

J.P.Morgan

Worldwide Securities Services

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

*for period ending
September 30, 2009*

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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 Bernstein	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	
Total Plan Composite	Manager Weighted benchmark	Not Applicable	100.00

Executive Summary of Total Plan as at 30/09/2009

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£236.5 m to £1,514.6 m. Net contributions to the plan over the quarter were +£53.0 m, net gains were therefore +£183.5 m.

The performance return for the Plan over the third quarter of 2009 was +14.32%, compared to the Plan benchmark return of +10.90%. The Plan therefore outperformed the benchmark by +3.42%.

Equity markets staged a strong performance over the third quarter with the FTSE All Share gaining +22.38% and the MSCI AC World index also up by +21.49% in sterling terms. Index Linked bonds were also up with the FTSE index linked over 5 years index gaining +2.99%.

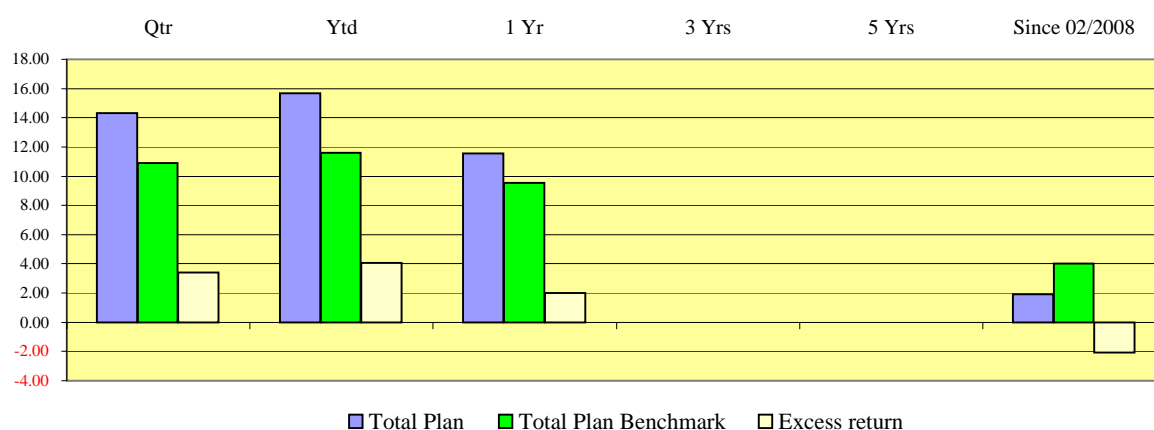
Market Values

	In GBP mil's			
	Qtr 3 - 09	Qtr 2 - 09	Qtr 1 - 09	Qtr 4 - 08
Total Plan	1,514.60	1,278.13	1,199.63	1,262.89

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	14.32	15.70	11.57	-	-	1.92
Total Plan Benchmark	10.90	11.62	9.56	-	-	4.01
<i>Excess return</i>	<i>3.42</i>	<i>4.08</i>	<i>2.00</i>			<i>-2.09</i>

Total Plan Performance

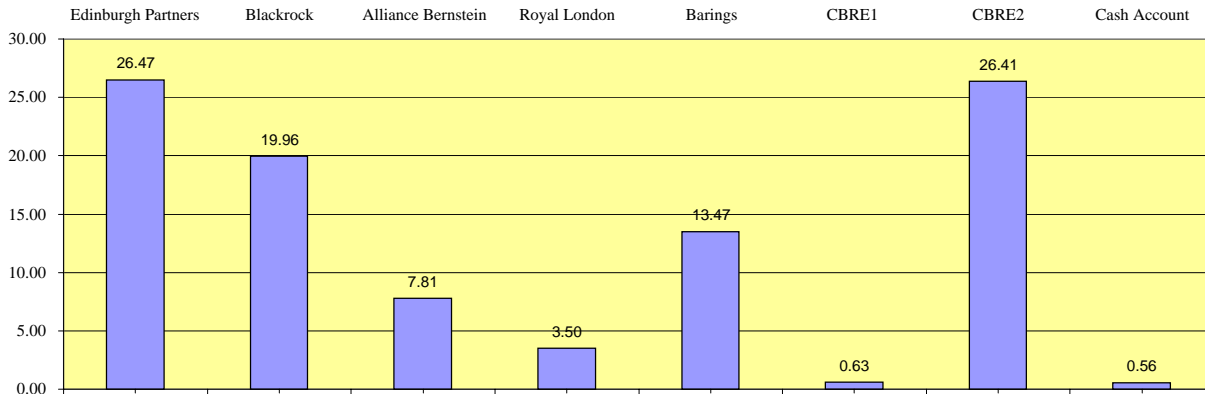


Total Plan Performance Returns as at 30/09/09

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					Since 02/2008
		Qtr	Ytd	1 Year	2 Years	3 Years	
Total Plan	1514.6	14.32	15.70	11.57	-	-	1.92
Total Plan Benchmark		10.90	11.62	9.56	-	-	4.01
<i>Excess return</i>		3.42	4.08	2.00			-2.09

