

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

October 31, 2006

The Investment Committee met at Walker's Mill at 8:30 a.m. on October 31, 2006. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Philip S. Reese and Mark Stalnecker. Also present were Theodore H. Ashford, Robert D. Gooderham, David C. Craik, Kathy Kunkle, Cynthia Collins, Marsha Kramarck, Garry A. Musto and Linda M. Drew.

Mr. Ashford reported on correspondence from Advanced Technology Ventures advising limited partners of secondary partnership interests. He recommended they not be pursued.

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:35 a.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 9:05 a.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese.

At this point Ms. Fiona Liston of Cheiron, Delaware's actuary, entered the meeting and distributed materials in connection with the Fund's Fiscal 2006 actuarial valuation and report.

Ms. Liston stated that Cheiron, as a new actuary for the Fund, replicated the Fiscal 2005 results of the prior actuary. Ms. Liston reviewed the resulting differences and the reasons for each.

Turning to a review of the 2006 valuation, Ms. Liston reported on the statistical results noting that the actuarial accrued liability has increased due to an increase in both active and retired employees. The Fund remains at a 102% funded ratio due to an increase in Fund assets. Ms. Liston also reviewed the valuation rates for each individual plan.

There ensued a discussion of historical and projected Fund returns in a variety of economic environments. In response to a question from the Committee, Ms. Liston stated that, in her experience, most state plans have an actuarial rate ranging around 8%. Following extensive discussion, the Committee confirmed its view that Delaware's current actuarial rate of 8% is still appropriate.

Following further discussion Ms. Liston withdrew from the meeting.

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 10:20 a.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 11:00 a.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese.

There being no further business to come before the Committee, the meeting was, on the motion of Mr. Reese, seconded by Mr. Stalnecker and unanimously approved, adjourned at 11:00 a.m.

Respectfully submitted,

/S/Theodore H. Ashford  
Theodore H. Ashford

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