

J.P.Morgan

Worldwide Securities Services

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

*for period ending
March 31, 2011*

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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
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 31/03/2011

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£27.21m to £1751.57m. There were no contributions to the plan over the quarter, so net gains were therefore +£27.21m.

The performance return for the Plan over the first quarter of 2011 was +1.58%, compared to the Plan benchmark return of +1.63%. The Plan therefore underperformed the benchmark by -0.05%.

Equity markets were up over this first quarter with the FTSE All Share (+3%) rising around +1.77% and the MSCI AC World index (+3%) also up by around +2.85% in Sterling terms. Index Linked bonds were down with the FTSE index linked over 5 years index (+0.5%) dropping around -0.08%.

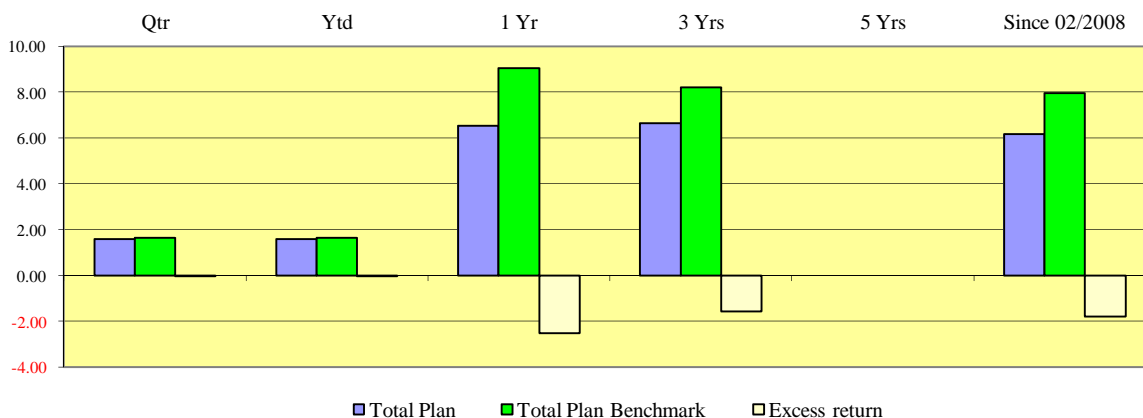
Market Values

	In GBP mil's			
	Qtr 1 - 11	Qtr 4 - 10	Qtr 3 - 10	Qtr 2 - 10
Total Plan	1,751.57	1,724.36	1,651.65	1,560.54

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	1.58	1.58	6.53	6.6	-	6.17
Total Plan Benchmark	1.63	1.63	9.05	8.2	-	7.96
<i>Excess return</i>	<i>-0.05</i>	<i>-0.05</i>	<i>-2.52</i>	<i>-1.57</i>		<i>-1.79</i>

Total Plan Performance

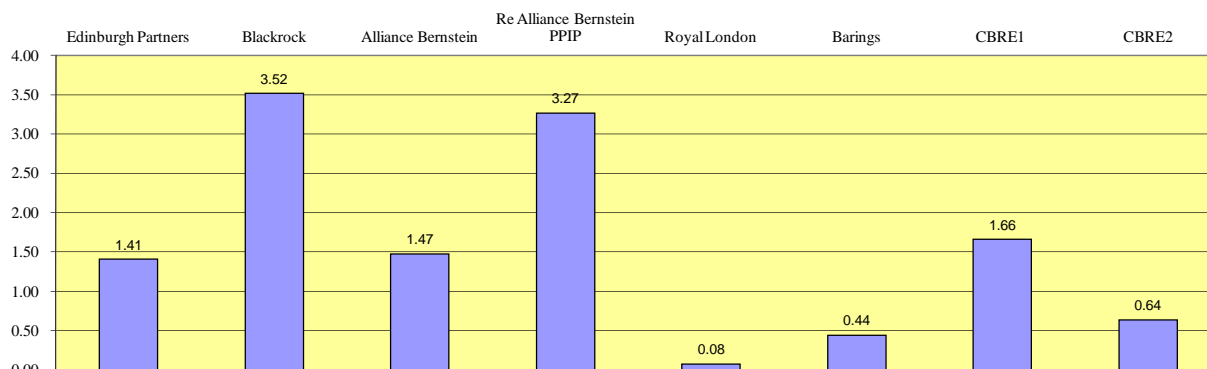


Total Plan Performance Returns as at 31/03/11

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					Since 02/2008
		Qtr	Ytd	1 Year	2 Years	3 Years	
Total Plan	1751.6	1.58	1.58	6.53	19.23	6.6	6.17
Total Plan Benchmark		1.63	1.63	9.05	17.82	8.2	7.96
<i>Excess return</i>		<i>-0.05</i>	<i>-0.05</i>	<i>-2.52</i>	1.41	<i>-1.57</i>	<i>-1.79</i>

