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# MINUTES FROM THE INVESTMENT SUBCOMMITTEE OF THE CASH MANAGEMENT POLICY BOARD

**May 6, 2026**

A meeting of the Investment Subcommittee (the "Subcommittee") of the Cash Management Policy Board (the "Board") was held on May 6, 2026, 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
Mr. Charles Clark, Deputy Principal Assistant, Secretary of Finance Designee

## Members Absent:

Mr. Mike Karia, Subcommittee Chair

## Others in Attendance:

Mr. Brennon Fountain, Deputy Treasurer, OST
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Fiah M. Kwesseu, Director of Operations and Fund Management, OST
Mr. Steve McVay, Casual Seasonal Assistant Cash and Debt Manager, OST
Mr. Richard Zbyszynski, Cash and Debt Manager, OST
Ms. Ninna Vaughn, Executive Administrator, OST
Ms. Shanese Ridgeway, Director, Reconciliation & Transaction Management, OST
Mr. Jonovan Sackey, NEPC
Ms. Jennifer Appel, NEPC

## CALL TO ORDER

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

## INTRODUCTIONS

Mr. Fountain led introductions. Mr. Fountain formally introduced Richard Zbyszynski, the newest Cash and Debt Manager at OST. Mr. Zbyszynski was previously the Assistant Cash and Debt Manager at OST. Ms. Vaughn introduced Mr. Charles Clark, who is the Deputy Principal Assistant and was the assigned designee for the Secretary of Finance.

## APPROVAL OF MINUTES

A MOTION to approve the February 4, 2026, minutes was made by Mr. Engle and seconded by Treasurer Davis.

MOTION ADOPTED UNANIMOUSLY

## PRESENTATION AND DISCUSSION OF THE 1st QUARTER PERFORMANCE ABBREVIATED REPORT

Ms. Appel provided a market update and noted that first-quarter performance figures did not fully reflect the level of volatility experienced during the period. She discussed the impact of geopolitical tensions, inflation concerns, and changing expectations for Federal Reserve policy on equity and fixed income markets. Ms. Appel stated that the State's portfolio remains well positioned and that no changes to the current liquidity and reserve allocation structure were recommended at this time.

Members discussed the portfolio's current positioning, movements in the 10-year and 30-year Treasury yields, and potential Treasury yields at the shorter end of the yield curve. NEPC advised that the current allocation remained appropriate and that the market environment did not warrant a change to the State's portfolio structure.

Mr. Sackey presented the 1st quarter performance report and provided an overview of each portfolio.

- Total Portfolio — Liquidity and Reserves
  The combined liquidity and reserve portfolio totaled approximately $6.04 billion as of March 31, 2026. The portfolio returned -0.90% for the month of March, while maintaining positive longer-term performance, including a 2.87% fiscal year-to-date return and a 4.40% one-year return.

- Liquidity Portfolio
  The liquidity portfolio totaled approximately $1.6 billion as of March 31, 2026, representing approximately 27% of the combined liquidity and reserve portfolio. The portfolio returned 0.13% for March and 3.16% fiscal year-to-date. The liquidity portfolio remained positioned near the target allocation and modestly underperformed the six-month Treasury bill benchmark across most measured periods.

- Reserve Portfolio
  The reserve portfolio totaled approximately $4.42 billion as of March 31, 2026. The portfolio returned -1.27% for March and 2.77% fiscal year-to-date, while modestly outperforming its benchmark over both the fiscal year-to-date and one-year periods. Longer-duration managers experienced more challenging absolute returns during March

due to rising yields but continued to provide relative value through benchmark outperformance.

- Endowment Portfolio
  The endowment portfolio totaled approximately $152 million as of March 31, 2026. The portfolio returned -4.50% for March amid equity market weakness but continued to outperform its benchmark over the fiscal year-to-date and three-year periods.

Mr. Engle asked about the $2.3 million realized loss reported for Chandler in the reserve portfolio cash flow statement. OST noted that there had been no corresponding transfer or withdrawal of funds and suggested that the loss may have resulted from portfolio repositioning; however, a definitive explanation was not available during the meeting. Mr. Sackey agreed to follow up with Chandler and provide additional information regarding the realized and unrealized loss activity.

