

**J.P.Morgan**

**Worldwide Securities Services**

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

*for period ending  
September 30, 2011*

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## **Benchmark Association Table**

<b>PORTFOLIO</b>	<b>INDEX</b>	<b>TARGET</b>	<b>WEIGHT %</b>
<b>Edinburgh Partners</b>	MSCI AC World Index (Gross)	+3% pa	100.00
<b>Blackrock</b>	FTSE All Share (Gross)	+3% pa	100.00
<b>Alliance Bernstein</b>	GBP Libor (3 month)	+3% pa	100.00
<b>Royal London</b>	FTSE index Linked >5 years	+0.5% pa	100.00
<b>Barings</b>	GBP Libor (3 month)	+4% pa	100.00
<b>CBRE 1</b>	Headline RPI	+5% pa	100.00
<b>CBRE 2</b>	Headline RPI	+5% pa	100.00
<b>Re Alliance Bernstein PPIP</b>	GBP Libor (3 month)	+3% pa	100.00
<b>Total Plan Composite</b>	Manager Weighted benchmark	Not Applicable	100.00

## Executive Summary of Total Plan as at 30/09/2011

### Overview

During the quarter the total market value of the Durham County Council Pension Plan decreased by -£100.88m to £1,683.16m. There were contributions into the plan totalling £7.71m over the quarter, so net losses were therefore -£108.59m.

The performance return for the Plan over the third quarter of 2011 was -6.07%, compared to the Plan benchmark return of -4.54%. The Plan therefore underperformed the benchmark by -1.52%.

Equity markets were down over this quarter with the FTSE All Share (+3%) falling around -12.85% and the MSCI AC World index (+3%) also down by around -14.16% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5%) increasing by around +7.9%.

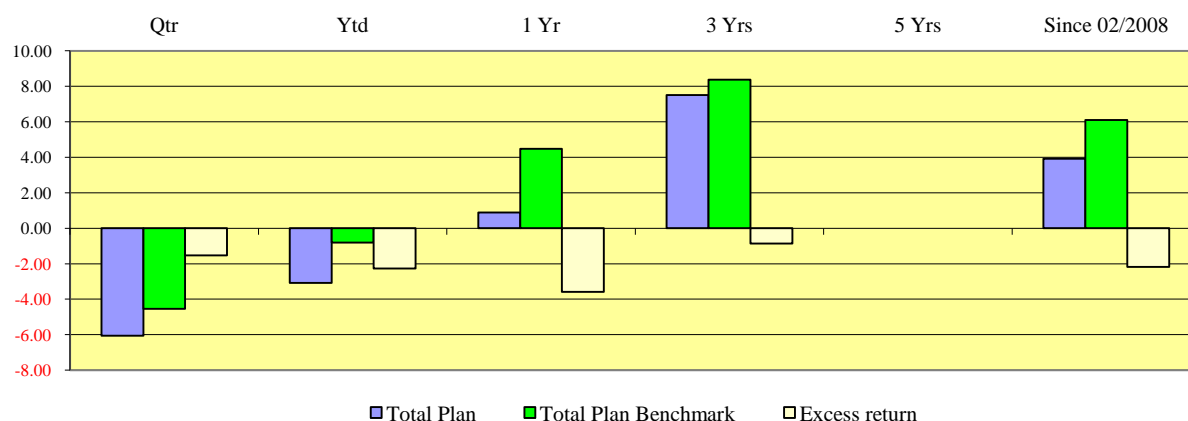
### Market Values

	In GBP mil's			
	Qtr 3 - 11	Qtr 2 - 11	Qtr 1 - 11	Qtr 4 - 10
<b>Total Plan</b>	<b>1,683.16</b>	<b>1,784.05</b>	<b>1,751.57</b>	<b>1,724.36</b>

### Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
<b>Total Plan</b>	<b>-6.07</b>	<b>-3.09</b>	0.89	7.5	-	3.92
Total Plan Benchmark	-4.54	-0.81	4.48	8.4	-	6.09
<i>Excess return</i>	<i>-1.52</i>	<i>-2.28</i>	<i>-3.58</i>	<i>-0.87</i>		<i>-2.18</i>

