

J.P.Morgan

Worldwide Securities Services

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

*for period ending
June 30, 2010*

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Benchmark Association Table

PORTFOLIO	INDEX	TARGET	WEIGHT %
Edinburgh Partners	MSCI AC World Index (Gross)	+3% pa	100.00
Blackrock	FTSE All Share (Gross)	+3% pa	100.00
Alliance Berstein	GBP Libor	+3% pa	100.00
Royal London	FTSE index Linked >5 years	+0.5% pa	100.00
Barings	GBP Libor	+4% pa	100.00
CBRE 1	Headline RPI	+5% pa	100.00
CBRE 2	Headline RPI	+5% pa	100.00
Cash Account	No benchmark	Not Applicable	
Re Alliance Berstein PPIP	GBP Libor	+3% pa	100.00
Total Plan Composite	Manager Weighted benchmark	Not Applicable	100.00

Executive Summary of Total Plan as at 30/06/2010

Overview

During the quarter the total market value of the Durham County Council Pension Plan decreased by -£90.95m to £1,560.54m. Net contributions to the plan over the quarter were +£0.37 m, net losses were therefore -£91.32m.

The performance return for the Plan over the second quarter of 2010 was -5.99%, compared to the Plan benchmark return of -4.61%. The Plan therefore underperformed the benchmark by -1.38%.

Equity markets were down over the second quarter with the FTSE All Share falling around 11.8% and the MSCI AC World index also down by around 10.7% in Sterling terms. Index Linked bonds were also up with the FTSE index linked over 5 years index gaining around 1.2%.

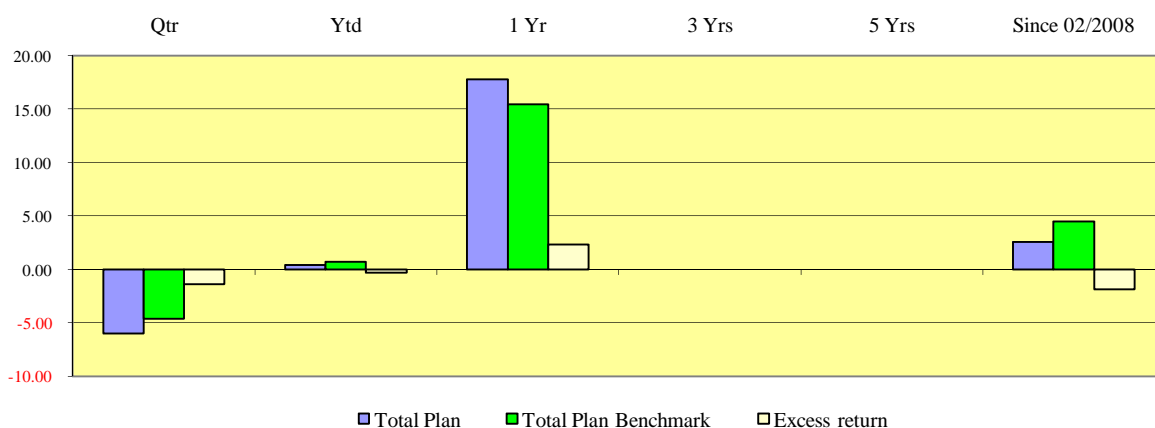
Market Values

	In GBP mil's			
	Qtr 2 - 10	Qtr 1 - 10	Qtr 4 - 09	Qtr 3 - 09
Total Plan	1,560.54	1,651.49	1,553.68	1,278.13

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	-5.99	0.40	17.73	-	-	2.58
Total Plan Benchmark	-4.61	0.72	15.44	-	-	4.48
<i>Excess return</i>	<i>-1.38</i>	<i>-0.32</i>	2.29			<i>-1.90</i>

Total Plan Performance



Total Plan Performance Returns as at 30/06/10

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					Since 02/2008
		Qtr	Ytd	1 Year	2 Years	3 Years	
Total Plan	1560.5	-5.99	0.40	17.73	3.69	-	2.58
Total Plan Benchmark		-4.61	0.72	15.44	4.94	-	4.48
<i>Excess return</i>		-1.38	-0.32	2.29	-1.25		-1.90

