

J.P.Morgan

Worldwide Securities Services

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

*for period ending
June 30, 2014*

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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 30/06/2014

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£35.53m to £2,163.08m. There was a total outflow from the plan of +£3,123 in the quarter meaning the plan experienced net gains of +£34.52m.

The performance return for the Plan over the second quarter of 2014 was +1.62%, compared to the Plan benchmark return of +1.79. The Plan therefore underperformed the benchmark by -0.17%.

Equity markets were up this quarter with the FTSE All Share (+3% pa) rising to +2.99% and the FTSE Aw Developed also up to +2.43% in Sterling terms. Index Linked bonds were down with the FTSE index linked over 5 years index (+0.5% pa) decreasing to +1.26%.

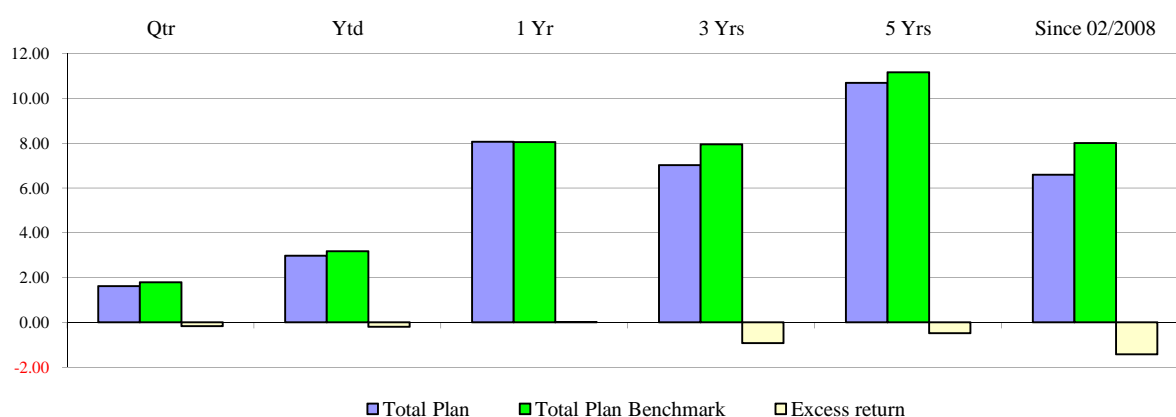
Market Values

	In GBP mil's			
	Qtr 2 - 14	Qtr 1 - 14	Qtr 4 - 13	Qtr 3 - 13
Total Plan	2,163.08	2,128.55	2,115.27	2,057.09

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	1.62	2.98	8.06	7.0	10.7	6.58
Total Plan Benchmark	1.79	3.17	8.04	7.9	11.2	8.01
<i>Excess return</i>	<i>-0.17</i>	<i>-0.19</i>	<i>0.02</i>	<i>-0.92</i>	<i>-0.48</i>	<i>-1.42</i>

Total Plan Performance

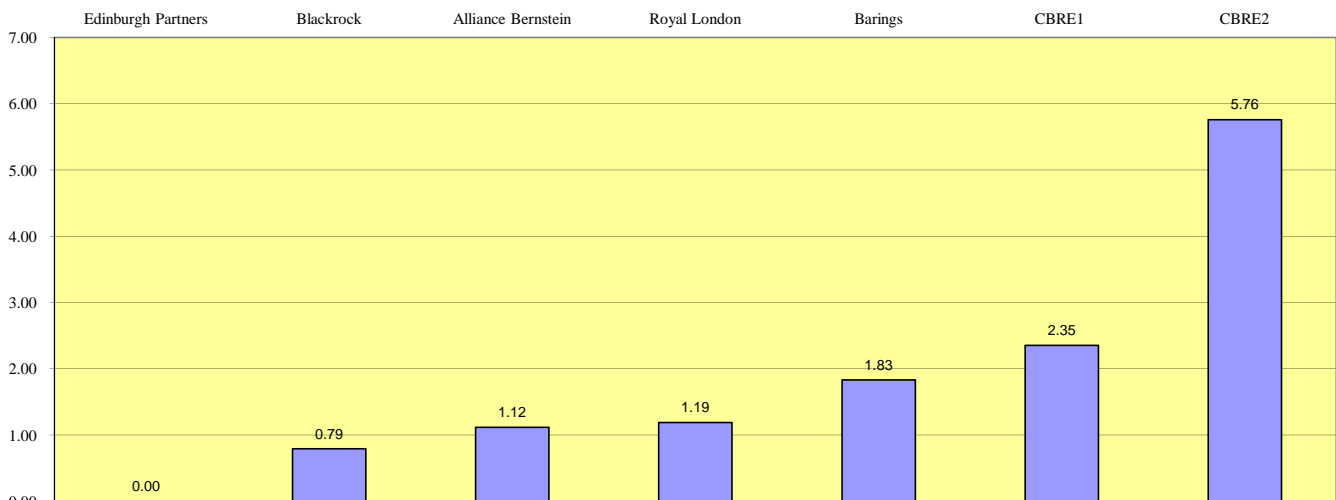


Total Plan Performance Returns as at 30/06/14

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					Since 02/2008
		Qtr	Ytd	1 Year	2 Years	3 Years	
Total Plan	2163.1	1.62	2.98	8.06	9.42	7.02	6.58
Total Plan Benchmark		1.79	3.17	8.04	9.50	7.95	8.01
<i>Excess return</i>		-0.17	-0.19	0.02	-0.08	-0.92	-1.42

