. If the third party supplier adds additional restrictions to data use, J.P. Morgan shall use reasonable efforts to notify the customer of such changes in writing. Customer's continued use of the report after receipt of notice shall constitute customer's acceptance of the revised usage provision.

The information contained in this report may be subject to change from time to time without prior notice to the Customer, for reasons including, but not limited to, the subsequent restating of accounting information or index returns.

The information furnished in this report does not constitute the provision of 'financial product advice' as defined under the Corporations Act 2001 (Cth) and does not take into account the financial situation, needs or objectives of individuals in Australia.

The information furnished in this report is available in New Zealand solely to persons who are wholesale clients for the purposes of the Financial Advisers Act 2008. If you do not meet this criterion, you are not entitled to this report.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by The JPMorgan Chase & Co. and its wholly owned subsidiaries. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Standard and Poor's including its subsidiary corporations ("S&P") is a division of the McGraw-Hill Companies, Inc. Reproduction of S&P Index Alerts in any form is prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P sources, S&P or others, S&P does not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P gives not express or implied warranties, including, but not limited to, any warranties or merchantability or fitness for a particular purpose or use. In no event shall S&P be liable for any indirect, special or consequential damages in connection with subscribers or others' use of S&P Index Alerts.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

FTSE® is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license. All rights in the FTSE Indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE Indices or underlying data.

The Industry Classification Benchmark is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use. "FTSE" is a trade and service mark of London Stock Exchange and The Financial Times Limited. "Dow Jones" and "DJ" are trade and service marks of Dow Jones & Company Inc. FTSE and Dow Jones do not accept any liability to any person for any loss or damage arising out of any error or omission in the ICB.

The Dow Jones Wilshire IndexesSM are calculated, distributed and marketed by Dow Jones & Company, Inc. pursuant to an agreement between Dow Jones and Wilshire and have been licensed for use. All content of the Dow Jones Wilshire IndexesSM © 2013 Dow Jones & Company, Inc. & Wilshire Associates Incorporated.

Frank Russell Company ("FRC") is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a USER presentation of the Russell Index data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in USER's presentation thereof.

The Merrill Lynch Indices are used with permission. Copyright 2013, Merrill Lynch, Pierce, Fenner & Smith Incorporated. All rights reserved. The Merrill Lynch Indices may not be copied, used, or distributed without Merrill Lynch's prior written approval. Merrill Lynch does not guarantee the quality, accuracy and/or completeness of the Merrill Lynch indices or any data included therein or derived therefrom and shall not be liable to any third party in connection with their use.

© UBS 2013. All rights reserved. The name UBS Global Convertible Bond Index and the names of the related UBS AG sub-indices (together the "UBS Indices") are proprietary to UBS AG ("UBS"). UBS and MACE Advisers Ltd (the UBS Global Convertible Bond Index Calculation Agent) are together the "Index Parties".

© IPD (Investment Property Databank Ltd.) 2013 All rights conferred by law of copyright, by virtue of international copyright conventions and all other intellectual property laws are reserved by IPD. No part of the Mercer / IPD Australian Pooled Property Fund Index - Wholesale Core may be reproduced or transmitted, in any form or by any means, without the prior written consent of IPD. This index is neither appropriate nor authorized by IPD for use as a benchmark for portfolio or manager performance, or as the basis for any business decision. IPD gives no warranty or representation that the use of this information will achieve any particular result for you. Neither Mercer nor IPD has any liability for any losses, damages, costs or expenses suffered by any person as a result of any reliance on this information.

The NZX indices referred to in this report are the property of NZX Limited ("NZX"). Any adaptation, reproduction or transmittance of the data or contents of the NZX indices in any form or by any means other than for private use is prohibited without the prior written permission of NZX. NZX and its affiliates, directors, officers, agents or employees do not make any warranty of any kind, either express or implied, as to the accuracy of the content of the NZX indices or fitness for a particular purpose or use. NZX hereby disclaims all liability to the maximum extent permitted by law in relation to the NZX indices. Neither NZX, its subsidiary companies, nor their directors, officers, agents or employees shall, under any circumstances, be liable to any person for any direct, indirect, consequential, incidental, special or punitive damages, howsoever arising (whether in negligence or otherwise), out of or in connection with the content, any omission from the content, any use of the content or any actions taken or reliance by any person thereon.

Barclays Capital is the source of its respective indices.

Citigroup is the source of its respective indices.

Hang Seng Indexes Company Limited is the source of its respective indices.

DAX indices are registered trademarks of Deutsche Borse AG.

© TSX Copyright 2013 TSX Inc. All Rights Reserved.

Trust Universe Comparison Service® and TUCS®.

Fixed income risk characteristics provided by Blackrock Solutions.

The calculation of Value-at-Risk requires numerous assumptions that should be kept in mind when interpreting it. These limitations include but are not limited to the following: VaR measures may not appropriately convey the magnitude of sudden and unexpected extreme events; historical data that forms the basis of VaR may fail to predict content and future market volatility; our VaR methodology does not fully reflect the effects of market illiquidity (the inability to sell or hedge a position over a relatively long period) and does not incorporate credit risk events that may affect its value.

The information furnished in this report may be based in part on services provided by Algorithmics (U.S.), Inc. and/or its affiliates ("Algorithmics"). Algorithmics does not make any express or implied warranty or representation regarding its services or contributions to this report, including any warranty of originality, accuracy, completeness, merchantability or fitness for a particular purpose, nor shall its services or contributions to this report be construed as providing any financial advice, auditing, accounting, appraisal, regulatory or compliance services. Algorithmics is not responsible for the data or assumptions that are processed through Algorithmics' services nor can Algorithmics guarantee the accuracy or validity of data received from third parties that enables the service to generate the information contained in this report. In no event shall Algorithmics have any liability for any direct, indirect, special, punitive, consequential or any other damages arising out of or relating to its services or contributions to this report, or your reliance thereon. By accepting this report, the recipient is agreeing to the foregoing limitations on Algorithmics' responsibility and liability.