



MINUTES FROM THE INVESTMENT SUBCOMMITTEE OF THE CASH MANAGEMENT POLICY BOARD

November 5, 2025

A meeting of the Investment Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on November 5, 2025, 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. Stephen Marvin, Vice Chair
Ms. Colleen Davis, State Treasurer
Mr. Warren Engle, Board Chair

Members Absent:

Mr. Mike Karia, Subcommittee Chair
Mr. Michael Smith, Secretary of Finance

Others in Attendance:

Ms. Regina Mitchell, Deputy Secretary of State, Secretary of State Designee
Mr. Brennon Fountain, Deputy Treasurer, OST
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Khairat Makanjuola, Chief Operating Officer, OST
Ms. Antonia Kramer, Cash Manager, OST
Ms. Ninna Vaughn, Executive Administrator, OST
Ms. Daly Pineryo, Special Payments Manager, OST
Ms. Shanese Ridgeway, Director, Reconciliation & Transaction Management
Ms. Layne Taylor, Director of Policy and Communication, OST
Mr. Jonovan Sackey, NEPC
Ms. Jennifer Appel, NEPC

CALL TO ORDER

The meeting was called to order at 10:03 a.m. A quorum was established.

INTRODUCTIONS

Mr. Fountain led introductions. There were no staff updates nor members of the public to introduce.

APPROVAL OF MINUTES

A MOTION to approve the August 6, 2025, minutes was made by Mr. Engle and seconded by Treasurer Davis.

MOTION ADOPTED UNANIMOUSLY

PRESENTATION AND DISCUSSION OF THE 3RD QUARTER PERFORMANCE ABBREVIATED REPORT

NEPC provided a brief market update and reviewed the 3rd Quarter Performance Abbreviated Report as of September 30, 2025. Ms. Appel reported that the third quarter reflected strong capital market performance, supported by positive equity and fixed-income returns and a 25-basis-point Federal Reserve rate cut in September, followed by an additional cut shortly after quarter-end.

Ms. Appel noted continued strength in global equity markets, benefiting the endowment portfolio, while acknowledging potential near-term market volatility. NEPC indicated that the State's liquidity and reserve portfolios remain appropriately positioned and are performing in line with expectations.

Mr. Sackey then presented an overview of liquidity and reserve portfolio performance for the quarter and confirmed that portfolio positioning remains consistent with targeted allocation ranges.

RESERVE WITHDRAWAL UPDATE

Ms. Kramer reported that OST executed a \$500 million precautionary withdrawal from the Reserve portfolio at the start of the federal government shutdown to ensure sufficient liquidity. The action was coordinated with the Office of Management and Budget ("OMB") and the Division of Finance ("DOF") and was used to support the JPMorgan concentration account and mitigate risks related to delayed federal receipts and slower property tax collections. No realized losses resulted. Ms. Makanjuola stated that the situation remains fluid and that OST continues to coordinate with OMB and DOF to address potential operational needs and monitor the portfolio.

BUDGET RESERVE (RAINY DAY) AND BUDGET STABILIZATION ACCOUNT UPDATE

Mr. Sackey reviewed and presented the Budget Reserve (Rainy Day) and Budget Stabilization Account memos. For fiscal year 2026, NEPC is recommending adding a \$5 million cushion to the Budget Reserve account and making no changes to the reserve amount to the Budget Stabilization Account with a minimum required level of \$469,300,000. OST was in agreement with and has implemented NEPC's recommendations.

INVESTMENT GUIDELINES CHANGES DISCUSSION AND POTENTIAL VOTE (TABLED)

Discussion of the proposed investment guideline changes was tabled and deferred to the next Investment Subcommittee meeting in February 2026. The Subcommittee requested that NEPC provide comparative information on peer portfolios of similar size and structure, including how comparable funds approach the guideline topics raised, and the parameters reflected in their investment guidelines.

ARPA FUNDS

Ms. Kramer updated the committee members that, as of September 30, 2025, the State ARPA funds totaled \$255 million, with two draws for \$36.6 million occurring during the quarter.

PAID FAMILY MEDICAL LEAVE MEMORANDUM OF UNDERSTANDING DISCUSSION AND VOTE

Ms. Kramer discussed that OST has developed a memorandum of understanding (MOU) between OST and the Department of Labor, Division of Paid Family Leave (DPFML), outlining respective responsibilities for managing program-related fund transfers. The MOU is in final draft form and has not yet been signed. DPFML expects to start processing and paying claims beginning after January 1, 2026.

Motion to allow DPFML to invest program funds with liquidity managers and earn liquidity rate and authorize OST to enter into an MOU to memorialize this arrangement was made by Mr. Engle and seconded by Treasurer Davis.

MOTION ADOPTED UNANIMOUSLY

CONTRACT DISCUSSION AND UPDATES

Ms. Makanjuola provided the following contract updates:

- **NEPC – INVESTMENT ADVISORY SERVICES**
The NEPC – Investment Advisory Services agreement recently expired on September 23, 2025. There are three one-year extension options available. OST has exercised one of the extension options, extending the contract through September 23, 2026.
- **ENDOWMENT INVESTMENT MANAGEMENT AGREEMENT**
The Endowment Investment Management agreements with SEI and Mercer expired on June 30, 2025. There are three one-year extension options available. OST has exercised one of the extension options, extending the contract through June 30, 2026.
- **LIQUIDITY AND RESERVE MANAGERS – INVESTMENT MANAGEMENT PROFESSIONAL SERVICES AGREEMENT**

The Liquidity and Reserve Managers – Investment Management Professional Services Agreements will expire on January 31, 2026. At the February 26, 2025, Board meeting, the Board approved an additional one-year extension through January 31, 2027, maintaining the same pricing and contract terms. OST has negotiated and executed these extensions. OST plans to post the request for proposal (RFP) in March 2026. OST will keep the Subcommittee updated as the RFP timeline is completed.

OTHER MATTERS OF THE SUBCOMMITTEE

None

PUBLIC COMMENT

No members of the public made a comment.

POTENTIAL EXECUTIVE SESSION

- Discussion of investment strategy pursuant to 29 Del. C. § 2716(c)(5). Executive Session did not occur.

NEXT MEETING

The next full Board meeting is scheduled for December 3, 2025.

The next Subcommittee meeting is scheduled for February 5, 2026.

ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

Respectfully submitted,

Stephen Marvin
Vice Chair, Investment Subcommittee