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MINUTES OF THE INVESTMENT COMMITTEE OF THE PLANS MANAGEMENT BOARD

August 18, 2026

A virtual meeting of the Investment Committee (the "Committee") of the Plans Management Board (the "Board") was held on August 18, 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. Todd Roselle
Ms. Melinda Tingle

Members Absent:

Mr. Michael Smith, Secretary Department of Finance

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. Ted Griffith, Program Director, DE EARNS, OST
Mr. Andrew Fiorentino, Communications Director, OST
Ms. Saasthra Bojja, Intern, 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
Mr. Rich Lang, Investment Director, Capital Group
Ms. Layne Finnerty, Client Relationship Manager, Senior Vice-President, Capital Group
Ms. Caitlin Shea, State Street Investment Management

CALL TO ORDER

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

DRAFT

APPROVAL OF MINUTES

A MOTION was made by Director Maxwell and seconded by Treasurer Davis to approve the minutes from the Committee meeting on May 19, 2026. Ms. Tingle abstained MOTION ADOPTED UNANIMOUSLY

PRESENTATIONS

American Funds Target Date Fund-Capital Group

Ms. Finnerty provided an overview of Capital Group for the Committee. She stated that Capital Group's ninety-five year history allows it to use its long term perspective to focus on their mission of improving people's lives through sound investments. Ms. Finnerty stated that as of June 30, 2026, Capital Group held $3.6 trillion assets under management of which $3 trillion is in equity, $700 billion is in fixed income. She stated that the target date strategy had a record year with $477 billion in assets and that Capital Group is now the largest active target date manager in the world. Ms. Finnerty stated that $5 billion in assets is invested in the new target date blend strategy.

Mr. Lang presented the target date fund overview. He stated that the goal of the target date fund is to build and preserve wealth through meaningful equity exposure and active management. Mr. Lang stated that Capital Group has maintained a gold rating from Morningstar for their target date series. He further stated that a dedicated group of managers continue to manage the funds in the target date fund series. Mr. Lang explained that the target date glide path is designed to align with participant's goals and objectives and changes both amount and type of equity and fixed income to meet those goals. He stated that fixed income is used to offset equity volatility, that the target date fund has a modest allocation to inflation protection and that diversification lends itself to flexibility and adaptation within changing market conditions. Mr. Lang stated that the American Funds Target Date series has historically had a greater upside and lower downside than the S&P Target Date Index. Finally, Mr. Lang stated that long-term results for the 1-year, 3-year, 5-year, 10-year, overall were strong.

Investment Performance on Deferred Compensation Plans-CAPTRUST

Mr. Allen reviewed the performance metrics for the three deferred compensation plans. As of June 30, 2026, assets in the plans totaled approximately $1.74 billion, excluding assets held at legacy 403(b) vendors (valued at approximately $247.3 million as of June 30, 2026) representing an increase of approximately $162.2 million from December 31, 2025. Quarterly contributions were approximately $25.4 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 June 30, 2026, Tier 1 held approximately 67 percent of total assets ($1.17 billion). Tier 1 also received nearly sixty-eight percent ($17.2 million) of all new contributions in the second quarter of 2026. Eighty-three percent of participants are invested in Tier 1 target date funds.

As of June 30, 2026, Tier 2 held approximately 29 percent of total assets ($505.8 million). Mr. Allen stated that Tier 2 received approximately thirty-two percent ($8.2 million) of new contributions in the second quarter of 2026. Three percent of plan assets are in the managed accounts (approximately $50.0 million).

The Tier 3 self-directed brokerage option held approximately four percent of total assets ($70.0 million) as of June 30, 2026. Mr. Allen stated that 638 unique participants were investing through the brokerage window at the end of the second quarter of 2026, versus 598 as of December 31, 2025.

Mr. Allen reviewed the memo regarding the managed account and self-directed brokerage account stating that after discussions with Voya, the fees were negotiated down to 35 basis points from 50 basis points effective October 1, 2026. Mr. Allen also commented on the investment highlights and stated that overall investments look good and there are no funds being recommended for Watch this quarter. He stated that the Nuveen Real Estate Securities Select Fund was replaced with the Cohen and Steers Realty Share Class Z in July 2026.

Mr. Allen updated the Committee regarding SECURE ACT 2.0 optional provisions. He stated that the optional provision regarding self-certification for hardship withdrawals has seen an industry-wide increase of approximately fifty percent in distributions from the plan. He further stated that one reason for this increase could be that participants are using distributions for payment of long-term care insurance under the IRS guidance notice 2026-33. Finally, Mr. Allen stated that there has been a shift away from mutual funds to collective investment trusts as an investment vehicle for participants.

