

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

October 14, 2008

The Investment Committee met at Walker's Mill at 8:30 a.m. on October 14, 2008. Present were Committee members Philip S. Reese, George Saxon, Clark Phippen and Mark Stalnecker. Also present were Robert D. Gooderham, Cynthia Collins, David C. Craik, Jeffrey Hoover, Garry A. Musto, Seth J. Yablonovitz and Linda M. Drew. Present for portions of the meeting was Theodore H. Ashford. In Ms. King's absence, Mr. Stalnecker chaired the meeting.

Mr. Gooderham reviewed preliminary fiscal and calendar year performance through 9/30/08 for individual managers and the total fund, noting that markets have declined significantly since the bankruptcy of Lehman Brothers and the Government's intervention with aid for mortgage institutions.

Mr. Reese moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:45 a.m. to consider sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

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

On the motion of Mr. Stalnecker, seconded by Mr. Phippen, the Committee unanimously voted to amend the amount previously recommended and approved by the Board to be withdrawn from the Mellon Capital Tactical Asset Allocation account from \$250 million to \$228 million which was withdrawn at 9-30-08.

Mr. Reese moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 11:05 a.m. to consider sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

The Committee returned to public session at 11:45 a.m. by unanimous vote, on the motion of Mr. Phippen, seconded by Mr. Reese.

On the motion of Mr. Reese, seconded by Mr. Phippen, the Committee unanimously voted to recommend to the full Board, based on current market conditions, potential liquidity issues and increased restrictions on redemptions, approval of liquidation of up to the total value of the Mellon Capital Global Tactical Asset Allocation account, with the simultaneous reinvestment into global stock and bond index funds, as determined by, and in the discretion of Ashford Consulting Group and the Acting

Investment Committee Chair, Mark Stalnecker, at a mix that does not increase the Fund's current risk level.

Mr. Reese moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 11:50 a.m. to consider sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

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

Mr. Gooderham reported on requests by two managers for Schedule A changes. Mercator has requested a change in Total Return objective from a range of 8% -10% to a range of 7%-9%. Due to the recent reduction in the size of the Mellon Capital Tactical Asset Allocation account, Mellon has requested a change in the permitted Asset Options objective to eliminate the EB Long Bond Performance Fund and add the EB Long Bond Fund. On the motion of Mr. Phippen, seconded by Mr. Reese, the Committee unanimously voted to approve both Schedule A changes.

There being no further business to come before the Committee, the meeting was, on the motion of Mr. Reese, seconded by Mr. Phippen and unanimously approved, adjourned at 12:10 p.m.

Respectfully submitted,

/S/Robert D. Gooderham

Robert D. Gooderham
Executive Secretary

/S/Mark Stalnecker
Mark Stalnecker, Acting Chairperson