

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

March 13, 2007

The Investment Committee met at Walker's Mill at 8:30 a.m. on March 13, 2007. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Philip S. Reese, Elva B. Ferrari and Clark Phippen. Also present were Robert D. Gooderham, David C. Craik, Kathy Kunkle, Cynthia Collins, Garry A. Musto, Seth J. Yablonovitz and Linda M. Drew.

Minutes of the January 30, 2007 meeting were approved as presented. Minutes of the February 13, 2007 meeting were approved with corrections.

Mr. Gooderham reviewed preliminary fiscal and calendar year performance through 2/28/07 for individual managers and the total fund, stating that bonds posted strong returns for the month. While equities experienced negative returns in February, most of Delaware's active managers outperformed their benchmarks.

Mr. Gooderham noted an error in the original research for the benchmark change effective 7/1/06 and stated that as the Russell 3000 Index has included REITs since before that time, so the additional 1% allocation to REITs in the benchmark is redundant.

The Committee voted, on the motion of Ms. Stratton, seconded by Mr. Reese and unanimously approved, to recommend to the full Board approval of a new benchmark mix effective 7/1/06.

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to enter Executive Session at 9:00 a.m. for consideration of the qualifications of Lehman Brothers Asset Management and Angelo, Gordon & Co. including personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 11:55 a.m. by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese.

Ms. Stratton moved, Mr. Reese seconded, and the Committee unanimously approved a motion to recommend to the full Board commitment of up to \$150 million to the Angelo, Gordon Super Fund, L.P. with the initial draw-down of funds to be within a two year period. It is also recommended that the source of funds is the Mellon Capital Tactical Asset Allocation account or such other source as determined by the Committee at the time of the capital call.

Mr. Reese moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 12:00 noon for consideration of personnel matters, trade secrets and confidential financial information.

The Committee returned to public session at 1:05 p.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 Ms. Stratton, seconded by Mr. Reese and unanimously approved, adjourned at 1:05 p.m.

Respectfully submitted,

/S/Robert D. Gooderham

Robert D. Gooderham
Acting Secretary

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