



## **MINUTES FROM THE MEETING OF THE INVESTMENT COMMITTEE OF THE PLANS MANAGEMENT BOARD**

**November 18, 2025**

A virtual meeting of the Investment Committee (the “Committee”) of the Plans Management Board (the “Board”) was held on November 18, 2025, commencing at 10:00 a.m. Committee members and members of the public were able to participate using the provided dial-in information.

### Committee Members Represented or in Attendance:

Mr. Alan Colberg, Committee Chair

The Honorable Colleen C. Davis, State Treasurer

Mr. Nicholas Lombardo, Administrative Management, Budget Development and Planning, (on behalf of Mr. Brian Maxwell, Director of Office of Management and Budget)

Mr. Dave Biddle

### Members Absent:

Mr. Michael Smith, Secretary Department of Finance

Mr. Todd Rosselle

### Others in Attendance:

Mr. Brennon Fountain, Deputy State Treasurer, Office of the State Treasurer, (“OST”)

Ms. Khairat Makanjuola, Chief Operating Officer, OST

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

Mr. John Meyer, Director of Contributions and Plans Management, OST

Ms. Layne Taylor, Director of Policy and Communications, OST

Mr. Bradley Lofton, Senior Policy Advisor, OST

Mr. Dan Kimmel, Promotion and Outreach Manager, OST

Ms. Deborah Bradl, Executive Assistant, OST

Mr. Ted Griffith, Program Director, DE EARNs, OST

Mr. Earle Allen, Principal Financial Advisor, CAPTRUST

Mr. James Duffy, Principal Financial Advisor, CAPTRUST

Mr. Anthony Durkan, Vice-President, Head of 529 Relationship Management, Fidelity Investments, Inc. (“Fidelity”)

### **CALL TO ORDER**

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

## **APPROVAL OF MINUTES**

**A MOTION was made by Mr. Colberg and seconded by Treasurer Davis to approve the minutes from the Committee meeting on August 12, 2025, with correction.**

**MOTION ADOPTED UNANIMOUSLY**

## **PRESENTATIONS**

### *Investment Performance on Deferred Compensation Plans – CAPTRUST*

Mr. Allen reviewed the performance metrics for the three deferred compensation plans. As of September 30, 2025, assets in the plans totaled approximately \$1.58 billion, excluding assets held at legacy 403(b) vendors (valued at approximately \$250.9 million as of September 30, 2025), representing an increase of approximately \$180.8 million or 12.9 percent for the year. Quarterly contributions were approximately \$21.0 million for the quarter. Mr. Allen indicated that the average weighted expense ratio of the funds remained at 0.30 percent, which is .06 percent less than the average NAGDCA survey result of similar sized plans.

Mr. Allen reviewed the different investment tiers within the plans. As of September 30, 2025, Tier 1 held approximately 67 percent of total assets (\$1.06 billion). Tier 1 also received nearly sixty-nine percent (\$14.6 million) of all new contributions in the third quarter of 2025. Seventy-nine percent of participants are invested in Tier 1 target date funds.

As of September 30, 2025, Tier 2 held approximately 29 percent of total assets (\$457.0 million). Mr. Allen stated that Tier 2 received approximately thirty-one percent (\$6.5 million) of new contributions in the third quarter of 2025. Three percent of plan assets are in the managed accounts (approximately \$43.9 million).

The Tier 3 self-directed brokerage option held approximately four percent of total assets (\$60.1 million) as of September 30, 2025. Mr. Allen stated that 576 unique participants were investing through the brokerage window at the end of the third quarter of 2025, versus 508 as of December 31, 2024.

Mr. Allen stated that, due to underperformance, CAPTRUST is recommending Nuveen Real Estate Securities Select R6 remain on watch and Champlain Mid Cap Institutional be replaced.

