A regular meeting of the DART Defined Benefit Retirement Plan and Trust was held on Tuesday, February 26, 2019, at 10:00 a.m. in the HC Training Room, 1401 Pacific Avenue, 4th Floor, Dallas, Texas.

Present were Committee Members: Patrick Kennedy, Nicole Fontayne-Bárdowell, Joe Costello, Larry Knott, Reginald Moore

Retirement Committee Secretary: Blake Horton

Retirement Plan Consultants: Robert Longfield, via phone (Gavion)

Presenters: John Lehning (JO Hambro)

Others: Tammy Barrow, Lisa Revell (Human Capital)
Dwight Burns (Finance)
Gene Gamez, Peter Brannan (Legal)

Visitors: James Harris

Item #1: Determination of Quorum
It was determined a quorum was present at 10:05 a.m. Listed above are the members of the Committee who attended the meeting.

Item #2: Approval of Minutes for the Regular Meeting held January 22, 2018
Mr. Knott moved the minutes be accepted with any necessary adjustments. Mr. Moore seconded the motion. The motion was unanimously approved.

Item #3: Approval of Retirements
Mr. Horton presented the retirements of Leroy Allen, Ray Allen, David Ross (Normal), Mark Holland and Benny Johnson (Deferred Vested). Mr. Moore moved the retirements be accepted. Mr. Knott seconded the motion. The motion was unanimously approved.

Item #4: Approval of Expenses
Mr. Knott moved the expenses be accepted. Mr. Moore seconded the motion. The motion was unanimously approved.
Item #5: Gavion
a) Fund Manager Presentation (JO Hambro)
Mr. John Lehning gave an overview of the JO Hambro Fund.

b) Monthly & Quarterly Performance Update
Mr. Longfield made the following comments on the Quarterly and Monthly Performance Update:

- As a result of volatility spiking in the fourth quarter due to concerns over the trade war with China, rising interest rates, and expectations of global growth slowing, a general “flight to safety” ensued
- Energy and IT stocks were down significantly, over 20% in the fourth quarter
- The Fund declined 7.9% for the fourth quarter bringing the balance at year end to $169.2 million
- With the Federal Reserve chairman discussing the pause on raising US Fed Funds rate, the market rebounded sharply in January
- The Fund was up 4.9% and back to a balance of $175.9 million
- The January rally was led by US stocks
- The DART domestic equity portfolio was up 9.7%, which was almost 2% higher than the S&P 500
- The Vanguard REIT Fund was one of the top performers earning 11.9% for the month
- Brandywine, the global bond manager who struggled last year, rebounded sharply up 3.4%

Item #6 Other Business
a) Retirement Administration Report
Mr. Horton briefly spoke about securities litigation. He gave an overview of a document listing 6 litigation firms that provide legal services to the Committee. Ms. Fontayne-Bárdowell told the Committee there needs to be a standard and clear direction on the firms’ point of contact and that their authorization needs to come from Finance.

Ms. Fontayne-Bárdowell also told the Committee that someone needs to reach out to them to learn about their agreement with DART. It was determined that Mr. Brannan and Mr. Costello will reach out to the firms to get this information.

Mr. Horton reported on the status of the Actuarial Valuation and the Defined Benefit audit process.

Item #7 Comments
Mr. Harris told the Committee in the case of the first of the month falling on a holiday, pensioners should get their check the month before. Mr. Harris also commented that the Committee should pre-approve rebalances and the Audit and Actuary Report should be done by next month and the DART contribution paid by April. Mr. Horton explained that the Plan’s auto rebalance is overseen by
Finance staff and is handled in accordance with the IPS. Mr. Costello explained the payment is not obligatory to be paid early, but DART has chosen to do so, as well as its decision to pay greater than the actuarial amount, as part of the glide path.

There was a discussion on the Committee’s newest members’ appointment letters. Mr. Horton told the Committee the appointment letters will be distributed to the Committee during the next meeting.

Item #8: Adjournment
The meeting adjourned at 11:32 a.m.

__________________________________________  __________________
Patrick Kennedy, Acting Chairman             Date

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Committee Secretary                           Date