A regular meeting of the DART Capital Accumulation Plan and Trust and the DART Retirement Plan and Trust Retirement Committee was held Monday, May 20, 2019 at 1:30 p.m., 1401 Pacific Ave. Dallas, Texas, in the HC Training Room, 4th floor.

Present Committee Members: Nicole Fontayne-Bárdowell, Jose Cavazos, Ricky Walker, Annette Levine, Abed Abukar, Mark Hughes

Not in Attendance: Joe Costello

Retirement Plan Consultants: Rich Eagar, Marshal Burke (QPA)

Others: Nick Sauter – via phone (Vanguard)
Blame Horton, Lisa Revell (Human Capital)
Dwight Burns, (Finance)
Peter Brannan (Legal)

Visitors: None

Item #1: Determination of Quorum
Ms. Fontayne-Bárdowell determined a quorum was present at 1:35 p.m. at the start of the meeting. Ms. Fontayne-Bárdowell introduced the newest DC Committee member, Mark Hughes.

Item #2: Approval of Minutes for Meetings Held April 22, 2019
Ms. Levine moved the minutes be accepted. Mr. Cavazos seconded the motion. The motion was unanimously approved.

Item #3: Qualified Plan Advisors
a) April 2019 401(k) Performance:
The QPA team made the following comments on the 401(k) Market Overview & Economic Update:
• The 401(k) Plan balance was $269.3 million as of April 30, 2019
• Markets turned in May with most major indexes returning negative during the month. The S&P 500 Index returned -6.5%
• Fixed income, as measured by the Aggregate US Bond Index was up 1.52% during the month
All core holdings passed the screening criteria as of the end of April
Short term performance of the Vanguard PRIMECAP fund was discussed as year to date in 2019, it underperformed the Russell 1000 Growth index by 634 basis points
T. Rowe Price Overseas Stock fund was added to the report materials as it was approved to be added to the investment menu

b) April 2019 MPP Performance:
- The MPP balance was $260.5 million as of April 30, 2019
- QPA provided an overview to the investments within the MPP using the same criteria outlined in the 401(k) report
- All funds show as passing with the exception of the Vanguard Short Term Bond Index
- The Committee reviewed the current investments within the Plan and associated dollars
- Allocations to Bond, US Equity, International and Real Estate all remain within the bounds set in the current IPS
- Relative US equity exposure increased during the month, resulting in a 2.46% overweight
- International equity remained under weight by 1.27%
- Bond exposure fell underweight to 1.3%
- There is currently no need to balance the portfolio

A request was made to add the point-in-time portfolio returns to the asset allocation review page. QPA will make this addition for the next meeting.

c) IPS Overview & Discussion
The QPA team provided commentary regarding the current IPS and alternate evaluation criteria
- The current IPS was last amended in 2017 and the evaluation criteria for investment selection and ongoing monitoring was reviewed
- Alternate screening and monitoring criteria were presented and reviewed that provided alternate criteria for active management, index finds, and target date investments

Item #4: Vanguard

a) State of the Plan Review
- At Ms. Fontayne-Bárdowell’s request, for the benefit of the newer Committee members, Mr. Sauter covered each of the metrics reflected in the State of the Plan report and explained the methodology behind them
- Overall participation rates are holding steady at a very strong 84% which exceeds the averages of plans of similar size and in the same industry
- Over 50% of new contributions are directed to a Vanguard Target Retirement fund
- Mr. Sauter reviewed the remaining metrics that focus on investment allocations, transactions and web registration, then explained Vanguard’s
reasoning for monitoring them: to help make plan design or education
decisions for improving a participant’s chances of retirement success

b) Q1 Executive Summary
● Mr. Sauter shared a quarterly summary of legislative and regulatory trends as
  well as Vanguard updates and referenced white papers that can be reviewed to
  improve fiduciary education of the Committee
● The Committee expressed that the new information would be a good report to
  include quarterly

There was a discussion on providing education to the participants about their
retirement benefits.

Item #5: Other Business
  a) Forfeiture Report
  Mr. Horton gave an overview of the forfeiture accounts.

Item #6: Adjournment
The meeting adjourned at 3:17 p.m.

Chairperson
Date

Committee Secretary
Date