

J.P.Morgan

Worldwide Securities Services

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

*for period ending
June 30, 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 month)	+3% pa	100.00
Royal London	FTSE index Linked >5 years	+0.5% pa	100.00
Barings	GBP Libor (3 month)	+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 month)	+3% pa	100.00
Total Plan Composite	Manager Weighted benchmark	Not Applicable	100.00

Executive Summary of Total Plan as at 30/06/2011

Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£32.48m to £1,784.05m. There were contributions into the plan totalling £4.97m over the quarter, so net gains were therefore +£27.51m.

The performance return for the Plan over the second quarter of 2011 was +1.57%, compared to the Plan benchmark return of +2.25%. The Plan therefore underperformed the benchmark by -0.68%.

Equity markets were up over this first quarter with the FTSE All Share (+3%) rising around +2.87% and the MSCI AC World index (+3%) also up by around +1.03% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5%) increasing by around +4.81%.

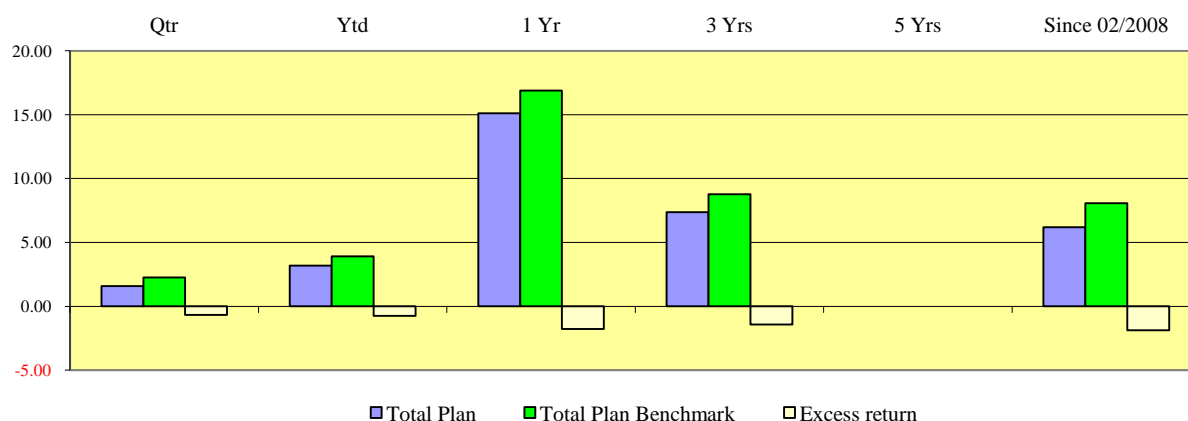
Market Values

	In GBP mil's			
	Qtr 2 - 11	Qtr 1 - 11	Qtr 4 - 10	Qtr 3 - 10
Total Plan	1,784.05	1,751.57	1,724.36	1,651.65

Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
Total Plan	1.57	3.17	15.10	7.4	-	6.19
Total Plan Benchmark	2.25	3.91	16.89	8.8	-	8.06
<i>Excess return</i>	<i>-0.68</i>	<i>-0.74</i>	<i>-1.79</i>	<i>-1.42</i>	-	<i>-1.87</i>

Total Plan Performance

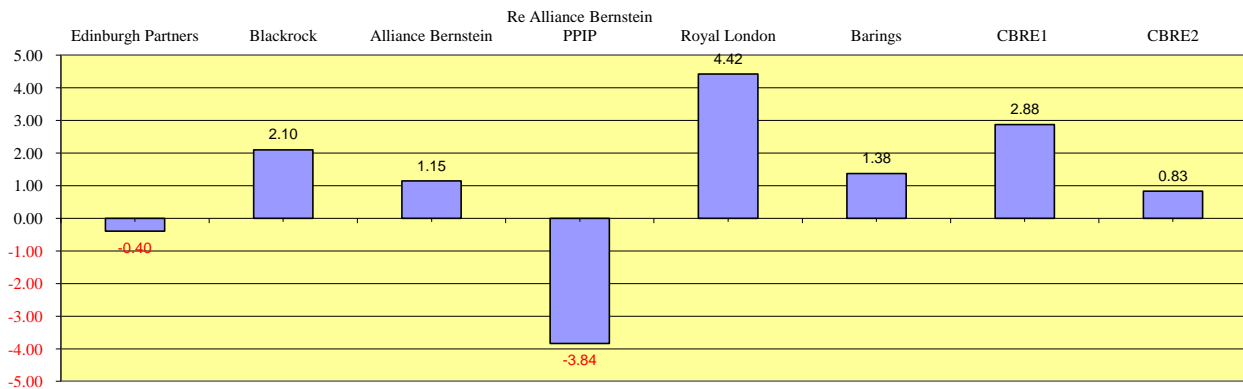


Total Plan Performance Returns as at 30/06/11

Currency GBP	Mkt. Val. in Mil's	Performance (%) *					
		Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Total Plan	1784.0	1.57	3.17	15.10	16.41	7.4	6.19
Total Plan Benchmark		2.25	3.91	16.89	16.17	8.8	8.06
<i>Excess return</i>		-0.68	-0.74	-1.79	0.25	-1.42	-1.87

