

J.P.Morgan

Worldwide Securities Services

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

*for period ending
September 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 Berstein	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 30/09/2014

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£ 15.51m to £2,178.58m. There was a total outflow from the plan of -£34.10m in the quarter meaning the plan experienced net gains of +£49.61m.

The performance return for the Plan over the third quarter of 2014 was +2.31%, compared to the Plan benchmark return of +2.34. The Plan therefore underperformed the benchmark by -0.03%.

This quarter the FTSE All Share (+3% pa) decreased to -0.23% and the FTSE Aw Developed increased to +3.20% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5% pa) increasing to +6.05%.

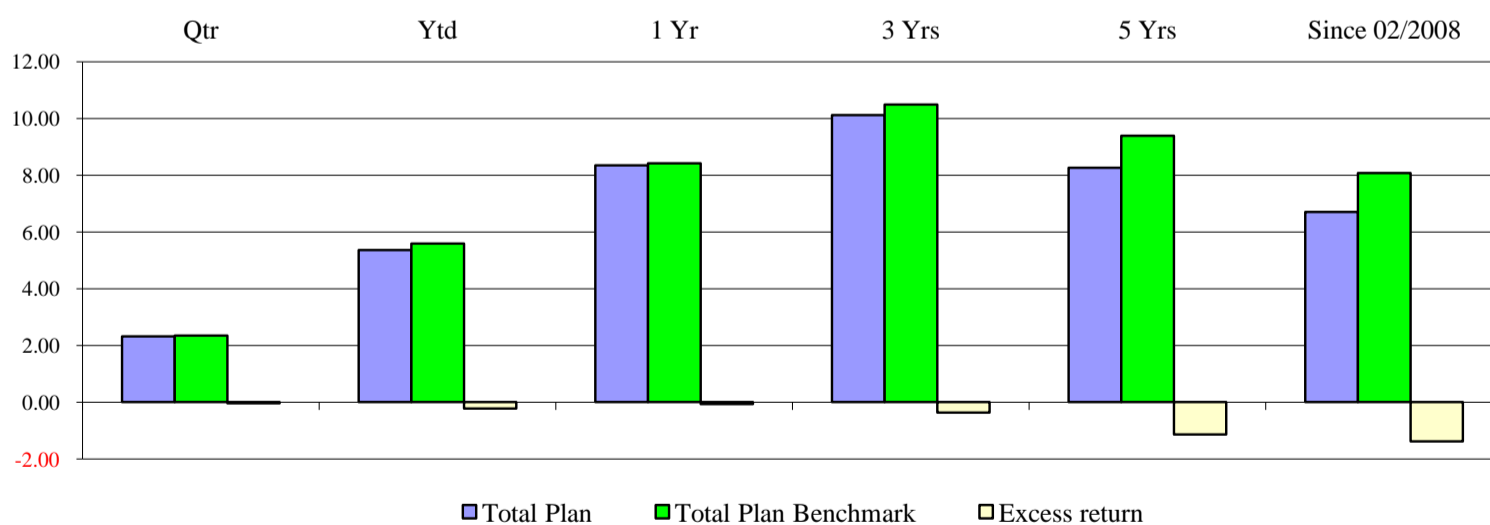
Market Values

	In GBP mil's			
	Qtr 3 - 14	Qtr 2 - 14	Qtr 1 - 14	Qtr 4 - 13
Total Plan	2,178.58	2,163.08	2,128.55	2,115.27

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	2.31	5.37	8.35	10.1	8.3	6.70
Total Plan Benchmark	2.34	5.59	8.41	10.5	9.4	8.07
<i>Excess return</i>	<i>-0.03</i>	<i>-0.23</i>	<i>-0.06</i>	<i>-0.36</i>	<i>-1.13</i>	<i>-1.37</i>

