



Traci M. Christian
Special Fiduciary
Singing River Health System Employees' Retirement Plan and Trust

November 20, 2017

**To: All Participants, Retirees and Beneficiaries of the
Singing River Health System Employees' Retirement Plan and Trust**

Dear Plan Participant,

I would like to take a moment to introduce myself and open up a line of communication. I want to keep you informed about what is happening with the Retirement Plan as we move forward, as changes take place, and how that may affect you. My hope is that by sending information out on a regular basis, you will find some of your questions answered in a timely manner. I know that waiting can be frustrating, and I want to relieve this to the extent that I can.

As many of you already know, I was appointed on October 24th of this year, and then sworn in at a hearing by Judge Bell on November 13th, as the new Court Appointed Special Fiduciary to the Singing River Health System Employees' Retirement Plan and Trust. I replace Josh Eldridge who had been serving as Interim Special Fiduciary in place of Judge Stephen Simpson who had been previously appointed to that role.

I have worked on pension plans for over 27 years. As a Pension Actuary, my job has always been to protect the interests of pension plan participants, the people who receive the benefits of the plan, just like you. Because I am an "Enrolled Actuary", I am credentialed through, responsible to, and overseen by both the Internal Revenue Service and the American Academy of Actuaries. The IRS holds me accountable to the laws regarding private pension plans, and the Academy sets the Standards of Practice I am required to follow with all pension plans in both the private and public sector.

As your Special Fiduciary, I will oversee the Retirement Plan investment program and the administration of benefits. While it is my job to protect your interests, I must also look after the interests of every other member of the Retirement Plan, presently and in the future. That simply means that it is my job to make sure this Plan is sustainable for the long term benefit of its members, not just for the short term.

Let me assure you that this is a responsibility I do not take lightly. I understand the huge amount of trust the Court has placed in me on your behalf. Situations such as this are never easy to figure out. There are still unanswered questions and pending litigation regarding this Plan. I cannot say for certain what the future holds, and while I do not want to give anyone a false sense of hope, I also want you to know that we can and will work through the difficult decisions that will need to be made going forward in order to keep participants from losing everything. I promise to do my very best to always fairly represent the interests of all Plan participants, and see to it that when changes need to be made, they are done so with openness and honesty and for the long term benefit of everyone affected by those changes, including you.

I plan to use the website that was set up by Judge Simpson and I am currently looking at ways to help open up communication from here on. You are welcome to contact me via e-mail at traci@etaros.com.

This is what has happened so far: On November 13th I met with the Quarterly Review Committee, which includes representatives from FiduciaryVest (the company who manages the Plan's assets,) Transamerica (The Plan's actuary and administration firm), and Singing River Health System. This was the quarterly meeting regularly scheduled for November 9th, but they held the meeting until the 13th so that I could join them. At this meeting, I was presented with an incredible amount of information that I am still working through, but I did take some immediate action. To begin with, I approved the payment of the thirteenth check of 2017 for the current retirees. Those checks will be mailed in December. Secondly, I signed a new Fee Agreement with one of the Retirement Plan's asset managers that decreased their management fees, which ultimately saves money. I also approved a recommendation by Fiduciary Vest, the company who manages the Plan's financial investments, to place one of the fund managers on probation, because that manager's performance has been less than acceptable.

I believe most of you are aware that the recently proposed settlement of the claims against Singing River is still pending. A "Fairness Hearing" is scheduled for January 22nd in the Federal Court in Gulfport.

In the coming weeks, I have been given the responsibility of reviewing the current status of the Plan, and making a report to the Court, regarding the proposed settlement and its potential impact on all of the Plan's participants. I have reviewed information from the Plan's current actuary and I am studying this at great length. I want to provide the very best information that is available so the Court can make a thoroughly informed decision regarding the settlement.

I do not anticipate proposing any major changes to the Plan, until all of the litigation is resolved. Once the litigation has ended, I do anticipate that some changes to the Plan will be needed. When that time comes, I again want to assure you that it is my responsibility to carefully consider the interests of all of the plan participants, and that I will want to hear from you about your concerns and suggestions. I am very sensitive to the fact that when changes may be coming, and you do not yet know what those changes are, it can be very scary, most especially if you live on a fixed income. So, again, I promise you now that I will do the very best job I can for everyone involved. Thank you for taking time to read my letter. I look forward to hearing from you soon.

Sincerely,



Traci M. Christian, EA, MAAA, FCA, MSPA
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