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
Edinburgh Partners	500.5	-0.40	1.00	15.51	17.90	7.9	5.33
MSCI AC World Index (Gross) +3% pa		1.03	3.90	25.52	26.42	12.3	10.38
<i>Excess return</i>		-1.42	-2.90	-10.01	-8.52	-4.36	-5.04
Blackrock	375.2	2.10	5.69	28.30	27.64	8.0	6.77
FTSE All Share (Gross) +3% pa		2.87	4.69	29.66	27.19	9.9	8.00
<i>Excess return</i>		-0.76	1.01	-1.36	0.45	-1.82	-1.23
Alliance Bernstein	264.6	1.15	2.64	5.47	10.17	4.4	4.83
GBP Libor +3% pa		0.93	1.88	3.77	3.73	4.7	5.10
<i>Excess return</i>		0.21	0.76	1.71	6.43	-0.26	-0.26
Re Alliance Bernstein PPIP	24.9	-3.84	-0.70	15.59	-	-	17.91
GBP Libor +3% pa		0.93	1.88	3.77	-	-	3.73
<i>Excess return</i>		-4.77	-2.57	11.82	-	-	14.18
Royal London	369.8	4.42	4.50	10.12	9.82	6.5	6.96
FTSE index Linked >5 years +0.5% pa		4.81	4.72	10.45	9.68	6.3	6.71
<i>Excess return</i>		-0.39	-0.22	-0.33	0.14	0.22	0.25
Barings	144.2	1.38	1.83	12.34	15.08	10.4	8.54
GBP Libor +4% pa		1.18	2.37	4.77	4.74	5.7	6.11
<i>Excess return</i>		0.20	-0.54	7.58	10.34	4.71	2.43
CBRE1	71.3	2.88	4.59	10.02	9.68	-3.04	-4.94
Headline RPI +5% pa		2.40	5.50	10.17	10.21	7.9	8.40
<i>Excess return</i>		0.48	-0.91	-0.15	-0.53	-10.92	-13.33
CBRE2	33.6	0.83	1.47	17.44	26.31	9.4	3.31
Headline RPI +5% pa		2.40	5.50	10.17	10.21	7.9	8.40
<i>Excess return</i>		-1.57	-4.03	7.27	16.10	1.54	-5.09

Manager Quarterly Returns

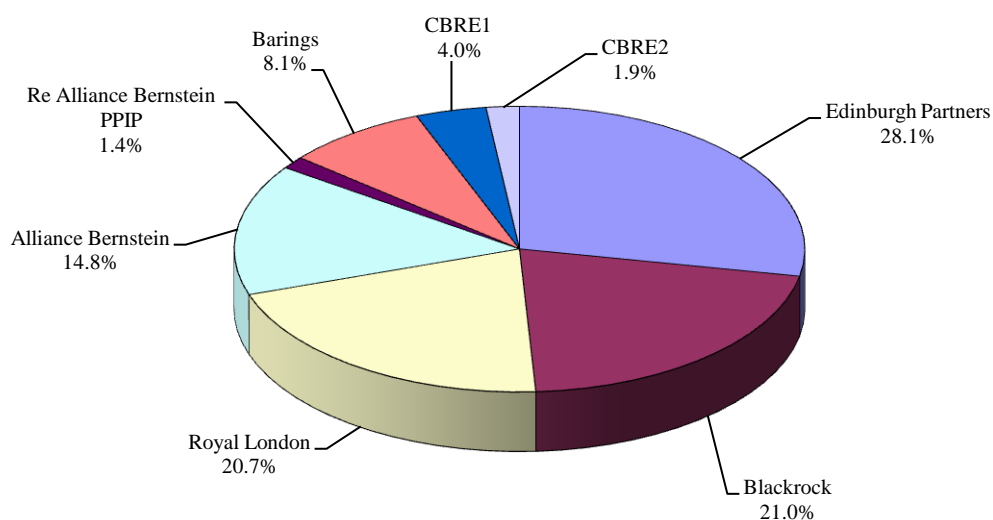


*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

Portfolio Comparison for Quarter 2, 2011

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
Total Plan	1,784,048,084	100.00%	1.57	2.25	(0.68)	
Edinburgh Partners	500,543,553	28.06%	(0.40)	1.03	(1.42)	(0.11)
Blackrock	375,164,181	21.03%	2.10	2.87	(0.76)	0.44
Royal London	369,823,027	20.73%	4.42	4.81	(0.39)	0.89
Alliance Bernstein	264,552,567	14.83%	1.15	0.93	0.21	0.17
Re Alliance Bernstein PPIP	24,897,693	1.40%	(3.84)	0.93	(4.77)	(0.05)
Barings	144,188,008	8.08%	1.38	1.18	0.20	0.11
CBRE1	71,294,987	4.00%	2.88	2.40	0.48	0.11
CBRE2	33,584,070	1.88%	0.83	2.40	(1.57)	0.02

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	1,784,048,084	100.00%	3.17	3.91	(0.74)	
Edinburgh Partners	500,543,553	28.06%	1.00	3.90	(2.90)	0.30
Blackrock	375,164,181	21.03%	5.69	4.69	1.01	1.23
Royal London	369,823,027	20.73%	4.50	4.72	(0.22)	0.90
Alliance Bernstein	264,552,567	14.83%	2.64	1.88	0.76	0.37
Re Alliance Bernstein PPIP	24,897,693	1.40%	(0.70)	1.88	(2.57)	(0.00)
Barings	144,188,008	8.08%	1.83	2.37	(0.54)	0.15
CBRE1	71,294,987	4.00%	4.59	5.50	(0.91)	0.17
CBRE2	33,584,070	1.88%	1.47	5.50	(4.03)	0.03