Delta Pilots Disability and Survivorship Plan

Financial Statements as of June 30, 2020 and 2019
and for the Year Ended June 30, 2020,
Supplemental Schedules as of and for the Year Ended June 30, 2020
and Independent Auditors' Report

DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits as of June 30, 2020 and 2019	3
Statement of Changes in Net Assets Available for Benefits for the Year Ended June 30, 2020	4
Statements of Plan Benefit Obligations as of June 30, 2020 and 2019	5
Statement of Changes in Plan Benefit Obligations for the Year Ended June 30, 2020	6
Notes to Financial Statements	7 - 15
SUPPLEMENTAL SCHEDULES:	
Form 5500, Schedule G, Part I, Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible as of June 30, 2020	
Form 5500, Schedule H, Part IV, Line 4i, Schedule of Assets (Held at End of Year) as of June 30, 2020	
Form 5500, Schedule H, Part IV, Line 4j, Schedule of Reportable Transactions for the Year Ended June 30, 2020	

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Frazier & Deeter
CPAs & ADVISORS

1230 Peachtree Street NE
Suite 1500
Atlanta, Georgia 30309
404.253.7500
www.frazierdeeter.com

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Delta Air Lines, Inc.
Atlanta, Georgia

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Delta Pilots Disability and Survivorship Plan (the "Plan") which comprise the Statements of Net Assets Available for Benefits and Statements of Plan Benefit Obligations as of June 30, 2020 and 2019 and the related Statement of Changes in Net Assets Available for Benefits and the Statement of Changes in Plan Benefit Obligations for the year ended June 30, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by JP Morgan Chase Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of June 30, 2020 and 2019, and for the year ended June 30, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on the financial statements.

Other Matter - Supplemental Schedules

The supplemental schedules (1) Form 5500, Schedule G, Part I, Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible as of June 30, 2020; (2) Form 5500, Schedule H, Part IV, Line 4i, Schedule of Assets (Held at End of Year) as of June 30, 2020; and (3) Form 5500, Schedule H, Part IV, Line 4j, Schedule of Reportable Transactions for the Year Ended June 30, 2020, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the Plan's financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Frazier + Deeter, LLC

April 15, 2021
Atlanta, Georgia

DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF JUNE 30, 2020 AND 2019
(In thousands)

	2020	2019
ASSETS:		
CASH	$ 65,168	$ 1,755
INVESTMENTS - at fair value (Notes 3, 7, and 8):		
Hedge Funds	96,908	176,204
Fixed Income and Fixed Income-Related Instruments	44,238	224,821
Cash Equivalents	61,517	73,736
Equities and Equity-Related Instruments	89,169	128,129
Other	79,420	40,468
Total Investments	371,252	643,358
RECEIVABLES:		
Currency Contract Receivables	17,407	36,144
Participant Receivables	27,041	17,980
Employer Contribution Receivable	13,360	11,900
Due from Brokers	71,715	995
Accrued Interest and Dividends	357	1,620
Total Receivables	129,880	68,639
TOTAL ASSETS	566,300	713,752
LIABILITIES:		
Currency Contract Payables	(17,455)	(36,303)
Accrued Expenses and Other Payables	(4,012)	(5,206)
Due to Brokers	(20,039)	(2,332)
TOTAL LIABILITIES	(41,506)	(43,841)
NET ASSETS AVAILABLE FOR BENEFITS	$ 524,794	$ 669,911

See notes to financial statements.

DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED JUNE 30, 2020
(In thousands)

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
INVESTMENT INCOME:	
Net Appreciation in Fair Value of Investments (Notes 3 and 7)	$ 16,318
Interest and Dividends (Notes 7 and 8)	7,177
Other Investment Loss (Note 7)	(186)
Total Investment Income	23,309
CONTRIBUTIONS:	
Employer Contributions	50,136
TOTAL ADDITIONS	73,445
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefit Payments	199,045
Insurance Premium Payments	17,591
Administrative Expenses	1,926
TOTAL DEDUCTIONS	218,562
NET DECREASE	(145,117)
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of Year	669,911
End of Year	$ 524,794

See notes to financial statements.

DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

STATEMENTS OF PLAN BENEFIT OBLIGATIONS
AS OF JUNE 30, 2020 AND 2019
(In thousands)

	2020	2019
PLAN BENEFIT OBLIGATIONS (Note 4):		
AMOUNTS CURRENTLY PAYABLE:		
Claims Payable for Inactive Participants	$ 536,124	$ 512,496
Claims Payable for Survivors	647,208	564,587
Incurred but Not Paid Disability Benefits	27,841	26,319
Total Currently Payable	1,211,173	1,103,402
POSTEMPLOYMENT BENEFIT OBLIGATIONS, net of amounts currently in payment status:		
Disabled Benefits for Inactive Participants	178,721	169,577
POSTRETIREMENT BENEFIT OBLIGATIONS, net of amounts currently in payment status:		
Retired and Inactive Participants	883,142	829,079
Active Participants Fully Eligible for Benefits	83,580	76,589
Active Participants Not Yet Fully Eligible for Benefits	13,871	10,762
Total Postretirement Benefit Obligations	980,593	916,430
TOTAL PLAN BENEFIT OBLIGATIONS	$ 2,370,487	$ 2,189,409

See notes to financial statements.

DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

STATEMENT OF CHANGES IN PLAN BENEFIT OBLIGATIONS
FOR THE YEAR ENDED JUNE 30, 2020
(In thousands)

AMOUNTS CURRENTLY PAYABLE:	
Balance - Beginning of Year	$ 1,103,402
Increase (Decrease) During the Year Attributable to:	
Benefits Accumulated and Experience	214,544
Increase for Interest Due to Decrease in Discount Period	35,324
Changes in Actuarial Assumptions (Note 4)	47,802
Benefits Paid	(189,899)
Balance - End of Year	1,211,173
POSTEMPLOYMENT BENEFIT OBLIGATIONS, net of amounts currently in payment status:	
Balance - Beginning of Year	169,577
Increase (Decrease) During the Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	5,250
Benefits Paid	(6,849)
Benefits Accumulated and Experience	(5,392)
Changes in Actuarial Assumptions (Note 4)	16,135
Balance - End of Year	178,721
POSTRETIREMENT BENEFIT OBLIGATIONS, net of amounts currently in payment status:	
Balance - Beginning of Year	916,430
Increase (Decrease) During the Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	32,150
Benefits Paid	(5,247)
Benefits Accumulated and Experience	(59,929)
Changes in Demographics	1,541
Changes in Actuarial Assumptions (Note 4)	95,648
Balance - End of Year	980,593
TOTAL PLAN BENEFIT OBLIGATIONS - End of Year	$ 2,370,487

See notes to financial statements.

1. DESCRIPTION AND ADMINISTRATION OF THE PLAN

The following description of the Delta Pilots Disability and Survivorship Plan (the "Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General **-** The Plan is a welfare benefit plan covering substantially all pilots of Delta Air Lines, Inc. (the "Company", "Delta", or "Plan Sponsor"). The Plan provides benefits payable as a result of a participant's death or disability.

The Plan is subject to collective bargaining and the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. A trust (the "Trust") was established by the Company in May 1982, in accordance with Section 501(c)(9) of the Internal Revenue Code (the "Code"), in which Plan assets are held and under which benefits of the Plan are paid.

Contributions **-** The Plan is funded by the Company. In addition to regular funding, within 60 days of the end of each calendar quarter, the Company remits a reimbursement to the Trust for disability and life insurance benefits paid from the Trust to any pilot who was on the Northwest Airlines, Inc. ("NWA") seniority list prior to October 30, 2008.

