

IN THE CHANCERY COURT OF JACKSON COUNTY, MISSISSIPPI

IN RE: Lay, et al. v. Singing River Health System, et al.; Cause No. 2015-0060

REPORT BY SPECIAL FIDUCIARY TRACI M. CHRISTIAN

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, 2021.

Update - Ongoing Litigation

We 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. The Court ordered on September 14, 2020 that the Special Fiduciary is authorized to file a motion in Cause No. 2017-087-SR in the Circuit Court of Jackson County, Mississippi, requesting authorization to stay the action for up to six months while she provides notice to plan participants of the intention to dismiss her suits against Transamerica and KPMG so that vested beneficiaries may join one of the pending actions or file their own action.

Per the Court's order, that motion was filed and an order granting the motion was signed by Judge Forrest A. Johnson on January 6, 2021. Notices have been sent in October, 2020 to all participants with a vested annuity benefit. A second and final notice will be sent in February, 2021.

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.

Barbour vs SRHSERPT, where the Plan is the Respondent also alleges benefits owed from the Plan that were not paid. On December 1, 2020 Judge Harris dismissed this case. The case has been appealed to the Mississippi Supreme Court.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending December 31. Investment returns have continued to improve from the low point in March. Subsequent reports will keep the Court apprised as to the investment performance in coming months. As of December 31, the market value of the Trust is \$113.592 million.

Updated - Plan and Trust Documents

Counsel for SRHS has drafted a restatement to the legal Plan document and Trust Agreement. This document needs to be updated to reflect law changes, court rulings and administrative practices. The Special Fiduciary, on January 11, offered a motion to the Court requesting permission to adopt this new document.

Administration

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

This concludes the report for the 25th day of January, 2021.

Respectfully submitted,



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
Total	\$ 110,101	\$ 0	\$ (1,021)	\$ 0	\$ (3)	\$ (2)	\$ (1,025)	\$ 444	\$ 4,072	\$ 4,516	\$ 113,592
Cash	3,781	0	(1,021)	(84)	-	(0)	(1,105)	0	-	0	2,676
Cash in Mutual Fund Account	35	-	-	-	-	(1)	(1)	0	0	0	35
FCI Advisors Fixed Income	9,311	-	-	-	-	(0)	(0)	16	(19)	(3)	9,308
Regiment Capital ²	104	-	-	-	-	-	-	-	-	-	104
III Credit Opportunities Fund ³	7,074	-	-	-	-	-	-	-	325	325	7,400
Coho Partners	6,178	-	-	-	-	(0.14)	(0.14)	16	156	172	6,349
Schwab S&P 500 Index Fund	5,813	-	-	-	-	-	-	107	116	223	6,037
Sustainable Growth Advisers	4,398	-	-	-	-	(0.10)	(0.10)	5	111	116	4,514
Disciplined Growth Investors	7,812	-	-	-	-	-	-	-	612	612	8,424
Nuance Investment	5,455	-	-	-	(3)	(0.13)	(3)	11	176	187	5,639
Wells Fargo Special Small Cap Value ³	6,389	-	-	-	-	-	-	-	482	482	6,871
Westfield Capital	9,203	-	-	-	-	(0.21)	(0)	4	838	841	10,044
Vanguard Real Estate Index	2,624	-	-	-	-	-	-	42	31	73	2,697
Fidelity Total International Index	9,374	-	-	-	-	-	-	158	385	543	9,917
DFA International Small Cap Value	1,838	-	-	-	-	-	-	30	105	134	1,973
Fidelity Emerging Markets Index Prem	2,924	-	-	-	-	-	-	46	164	210	3,134
Invesco Opp Developing Markets	2,519	-	-	-	-	-	-	9	162	172	2,690
Gramercy Distressed Opportunities Fund II ³	1,545	-	-	-	-	-	-	-	5	5	1,550
Invesco Balanced Risk Allocation	6,665	-	-	-	-	-	-	-	247	247	6,912
Elliott International Ltd. ³	6,252	-	-	-	-	-	-	-	175	175	6,427
Invesco Mortgage Recovery Fund-Loans ²	170	-	-	-	-	-	-	-	-	-	170
Invesco US Income	4,534	-	-	-	-	-	-	-	-	-	4,534
Eastern Timberland Opportunities II ²	5,592	-	-	(53)	-	-	(53)	-	-	-	5,539
Eastern Timberland Opportunities III ²	511	-	-	137	-	-	137	-	-	-	648

¹Valuation date: 6/30/2020

²Valuation date: 9/30/2020

³Valued using estimated monthly investment performance

⁴Fifth Third fee shown include both fees deducted from the Distribution account and expenses deducted from the manager accounts.

⁵Investment services credit represents the reimbursement to the Plan of the revenue sharing associated with certain mutual funds.

⁶Direct cost. Fees deducted from Fifth Third account.

⁷Indirect cost. Fees deducted from ending dividend or ending market value.

Withdrawals represent "Employee Benefit Payments".

Fees represent investment management fees.

Expenses represent withdrawals from 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 ⁴	\$ (1.6) custody fee
Nuance Investments ⁶	\$ (2.9) investment management fee