

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

November 15, 2005

The Investment Committee met at Walker's Mill at 8:30 a.m. on November 15, 2005. Present were Committee members A. Dale Stratton, Elva B. Ferrari, Philip S. Reese, Clark Phippen and Mark Stalnecker. Also present were Theodore H. Ashford, Robert D. Gooderham, Garry A. Musto, David C. Craik, Alice L. Simon and Linda M. Drew. In Ms. King's absence, Ms. Ferrari chaired 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 Advent Capital Management including their account personnel, investment methodology and results, and confidential financial information.

The Committee returned to open session. Mr. Gooderham reported on information from INTECH, Delaware's large cap equity manager, regarding the upcoming change to the S&P Citigroup Growth index necessitated by the discontinuation of the S&P BARRA Growth Index. Mr. Gooderham distributed a series of charts detailing to relationship between the S&P BARRA Growth Index, the S&P Citigroup Growth Index and the Russell 1000 Growth Index. INTECH has researched the new S&P Citigroup Growth Index and will begin transitioning to this benchmark beginning the end of December. The transition is to take place over 13 weeks to minimize transaction costs. Accordingly INTECH will begin using a blended benchmark and will transition to the new benchmark over the following 90 days . Under its authority to make changes in Schedule A's which cover individual manager investment objectives, the Committee unanimously voted to approve a change in benchmark for the INTECH account from the S&P Barra Growth Index to the S&P 500 Citigroup Growth Index.

On the motion of Ms. Stratton, seconded by Mr. Reese, the Committee unanimously voted to recommend the following actions to the full Board:

- 1) Termination of the domestic convertible account managed by Advent Capital Management.

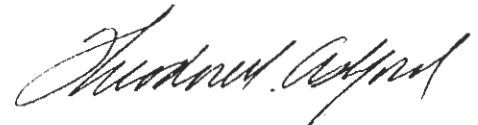
- 2) Transfer in-kind approximately \$34 million each to Frolely Revy and Oaktree Capital Management, Delaware's remaining two domestic convertible managers.
- 3) Hire Mellon Transition Management to liquidate securities not transferred in-kind.
- 4) Add balance of Advent proceeds to the Mercator international equity account.

Subsequent to the meeting it was determined that the cost of using a transition manager was higher than the cost of transferring assets to the two remaining convertible managers and asking them to each liquidate half of the remaining assets into cash for transfer to Mercator. The amended recommendation was subsequently approved by an email vote of the Committee.

Mr. Gooderham distributed and discussed TUCS comparative performance data for the period ended 9/30/05 noting that Delaware's disappointing rank for recent periods was primarily due to underperformance in the private equity sector and an underweighted exposure in international equities relative to other plans.

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

Respectfully submitted,



Theodore H. Ashford



Elva B. Ferrari
Elva B. Ferrari, Acting Chairperson