

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

August 16, 2005

The Investment Committee met at Walker's Mill at 8:30 a.m. on August 16, 2005. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Elva B. Ferrari and Clark Phippen. Also present were Robert D. Gooderham, David C. Craik, Alice L. Simon, Kathy Kunkle and Linda M. Drew. Present for portions of the meeting was Marsha Kramarck. In Mr. Ashford's absence, Mr. Gooderham was appointed to serve as acting Secretary of the meeting.

It was moved by Ms. Stratton, seconded by Mr. Phippen, and unanimously approved that the Investment Committee go into executive session to discuss the qualifications of INTECH including their account personnel, investment methodology and results, and confidential financial information.

The Committee returned to open session. Mr. Gooderham reported that Frolely Revy has requested a revision to its Schedule A asset options objective. Under its authority to make changes in Schedule A's which cover individual manager investment objectives, the Committee approved a change in Frolely Revy's asset options objective expanding its ability to invest in companies incorporated outside the U.S. but traded on the NYSE to include those traded on one of the national exchanges or the NASDAQ.


Mr. Gooderham reported that, in accordance with the most favored nation clause in their fee schedule, Mount Lucas Management has offered Delaware a one time opportunity to choose a revised fee schedule with a lower initial break point but higher rates on additional assets. Following discussion the Committee unanimously voted not to approve the proposed revision and remain with its current fee schedule.

Mr. Gooderham reviewed a request from the T. Rowe Price Recovery Fund II for approval of two one year extensions in order to facilitate orderly wind-downs and development of exit strategies for certain holdings. The Committee under its authority to execute documents relating to partnerships over which it exercises authority, approved the extension which was executed by Ms. King.

Mr. Gooderham distributed and discussed TUCS comparative performance data for the period ended 6/30/05 noting that Delaware ranked in the top quartile of a universe of other public funds for the seven and ten year periods.

There being no further business to come before the Committee, the meeting was on motion adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert D. Gooderham", written over a horizontal line.

Robert D. Gooderham
Acting Secretary

A handwritten signature in black ink, appearing to read "Jan M. King", written over a horizontal line.

Jan M. King, Chairperson