



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**ANNUAL STATUS REPORT TO THE BOARD OF DIRECTORS**  
**CONCERNING ACTIVITIES OF THE RETIREMENT PLAN COMMITTEE**  
**As of December 31, 2018**

This report is provided to inform the Board of Directors of the activities of the Retirement Plan Committee ("Committee") during the 12-month period ending December 31, 2018.

The Committee met four times during 2018. Minutes were kept of each Committee Meeting, and copies of materials reviewed by the Committee have been maintained as part of the meeting record.

The Committee determined that the current Plan is functioning effectively and at reasonable cost for its intended purpose. The Committee identified no deficiencies with respect to the compliance of the Plan.

The Committee actively performed its duties during this period, as highlighted herein:

**ERCOT 401(k) Savings Plan ("Plan")**

1. Morgan Stanley Smith Barney LLC dba Graystone Consulting (Graystone) provided detailed quarterly reports on the investments in the Plan, reviewing the following criteria, among others: (a) performance on a rolling and trailing return basis relative to benchmarks and the appropriate universes of actively managed investments; (b) changes to the management teams of investment managers; (c) significant issues affecting the firms within which the investment managers operate; (d) investment quality of fixed-income investments; (e) diversification of holdings; (f) the amount of risk taken; (g) changes in investment style; (h) cost; and (i) fiduciary updates.
2. The audit report for the Plan was reviewed and approved.
3. The 401(k) Savings Plan administrative costs and broker fees were reduced.
4. Retirement education from Fidelity consisting of 4 workshops and 6 days of personalized retirement advice sessions was offered to employees.
5. A third party financial wellness program offered employees 1 group class with personalized follow up sessions with a financial advisor.
6. The Committee elected to add 2 new funds and change 16 funds within the current lineup to a lower cost share class. These changes are scheduled to be implemented in January 2019.