

J.P.Morgan

Worldwide Securities Services

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

*for period ending
December 31, 2010*

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Contents

Page

<i>Benchmark Association Table</i>	3
<i>Executive Summary of Total Plan</i>	4
<i>Total Plan Performance Returns</i>	5
<i>Portfolio Comparison</i>	6

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
Re Alliance Bernstein PPIP	GBP Libor	+3% pa	100.00
Total Plan Composite	Manager Weighted benchmark	Not Applicable	100.00

Executive Summary of Total Plan as at 31/12/2010

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£72.71m to £1,724.36m. Net contributions to the plan over the quarter were +£3.67m, net gains were therefore +£69.04m.

The performance return for the Plan over the fourth quarter of 2010 was +4.11%, compared to the Plan benchmark return of +5.33%. The Plan therefore underperformed the benchmark by -1.22%.

Equity markets were up over the fourth quarter with the FTSE All Share rising around +8.18% and the MSCI AC World index also up by around +10.35% in Sterling terms. Index Linked bonds were also up with the FTSE index linked over 5 years index gaining around +1.22%.

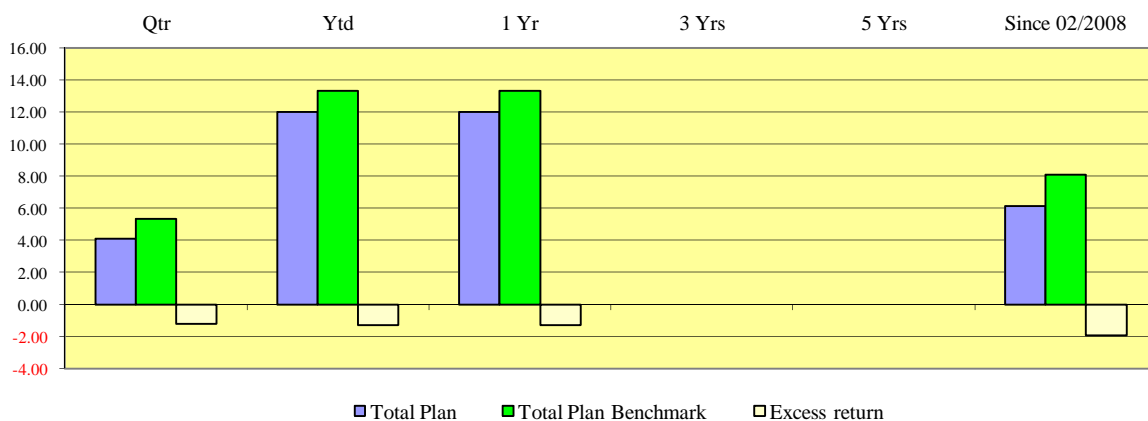
Market Values

	In GBP mil's			
	Qtr 4 - 10	Qtr 3 - 10	Qtr 2 - 10	Qtr 1 - 10
Total Plan	1,724.36	1,651.65	1,560.54	1,651.49

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	4.11	12.01	12.01	-	-	6.14
Total Plan Benchmark	5.33	13.30	13.30	-	-	8.08
<i>Excess return</i>	<i>-1.22</i>	<i>-1.29</i>	<i>-1.29</i>			<i>-1.93</i>

Total Plan Performance

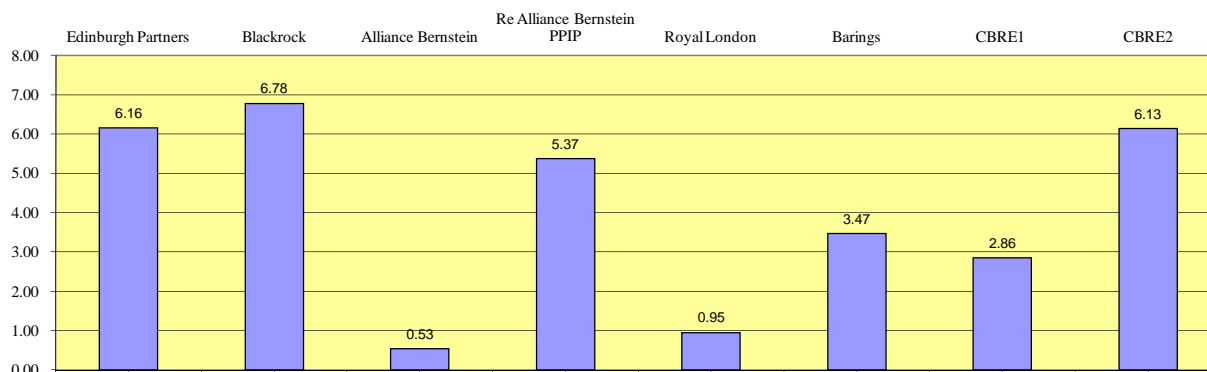


Total Plan Performance Returns as at 31/12/10

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					Since 02/2008
		Qtr	Ytd	1 Year	2 Years	3 Years	
Total Plan	1724.4	4.11	12.01	12.01	15.30	-	6.14
Total Plan Benchmark		5.33	13.30	13.30	14.32	-	8.08
<i>Excess return</i>		<i>-1.22</i>	<i>-1.29</i>	<i>-1.29</i>	0.97		<i>-1.93</i>