### Total Plan Performance

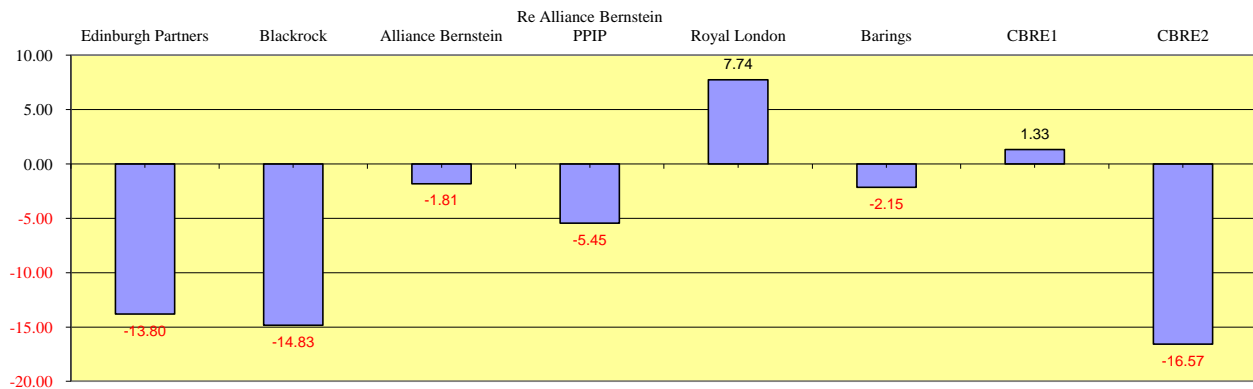


**Total Plan Performance Returns as at 30/09/11**

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					
		Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Total Plan</b>	<b>1683.2</b>	<b>-6.07</b>	<b>-3.09</b>	<b>0.89</b>	<b>5.52</b>	<b>7.5</b>	<b>3.92</b>
Total Plan Benchmark		-4.54	-0.81	4.48	7.76	8.4	6.09
Excess return		-1.52	-2.28	-3.58	-2.24	-0.87	-2.18

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Edinburgh Partners</b>	<b>432.1</b>	<b>-13.80</b>	<b>-12.94</b>	<b>-7.58</b>	<b>-2.67</b>	<b>3.2</b>	<b>0.69</b>
MSCI AC World Index (Gross) +3% pa		-14.16	-10.81	-1.58	5.87	9.0	5.05
Excess return		0.36	-2.13	-6.00	-8.54	-5.76	-4.36
<b>Blackrock</b>	<b>312.8</b>	<b>-14.83</b>	<b>-9.98</b>	<b>-3.87</b>	<b>7.55</b>	<b>11.2</b>	<b>1.63</b>
FTSE All Share (Gross) +3% pa		-12.85	-8.77	-1.30	6.94	9.3	3.38
Excess return		-1.98	-1.21	-2.57	0.61	1.94	-1.75
<b>Alliance Bernstein</b>	<b>260.1</b>	<b>-1.81</b>	<b>0.78</b>	<b>1.31</b>	<b>5.14</b>	<b>5.8</b>	<b>3.95</b>
GBP Libor +3% pa		0.97	2.86	3.81	3.74	4.2	5.01
Excess return		-2.78	-2.08	-2.50	1.39	1.55	-1.06
<b>Re Alliance Bernstein PPIP</b>	<b>23.4</b>	<b>-5.45</b>	<b>-6.11</b>	<b>-1.06</b>	<b>-</b>	<b>-</b>	<b>11.82</b>
GBP Libor +3% pa		0.97	2.86	3.81	-	-	3.76
Excess return		-6.41	-8.97	-4.88	-	-	8.06
<b>Royal London</b>	<b>404.1</b>	<b>7.74</b>	<b>12.58</b>	<b>13.66</b>	<b>12.04</b>	<b>9.5</b>	<b>8.69</b>
FTSE index Linked >5 years +0.5% pa		7.90	12.99	14.37	12.19	9.4	8.50
Excess return		-0.16	-0.41	-0.71	-0.14	0.10	0.19
<b>Barings</b>	<b>142.6</b>	<b>-2.15</b>	<b>-0.36</b>	<b>3.09</b>	<b>6.86</b>	<b>10.6</b>	<b>7.27</b>
GBP Libor +4% pa		1.21	3.61	4.82	4.75	5.3	6.03
Excess return		-3.36	-3.97	-1.73	2.12	5.31	1.24
<b>CBRE1</b>	<b>80.0</b>	<b>1.33</b>	<b>5.98</b>	<b>9.01</b>	<b>10.06</b>	<b>-1.20</b>	<b>-4.25</b>
Headline RPI +5% pa		2.38	8.02	10.84	10.35	8.0	8.50
Excess return		-1.05	-2.04	-1.83	-0.29	-9.22	-12.75
<b>CBRE2</b>	<b>28.0</b>	<b>-16.57</b>	<b>-15.34</b>	<b>-10.15</b>	<b>2.62</b>	<b>11.7</b>	<b>-2.01</b>
Headline RPI +5% pa		2.38	8.02	10.84	10.35	8.0	8.50
Excess return		-18.96	-23.36	-20.99	-7.73	3.68	-10.51

