

**IN THE CHANCERY COURT OF JACKSON COUNTY, MISSISSIPPI**

IN RE: Singing River Health System Employees' Retirement Plan and Trust  
Almond, et al. v. Singing River Health System, et al.; Cause No. 2014-2653  
Thompson, et al. v. Singing River Health System, et al.; Cause No. 2014-2695  
Bosarge, et al. v. Singing River Health System, et al.; Cause No. 2014-2729  
Aguillar, et al. v. Singing River Health System, et al.; Cause No. 2014-2753  
Drury, et al. v. Singing River Health System, et al.; Cause No. 2015-0001  
Broun, et al. v. Singing River Health System, et al.; Cause No. 2015-0027  
Eiland, et al. v. Singing River Health System, et al.; Cause No. 2015-0030  
Lay, et al. v. Singing River Health System, et al.; Cause No. 2015-0060

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**REPORT BY SPECIAL FIDUCIARY TRACI M. CHRISTIAN**

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Pursuant to the appointment of Traci M. Christian as Special Fiduciary of the Singing River Health System Employees' Retirement Plan and Trust (the "Plan"), the Court has requested a monthly report. The Special Fiduciary brings to the Court's attention the following items for the month of January, 2020.

**Repeated - Ongoing Litigation**

We now have four other lawsuits involving the Plan that are pending. Two cases in which the Plan is Petitioner. Those suits are against Transamerica and KPMG, former administrator and auditor respectively. In the third lawsuit, Beasley et al vs SRHS et al, the Plan is a Respondent. The lawsuit alleges benefits owed from the Plan that were not paid. In the fourth lawsuit, Barbour vs SRHSERPT, the Plan is the Respondent. This lawsuit also alleges benefits owed from the Plan that were not paid.

**Plan Investments**

Attached for the Court's review is a report showing positions and activity for the month ending December 31, 2019.

It is worth noting that investment returns reported with the October 1, 2019 Actuarial Valuation included losses incurred during the fourth quarter of 2018 as well as realized losses with the release of the escrow funds. A significant portion of the escrow funds released in early 2019 were allocated to pay attorney fees. While those were, of course, not true "investment" losses, they were losses on the asset side nonetheless that were recognized during the plan year – and the result was reported as a "loss" for valuation purposes..

When looking strictly at the invested funds in the Trust, over the calendar year, 2019, the return on investments for that period is nearly 20% - which greatly exceeds our ongoing target. The assets of the Plan increased over 2% in the month of December. The Special Fiduciary is meeting regularly with the Trust's asset advisors. Improvements in the asset allocation are ongoing with the goal of meeting or exceeding our investment targets.

**Administration**

All Plan benefits due and vendor invoices to date have been authorized for payment.

**This concludes the report for the 20th day of January, 2020.**

**Respectfully submitted,**



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**TRACI M. CHRISTIAN**

In (\$000's)	Beginning Market Value	Deposits	Withdrawals	Net Transfers	Fees	Expenses	Net Cash Flow	Income	Asset Value Change	Net Performance	Ending Market Value
<b>Total</b>	<b>\$ 109,470</b>	<b>\$ 76</b>	<b>\$ (1,022)</b>	<b>\$ 0</b>	<b>-</b>	<b>\$ (33)</b>	<b>\$ (979)</b>	<b>\$ 538</b>	<b>\$ 1,927</b>	<b>\$ 2,465</b>	<b>\$ 110,956</b>
Cash	419	1	(1,022)	2,179	-	(31)	\$ 1,126	1	0	\$ 1	1,546
Cash in Mutual Fund Account	1,211	75	-	(1,242)	-	(1)	\$ (1,167)	-	1	\$ 1	44
Lord Abbett Short Duration Income I	2,023	-	-	-	-	-	\$ -	8	5	\$ 13	2,036
Metropolitan West Total Return Bond M	85	-	-	-	-	-	\$ -	1	(1)	\$ (0)	85
FCI Advisors Fixed Income	8,559	-	-	-	-	(0)	\$ (0)	17	(44)	\$ (28)	8,531
Regiment Capital <sup>1</sup>	194	-	-	-	-	-	\$ -	-	-	\$ -	194
III Credit Opportunities Fund <sup>2</sup>	7,672	-	-	-	-	-	\$ -	-	286	\$ 286	7,958
Coho Partners	6,091	-	-	-	-	(0.14)	\$ (0.14)	21	178	\$ 199	6,290
Schwab S&P 500 Index Fund	5,249	-	-	-	-	-	\$ -	94	65	\$ 158	5,408
Sustainable Growth Advisers	6,340	-	-	-	-	(0.15)	\$ (0.15)	7	146	\$ 153	6,493
Disciplined Growth Investors	6,554	-	-	-	-	-	\$ -	-	127	\$ 127	6,682
Wedge Capital	6,715	-	-	-	-	(0.15)	\$ (0.15)	18	184	\$ 201	6,916
Westfield Capital	13,123	-	-	-	-	(0.30)	\$ (0)	7	374	\$ 381	13,504
Invesco Global Real Estate R5	3,909	-	-	-	-	-	\$ -	-	62	\$ 62	3,970
Fidelity Total International Index	10,318	-	-	(799)	-	-	\$ (799)	273	141	\$ 414	9,934
DFA International Small Cap Value	2,105	-	-	-	-	-	\$ -	29	84	\$ 113	2,218
Fidelity Emerging Markets Index Prem	2,473	-	-	-	-	-	\$ -	-	187	\$ 187	2,660
Oppenheimer Developing Markets	2,182	-	-	-	-	-	\$ -	-	65	\$ 65	2,247
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,811	-	-	-	-	-	\$ -	-	(45)	\$ (45)	1,766
Invesco Balanced Risk Allocation	6,124	-	-	-	-	-	\$ -	-	-	\$ -	6,124
Elliott International Ltd. <sup>2</sup>	5,621	-	-	-	-	-	\$ -	-	79	\$ 79	5,700
Invesco Mortgage Recovery Fund-Loans <sup>1</sup>	178	-	-	-	-	-	\$ -	-	-	\$ -	178
Invesco US Income	4,677	-	-	-	-	-	\$ -	63	35	\$ 98	4,775
Eastern Timberland Opportunities II <sup>1</sup>	5,836	-	-	(138)	-	-	\$ (138)	-	-	\$ -	5,697

<sup>1</sup>Valuation date: 9/30/2019

<sup>2</sup>Valued using estimated monthly investment performance

<sup>3</sup>Fifth Third fee shown include both fees deducted from the Distribution account and expenses deducted from the manager accounts.

<sup>4</sup>Investment services credit represents the reimbursement to the Plan of the revenue sharing associated with certain mutual funds.

<sup>5</sup>Direct cost. Fees deducted from Fifth Third account by investment manager.

<sup>6</sup>Indirect cost. Fees deducted from ending dividend or ending market value.

Deposits represent residual income transferred from Trustmark.

Withdrawals represent "Employee Benefit Payments".

Fees represent investment management fees.

Expenses represent withdrawals from manager accounts for custodian fees and additional plan services expenses.

Beg market value may vary from previous month ending market values due to adjustments made during current month.

All values are preliminary.

**Monthly Fee Overview (in \$000's):**

Fifth Third <sup>3</sup>	\$ (1.5)	custody fee
BXS Insurance	\$ (31.3)	insurance