



**MINUTES FROM THE INVESTMENT SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
JANUARY 11, 2018**

A meeting of the Investment Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (“Board”) was held on January 11, 2018 at 10:00 AM in the DuPont Room of the Buena Vista Conference Center, 661 S. DuPont Highway, New Castle, DE 19720.

Subcommittee Members Represented or in Attendance:

Mr. Dave Marvin, Subcommittee Chair
Mr. Mike Karia, Subcommittee Co-Chair
The Honorable Kenneth Simpler, State Treasurer
Ms. Stephanie Scola, Director of Bond Finance, Department of Finance (on behalf of Mr. Richard Geisenberger)

Subcommittee Members Not Represented or in Attendance:

Mr. John Flynn, Board Chair

Others in Attendance:

Ms. Lynda Messick, Co-Chair, Banking Subcommittee
Mr. Jason Staib, Deputy Attorney General, Department of Justice
Ms. Nora Gonzalez, Deputy State Treasurer, Office of the State Treasurer (OST)
Mr. Stephen McVay, Cash Manager, OST
Ms. Susan Steward, Policy Advisor, OST
Ms. Elizabeth Druck, Policy Advisor, OST
Mr. John Krimmel, Partner, NEPC
Ms. Jennifer Appel, Research Analyst, NEPC

CALLED TO ORDER

The meeting was called to order at 10:00 a.m.

INVESTMENT MANAGER PRESENTATIONS

Mr. Krimmel provided the Subcommittee with a description of the evaluation committee’s selection process for the investment managers. Mr. Krimmel introduced the recommendation by the evaluation committee of the six investment managers for presentations:

Liquidity Managers

Wilmington Trust Company
PFM Asset Management

Reserve Managers

JP Morgan Asset Management (Tier 1)

BlackRock (Tier 2)

Chandler Asset Management (Tier 3)

Lazard Asset Management (Tier 4)

Representatives from each firm made 15-minute presentations outlining the merits of their respective organizations. Presentations focused on the strength of their investment team and firm resources in the implementation of the investment strategy for which they were recommended. Subcommittee members engaged the firms during the presentations with questions and clarifications.

A MOTION was made by Mr. Marvin and seconded by Mr. Karia to approve the six recommended investment managers to manage public funds under the new investment architecture.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT ARCHITECTURE REVIEW

The Subcommittee discussed potential changes to the investment architecture and Cash Management Policy Board Guidelines (“Guidelines”). There were three areas that were addressed:

1. Continue of pro-rata draws;
2. End the seven year maximum average maturity requirement in the Guidelines; and.
3. Amend the duration of the Reserve Tiers 3 and 4 to allow a five-r to ten-year duration benchmark.

The Subcommittee discussed the above changes and requested an updated resolution to be circulated at the scheduled February meeting.

PUBLIC COMMENTS

No members of the public present for comment.

NEXT MEETING

The next meeting is scheduled for February 7, 2018.

ADJOURNMENT

A MOTION was made and seconded to adjourn the meeting of the Subcommittee at 12:28 p.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

David Marvin
Chair for the Investment Subcommittee

Mike Karia
Co-Chair for the Investment Subcommittee