	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	-0.60	-2.51	1.54
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	0.00	-0.18	-0.40	5.13
<i>Excess return</i>		0.00	0.00	0.00	-0.42	-2.11	-3.59
Blackrock	361.7	0.79	1.85	14.65	13.99	7.98	7.34
FTSE All Share (Gross) +3% pa		2.99	3.35	16.80	19.11	12.38	10.05
<i>Excess return</i>		-2.20	-1.50	-2.16	-5.13	-4.39	-2.71
Blackrock (Passive Equity)	519.8	2.31	3.03	10.57	16.74	-	12.92
FTSE-Ftse Aw Developed (Gross)		2.43	3.11	10.53	16.69	-	12.97
<i>Excess return</i>		-0.13	-0.08	0.04	-	-	-0.05
Alliance Bernstein	308.8	1.12	2.79	3.97	4.54	4.10	4.49
GBP Libor +3% pa		0.87	1.75	3.53	3.56	3.72	4.44
<i>Excess return</i>		0.24	1.04	0.44	0.97	0.39	0.05
Royal London	405.0	1.19	5.11	5.27	3.87	8.28	7.58
FTSE index Linked >5 years +0.5% pa		1.26	5.00	4.83	4.03	8.32	7.47
<i>Excess return</i>		-0.07	0.12	0.44	-0.15	-0.04	0.11
Barings	417.6	1.83	1.41	5.66	6.88	5.45	7.07
GBP Libor +4% pa		1.12	2.24	4.53	4.57	4.72	5.45
<i>Excess return</i>		0.71	-0.83	1.12	2.31	0.73	1.61
CBRE1	123.2	2.35	4.30	8.13	8.02	7.82	0.91
Headline RPI +5% pa		1.82	3.64	7.76	8.09	8.04	8.23
<i>Excess return</i>		0.53	0.66	0.37	-0.07	-0.22	-7.32
CBRE2	26.7	5.76	8.07	6.17	10.05	5.83	4.50
Headline RPI +5% pa		1.82	3.64	7.76	8.09	8.04	8.23
<i>Excess return</i>		3.94	4.44	-1.59	1.96	-2.21	-3.73

Manager Quarterly Returns

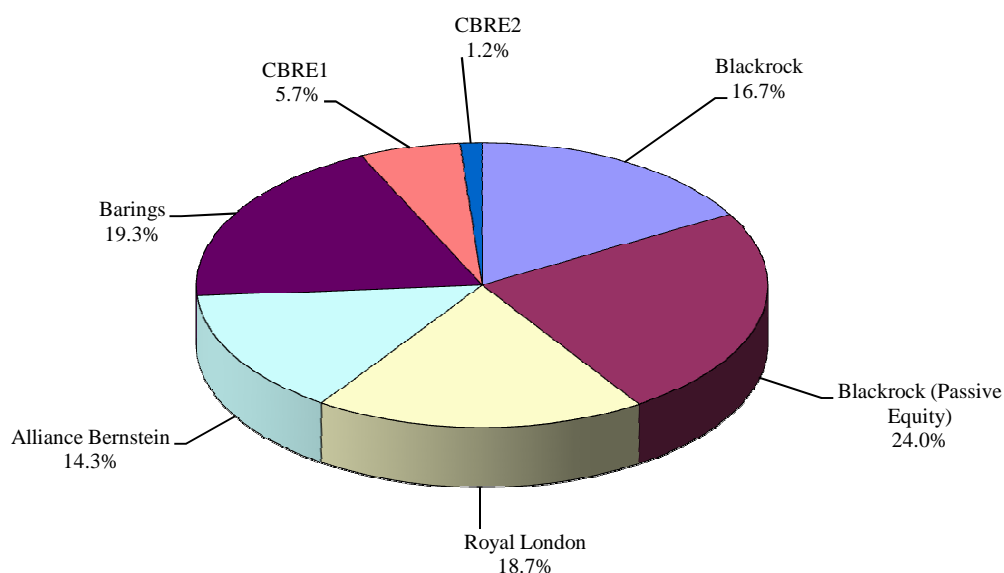


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 2, 2014

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	2,163,078,255	100.00%	1.62	1.79	(0.17)	1.62
Edinburgh Partners	277,892	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	361,676,984	16.72%	0.79	2.99	(2.20)	0.13
Blackrock (Passive Equity)	519,841,502	24.03%	2.31	2.43	(0.13)	0.55
Royal London	404,959,883	18.72%	1.19	1.26	(0.07)	0.22
Alliance Bernstein	308,817,555	14.28%	1.12	1.12	0.00	0.16
Barings	417,619,752	19.31%	1.83	1.12	0.71	0.35
CBRE1	123,207,117	5.70%	2.35	1.82	0.53	0.13
CBRE2	26,677,297	1.23%	5.76	1.82	3.94	0.07
JPMSL Transition Account	249	0.00%	0.00	-	-	(0.00)
Transition Account	24	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	2,163,078,255	100.00%	2.98	3.17	(0.19)	2.98
Edinburgh Partners	277,892	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	361,676,984	16.72%	1.85	3.35	(1.50)	0.31
Blackrock (Passive Equity)	519,841,502	24.03%	3.03	3.11	-	0.72
Royal London	404,959,883	18.72%	5.11	5.00	0.12	0.94
Alliance Bernstein	308,817,555	14.28%	2.79	2.24	0.54	0.40
Barings	417,619,752	19.31%	1.41	2.24	(0.83)	0.28
CBRE1	123,207,117	5.70%	4.30	3.64	0.66	0.24
CBRE2	26,677,297	1.23%	8.07	3.64	4.44	0.09
JPMSL Transition Account	249	0.00%	0.00	-	-	0.00
Transition Account	24	0.00%	0.00	-	-	(0.00)

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