Disability Benefits **-** Temporary disability benefits are payable after a seven-day waiting period for up to a maximum of 25 weeks. The period covered by the Company's paid sick leave is considered part of the total 26-week period, which includes the seven-day waiting period. The temporary disability benefit is equal to one-half of a participant's final average earnings and is reduced by state disability benefits, workers' compensation benefits, and certain retirement benefits paid from or attributable to the Company's pension and defined contribution plans. Temporary disability benefits are payable if the participant is prevented from performing the duties of his or her occupation solely because of his or her illness, injury, pregnancy, or disease. Temporary disability benefits may also be payable if a pilot is unable to return to active payroll status due to the Federal Aviation Administration's ("FAA") pending review of his application or possession of his First Class Medical Certificate ("FCMC") or if the pilot refuses to undergo an invasive medical procedure required by the FAA for issuance of the FCMC, provided that other requirements are met.

Eligibility for long-term disability benefits is generally determined by whether the pilot is eligible to exercise the privileges of his FCMC; however, long-term disability benefits may also be payable if a pilot is unable to return to active payroll status due to the FAA's pending review of his application or possession of his FCMC, or, for up to seven years, if the pilot refuses to undergo an invasive medical procedure required by the FAA for issuance of the FCMC, provided other plan requirements are met. Long-term disability benefits begin after the expiration of paid sick leave (or accident leave, if applicable) or the end of the 26-week temporary disability period, whichever occurs later. The benefit is 50% of the participant's final average earnings, reduced by state disability income, income from employment that exceeds the calculated disability benefit amount (before application of other offsets), and certain retirement benefits paid from or attributable to the Company's pension and defined contribution plans. Former Northwest pilots may also be eligible for a "top-up disability benefit" that provides an additional amount of long-term disability benefits if the pilot has in excess of a certain number of hours in his Adjusted NWA Sick Leave Bank.

No disability benefit is payable to a pilot who was on the system seniority list on or after June 1, 2006 once the pilot attains the FAA mandatory retirement age. In addition, a pilot will forfeit disability benefits while incarcerated following a conviction for a felony (however, these payments may be paid to the pilot's eligible family members). Long-term disability benefits for psychiatric conditions, alcoholism, and/or drug abuse are subject to certain limits.

Death Benefits - Up to January 1, 2008, the Plan provided for a maximum lump-sum death benefit of $50,000 payable to a designated beneficiary funded through an insurance policy (the "Basic Life Benefit") and for a monthly death benefit payable to eligible survivors ("Survivor Benefit") based on age, employment status, number of eligible survivors, and a defined earnings level. Pilots who die or retire on or after January 1, 2008, and certain former pilots receiving disability benefits who die on or after January 1, 2008, had their monthly Survivor Benefit and Basic Life Benefit replaced by term life insurance. The amount of the term life insurance benefit is 2,500 times the 12-year captain hourly rate on the highest paying aircraft type. Upon retirement, the amount of an individual's term life insurance will be reduced to $250,000 and on each successive anniversary of such individual's retirement will be reduced by $50,000 with a final reduction to $10,000. However, the pilot has a one time opportunity to elect $50,000 for the first 5 years of retirement, with the amount dropping to $10,000 on the fifth anniversary of the pilot's retirement.

During open enrollment, pilots may elect a lower amount of company-provided life insurance equal to $50,000, $200,000, $300,000, or $400,000, rather than 2,500 times the 12-year captain hourly rate on the highest paying aircraft type. If the pilot later wishes to increase his or her life insurance amount during enrollment evidence of insurability is required. Upon retirement, the life insurance amount is reduced to the lesser of $250,000 or the amount of insurance the pilot had in effect at retirement, or $50,000 if the pilot elects this amount at retirement. Each year thereafter, the amount will be further reduced by $50,000, but not below $10,000. There are no benefits under the Plan in the event of termination of employment (other than retirement), unless a participant is disabled at the time of termination.

Participant Receivables - On the Statement of Net Assets Available for Benefits, Participant Receivables represent amounts due to the Plan from certain participants as a result of previous overpayments. This amount is offset against Benefit Payments in the Statement of Changes in Net Assets Available for Benefits.