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	505.3	6.16	8.27	8.27	13.35	-	5.93
MSCI AC World Index (Gross) +3% pa		10.35	20.27	20.27	22.22	-	10.81
<i>Excess return</i>		<i>-4.19</i>	<i>-12.00</i>	<i>-12.00</i>	<i>-8.87</i>		<i>-4.88</i>
Blackrock	388.8	6.78	21.08	21.08	28.23	-	5.92
FTSE All Share (Gross) +3% pa		8.18	17.96	17.96	25.74	-	7.72
<i>Excess return</i>		<i>-1.40</i>	3.11	3.11	2.49		<i>-1.81</i>
Alliance Bernstein	234.0	0.53	7.34	7.34	14.50	-	4.74
GBP Libor +3% pa		0.93	3.71	3.71	3.98	-	5.33
<i>Excess return</i>		<i>-0.39</i>	3.63	3.63	10.52		<i>-0.59</i>
Re Alliance Bernstein PPIP	25.8	5.37	30.12	30.12	-	-	28.05
GBP Libor +3% pa		0.93	3.71	3.71	-	-	3.70
<i>Excess return</i>		4.45	26.41	26.41			24.34
Royal London	333.5	0.95	9.66	9.66	8.04	-	6.56
FTSE index Linked >5 years +0.5% pa		1.22	9.60	9.60	7.84	-	6.20
<i>Excess return</i>		<i>-0.27</i>	0.06	0.06	0.20		0.37
Barings	140.5	3.47	10.87	10.87	16.71	-	9.42
GBP Libor +4% pa		1.17	4.71	4.71	4.98	-	6.35
<i>Excess return</i>		2.30	6.16	6.16	11.73		3.07
CBRE1	63.4	2.86	9.97	9.97	-1.81	-	-7.26
Headline RPI +5% pa		2.61	9.99	9.99	8.74	-	7.89
<i>Excess return</i>		0.24	<i>-0.02</i>	<i>-0.02</i>	<i>-10.55</i>		<i>-15.15</i>
CBRE2	33.1	6.13	18.57	18.57	32.43	-	3.37
Headline RPI +5% pa		2.61	9.99	9.99	8.74	-	7.89
<i>Excess return</i>		3.52	8.59	8.59	23.69		<i>-4.53</i>

Manager Quarterly Returns

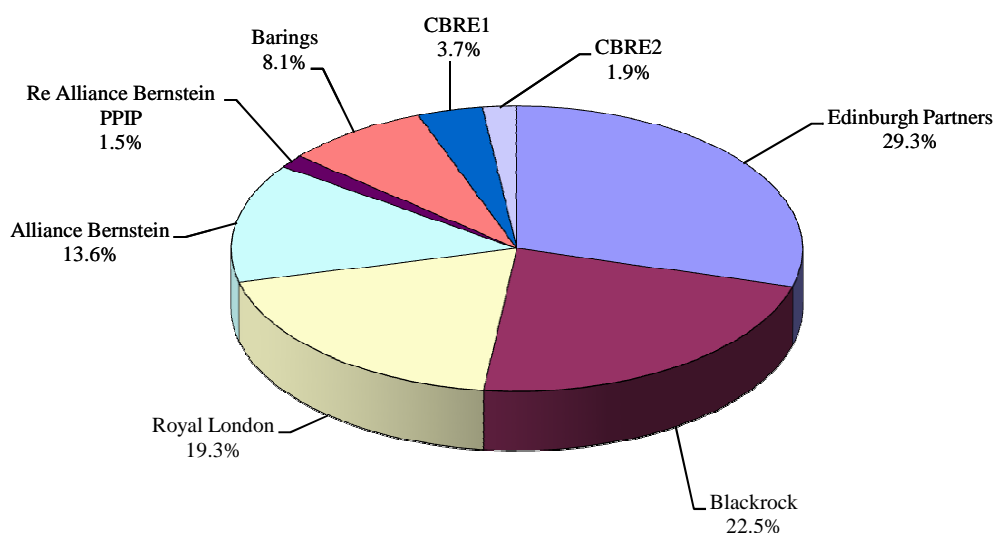


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 4, 2010

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,724,357,963	100.00%	4.11	5.33	(1.22)	
Edinburgh Partners	505,320,818	29.30%	6.16	10.35	(4.19)	1.50
Blackrock	388,757,681	22.55%	6.78	8.18	(1.40)	0.18
Royal London	333,472,002	19.34%	0.95	1.22	(0.27)	0.08
Alliance Bernstein	233,988,073	13.57%	0.53	0.93	(0.39)	1.79
Re Alliance Bernstein PPIP	25,811,183	1.50%	5.37	0.93	4.45	0.29
Barings	140,503,317	8.15%	3.47	1.17	2.30	0.11
CBRE1	63,408,854	3.68%	2.86	2.61	0.24	0.12
CBRE2	33,096,036	1.92%	6.13	2.61	3.52	0.08

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	1,724,357,963	100.00%	12.01	13.30	(1.29)	
Edinburgh Partners	505,320,818	29.30%	8.27	20.27	(12.00)	4.40
Blackrock	388,757,681	22.55%	21.08	17.96	3.11	1.85
Royal London	333,472,002	19.34%	9.66	9.60	0.06	1.08
Alliance Bernstein	233,988,073	13.57%	7.34	3.71	3.63	2.69
Re Alliance Bernstein PPIP	25,811,183	1.50%	30.12	3.71	26.41	0.87
Barings	140,503,317	8.15%	10.87	4.71	6.16	0.32
CBRE1	63,408,854	3.68%	9.97	9.99	(0.02)	0.33
CBRE2	33,096,036	1.92%	18.57	9.99	8.59	0.17