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	427.0	-14.53	-5.33	20.34	4.33	-	1.25
MSCI AC World Index (Gross) +3% pa		-10.07	-0.45	27.33	6.20	-	4.46
<i>Excess return</i>		-4.46	-4.88	-6.99	-1.87		-3.21
Blackrock	320.0	-8.67	-0.26	26.99	-0.86	-	-1.32
FTSE All Share (Gross) +3% pa		-11.15	-4.76	24.78	1.12	-	-0.14
<i>Excess return</i>		2.48	4.50	2.21	-1.98		-1.18
Alliance Bernstein	243.4	0.54	4.45	15.07	3.87	-	4.56
GBP Libor +3% pa		0.92	1.82	3.70	5.12	-	5.67
<i>Excess return</i>		-0.38	2.63	11.37	-1.25		-1.11
Re Alliance Bernstein PPIP	24.1	5.18	11.78	-	-	-	12.29
GBP Libor +3% pa		0.92	1.82	-	-	-	2.12
<i>Excess return</i>		4.26	9.96				10.17
Royal London	333.0	1.77	4.07	9.53	4.80	-	5.63
FTSE index Linked >5 years +0.5% pa		1.76	3.92	8.91	4.31	-	5.15
<i>Excess return</i>		0.01	0.15	0.62	0.49		0.48
Barings	128.7	-3.00	0.49	17.88	9.42	-	6.95
GBP Libor +4% pa		1.16	2.31	4.70	6.14	-	6.69
<i>Excess return</i>		-4.16	-1.82	13.18	3.28		0.25
CBRE1	55.7	1.80	4.54	9.33	-8.98	-	-10.71
Headline RPI +5% pa		2.78	5.33	10.24	6.75	-	7.65
<i>Excess return</i>		-0.98	-0.79	-0.91	-15.72		-18.35
CBRE2	28.6	-4.83	2.45	35.85	5.60	-	-2.22
Headline RPI +5% pa		2.78	5.33	10.24	6.75	-	7.65
<i>Excess return</i>		-7.61	-2.87	25.60	-1.14		-9.86

Manager Quarterly Returns

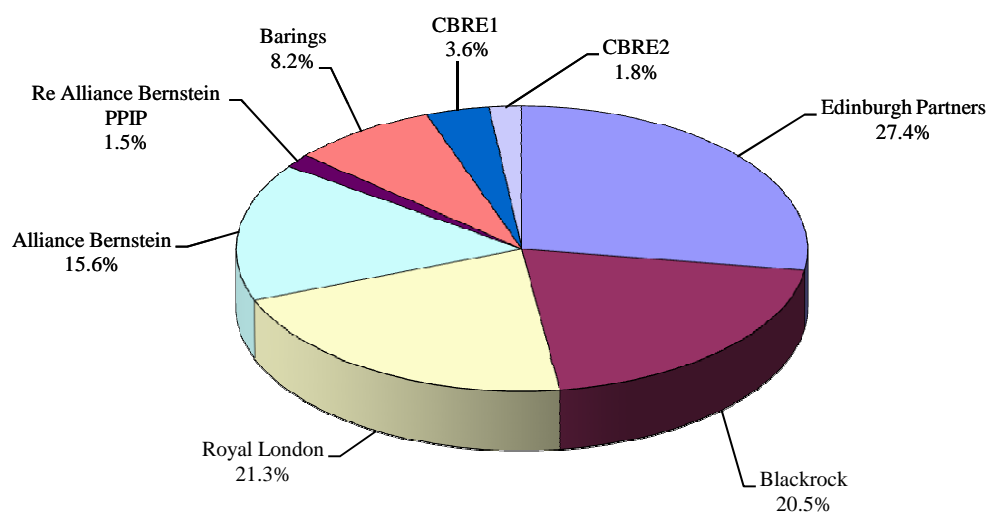


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 2, 2010

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,560,541,901	100.00%	(5.99)	(4.61)	(1.38)	
Edinburgh Partners	427,015,762	27.36%	(14.53)	(10.07)	(4.46)	(4.47)
Blackrock	320,019,419	20.51%	(8.67)	(11.15)	2.48	(1.85)
Royal London	333,027,237	21.34%	1.77	1.76	0.01	0.36
Alliance Bernstein	243,407,793	15.60%	0.54	0.92	(0.38)	0.08
Re Alliance Bernstein PPIP	24,071,011	1.54%	5.18	0.92	4.26	0.04
Barings	128,694,936	8.25%	(3.00)	1.16	(4.16)	(0.25)
CBRE1	55,709,078	3.57%	1.80	2.78	(0.98)	0.06
CBRE2	28,596,665	1.83%	(4.83)	2.78	(7.61)	(0.09)

Manager Allocation



Portfolio Comparison for Year to Date, 2010

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,560,541,901	100.00%	0.40	0.72	(0.32)	
Edinburgh Partners	427,015,762	27.36%	(5.33)	(0.45)	(4.88)	(1.18)
Blackrock	320,019,419	20.51%	(0.26)	(4.76)	4.50	0.13
Royal London	333,027,237	21.34%	4.07	3.92	0.15	0.77
Alliance Bernstein	243,407,793	15.60%	4.45	1.82	2.63	0.66
Re Alliance Bernstein PPIP	24,071,011	1.54%	11.78	1.82	9.96	0.07
Barings	128,694,936	8.25%	0.49	2.31	(1.82)	0.05
CBRE1	55,709,078	3.57%	4.54	5.33	(0.79)	0.13
CBRE2	28,596,665	1.83%	2.45	5.33	(2.87)	0.05