

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

September 29, 2009

The Investment Committee met at Walker's Mill at 8:30 a.m. on September 29, 2009. Present were Committee members, George Saxon, Chair, A. Dale Stratton, Clark Phippen, Mark Stalnecker, Jan M. King and Philip S. Reese and Board member Suzanne Grant. Also present were Robert D. Gooderham, Garry A. Musto, Wade Sallings, Jeffrey Hoover, Cynthia L. Collins, Seth J. Yablonovitz and Linda M. Drew.

Minutes of the September 15, 2009 Investment Committee meeting were approved with corrections. A correction to the July 14, 2009 minutes was approved.

Ms. King moved, Ms. Stratton seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:35 a.m. to consider sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

The Committee returned to public session at 1:10 p.m. by unanimous vote, on the motion of Mr. Reese, seconded by Mr. Phippen.

On motion of Ms. Stratton, seconded by Mr. Stalnecker, the Committee unanimously voted to recommend that certain securities, as determined by Mellon Capital Management, the manager of the Mellon Bond Holding Account, worth approximately \$12.5 million, be transferred from the Mellon Bond Holding Account to the Mellon Global Equitized Collateral Fund.

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

1. Terminate the OFI Institutional small cap account and liquidate securities using Northern Trust Investment's transition services.
2. Withdraw \$25 million from the Rutabaga small cap account
3. Invest the OFI account proceeds and the \$25 million from Rutabaga in a new small cap account to be managed by Daruma Asset Management
4. Simultaneous with the liquidation of the Mercator international equity account by Northern Trust Investment's transition services, 85% of the value of the Mercator account value (approximately \$107 million) is to be advanced from the Fund's cash account to a new account to be managed by Sanderson Asset

Management so that Sanderson can begin buying securities at the same time as the Mercator liquidation. The Fund's cash account is to be replenished from the cash proceeds of the Mercator liquidation, with any excess to be transferred to the Sanderson account.

There being no further business to come before the Committee, the meeting was, on the motion of Mr. Stalnecker, seconded by Mr. Reese and unanimously approved, adjourned at 1:15 p.m.

Respectfully submitted,

/S/Robert D. Gooderham  
Robert D. Gooderham  
Executive Secretary

/S/George J. Saxon  
George J. Saxon, Chairperson