

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

February 15, 2005

The Investment Committee met at Walker's Mill at 8:30 a.m. on February 15, 2005. Present were Committee members A. Dale Stratton, Jan M. King, Clark Phippen and Philip S. Reese. Also present were Theodore H. Ashford, Robert D. Gooderham, Marsha Kramarck, David C. Craik, Alice L. Simon and Linda M. Drew. In Ms. Ferrari's absence, Ms. King chaired the meeting.

It was moved by Mr. Reese, seconded by Ms. Stratton, and unanimously approved that the Investment Committee go into executive session to discuss the qualifications of Oaktree Capital Management Emerging Markets Fund and Moon Capital Management including their account personnel, investment methodology and results, and confidential financial information.

The Committee then returned to open session and on the motion of Ms. Stratton, seconded by Mr. Phippen, unanimously voted to recommend a poll vote by the Board to approve the following actions:

- 1) Commitment of all assets currently in Oaktree Capital Management's Emerging Markets Fund to remain invested in that fund after its special opening on 4/1/05
- 2) Termination of the international equity account managed by Jarislowsky Fraser (approximately \$259 million)
- 3) Add Jarislowsky Fraser proceeds (approximately \$259 million) to the Mellon Capital Global Tactical Asset Allocation account with authorization of Mellon Transition Management Services to effect the transition.

The Committee discussed Ms. Drew's memorandum on Manager Use of Soft Dollars, which had been circulated in advance, and noted T. Rowe Price's recent policy change which eliminated the use of soft dollars. After discussion with Ashford Consulting, the Committee concluded that all managers are using soft dollar expenditures appropriately, and determined that there is no indication currently to

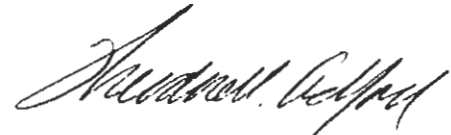
change the present policy of periodic monitoring of manager soft dollar use.

Mr. Gooderham distributed copies of the Derivatives Report for the period ended 12/31/04 and reviewed the amount and types of derivatives held by those managers whose Schedule A's permit use of derivatives for specific purposes.

Mr. Gooderham also distributed and discussed TUCS comparative performance data for the period ended 12/31/04 noting that Delaware ranked in the top quartile of a universe of other public funds for the 1, 5 and 10 year periods.

There being no further business to come before the Committee, the meeting was on motion adjourned.

Respectfully submitted,



Theodore H. Ashford



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Jan M. King, Acting Chairperson