



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

February 24, 2026

A virtual meeting of the Investment Committee (the “Committee”) of the Plans Management Board (the “Board”) was held on February 24, 2026, 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

Mr. Brennon Fountain, Deputy State Treasurer (On behalf of 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

Mr. Todd Rosselle

Mr. Michael Smith, Secretary Department of Finance

Others in Attendance:

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

Mr. John Meyer, Director of Contributions and Plans Management, OST, (“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”)

Ms. Lauren Peplau, Director, Investment Product, Fidelity

Mr. Jared Newman, Managing Director, Fidelity

Mr. Dave Tancredi, public member

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 Mr. Biddle to approve the minutes from the Committee meeting on November 18, 2025, with corrections.

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 December 31, 2025, assets in the plans totaled approximately \$1.61 billion, excluding assets held at legacy 403(b) vendors (valued at approximately \$247.3 million as of December 31, 2025, representing a decrease of approximately \$3.6 million for the year). Quarterly contributions were approximately \$23.5 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 December 31, 2025, Tier 1 held approximately 67 percent of total assets (\$1.09 billion). Tier 1 also received nearly sixty-nine percent (\$16.1 million) of all new contributions in the fourth quarter of 2025. Seventy-nine percent of participants are invested in Tier 1 target date funds.

As of December 31, 2025, Tier 2 held approximately 29 percent of total assets (\$463.3 million). Mr. Allen stated that Tier 2 received approximately thirty-one percent (\$7.4 million) of new contributions in the fourth quarter of 2025. Three percent of plan assets are in the managed accounts (approximately \$46.4 million).

The Tier 3 self-directed brokerage option held approximately four percent of total assets (\$61.6 million) as of December 31, 2025. Mr. Allen stated that 598 unique participants were investing through the brokerage window at the end of the fourth quarter of 2025, versus 508 as of December 31, 2024.

Mr. Duffy provided market commentary to the Committee. Mr. Duffy described the fourth quarter and the year on a whole as rotational. He stated the market saw rotation among market capitalizations, different asset classes and the way the it dealt with increased levels of volatility.. Mr. Duffy stated that non-US stocks outperformed domestic US equities and both developed international and emerging international stocks performed well in 2025 due to a rotation away from being overweight in US equities. He stated that a weaker US dollar pushed investors towards non-US assets as well. Mr. Duffy stated there is a valuation gap between U.S stocks relative to non-US stocks following three years of double-digit annualized returns for the S&P 500. He stated that US bonds were up 7.3 percent for the year due to investors migrating towards more interest rate sensitive investments and that US small-cap stocks performed well as they were up 12.8 percent at year end. Mr. Duffy stated that U.S. large cap stocks saw lower gains of only 2.7 percent for the quarter, and up 17.9 percent for the year. He stated that both equities and fixed income in the fourth quarter saw the one-year and the ten-year U.S. Treasury yields perform lower than the year prior. Mr. Duffy also stated that while 2025 was a growth driven market, there was rotation back towards value. He stated that this turn was 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 amid tariff and inflation fears. He also stated that investors in AI trade and AI build out are cautiously optimistic regarding a return on investment. Mr. Duffy further stated that volatile US policy and tariffs have led to global uncertainty regarding trade relationships with the US. Mr. Duffy stated that AI trade will continue to be a significant innovative cycle with higher levels of growth despite volatility. Finally, Mr. Duffy stated that consumer spending will gain a boost from the approximately 44 percent increase in tax refunds for 2026.

Mr. Duffy reviewed the scorecard for the fourth quarter with the Committee. He stated that the recommendation from CAPTRUST is to replace Nuveen Real Estate Securities Select R6. Mr. Duffy stated this is due to the unexpected manager firing in January 2026 and underperformance in 2023 and 2024. Mr. Duffy also discussed alternative replacements for this fund. He stated that the primary recommendation is Cohen and Steers, an actively managed fund, focused on real estate investing and considerably larger than the Nuveen Real Estate Securities Select R6 fund. Mr. Duffy stated Cohen and Steers is in line with the overall peer group in terms of holdings, that historically performance has been consistent relative to the peer group in the benchmark and they maintain more consistency relative to Nuveen. Mr. Duffy stated that a passive index fund could be a replacement option, however, the active managed fund could outperform the passive index. The Committee discussed replacement of the Nuveen Real Estate Securities Select R6 Fund, discussed performance of funds under consideration for replacement and discussed the management approach of the fund. The Committee requested additional actively managed funds to compare and contrast to those presented. The Committee also requested historical scoring for Cohen and Steers. CAPTRUST will follow up with the Committee at a future meeting.

Investment Performance on College Investment Plan

Mr. Duffy reviewed fourth quarter performance metrics for the 529 plan. Mr. Duffy stated that total plan assets as of December 31, 2025, were approximately \$748.2 million. Approximately sixty-one percent of assets (\$456.5 million) are in the age-based options, with approximately thirty-nine percent of assets (\$291.7 million) residing in static portfolios or individual funds.

Mr. Duffy stated that the majority of assets, thirty-seven percent, are in the active age-based portfolio (\$277.9 million) and nineteen percent of plan assets are in the index age-based portfolio (\$142.2 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 \$36.3 million as of December 31, 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 fourth quarter, and relative performance versus peers was also strong.

Investment Overview on DE EARNs

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

Mr. Duffy reviewed the fourth quarter performance metrics for the EARNs program. He stated that a majority of program assets are in the State Street Target Retirement fund. Mr. Duffy stated that the State

Street series underperformed versus their peers in the benchmark in the fourth quarter. However, he stated that overall, the series performed well over the year due to its highly diversified approach.

DISCUSSION AND ACTION ITEMS

Discussion and Possible Vote Regarding Recommendation for Nuveen Real Estate Securities Select R6 on WATCH list

Mr. Meyer discussed the recommendation by CAPTRUST to replace the Nuveen Real Estate Securities Select R6 fund. The Committee would like CAPTRUST to bring additional alternative fund replacement recommendations to a future meeting for consideration by the Committee. The Committee agreed to keep Nuveen Real Estate Securities Select R6 on WATCH and requested additional materials prior to the meeting.

No action taken.

Discussion and Possible Vote on Recommendation Regarding 2026 Committee Goals

Mr. Meyer presented the 2026 Committee goals to be recommended to the Board. The Committee's outlined goals include quarterly investment performance reviews; a review of the ABLE plan; required Board education and training; SECURE Act 2.0 provisions; legislative updates; review of the managed account service provider and self-directed brokerage providers; review of the target date fund family as the default option; Tier two review; and review of the deferred compensation and education savings plan investment policy statements. The Committee requested that a review of the glide path for the College Education Savings Plan be added to the 2026 Committee goals.

A MOTION was made by Mr. Colberg and seconded by Mr. Rosselle to accept the 2026 Investment Committee goals with one addition and to recommend to the Board for approval. MOITON APPROVED UNANIMOUSLY

UPDATES

Update Regarding 2026 Education Training Schedule

Mr. Meyer informed the Committee that the Audit and Governance Committee recommended the 2026 education training schedule to the Board for approval. He stated that fiduciary training will be held in either the third or fourth quarter of the year.

PUBLIC COMMENT

No members of the public made a comment.

NEXT MEETING

The next meeting of the Committee is scheduled for May 19, 2026.

The next meeting of the Board is scheduled for March 3, 2026.

ADJOURNMENT

The meeting was adjourned at 11:14 a.m.

Respectfully submitted,

E-signature _____

Alan Colberg
Chair for the Investment Committee

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