## GOVERNANCE/PORTFOLIO REPORTING DISCUSSION AND UPDATE

Ms. Kwesseu provided an update regarding the development of enhanced portfolio reporting. OST noted that the Subcommittee had requested a comprehensive aggregate review of the portfolio to support future Investment Guideline discussions. The requested reporting would provide visibility across short- and long-term holdings and major asset classes, including U.S. Treasuries, 144A securities, corporates, and other investment categories.

The Subcommittee discussed two related reporting needs. The first was a high-level aggregate asset allocation summary, similar to the existing pie chart, showing how the combined Reserve and Liquidity portfolios are allocated across broad investment categories. The second was a dashboard-style report that would connect actual portfolio positioning to the applicable Investment Guideline limits.

OST noted that NEPC agreed to begin developing dashboard-style reporting, with draft materials expected to be presented during the August 2026 meeting cycle. The Subcommittee also requested that the existing high-level pie chart be circulated for reference, and OST agreed to provide it.

The discussion further addressed the distinction between aggregate asset-class reporting and manager-level detail. The Deputy Attorney General advised that aggregate asset-class data is appropriate for public reporting and does not require an executive session, while manager-level positioning or more detailed investment information may require confidential treatment. Members discussed that manager-level compliance monitoring is an operational responsibility of OST, with support from NEPC and other service providers as applicable, and that any exceptions or noncompliance should be reported to the Subcommittee and Board. Members also discussed providing the aggregate allocation and dashboard information on a recurring quarterly basis and carrying the reporting forward to the full Board. NEPC confirmed that it understood the request and would move forward with developing the dashboard-style reporting.

## ARPA FUNDS

ARPA funds totaled approximately $201.5 million as of March 31, 2026. The funds returned 0.29% for March and 3.03% fiscal year-to-date, performing generally in line with the one-month Treasury bill benchmark across measured periods. One draw of approximately $38.1 million occurred during the quarter.

OST reported that a reconciliation with the Division of Accounting identified approximately $131 million of principal remaining as of the meeting date. OST also noted that an additional draw of approximately $34 million had occurred after quarter-end. The Division of Accounting advised that the remaining principal was expected to be expended by the end of the 2026 calendar year, while accumulated interest could be expended thereafter.

## CONTRACT DISCUSSION AND UPDATES

Ms. Kwesseu provided the following contract updates:

- LIQUIDITY AND RESERVE MANAGERS
  The Investment Management Professional Services agreement is scheduled to expire on January 31, 2027. OST provided the Subcommittee with an updated tentative RFP timeline. The RFP was posted on May 4, 2026. OST will continue to keep the Subcommittee informed as the RFP process progresses.

  Mr. Engle asked how an established working relationship with an incumbent service provider could be considered during the RFP evaluation process. DAG Staib explained that public procurement evaluations must be conducted as objectively as possible using the qualitative and quantitative criteria and scoring matrix published in the RFP. The evaluation team will score the proposals and make a recommendation to the Board. He further noted that selecting a firm in a manner inconsistent with the published criteria or scoring results could expose the procurement to a protest or legal challenge, and that incumbent relationships and transition considerations are not independent evaluation factors unless reflected in the published criteria.

- ENDOWMENT INVESTMENT MANAGEMENT AGREEMENT
  The Endowment Investment Management agreement is scheduled to expire on June 30, 2026. The agreement includes two one-year extension options. OST notified the Subcommittee that it intends to exercise one of the extension options, extending the agreement through June 30, 2027.

- NEPC – INVESTMENT ADVISORY SERVICES
  The NEPC Investment Advisory Services agreement is scheduled to expire on September 23, 2026. The agreement includes two one-year extension options. OST notified the Subcommittee that it intends to exercise one of the extension options, extending the agreement through September 23, 2027.

## OTHER MATTERS OF THE SUBCOMMITTEE

None

## PUBLIC COMMENT

No members of the public were present.

EXECUTIVE SESSION

No executive session was held.

## NEXT MEETING

The next full Board Meeting is scheduled for May 27, 2026, at Buena Vista – 661 S. Dupont Hwy, New Castle, DE 19720.

The next Investment Subcommittee meeting is scheduled for August 5, 2026.

## ADJOURNMENT

The meeting was adjourned at 11:01 a.m.

Respectfully submitted,

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Mike Karia
Subcommittee Chair, Investment Subcommittee