

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

November 14, 2006

The Investment Committee met at Walker's Mill at 8:35 a.m. on November 14, 2006. Present were Committee members A. Dale Stratton, Philip S. Reese, Elva B. Ferrari and Mark Stalnecker. Also present were Robert D. Gooderham, Kathy Kunkle, Cynthia L. Collins, Garry A. Musto and Linda M. Drew. In Ms. King's absence, Ms. Ferrari chaired the meeting.

Minutes of the September 12, 2006 meeting were approved with corrections. Minutes of the September 26, 2006 and October 17, 2006 meetings were approved as presented.

Mr. Gooderham reviewed preliminary fiscal and calendar year performance through 10/31/06 for individual managers and the Total Fund.

Mr. Gooderham reported that Mercator Asset Management has requested approval of Schedule A changes to their Total Fund Return and Cash Return objectives. Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved the Mercator Schedule A changes.

Ms. Stratton moved, Mr. Stalnecker seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:50 a.m. to discuss the qualifications of Axiom International Investors and Dodge & Cox including personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 12:05 p.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese.

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

- 1) Commit \$150 million to a global equity account with Axiom International Investors
- 2) Commit \$100 million to the Dodge & Cox International Stock Fund
- 3) Withdraw \$50 million from the Oaktree international convertible account
- 4) Withdraw \$50 million from the OFI Institutional small cap equity account
- 5) Withdraw \$50 million from the T. Rowe Price NRIS account
- 6) Withdraw \$100 million from the Mellon Capital Tactical Asset Allocation account

Mr. Stalnecker moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 12:10 p.m. for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 12:20 p.m. by unanimous vote, on the motion of Mr. Reese, seconded by Mr. Stalnecker.

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 12:20 p.m.

Respectfully submitted,

/S/Robert D. Gooderham
Robert D. Gooderham
Acting Secretary

/S/Elva B. Ferrari
Elva B. Ferrari, Acting Chairperson