

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

August 19, 2008

The Investment Committee met at Walker's Mill at 8:30 a.m. on August 19, 2008. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Philip S. Reese and Mark Stalnecker. Also present were Nancy Shevock, Board member, Robert D. Gooderham, Cynthia Collins, David C. Craik, Kathy Kunkle, Jeffrey Hoover, Garry A. Musto, Seth J. Yablonovitz and Linda M. Drew.

Minutes of the July 15, 2008 Investment Committee meeting were approved as presented.

Mr. Gooderham reviewed preliminary fiscal and calendar year performance through 7/31/08 for individual managers and the total fund, noting that July was a bad month for most markets as the credit markets continued to be unsettled.

Mr. Reese moved, Ms. Stratton seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:40 a.m. to consider sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

The Committee returned to public session at 9:15 a.m. by unanimous vote, on the motion of Mr. Reese, seconded by Ms. Stratton.

On the motion of Ms. Stratton, seconded by Mr. Reese, the Committee unanimously voted to recommend to the full Board termination of the Western Asset Management Absolute Return fund with proceeds to be added to the Northern Trust G-STIF account.

Mr. Gooderham distributed and discussed TUCS comparative performance data for the period ended 6/30/08 noting the Fund's returns ranked in the top quartile of a peer group of public funds for the quarter, one, three, and ten year periods. The Fund's risk level for the 3 and 5 year periods was below median in its peer group of public funds, while the Fund's returns were above median for the 3 and 5 year periods.

Ms. King reported that members of the Investment Committee have met with a potential new Committee member. Following discussion, the Committee unanimously voted to recommend to the full Board appointment of Mr. George Saxon to the Investment Committee.

Mr. Reese moved, Ms. Stratton seconded, and the Committee unanimously approved a motion to enter Executive Session at 9:25 a.m. to consider sensitive

commercial information, proprietary business information, 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 Ms. Stratton.

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 12:20 p.m.

Respectfully submitted,

/S/Robert D. Gooderham

Robert D. Gooderham
Executive Secretary

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