Mr. Duffy provided market commentary to the Committee. Mr. Duffy stated that the third quarter saw marked outperformance across both developed international and emerging international stocks. Political uncertainty drove the shift away from US equities and movement towards non-US markets due to a weakening US dollar. U.S. stocks performed greater than international stocks and commodities and real estate rebounded due to investors seeking safe-haven assets amid economic and geopolitical uncertainty. U.S. large cap stocks saw modest gains of 8.1 percent for the quarter, and up 14.8 percent for the year again due to a move away from US equities and movement towards non-US markets. Mr. Duffy stated that US equities saw a market sell off in the third quarter due to potential cuts by the Fed in the fourth quarter. Mr. Duffy noted that bonds had modest returns this quarter due to lower interest rates and a larger portion of assets allocated toward fixed income. Fixed income in the third quarter saw the ten-year U.S. Treasury yields increase from 3.81 percent in 2024 to 4.16 percent in 2025. Mr. Duffy also stated that overall growth outperformed value in the third quarter across all market options with large

cap growth up by 17.2 percent attributed to growth in both technology and communication services and AI.

Mr. Duffy reviewed the economic outlook with the Committee. He stated that the US economy continues to do well due to a long-awaited Fed rate cut. He also stated that unemployment continues to increase, there is a rise in the rate of credit defaults, which could impact consumer spending. Mr. Duffy stated that overall, the economic outlook is cautiously optimistic due to increasing US equity markets near an all-time high and continued productivity gains from AI.

Mr. Duffy reviewed the scorecard for the third quarter with the Committee. He stated that the recommendation from CAPTRUST to keep Nuveen Real Estate Securities Select R6 on watch remains in place despite Nuveen Real Estate Securities Select R6 fund outperforming the benchmark and experiencing modest growth for the third quarter. Mr. Duffy also discussed the Champlain Mid Cap Institutional Fund performance and stated that it continues to lag relative to peers and the benchmark primarily due to stock selection. Mr. Duffy stated that the recommendation from CAPTRUST is to replace the Champlain Mid Cap Institutional Fund. Mr. Duffy stated the recommended fund for replacement would be the Vanguard Extended Market Index Institutional Fund. The Committee discussed performance of the Champlain Mid Cap Institutional Fund, discussed performance of funds under consideration for replacement, and agreed with the recommendation to replace the fund.

#### *Investment Performance on College Investment Plan*

Mr. Duffy reviewed third quarter performance metrics for the 529 plan. Mr. Duffy stated that total plan assets as of September 30, 2025, were approximately \$738.4 million. Approximately sixty-one percent of assets (\$452.3 million) are in the age-based options, with approximately thirty-nine percent of assets (\$286.1 million) residing in static portfolios or individual funds.

Mr. Duffy stated that a majority of assets, thirty-eight percent, are in the active age-based portfolio (\$279.3 million) and nineteen percent of plan assets are in the index age-based portfolio (\$139.2 million). Mr. Duffy updated the Committee on the level of growth for the blend age-based option. This option holds five percent of assets at approximately \$33.8 million as of September 30, 2025. Mr. Duffy stated that the three age-based options outperformed the benchmark for the quarter.

Overall, Mr. Duffy stated that performance of the funds relative to the benchmark remained strong in the third quarter, and relative performance versus peers was also strong.

#### *Investment Overview on DE EARNs*

Mr. Allen presented an overview of Delaware Expanding Access to Retirement Savings (“EARNs”) IRA program to the Committee.

Mr. Allen reviewed the third quarter performance metrics for the EARNs program. He stated that a majority of program assets are in the State Street Target Retirement fund. Mr. Allen also stated that DE EARNs overall asset allocation is comparable to other states using the same options. Mr. Griffith stated that DE EARNs has a higher allocation of funds to the money market fund compared to Colorado and Maine due to auto-enrollment plan design. However, Mr. Griffith also stated that the program dictates that after the initial 30 days, if no action is taken by the participant to move funds, they will automatically be allocated to the target date series.

Mr. Duffy addressed the investment performance with the Committee. He stated that the State Street Target Retirement outperformed peers and the benchmark across most vintages due to U.S. small caps outperforming U.S. large caps. Also helping performance was exposure to high yield bonds within the fixed income portfolio.