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	474.7	26.47	18.07	16.02	-	-	5.09
MSCI AC World Index (Gross) +3% pa		22.40	18.85	15.42	-	-	4.01
<i>Excess return</i>		4.08	-0.79	0.60			1.08
Blackrock	317.3	19.96	27.97	18.98	-	-	-5.40
FTSE All Share (Gross) +3% pa		23.29	26.13	14.16	-	-	-0.95
<i>Excess return</i>		-3.33	1.83	4.82			-4.44
Alliance Bernstein	235.8	7.81	19.52	7.15	-	-	2.48
GBP Libor +3% pa		0.94	3.32	5.26	-	-	6.64
<i>Excess return</i>		6.86	16.20	1.88			-4.16
Royal London	284.2	3.50	4.68	4.55	-	-	4.60
FTSE index Linked >5 years +0.5% pa		3.04	4.32	3.93	-	-	3.97
<i>Excess return</i>		0.47	0.37	0.63			0.63
Barings	124.8	13.47	18.84	18.35	-	-	7.78
GBP Libor +4% pa		1.19	4.07	6.28	-	-	7.67
<i>Excess return</i>		12.28	14.77	12.07			0.11
CBRE1	41.4	0.63	-15.65	-20.39	-	-	-19.69
Headline RPI +5% pa		2.12	4.89	3.52	-	-	6.21
<i>Excess return</i>		-1.49	-20.54	-23.90			-25.90
CBRE2	26.6	26.41	41.00	32.36	-	-	-7.55
Headline RPI +5% pa		2.12	4.89	3.52	-	-	6.21
<i>Excess return</i>		24.28	36.11	28.84			-13.77
Cash Account	9.7	0.56	2.54	4.19	-	-	4.28

Manager Quarterly Returns

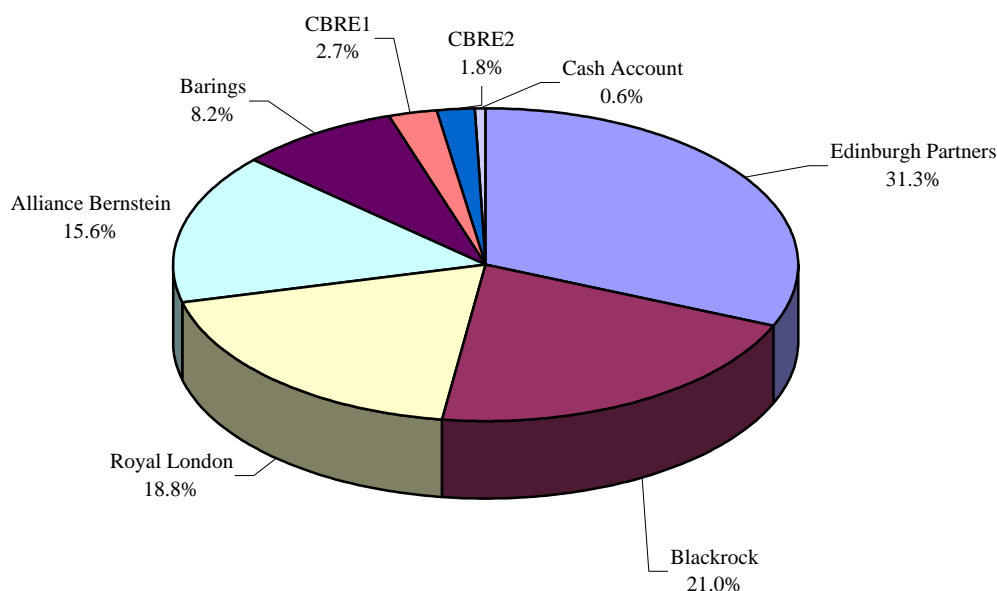


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 3, 2009

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,514,597,981	100.00%	14.32	10.90	3.42	
Edinburgh Partners	474,734,904	31.34%	26.47	22.40	4.08	6.81
Blackrock	317,323,999	20.95%	19.96	23.29	(3.33)	3.19
Royal London	284,222,989	18.77%	3.50	3.04	0.47	0.76
Alliance Bernstein	235,779,391	15.57%	7.81	0.94	6.86	1.25
Barings	124,791,544	8.24%	13.47	1.19	12.28	1.15
CBRE1	41,428,924	2.74%	0.63	2.12	(1.49)	0.09
CBRE2	26,608,943	1.76%	26.41	2.12	24.28	0.41
Cash Account	9,707,288	0.64%	0.56		0.56	0.02

Manager Allocation



Portfolio Comparison for Year to Date, 2009

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,514,597,981	100.00%	15.70	11.62	4.08	
Edinburgh Partners	474,734,904	31.34%	18.07	18.85	(0.79)	5.08
Blackrock	317,323,999	20.95%	27.97	26.13	1.83	4.35
Royal London	284,222,989	18.77%	4.68	4.32	0.37	1.05
Alliance Bernstein	235,779,391	15.57%	19.52	3.32	16.20	2.97
Barings	124,791,544	8.24%	18.84	4.07	14.77	1.59
CBRE1	41,428,924	2.74%	(15.65)	4.89	(20.54)	(0.39)
CBRE2	26,608,943	1.76%	41.00	4.89	36.11	0.60
Cash Account	9,707,288	0.64%	2.54		2.54	0.09