Plan Expenses - Administrative expenses are paid by the Plan to the extent not paid by the Company. Investment management and trustee fees are paid directly by the Plan. The Company pays certain vendors accounting and administrative fees on behalf of the Plan, and the Plan reimburses the Company for those fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Use of Estimates - The preparation of financial statements in accordance with U.S. GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein. Actual results could differ from these estimates.

Payment of Benefits - Benefits are recorded when paid.

New Accounting Pronouncements - In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* (ASU No. 2018-13). ASU No. 2018-13 changes the fair value measurement disclosure requirements of Accounting Standards Codification 820, *Fair Value Measurement* (ASC 820). Applicability of the provisions in ASU No. 2018-13 can depend on whether the reporting entity is a non-public entity. New disclosure requirements under ASU No. 2018-13 are applicable only to other than non-public entities and not applicable to this Plan. The eliminated and modified disclosure requirements are applicable to this Plan, and under ASU No. 2018-13 impact the reporting of transfers between Level 1 and Level 2 assets (defined in Note 4), Level 3 asset disclosures, and disclosures about investments in certain entities valued at net asset value. ASU No. 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. Entities early adopting are permitted to early adopt the eliminated or modified disclosure requirements and delay the adoption of all new disclosure requirements until the effective date. Retrospective or prospective application to periods presented varies by specified disclosure. Management has not elected to early adopt ASU No. 2018-13 as of June 30, 2020. Management does not believe the adoption of ASU No. 2018-13 will have a material impact on the Plan's financial statements.

Subsequent Events - The Plan has evaluated all events through April 15, 2021, which is the date these financial statements were available to be issued. In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a pandemic and the President of the United States declared it a national emergency. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Plan and the Plan Sponsor will depend on future developments including the duration of the spread of the outbreak within the markets in which the Plan Sponsor operates, government actions and programs, and the related impact on consumer confidence and spending, all of which are highly uncertain.

In June 2020, the Company announced the 2020 Voluntary Early Out Program for Delta pilots. The program offered continued healthcare benefits with premiums paid by the Company and other separation benefits. Continued healthcare benefits cease after two years from date of separation or, if earlier, by age 65. The Plan Sponsor continues to evaluate the impact of these programs on plan provisions, operations and cash flow.

All subsequent events, if any, requiring recognition as of June 30, 2020, have been incorporated into these financial statements.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. For further information regarding investments, see Note 3.

3. FAIR VALUE MEASUREMENTS

Investments at Fair Value - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

- Equities and Equity-Related Instruments include common stock, commingled funds invested in common stock, and equity-related instruments. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. Commingled funds are valued using the NAV as a practical expedient divided by the number of shares outstanding. NAV is based on quoted market prices of the underlying assets owned by the fund. Equity-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

- Fixed Income and Fixed Income-Related Instruments include corporate bonds, government bonds, collateralized mortgage obligations, and other asset-backed securities. These investments are generally valued at the bid price or the average of the bid and ask price. Prices are based on pricing models, quoted prices of securities with similar characteristics, or broker quotes. Certain Fixed Income and Fixed Income-Related Instruments are valued using NAV as a practical expedient.

- Hedge Fund investments are primarily made through shares of limited partnerships or similar structures for which a liquid secondary market does not exist. Hedge funds are typically valued monthly by third-party administrators that have been appointed by the funds' general partners. Hedge Funds are valued using NAV as a practical expedient.

- Cash Equivalents primarily consist of high-quality, short-term obligations that are a part of institutional money market mutual funds. The funds' market-based NAV per share is calculated using current market quotations or an appropriate substitute that reflects current market conditions.