## **DISCUSSION AND ACTION ITEMS**

### *Discussion and Possible Vote on Recommendation Regarding Watch List*

Mr. Duffy led discussion regarding the watch list with the Committee. Mr. Colberg stated that he agrees with removing Champlain Mid Cap Institutional due to continued underperformance relative to the peer group and weak stock selection. He also stated that he agrees with replacing the fund with Vanguard Extended Market Fund Institutional. The Committee discussed performance of the fund over the last four quarters and potential performance during the next quarter, as well as various options for replacement of the fund and whether plan participants utilize this type of fund in the managed account portfolio. Mr. Duffy stated that the Champlain Mid Cap Institutional fund has been on watch for four quarters and the fund does not have strong utilization by plan participants. The Committee discussed its options and felt that keeping an actively managed fund would be in the best interest of the plan and plan participants and aligns with the investment policy statement for the deferred compensation plans.

Mr. Duffy led discussion regarding the underperformance of Nuveen Real Estate Securities Select R6 despite the fund having a strong third quarter. Mr. Duffy stated that CAPTRUST recommends keeping Nuveen Real Estate Securities Select R6 on watch due to underperformance which is primarily due to the portfolio's underweight in the specialty sector including data center allocations and data center property. Mr. Duffy also noted that the fund should have the last weakest performing quarter from 2020 roll off which would be favorable for this fund going into 2026. Following discussion, the Committee agreed to leave Nuveen Real Estate Securities on watch to monitor performance and to recommend replacement of the Champlain Mid Cap Institutional with the Vanguard Extended Market Fund Institutional.

**A MOTION was made by Treasurer Davis and seconded by Mr. Biddle to recommend to the Board to approve leaving Nuveen Real Estate Securities on watch and replacing Champlain Mid Cap Institutional fund with Vanguard Extended Market Fund Institutional.**

**MOTION APPROVED UNANIMOUSLY**

### *Discussion and Possible Vote Regarding the Investment Policy Statements*

Mr. Meyer stated that the investment policy statements ["IPS"] for the deferred compensation plans and the college investment plan were circulated to the Committee for review. He stated that the statements are consistent with plan documents. Mr. Meyer stated that there was one minor change in the 529 IPS regarding a change from a negotiable order of withdrawal ["NOW"] account to a demand deposit account ["DDA"] account in the bank deposit portfolio. Committee discussion followed and the Committee agreed to the updates to the investment policy statements.

**A MOTION was made by Mr. Colberg and seconded by Mr. Biddle to recommend to the Board to approve the investment policy statements for the deferred compensation plans and the 529 plan to include the bank portfolio change in the 529 investment policy statement.**

## **MOITON APPROVED UNANIMOUSLY**

### *Discussion Regarding the 2026 Meeting Calendar*

Mr. Meyer presented the 2026 Plans Management Board meeting calendar to the Committee. He stated that meeting invitations will be issued soon.

## **UPDATES**

### *Morningstar Update*

Mr. Meyer informed the Committee that Morningstar conducted its annual review of 529 plans and Delaware did retain its silver rating.

### *SECURE Act 2.0*

Mr. Meyer reviewed the applicable updates on SECURE Act 2.0 regarding the catch-up contributions for individuals over 50 who fall into the high earners category making over \$150,000 in FICA wages. Mr. Meyer stated that these individuals are required to make their contributions as a Roth contribution and that OST is working with Voya and PHRST on implementation for January 1, 2026.

### *Legislative*

Mr. Meyer stated that OST is monitoring federal legislation regarding the escheatment of retirement distributions to state's unclaimed property divisions.

## **PUBLIC COMMENT**

No members of the public made a comment.

## **NEXT MEETING**

The next meeting of the Committee is scheduled for February 17, 2026.  
The next meeting of the Board is scheduled for December 2, 2025.

## **ADJOURNMENT**

The meeting was adjourned at 11:29 a.m.

Respectfully submitted,

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E-signature  
Alan Colberg  
Chair for the Investment Committee