Total Plan Performance

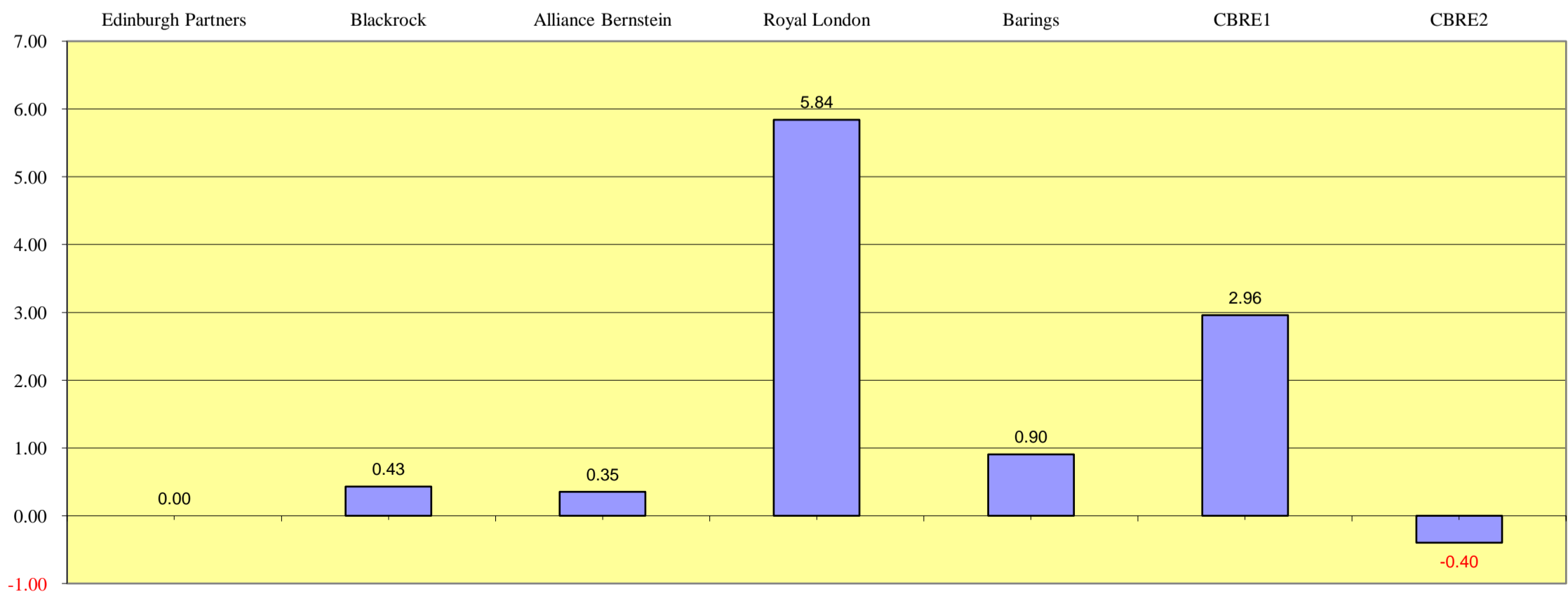


Total Plan Performance Returns as at 30/09/14

Currency GBP		Performance (%) *					
	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Total Plan	2178.6	2.31	5.37	8.35	9.76	10.12	6.70
Total Plan Benchmark		2.34	5.59	8.41	9.91	10.48	8.07
<i>Excess return</i>		-0.03	-0.23	-0.06	-0.14	-0.36	-1.37

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	0.1	0.00	0.00	0.00	0.00	2.44	1.48
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	0.00	0.00	4.80	4.93
<i>Excess return</i>		0.00	0.00	0.00	0.00	-2.36	-3.45
Blackrock	351.3	0.43	2.29	8.41	12.05	14.08	7.12
FTSE All Share (Gross) +3% pa		-0.23	3.11	9.55	15.84	17.56	9.61
<i>Excess return</i>		0.66	-0.82	-1.14	-3.80	-3.48	-2.49
Blackrock (Passive Equity)	530.3	3.18	6.31	12.27	16.34	-	12.96
FTSE-Ftse Aw Developed (Gross)		3.20	6.41	12.34	16.31	-	13.01
<i>Excess return</i>		-0.02	-0.10	-0.06	-	-	-0.05
Alliance Bernstein	309.9	0.35	3.15	4.01	3.20	4.86	4.37
GBP Libor +3% pa		0.88	2.64	3.54	3.54	3.68	4.41
<i>Excess return</i>		-0.53	0.51	0.47	-0.34	1.18	-0.04
Royal London	426.6	5.84	11.25	10.41	8.60	7.64	8.21
FTSE index Linked >5 years +0.5% pa		6.05	11.34	10.44	8.79	7.70	8.14
<i>Excess return</i>		-0.20	-0.09	-0.04	-0.19	-0.06	0.08
Barings	421.4	0.90	2.33	4.62	6.38	6.54	6.93
GBP Libor +4% pa		1.12	3.39	4.54	4.55	4.69	5.42
<i>Excess return</i>		-0.22	-1.06	0.08	1.84	1.85	1.52
CBRE1	112.4	2.96	7.39	9.05	8.76	8.40	1.32
Headline RPI +5% pa		1.74	5.44	7.37	7.83	7.81	8.19
<i>Excess return</i>		1.22	1.95	1.68	0.93	0.58	-6.87
CBRE2	26.6	-0.40	7.64	8.50	8.87	12.27	4.26
Headline RPI +5% pa		1.74	5.44	7.37	7.83	7.81	8.19
<i>Excess return</i>		-2.14	2.20	1.13	1.04	4.46	-3.93

