

STATE OF DELAWARE

INVESTMENT COMMITTEE MEETING MINUTES

September 28, 2010

The Investment Committee met at Walker's Mill at 8:30 a.m. on September 28, 2010. Present were Committee members George Saxon, Chair, Jan M. King, Clark Phippen, Nancy Shevock and Mark Stalnecker and Board member Suzanne Grant. Also present were Robert D. Gooderham, Garry A. Musto, David Craik, Cynthia L. Collins, Wade Sallings, Jeffrey Hoover and Linda M. Drew. Present for portions of the meeting was Theodore H. Ashford.

Minutes of the September 14, 2010 Investment Committee meetings were approved with corrections.

Mr. Stalnecker moved, Ms. King 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 12:35 p.m. by unanimous vote, on the motion of Mr. Phippen, seconded by Mr. Stalnecker.

On the motion of Mr. Phippen, seconded by Ms. King, the Committee unanimously voted to recommend to the Board a commitment of \$30 million to Flagship Ventures IV subject to approval of the documents by counsel.

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

- Withdraw \$300 million from the Mellon Capital Non-Securities Lending Stock Index Fund
- Withdraw \$100 million from the Mellon Capital Non-Securities Lending Aggregate Bond Index Fund
- Subject to successful contract negotiations, commit up to \$150 million to a new account managed by Focused Investors and commit up to \$250 million to a new account managed by either Wellington Management or the Vanguard Dividend Growth fund subject to satisfactory fee negotiations

The transaction is to be handled by the Pension Office in cooperation with Ashford Consulting Group to maintain market exposure.

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 12:40 p.m.

Respectfully submitted,

/S/Robert D. Gooderham

Robert D. Gooderham
Executive Secretary

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