- Other Investments primarily include globally-diversified, risk-managed commingled funds consisting mainly of equity, fixed income, and commodity exposures. Other investments are valued using NAV as a practical expedient.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2020 and 2019 (in thousands):

	Assets at Fair Value as of June 30, 2020		
	Level 1	Level 2	Total
Cash Equivalents	$ 38,246	$ 23,271	$ 61,517
Equities and Equity-Related Instruments	58,432	12	58,444
Fixed Income and Fixed Income-Related Instruments	1,513	42,725	44,238
Total assets in the fair value hierarchy	$ 98,191	$ 66,008	$ 164,199
Investments Measured at NAV*			207,053
Investments at fair value			$ 371,252

	Assets at Fair Value as of June 30, 2019		
	Level 1	Level 2	Total
Cash Equivalents	$ 27,065	$ 46,671	$ 73,736
Equities and Equity-Related Instruments	41,179	24	41,203
Fixed Income and Fixed Income-Related Instruments	—	197,547	197,547
Total assets in the fair value hierarchy	$ 68,244	$ 244,242	$ 312,486
Investments Measured at NAV*			330,872
Investments at fair value			$ 643,358

* Certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classifications of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluates the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended June 30, 2020 and 2019, there were no significant transfers into or out of Levels 1, 2, or 3.

The following tables summarize investments measured at fair value based on NAV per share as of June 30, 2020 and 2019 (in thousands). No unfunded commitments existed as of June 30, 2020 and 2019 related to investments measured at NAV.

June 30, 2020	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
Hedge Funds	$ 96,908	Various*	Various**
Other Investments	79,420	Monthly, Semi-Monthly, Weekly	3 Days
Equities and Equity-Related Instruments	30,725	Monthly	2-30 Days
Total Investments Measured at NAV	$207,053		

June 30, 2019	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
Hedge Funds	$176,204	Various*	Various**
Fixed Income and Fixed Income-Related Instruments	27,274	Monthly	3-7 Days
Other Investments	40,468	Semi-Monthly	3 Days
Equities and Equity-Related Instruments	86,926	Monthly, 3x Monthly	2-30 Days
Total Investments Measured at NAV	$330,872		

*Includes funds with monthly, semi-monthly, quarterly, and custom redemption frequencies as well as funds with a redemption window following the anniversary of the initial investment.

**Includes funds with 15, 30, 45, 60, 65, 90 and 93 days as well as funds with redemption window following the anniversary of the initial investment.

4. PLAN BENEFIT OBLIGATIONS AND ACTUARIAL MATTERS

Amounts Currently in Payment Status - Incurred but not reported survivor and disability benefits are estimated by the Plan's actuary and are included as amounts currently payable in the accompanying statements of plan benefit obligations. Survivor and disability benefits payable included as amounts currently payable in the accompanying statements of plan benefit obligations represent the present value of future benefits expected to be paid to participants, beneficiaries, or dependents who are currently receiving survivor or disability payments.

Postretirement and Postemployment Benefit Obligations - The postretirement and postemployment benefit obligations represent the actuarial present value of those estimated future benefits that are attributed to employee service rendered to June 30, 2020 and 2019. Postretirement benefits include future survivor and life insurance benefits expected to be paid to or for (1) currently retired employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with the Company. Postemployment benefits represent future survivor and life insurance benefits expected to be paid to or for substantially all domestic inactive pilot employees and their eligible family members after employment but before retirement. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service with the Company rendered to the valuation date.

The actuarial present value of the expected postretirement and postemployment benefit obligations is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to historical claims cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial valuation method for plan benefit obligations reflects the present value of accumulated benefits including an obligation for incurred but not reported disability claims assumed to equal 5/12ths of the disability term cost and does not reflect any obligation for preretirement disability benefits for active employees.

The following are other significant actuarial assumptions used in the postretirement and postemployment valuations, as applicable, as of June 30, 2020 and 2019:

	2020	2019
Discount Rates	2.700%	3.500%

	2020 & 2019
Retirement Rates:	
Pilots w/ NWA Pension Benefit	0.5% at age 50 to 100% at age 65
All Others	0.25% at age 50 to 100% at age 65
Disability Rates:	
Male Pilots	0.11% at age 30 to 2.70% at age 65
Female Pilots	0.16% at age 30 to 1.85% at age 65

	2020	2019
Mortality Tables	Pri-2012 without collar or quartile adjustments, with separate rates for non-annuitants and annuitants, and contingent survivors, projected generationally from 2012 using the MP-2020 projection scale, with an ultimate long-term mortality assumption of 0.75%. Initial improvement rate of 0.75% declining from age 85 to 0% at age 115. Set forward 5 years for disabled.	Pri-2012 without collar or quartile adjustments, with separate rates for non-annuitants, annuitants, and contingent survivors, projected generationally from 2012 using the MP-2017 projection scale, converging to a long-term mortality improvement of 0.75%. Set forward 5 years for disabled.

