

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

May 16, 2006

The Investment Committee met at Walker's Mill at 8:30 a.m. on May 16, 2006. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Philip S. Reese and Clark Phippen. Also present were Theodore H. Ashford, Robert D. Gooderham, David C. Craik, Alice L. Simon, Garry A. Musto and Linda M. Drew.

Minutes of the February 21, 2006 meeting were approved with corrections.

Ms. Stratton moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:40 a.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 10:20 a.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese. Under its authority to make changes in the Schedule A's which cover individual manager investment objectives, the Committee voted to change the OFI Institutional account benchmark from the Russell 2000 Index to the MSCI 1750 Index effective 6/1/06.

Ms. Stratton moved, Ms. King seconded, and the Committee unanimously approved a motion to enter Executive Session at 10:25 a.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 11:30 a.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese. The Committee unanimously voted to recommend the following actions to the full Board:

- 1) Terminate Armstrong Shaw large cap equity account
- 2) Commit \$100 million to a new Russell 1000 Value Index fund managed by Mellon Capital Management
- 3) Add balance of Armstrong Shaw proceeds to Legg Mason large cap equity account

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 11:35 a.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 12:15 p.m. by unanimous vote, on the motion of Mr. Reese, seconded by Mr. Phippen. The Committee unanimously voted to recommend to the full Board selection of the Northern Trust STIF fund for management of the Fund's Cash and Mount Lucas cash collateral accounts.

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 12:20 p.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 1:25 p.m. by unanimous vote, on the motion of Mr. Reese, seconded by Mr. Phippen. The Committee unanimously voted to recommend to the full Board that the Fund engage in securities lending through Northern Trust and the USA Cash Collateral pool with the right to restrict by asset class, securities and borrower and that authority for securities lending be vested with the Investment Committee.

Mr. Gooderham distributed copies of the copies of the Derivatives Report for the period ended 3/31/06 and reviewed the amount and types of derivatives held by those managers whose Schedule A's permit use of derivatives for specific purposes.

Mr. Ashford reported that Cherry Tree IV has requested approval of a one year extension in order to facilitate orderly wind-downs and development of exit strategies for certain holdings. Following discussion, the Committee, under its authority to execute documents relating to partnerships over which it exercises authority, approved the amendment.

On the motion of Ms. Stratton, seconded by Mr. Reese, and unanimously approved, the Committee voted to transfer several small currency balances from a terminated manager's account to the Oaktree International Convertible account.

Mr. Ashford reported that both John Dougery and Henry Wilder have confirmed that no residual assets from Dougery, Wilder & Howard II have any value. On the motion of Ms. Stratton, seconded by Mr. Reese, and unanimously approved, the Committee voted to write-off the two final assets currently listed in the Mercantile Dougery, Wilder & Howard II account.

Mr. Ashford reported that Ms. Simon has requested three securities from a Brentwood IV portfolio company be deemed worthless. On the motion of Ms. Stratton, seconded by Mr. Reese, and unanimously approved, the Committee voted to approve transfer of the securities to the T. Rowe Price Venture Distribution account for further determination of their status pursuant to the approved procedure for worthless securities.

Mr. Phippen moved, Mr. Reese seconded, and the Committee unanimously approved a motion to recommend the following actions to the full Board:

- 1) Withdrawal of \$130 million from the T. Rowe Price Natural Resources portfolio
- 2) Addition of \$130 million to the Mellon Capital Management Global Tactical Asset Allocation account

There being no further business to come before the Committee, the meeting was, on the motion of Ms. Stratton, seconded by Mr. Reese and unanimously approved, adjourned at 2:00 p.m.

Respectfully submitted,

/S/Theodore H. Ashford
Theodore H. Ashford

/S/Jan M. King
Jan M. King, Chairperson