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	502.5	1.41	1.41	-0.88	21.93	6.7	5.91
MSCI AC World Index (Gross) +3% pa		2.85	2.85	11.73	30.37	11.6	10.90
<i>Excess return</i>		<i>-1.44</i>	<i>-1.44</i>	<i>-12.61</i>	<i>-8.44</i>	<i>-4.96</i>	<i>-4.98</i>
Blackrock	367.4	3.52	3.52	14.76	31.52	7.8	6.61
FTSE All Share (Gross) +3% pa		1.77	1.77	11.99	32.54	8.6	7.69
<i>Excess return</i>		1.75	1.75	2.77	-1.02	-0.75	-1.07
Alliance Bernstein	261.8	1.47	1.47	4.84	15.56	4.9	4.84
GBP Libor +3% pa		0.94	0.94	3.75	3.81	5.1	5.20
<i>Excess return</i>		0.54	0.54	1.09	11.75	-0.16	-0.36
Re Alliance Bernstein PPIP	25.6	3.27	3.27	26.43	-	-	25.23
GBP Libor +3% pa		0.94	0.94	3.75	-	-	3.72
<i>Excess return</i>		2.33	2.33	22.68			21.51
Royal London	354.2	0.08	0.08	7.32	9.35	5.5	6.04
FTSE index Linked >5 years +0.5% pa		-0.08	-0.08	7.24	9.06	5.1	5.65
<i>Excess return</i>		0.16	0.16	0.09	0.29	0.38	0.39
Barings	142.2	0.44	0.44	7.50	18.57	9.7	8.78
GBP Libor +4% pa		1.18	1.18	4.75	4.82	6.1	6.22
<i>Excess return</i>		-0.74	-0.74	2.74	13.76	3.54	2.56
CBRE1	64.5	1.66	1.66	8.86	3.12	-5.30	-6.19
Headline RPI +5% pa		3.03	3.03	10.58	10.12	8.2	8.27
<i>Excess return</i>		-1.37	-1.37	-1.72	-6.99	-13.55	-14.47
CBRE2	33.3	0.64	0.64	10.85	40.06	4.0	3.30
Headline RPI +5% pa		3.03	3.03	10.58	10.12	8.2	8.27
<i>Excess return</i>		-2.39	-2.39	0.27	29.94	-4.24	-4.97

Manager Quarterly Returns

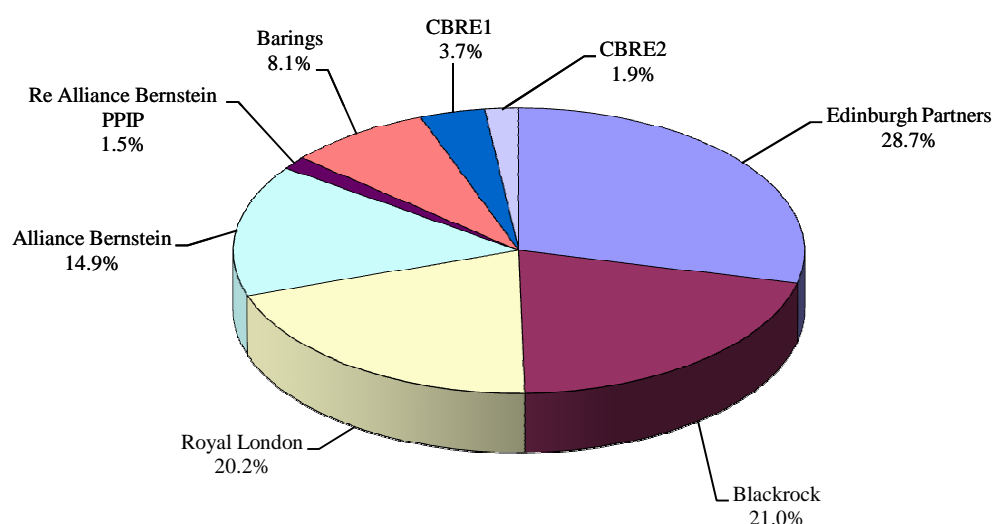


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 1, 2011

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,751,571,879	100.00%	1.58	1.63	(0.05)	
Edinburgh Partners	502,538,109	28.69%	1.41	2.85	(1.44)	0.79
Blackrock	367,438,652	20.98%	3.52	1.77	1.75	0.01
Royal London	354,160,043	20.22%	0.08	(0.08)	0.16	0.20
Alliance Bernstein	261,826,937	14.95%	1.47	0.94	0.54	0.41
Re Alliance Bernstein PPIP	25,610,876	1.46%	3.27	0.94	2.33	0.04
Barings	142,229,409	8.12%	0.44	1.18	(0.74)	0.06
CBRE1	64,460,858	3.68%	1.66	3.03	(1.37)	0.01
CBRE2	33,306,996	1.90%	0.64	3.03	(2.39)	0.05

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
Total Plan	1,751,571,879	100.00%	1.58	1.63	(0.05)	
Edinburgh Partners	502,538,109	28.69%	1.41	2.85	(1.44)	0.79
Blackrock	367,438,652	20.98%	3.52	1.77	1.75	0.01
Royal London	354,160,043	20.22%	0.08	(0.08)	0.16	0.20
Alliance Bernstein	261,826,937	14.95%	1.47	0.94	0.54	0.41
Re Alliance Bernstein PPIP	25,610,876	1.46%	3.27	0.94	2.33	0.04
Barings	142,229,409	8.12%	0.44	1.18	(0.74)	0.06
CBRE1	64,460,858	3.68%	1.66	3.03	(1.37)	0.01
CBRE2	33,306,996	1.90%	0.64	3.03	(2.39)	0.05