The foregoing assumptions are based on the assumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement and postemployment benefit obligations.

At this time, it is the Company's intent that the plan benefit obligations at June 30, 2020, will be funded through future participant and employer contributions to the Plan.

5. TAX STATUS

The Trust is intended to qualify pursuant to Section 501(c)(9) of the Code and accordingly, the Trust's net investment income is exempt from income taxes. The Trust has obtained a favorable tax opinion letter from the Internal Revenue Service ("IRS") dated February 10, 1988. The Plan and Trust have been amended since receiving the opinion letter. The Plan and Trust must operate in accordance with the Code to maintain the Trust's tax exempt status. The Company believes that the Plan and the Trust, as amended, continue to qualify and to operate in accordance with applicable requirements of the Code, therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Sponsor has analyzed tax positions taken by the Plan, and has concluded that as of June 30, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to amend or terminate the Plan subject to the provisions set forth in ERISA. In the event that contributions by the Company are permanently discontinued or that the Plan is terminated, the net assets then remaining in the Trust shall be applied first to eligible family members and beneficiaries for any benefit payments to which they are currently entitled under the Plan as of the time of discontinuance. Second, provisions will be made for any remaining income benefits as a result of death or becoming disabled prior to discontinuance (including death subsequent to discontinuance). Third, provisions will be made for benefits as a result of death or becoming disabled after discontinuance for such period of time after discontinuance as the assets remain sufficient to cover the value of all future expected benefit payments. Assets remaining at termination are subject to the applicable provisions of the Plan and shall be used until exhausted to pay benefits to the employees.

7. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

All investment information disclosed in the accompanying financial statements, Note 3, and supplemental schedules, including investments held at June 30, 2020 and 2019, and net appreciation in fair value of investments, interest and dividends, and other investment loss for the year ended June 30, 2020, was obtained or derived from information supplied to the Plan Sponsor and certified as complete and accurate by the trustee, JP Morgan Chase Bank, N.A. (the "Trustee" or "JPMC").

8. PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in various JPMC corporate bonds, JPMC common stock, and JPMC money market funds, managed by the Trustee. These transactions qualify as exempt party-in-interest transactions. These investments are identified in the Schedule of Assets (Held at End of Year) as of June 30, 2020.

During the year ended June 30, 2020, the Plan recorded interest and dividend income of approximately $7.2 million of which approximately $325 thousand related to such investments.

9. RISKS AND UNCERTAINTIES

The Plan utilizes various investment vehicles including hedge funds, equities and equity-related instruments, fixed income and fixed income-related instruments, cash equivalents, and other investments (Note 3). Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of plan benefit obligations are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimates and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

10. FORM 5500 RECONCILIATION

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500, as of June 30, 2020 and 2019 (in thousands):

	2020	2019
Net Assets Available for Benefits per Financial Statements	$ 524,794	$ 669,911
Benefit Obligation Amounts Currently Payable	(27,841)	(26,319)
Net Assets Available for Benefits per Form 5500	$ 496,953	$ 643,592

The following is a reconciliation of benefit payments per the financial statements to the Form 5500 for the year ended June 30, 2020 (in thousands):

	Benefit Payments
Per Financial Statements	$ 199,045
Plus: Benefit Obligation Amounts Currently Payable at June 30, 2020	27,841
Less: Benefit Obligation Amounts Currently Payable at June 30, 2019	(26,319)
Per Form 5500	$ 200,567

******