Manager Quarterly Returns

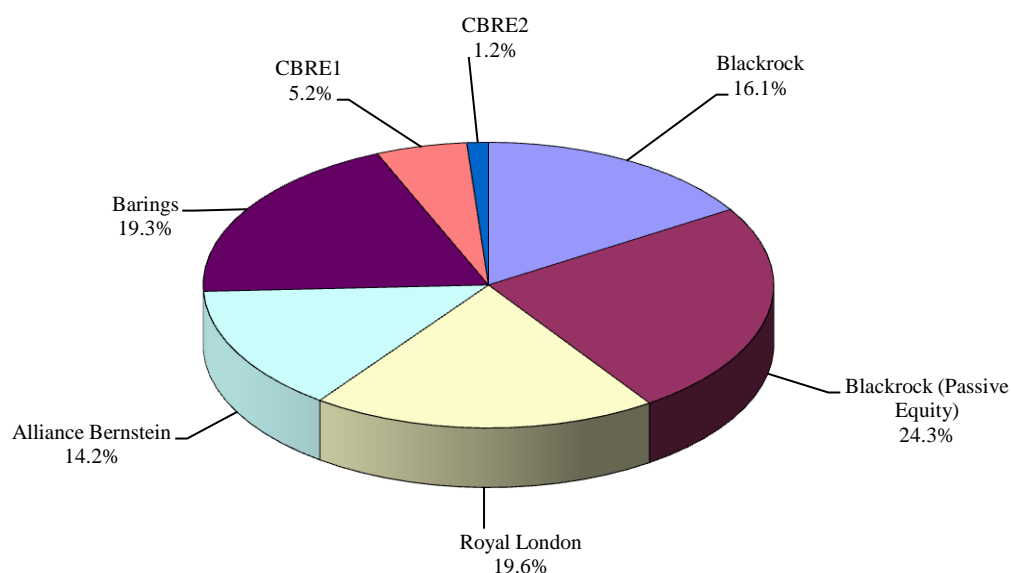


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 3, 2014

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	2,178,583,525	100.00%	2.31	2.34	(0.03)	2.31
Edinburgh Partners	146,244	0.01%	0.00	0.00	0.00	(0.01)
Blackrock	351,279,238	16.12%	0.43	(0.23)	0.66	0.07
Blackrock (Passive Equity)	530,319,713	24.34%	3.18	3.20	(0.02)	0.77
Royal London	426,574,175	19.58%	5.84	6.05	(0.20)	1.10
Alliance Bernstein	309,903,302	14.22%	0.35	1.12	(0.77)	0.05
Barings	421,391,655	19.34%	0.90	1.12	(0.22)	0.18
CBRE1	112,397,642	5.16%	2.96	1.74	1.22	0.15
CBRE2	26,571,290	1.22%	(0.40)	1.74	(2.14)	(0.00)
JPMSL Transition Account	243	0.00%	0.00	-	-	(0.00)
Transition Account	23	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	2,178,583,525	100.00%	5.37	5.59	(0.23)	5.37
Edinburgh Partners	146,244	0.01%	0.00	0.00	0.00	(0.01)
Blackrock	351,279,238	16.12%	2.29	3.11	(0.82)	0.39
Blackrock (Passive Equity)	530,319,713	24.34%	6.31	6.41	-	1.52
Royal London	426,574,175	19.58%	11.25	11.34	(0.09)	2.07
Alliance Bernstein	309,903,302	14.22%	3.15	3.39	(0.24)	0.45
Barings	421,391,655	19.34%	2.33	3.39	(1.06)	0.46
CBRE1	112,397,642	5.16%	7.39	5.44	1.95	0.40
CBRE2	26,571,290	1.22%	7.64	5.44	2.20	0.09
JPMSL Transition Account	243	0.00%	0.00	-	-	0.00
Transition Account	23	0.00%	0.00	-	-	(0.00)

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