

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

December 15, 2009

The Investment Committee met at Walker's Mill at 8:30 a.m. on December 15, 2009. Present were Committee members George Saxon, Chair, A. Dale Stratton, Clark Phippen, Jan M. King, Nancy Shevock, Philip S. Reese and Mark Stalnecker and Board member Suzanne Grant. Also present were David Craik, Robert D. Gooderham, Garry A. Musto, Wade Sallings, Jeffery Hoover, Cynthia L. Collins, Seth J. Yablonovitz and Linda M. Drew. Present for portions of the meeting was Theodore H. Ashford.

Minutes of the November 17, 2009 Investment Committee meeting were approved with corrections.

Ms. Stratton moved, Mr. Stalnecker 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 2:45 p.m. by unanimous vote, on the motion of Mr. Phippen, seconded by Mr. Stalnecker.

On the motion of Ms. Stratton, seconded by Mr. Stalnecker, and unanimously approved, the Committee, under its authority to approve contract Schedule changes, approved changes to the Mellon Capital Global Equitized Collateral Fund Schedule A and Schedule D.

On the motion of Ms. Stratton, seconded by Mr. Stalnecker, the Committee unanimously voted to recommend to the full Board approval of a commitment of \$35 million to Trident VII, L.P. subject to counsel's review of documents.

On the motion of Ms. King, seconded by Mr. Reese, the Committee unanimously voted to recommend to the full Board approval of a commitment of \$25 million to Angelo, Gordon Capital Recovery Partners VII, L.P. subject to counsel's review of documents.

The Committee continued discussions from prior meetings regarding the current investment policy statement relating to the Fund's risk level and policy risk bands. The Committee discussed several alternate versions of policy language and agreed on language to recommend to the Board.

On the motion of Ms. King, seconded by Ms. Stratton, the Committee unanimously voted to recommend to the Board changes in the current investment policy statement relating to the Fund's management of risk exposures.

On motion of Mr. Saxon, seconded by Mr. Stalnecker, the Committee unanimously voted to recommend the following actions to the Board via poll vote:

1. Liquidate \$150 million from the Mellon Capital Large Cap Value account
2. Liquidate \$50 million from the Oaktree Domestic Convertible account
3. Liquidate \$50 million from the Oaktree International Convertible account
4. Add \$200 million to the Mellon Capital Aggregate Bond account
5. Transfer the \$50 million balance of the proceeds to the cash account for future opportunistic investments

The Investment Committee was notified of changes to the Oaktree Emerging Markets Limited Partnership Agreement. On the motion of Ms. Stratton, seconded by Ms. King, the Committee under its authority to approve documents, or to make decisions on all issues, transactions, or documents, pertaining to limited partnerships which have been approved for investment by the Board, the Committee unanimously voted to approve the changes. Under the same power, on the motion of Ms. Stratton, seconded by Mr. Reese, the Committee unanimously approved a 1 year extension for ATV VI.

On the motion of Ms. Stratton, seconded by Ms. King, the Committee unanimously voted to authorize Ashford Consulting Group to notify the Pension Office regarding recommended allocations of future cash flows to re-balance the Volunteer Fireman's fund assets to benchmark allocations.

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 2:50 p.m.

Respectfully submitted,

/S/Robert D. Gooderham

Robert D. Gooderham
Executive Secretary

/S/George J. Saxon
George J. Saxon, Chair