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MINUTES OF THE INVESTMENT COMMITTEE OF THE PLANS MANAGEMENT BOARD

May 19, 2026

A virtual meeting of the Investment Committee (the "Committee") of the Plans Management Board (the "Board") was held on May 19, 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
The Honorable Colleen C. Davis, State Treasurer
Mr. Brian Maxwell, Director of Office of Management and Budget
Mr. Michael Smith, Secretary Department of Finance
Mr. Todd Roselle
Mr. Dave Biddle

Others in Attendance:

Mr. Brennon Fountain, Deputy State Treasurer, Office of the State Treasurer, ("OST")
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. John Meyer, Director of Contributions and Plans Management, OST
Mr. Dan Kimmel, Promotion and Outreach Manager, OST
Ms. Deborah Bradl, Executive Assistant, OST
Mr. Bradley Lofton, Senior Policy Advisor, OST
Mr. Earle Allen, Principal Financial Advisor, CAPTRUST
Mr. James Duffy, Principal Financial Advisor, CAPTRUST
Mr. Jared Newman, Relationship Manager, Fidelity
Ms. Lauren Peplau, Product Director, Investment Product, Fidelity
Ms. Jessica Bialas, Institutional Portfolio Manager, Fidelity
Ms. Finola Foley, Portfolio Manager, Fidelity
Ms. Lindsay Saienni, Financial Investment News ("FIN News")

CALL TO ORDER

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

APPROVAL OF MINUTES

A MOTION was made by Mr. Roselle and seconded by Secretary Smith to approve the minutes from the Committee meeting on February 24, 2026.
MOTION ADOPTED UNANIMOUSLY

PRESENTATIONS

DE529 Glide Path Review-Fidelity

Ms. Foley reviewed the DE 529 glide path with the Committee. She reviewed Fidelity's strategic overview and investment strategies that help participants save for college. Ms. Foley stated that the glide path is the primary driver of investment returns for participants. She stated that diversification helps participants navigate the challenging capital market environments they will face throughout their college savings journey. Finally, she stated that Fidelity manages a variety of risks, dependent upon where plan participants are in their college saving journey to ensure savings growth. Ms. Bialas reviewed Fidelity's age-based strategic portfolio asset allocation. She stated that Fidelity's asset allocation matches peers in the industry and is based off of participant goals to supply fifty percent of college costs. The Committee inquired regarding if account distribution by age cohort would impact the glide paths. She stated that Fidelity does not anticipate any operational or administrative implications in a shift in vintage distribution for the plan.

Investment Performance on College Investment Plan-CAPTRUST

Mr. Duffy reviewed the performance metrics for the college investment savings plan. Mr. Duffy stated that as of March 31, 2026, assets in the plan totaled approximately $743.6 million. Approximately sixty-one percent of assets ($455.5 million) are in the age-based options, with approximately thirty-nine percent of assets ($288.0 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 ($274.5 million) and nineteen percent of plan assets are in the index age-based portfolio ($142.9 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 $38.2 million as of March 31, 2026. 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 first quarter, and relative performance versus peers was also strong despite market volatility. Mr. Duffy also stated that the shift in glide path towards non-US markets and diversification of the portfolio has been beneficial with overall outperformance across markets.

Investment Performance on Deferred Compensation Plans – CAPTRUST

Mr. Allen reviewed the performance metrics for the three deferred compensation plans. As of March 31, 2026, assets in the plans totaled approximately $1.57 billion, excluding assets held at legacy 403(b) vendors (valued at approximately $234.3 million as of March 31, 2026) representing a decrease of approximately $8.6 million for the year. Quarterly contributions were approximately $21.7 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 March 31, 2026, Tier 1 held approximately 69 percent of total assets ($1.06 billion). Tier 1 also received nearly sixty-eight percent ($14.6 million) of all new contributions in the first quarter of 2026. Eighty-three percent of participants are invested in Tier 1 target date funds.

As of March 31, 2026, Tier 2 held approximately 27 percent of total assets ($448.2 million). Mr. Allen stated that Tier 2 received approximately thirty-two percent ($7.0 million) of new contributions in the first quarter of 2026. Three percent of plan assets are in the managed accounts (approximately $44.8 million).

The Tier 3 self-directed brokerage option held approximately four percent of total assets ($60.9 million) as of March 31, 2026. Mr. Allen stated that 613 unique participants were investing through the brokerage window at the end of the first quarter of 2026, versus 598 as of December 31, 2025.

Mr. Duffy provided market commentary to the Committee. Mr. Duffy described the first quarter as a very volatile environment. He stated the market saw U.S. equity and the S&P 500 down 4.3 percent, developed international stocks down approximately 1.1 percent and emerging markets were flat for the quarter. Mr. Duffy stated that there was rotation away from risk assets in the first quarter due to uncertainty around AI, concerns from lending companies, and major disruptions with U.S. equities and U.S. fixed income as a result of the invasion of Iran. Mr. Duffy stated that U.S. bonds were flat for the quarter amid rising inflation risks and lower expectations for interest rate cuts. He stated that US small-cap stocks performed slightly better for the quarter, only increasing .9 percent and that U.S. large cap stocks saw a decrease for the quarter of 4.3 percent. He stated that small cap stocks were up 5 percent versus large cap growth being down 9.8 percent for the quarter. Mr. Duffy also stated that the 10-year yield for fixed income was up slightly by 4.3 percent from the previous quarter, and that while the one-year yield was up slightly by 3.68 percent from the previous quarter, it decreased year over from 4.03 percent.

