

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

January 17, 2006

The Investment Committee met at Walker's Mill at 8:30 a.m. on January 17, 2006. Present were Committee members Jan M. King, Chair, A. Dale Stratton, Philip S. Reese, Clark Phippen and Mark Stalnecker. Also present were Theodore H. Ashford, Robert D. Gooderham, David C. Craik, Alice L. Simon, Garry A. Musto and Linda M. Drew.

Ms. Stratton moved, Mr. Phippen seconded, and the Committee unanimously approved a motion to enter Executive Session at 8:35 a.m. for consideration of personnel matters, trade secrets and confidential financial information. The Committee discussed the qualifications of Oaktree Capital Management, INTECH, Armstrong Shaw Associates, T. Rowe Price, OFI Institutional and Mount Lucas Mangement.

The Committee returned to public session at 11:50 a.m by unanimous vote, on the motion of Ms. Stratton, seconded by Mr. Reese.

Mr. Ashford reviewed recent correspondence from Flagship Ventures requesting approval of one year extensions for Morgan Holland II and One Liberty Fund III to facilitate orderly wind-downs and development of exit strategies for certain holdings. In addition, the firm as requested approval of consent to waive the Morgan Holland II annual audit requirement due to the age of the fund and the very limited number of holdings remaining. Following discussion, the Committee, under its authority to execute documents relating to partnerships over which it exercises authority, approved both requests.

Ms. Simon reported that the custodial RFP has been sent to six firms and is available on the Pension Office website.

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 12:10 p.m.

Respectfully submitted,

/S/Theodore H. Ashford

Theodore H. Ashford

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