



**MINUTES FROM THE INVESTMENT SUBCOMMITTEE  
OF THE CASH MANAGEMENT POLICY BOARD  
AUGUST 7, 2019**

A meeting of the Investment Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on August 7, 2019, 10:00 a.m., in the main conference room of the Office of the State Treasurer (“OST”), located at 820 Silver Lake Blvd., Suite 100, Dover, Delaware.

Subcommittee Members Represented or in Attendance:

Mr. Dave Marvin, Subcommittee Chair (Telephonically)

The Honorable Colleen Davis, State Treasurer (Telephonically)

Mr. Richard Geisenberger, Secretary, Department of Finance (Telephonically)

Subcommittee Members Not Represented or in Attendance:

Mr. Mike Karia, Subcommittee Co-Chair

Mr. John Flynn, Board Chair

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice

Ms. Liza Druck Davis, Deputy State Treasurer, OST

Mr. Josh Berkow, Director of Transformation Services, OST

Mr. John Krimmel, Partner, NEPC, LLC (Telephonically)

**CALLED TO ORDER**

Mr. Marvin called the meeting to order at 10:00 a.m.

**APPROVAL OF THE MINUTES**

**A MOTION was made by Mr. Geisenberger and seconded by Mr. Marvin to approve minutes from the Subcommittee meeting on May 1, 2019**

**MOTION ADOPTED UNANIMOUSLY**

**INVESTMENT ACCOUNTS UPDATE**

*Private Placement Securities Discussion*

Mr. Krimmel provided an update on the Board’s prior decision to direct investment managers to divest from Rule 144 (a) private placement holdings, consistent with the SEC’s current ruling that state and local entities are not on the list of Qualified Institutional Buyers (QIBs) of private placement securities. Mr. Krimmel confirmed that managers are in fact holding private placement securities and will be

directed to divest from those holdings by the end of the third quarter. The subcommittee discussed the logistics of the divestment process.

**A MOTION was made by Treasurer Davis and seconded by Mr. Marvin directing OST staff to notify the investment managers to divest from private placement securities.  
MOTION ADOPTED UNANIMOUSLY**

#### *Guideline Update Review*

Mr. Berkow reviewed the proposed changes to the Guidelines, which have been proposed and discussed throughout the year. Mr. Berkow noted that there had been consensus between the Board and OST that it would be more efficient to make changes as part of a single annual review process, due to the length of the Administration Procedure Act (“APA”) process for making formal Guideline changes.

The changes include the addition of merchant services-related settlement accounts, a clarification of the impermissibility of Rule 144A private placement securities, clarifying language regarding the list of approved U.S. Governmental Agency obligations, and the removal of the five percent cash holding requirement for the Endowment Accounts.

**A MOTION was made by Mr. Marvin and seconded by Treasurer Davis to recommend to the Board the approval of the updated Guidelines and commencement of the APA process  
MOTION ADOPTED UNANIMOUSLY**

#### **CUSTODIAN CONTRACT EXTENSION**

Mr. Berkow informed the Subcommittee that the contract with the current custodian, Northern Trust, is up for renewal, with two optional one-year extensions available. The Subcommittee discussed OST’s satisfaction with the vendor’s level of service.

**A MOTION was made by Mr. Marvin and seconded by Treasurer Davis to recommend to the Board the approval of a one-year extension of the Northern Trust contract  
MOTION ADOPTED UNANIMOUSLY**

#### **EXECUTIVE SESSION**

No executive session

#### **PUBLIC COMMENTS**

No members of the public present for comment.

#### **NEXT MEETING**

The next meeting is scheduled for November 6, 2019.

#### **ADJOURNMENT**

**A MOTION was made by Mr. Marvin and seconded by Treasurer Davis to adjourn the meeting of the Subcommittee at 10:16 a.m.**

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

---

David Marvin  
Chair for the Investment Subcommittee

---

Mike Karia  
Co-Chair for the Investment Subcommittee



---

Colleen C. Davis  
State Treasurer

Tel: 302.672.6700  
Fax: 302.739.2274

DRAFT