Mr. Duffy reviewed the economic outlook with the Committee. He stated that the heavier weighted portions of the market had the most negative returns while the lighter weighted portions of the market saw more positive returns led by the strong performance of the energy sector. Mr. Duffy also noted that the Iran conflict, higher energy costs, a constrained Federal Reserve, private credit stress and the unknown impact of AI have fueled market volatility. Finally, Mr. Duffy stated that consumer spending is stressed due to high food and grocery prices, as a result of increased inflation.

Mr. Duffy provided an overview of the plan asset class coverage with the Committee. He stated that this overview indicates where participants have exposure to different investments in both the active and passive options. Mr. Duffy stated overall plan participants have access to a well-diversified portfolio.

Mr. Duffy reviewed the scorecard for the first quarter with the Committee. He stated that there is a fund management highlight for PIMCO Total Return Institutional due to a managerial change.

Finally, Mr. Duffy reviewed the American Funds target date series with the Committee. He stated the fund’s performance saw mixed results in the first quarter due to growth assets underperforming and shifting towards value closer to retirement. Mr. Duffy also stated that the active managers were not well positioned for the market sell off in March, but that the fund outperformed later in the quarter due to the inclusion of income-focused strategies.

Investment Overview of DE EARNS

Mr. Allen reviewed the performance metrics for the DE EARNS program with the Committee. He stated that 97 percent of the program's investments are in the target date series, similar to peers.

Mr. Duffy reviewed the scorecard with the Committee. He stated that State Street target date funds outperformed in all vintages relative to peers in the first quarter.

DISCUSSION AND ACTION ITEMS

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

Mr. Duffy stated that upon the recommendation from CAPTRUST to replace Nuveen Real Estate Securities Select R6, the Committee requested additional information regarding different real estate options.

He stated that Cohen and Steers Realty Shares is in line with the overall peer group in terms of holdings, that historical performance has been consistent relative to the peer group in the benchmark, and they maintain more consistency relative to Nuveen. Mr. Duffy presented information on Cromwell Center Square Real Estate and Virtus Duff and Phelps Real Estate Securities. He stated that while these other two funds are good options, CAPTRUST still recommends Cohen and Steers because it has proven to be a consistent investment option across multiple market environments. Mr. Duffy stated that this is due to its consistent process, stable structure of the management team, strong upside/downside capture and is consistently in the top-quartile performance relative to peers. After discussion, the Committee agreed with the CAPTRUST recommendation to terminate Nuveen Real Estate Securities Select R6 and to replace it with Cohen and Steers Realty Shares.

A MOTION was made by Treasurer Davis and seconded by Mr. Biddle to recommend to the Board to terminate Nuveen Real Estate Securities Select R6.

MOTION ADOPTED UNANIMOUSLY

A MOTION was made by Mr. Roselle and seconded by Treasurer Davis to recommend to the Board to replace Nuveen Real Estate Securities Select R6 with Cohen and Steers Realty Shares.

MOTION ADOPTED UNANIMOUSLY

Discussion and Vote Regarding Managed Account Service Provider and Self-Directed Brokerage Provider Review for Deferred Compensation Plans

Mr. Allen led the discussion with the Committee regarding the annual review on the managed account and self-directed brokerage service provider. He stated that the review is conducted in order to ensure that the services are competitive, provide value, and that participant fees are reasonable. The Committee discussed negotiating the record keeping fee but agreed to recommend the due diligence report to the Board for approval.

A MOTION was made by Treasurer Davis and seconded by Secretary Smith to recommend the Board accept the due diligence report on the managed account and self-directed brokerage account service provider for the deferred compensation plans.

MOTION ADOPTED UNANIMOUSLY

UPDATES

SECURE Act 2.0

Mr. Meyer reviewed the applicable SECURE Act 2.0 updates with the Committee. He reminded the Committee that the high earner catch-up provision is now in effect for those individuals who make over $150,000 and make catch-up contributions, the contributions need to be made as Roth contributions. Mr. Meyer also stated that the Savers Match which used to be the Savers Credit will be in effect for tax year 2027.

Legislative

Mr. Meyer stated that House Bill 423 was recently filed. He stated that this bill will automatically enroll new state employee hires into the 457(b) deferred compensation plan but that employees who are part of a collective bargaining unit will be exempt unless their unit chooses to opt in. Mr. Lofton stated that the bill will be heard in the House Administration Committee on May 20, 2026 and hopefully passed by the end of the legislative session on June 30, 2026.

Announcement

Mr. Meyer announced the departure of Mr. Biddle, public member, from the Committee to pursue other endeavors. Treasurer Davis thanked Mr. Biddle for his work on DE EARNS and for his commitment to the Committee.

PUBLIC COMMENT

No members of the public made a comment.

NEXT MEETING

The next meeting of the Committee is scheduled for August 18, 2026.

The next meeting of the Board is scheduled for June 2, 2026.

ADJOURNMENT

The meeting was adjourned at 11:52 a.m.

Respectfully submitted,

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Alan Colberg
Chair, Investment Committee