**Manager Quarterly Returns**

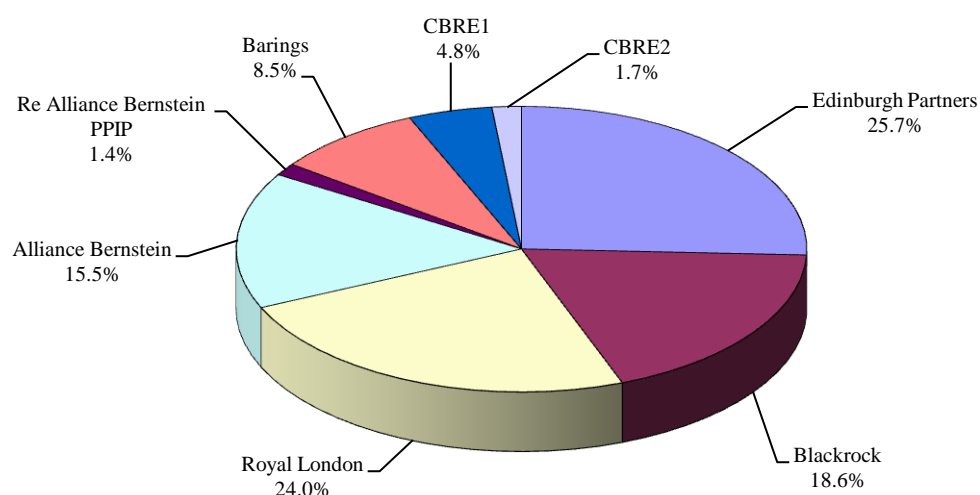


\*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

## Portfolio Comparison for Quarter 3, 2011

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>1,683,164,172</b>	<b>100.00%</b>	<b>(6.07)</b>	<b>(4.54)</b>	<b>(1.52)</b>	
Edinburgh Partners	432,141,528	25.67%	(13.80)	(14.16)	0.36	(3.92)
Blackrock	312,755,979	18.58%	(14.83)	(12.85)	(1.98)	(3.11)
Royal London	404,103,960	24.01%	7.74	7.90	(0.16)	1.66
Alliance Bernstein	260,118,855	15.45%	(1.81)	0.97	(2.78)	(0.28)
Re Alliance Bernstein PPIP	23,381,265	1.39%	(5.45)	0.97	(6.41)	(0.08)
Barings	142,647,687	8.47%	(2.15)	1.21	(3.36)	(0.19)
CBRE1	79,996,395	4.75%	1.33	2.38	(1.05)	0.05
CBRE2	28,018,503	1.66%	(16.57)	2.38	(18.96)	(0.32)

## Manager Allocation



## Portfolio Comparison for Year to Date, 2011

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>1,683,164,172</b>	<b>100.00%</b>	<b>(3.09)</b>	<b>(0.81)</b>	<b>(2.28)</b>	
Edinburgh Partners	432,141,528	25.67%	(12.94)	(10.81)	(2.13)	(3.62)
Blackrock	312,755,979	18.58%	(9.98)	(8.77)	(1.21)	(1.88)
Royal London	404,103,960	24.01%	12.58	12.99	(0.41)	2.56
Alliance Bernstein	260,118,855	15.45%	0.78	2.86	(2.08)	0.09
Re Alliance Bernstein PPIP	23,381,265	1.39%	(6.11)	2.86	(8.97)	(0.08)
Barings	142,647,687	8.47%	(0.36)	3.61	(3.97)	(0.04)
CBRE1	79,996,395	4.75%	5.98	8.02	(2.04)	0.22
CBRE2	28,018,503	1.66%	(15.34)	8.02	(23.36)	(0.29)

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