



**MINUTES FROM THE INVESTMENT SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
November 1, 2023**

A meeting of the Investment Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on November 1, 2023, at 10:00 a.m. The meeting was conducted virtually, with public accommodations provided in the Large Conference Room of the Office of the State Treasurer (“OST”), 820 Silver Lake Blvd., Suite 100, Dover, DE 19904.

Subcommittee Members Represented or in Attendance:

Mr. Mike Karia, Subcommittee Chair
Mr. Steve Marvin, Board Member
Ms. Colleen C. Davis, State Treasurer
Mr. Daniel Madrid, Department of Finance, Proxy for Secretary Geisenberger
Mr. Warren Engle, Board Chair

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. Jordan Seemans, Deputy State Treasurer, OST
Ms. Lisa Embert, Chief Operating Officer, OST
Ms. Fiah Kwesseu, Director of Operations and Fund Management, OST
Mr. Brennon Fountain, Director of Reconciliations and Transaction Management, OST
Mr. Brian Maxwell, Director of Policy and Communications, OST
Mr. Stephen McVay, Assistant Cash and Debt Manager, OST
Ms. Lindy Scott, Executive Assistant, OST
Ms. Monai Roberts, Special Assistant to the Treasurer, OST
Mr. Jonovan Sackey, NEPC
Mr. Kevin Leonard, NEPC

CALLED TO ORDER

The meeting was called to order at 10:01 a.m. A quorum was established.

INTRODUCTIONS

Mr. Maxwell, Director of Policy and Communications for OST, introduced himself to the subcommittee.

APPROVAL OF THE MINUTES

A MOTION was made by Mr. Madrid and seconded by Treasurer Davis to approve minutes from the Subcommittee meeting held on August 8, 2023.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT ARCHITECTURE ALLOCATION DISCUSSION

Ms. Kwesseu led the discussion on the investment allocation. During the June 7th meeting, the Board voted to return to a 25% liquidity – 75% reserve allocation. As of September 30, 2023, the allocation was 36% liquidity – 64% reserve.

Quarterly draws from the liquidity accounts totaled \$110 million and funding to the reserve accounts totaled \$700 million. Ms. Kwesseu further shared that OST plans to continue to organically rebalance to achieve the target 25% liquidity and 75% allocation by year-end.

DAG Staib inquired as to whether the Investment Subcommittee had a preference for memorializing investment architecture allocation shifts. The Investment Subcommittee indicated a desire to continue the practice utilizing formal resolutions to capture historical information.

RESOLUTION ESTABLISHING SUBCOMMITTEE CHARTERS DISCUSSION

Mr. Staib led the discussion of the proposed resolution and charters for the subcommittees. The charter contains standard governance provisions and a detailed mandate for the Investment Subcommittee. Mr. Staib explained that the proposed charter mandate covers existing functions and annual-review practices, with the exception of investment and manager performance, which is done quarterly. There was a discussion as to whether investment/manager performance review should be done at the committee level or at the full Board. NEPC indicated that most of their clients review performance at the subcommittee level. The Investment Subcommittee tabled the charter vote for a further discussion of the subcommittee's role with respect to investment/manager performance.

RAINY DAY AND BUDGET STABILIZATION MEMOS DISCUSSION

NEPC provided commentary on the Rainy Day and Budget Stabilization Memos.

A MOTION was made by Mr. Engle and seconded by Mr. Marvin to recommend to the full Board approval of the Rainy Day and Budget Stabilization Memos.

MOTION ADOPTED UNANIMOUSLY

REGARDING RECOMMENDATION FOR INVESTMENT GUIDELINE CHANGES DISCUSSION

NEPC presented proposed changes to the Investment Guidelines. The Investment Subcommittee did not accept the proposed changes; therefore, a vote was not needed.

ARPA FUND UPDATE

Mr. McVay stated that as of June 30, 2023, the State ARPA funds totaled \$581.2 million with two draws for \$75.9 million occurring during the quarter. The local ARPA fund balance is \$3.0 million. This account has been with the state's banking partner, JP Morgan Chase.

OTHER MATTERS OF THE SUBCOMMITTEE

PUBLIC COMMENT

No public comment issued by attending member of the public.

EXECUTIVE SESSION

No executive session was held.

NEXT MEETING

The next full Board meeting is scheduled for December 13, 2023
The next Subcommittee meeting is scheduled for February 7, 2024

ADJOURNMENT

MOTION to adjourn the Investment Subcommittee at 10:51 a.m. was made by Mr. Engle and seconded by Mr. Madrid.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Mike Karia
Chair for the Investment Subcommittee

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