Mr. Duffy provided market commentary to the Committee. Mr. Duffy stated the second quarter saw strong performance particularly within the US small cap stocks and emerging market international stocks. He stated that US small-cap stocks performed very well for the quarter, increasing 22.6 percent and that U.S. large cap stocks also saw an increase for the quarter of 15.2 percent due to the build out of the AI ecosystem. Mr. Duffy discussed that commodities were mixed for the quarter and that core U.S. bond returns were flat. He stated that strong economic growth outweighed uncertainties driven by conflict in the Middle East. Mr. Duffy noted that fixed income did not perform well, only increasing 0.7 percent for the quarter. Mr. Duffy also stated that the 10-year yield for fixed income was up slightly to 4.4 percent from the previous quarter, and that the one-year yield saw growth from 3.68 percent to 3.98 percent from the previous quarter. He stated that there was a rotation away from large mega cap technology and towards growth from value as well as from large to small. Mr. Duffy stated that the S&P 500 saw domination by technology up 38.1 percent and a decrease in the energy sector of 13.4 percent.

Mr. Duffy reviewed the economic outlook with the Committee. He stated that the energy sector is strongly affected due to the ongoing conflict in the Middle East. Mr. Duffy also noted that the Iran conflict and higher energy costs will continue to impact inflation and that consumer sentiment is low due to the lack of ability of wage growth to keep pace with rising costs. However, Mr. Duffy stated that despite this, the economy has remained steady due to the over-reliance on the AI market and continued consumer spending.

Mr. Duffy reviewed the scorecard for the second quarter with the Committee and the process when reviewing investment options within the retirement plan for potential replacement options. Mr. Duffy stated all funds in the plan are performing well.

Finally, Mr. Duffy reviewed the American Funds target date series with the Committee. He stated the fund's performance saw mixed results in the second quarter with the 2010-2035 vintages underperforming and the 2040-2065 vintages overperforming peers and the benchmark. Mr. Duffy stated this was due to glide path changes and strategic asset allocation changes. Finally, Mr. Duffy stated that overall, the investments are in good standing and that the capital preservation investments remain aligned with the plan's investment policy statement.

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 June 30, 2026, assets in the plan totaled approximately $809.2 million. Approximately sixty percent of assets ($481.7 million) are in the age-based options, with approximately forty percent of assets ($327.5 million) residing in static portfolios or individual funds.

Mr. Duffy stated that the majority of assets, thirty-six percent, are in the active age-based portfolio ($287.5 million) and nineteen percent of plan assets are in the index age-based portfolio ($151.1 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 $43.0 million as of June 30, 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 second quarter, and relative performance versus peers was also strong year-to-date. Mr. Duffy highlighted the risk adjustment metrics stating that the three-year metric had strong performance which speaks Fidelity's strength in the current market environment and current market cycle. However, Mr. Duffy did state that the funds underperformed the composite benchmark primarily due to non-U.S. equity exposure.

Investment Overview of DE EARNS

Mr. Allen reviewed the performance metrics for the DE EARNS program with the Committee. He stated that total program assets are approximately $12.8 million as of June 30, 2026. He also stated that 97.4 percent of the program's investments are in the target date series, similar to peers and that the weighted average expense remains at 0.09 percent, keeping fees low for participants.

Mr. Duffy reviewed the scorecard with the Committee. He stated that the State Street target date funds underperformed in all vintages relative to peers in the second quarter due to asset allocation of fixed income exposure for the series.

DISCUSSION AND ACTION ITEMS

Discussion and Vote Regarding Recommendation for WATCH List

Mr. Colberg stated that as a result of discussion regarding performance of the investment funds for the plans, CAPTRUST does not have any recommendations for the Watch list.

No action taken.

UPDATES

Legislative

Mr. Meyer stated that House Bill 423 was recently signed by the Governor in July. 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. He stated that OST is working with the state's payroll provider to develop next steps in implementation. Mr. Meyer also stated that the AGC will review and update any plan amendments that will be needed to update the plan.

PUBLIC COMMENT

No members of the public made a comment.

NEXT MEETING

The next meeting of the Committee is scheduled for November 17, 2026.

The next meeting of the Board is scheduled for September 1, 2026.

ADJOURNMENT

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

Respectfully submitted,

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Alan Colberg
Chair, Investment Committee