

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

IN RE: 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, 2022.

**Repeated - Ongoing Litigation**

We have three lawsuits involving the Plan that are pending.

A motion was filed per the Court's order to dismiss the case against Transamerica, the former administrator. That motion was granted without prejudice on December 3rd. This clears the way for individual cases by some Plan members who chose to file to proceed.

Transamerica has filed a counter claim against the Special Fiduciary. At the hearing on December 3, a motion was made to dismiss that claim. Judge Johnson asked that such motion be made in writing, filed by January 3, 2022 and that motion is scheduled to be heard on February 4, 2022.

In Beasley et al vs SRHS et al, the Plan is a Respondent. The lawsuit alleges benefits owed from the Plan that were not paid. A hearing on that case took place November 2.

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. The fund finished the year strongly and investments continue to perform reasonably well keeping pace with current market conditions. 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 \$119.192 million.

As noted in previous reports, meetings with FCI Advisors, are held every two to three weeks as we continue to pursue opportunities to lower investment costs and to generate

lower volatility around performance benchmarks. Discussions continue regarding moving more funds out of active management to the extent possible and moving more toward passive investment strategies. Such strategies are common for pension plans of this size and the goal continues to be to maintain a balance between maximizing investment return, minimizing investment expenses and mitigating risk to the portfolio due to market volatility.

This is a process that will continue indefinitely.

### **Financial Audit of the Fund**

As the Court has been previously apprised, the audit firm of Williams Keepers has been retained to conduct a financial audit of the fund for the year ended September 30, 2020. That audit is near completion and a report is expected in the coming 6 weeks. An audit for the year ended September 30, 2021 is also planned.

### **Audit of Actuarial Valuation as of October 1, 2021**

The October 1, 2021 Actuarial Valuation is also in process of audit by the firm of CBIZ, Inc. The results of that audit and any subsequent recommendations made as a result of the audit will be presented to the Court for consideration. After the actuarial audit, if the projected funded status of the Plan remains above 100%, the Special Fiduciary will present the Court with options to consider regarding Plan benefits.

### **Administration**

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

**This concludes the report for the 14th day of January, 2022.**

**Respectfully submitted,**



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**TRACI MILLER CHRISTIAN**

Singing River Health System Employees' Pension Plan Trust  
Mark to Market Accounting Summary

One Month Ended Dec 31, 2021

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
<b>Total</b>	<b>116,822</b>	<b>(1,065)</b>	<b>242</b>	<b>3,192</b>	<b>119,192</b>
Cash	2,851	342	0	-	3,194
Cash in Mutual Fund Account	33	-	-	27	60
FCI Advisors Fixed Income	10,056	-	23	(45)	10,034
Regiment Capital <sup>1</sup>	251	-	-	-	251
Vanguard High Yield Corp Adm Fund	1,763	-	-	30	1,793
III Credit Opportunities Fund <sup>2</sup>	3,961	(2,000)	-	5	1,966
Coho Partners	6,228	-	10	503	6,741
Schwab S&P 500 Index Fund	6,142	2,000	-	352	8,494
Sustainable Growth Advisers	5,216	-	1	158	5,376
Disciplined Growth Investors	5,930	-	-	261	6,191
Nuance Investmenents	5,943	(6,031)	1	92	5
Fidelity Mid Cap Index	3,010	4,000	-	268	7,279
Wells Fargo Special Small Cap Value	6,876	-	-	431	7,308
Westfield Capital	6,247	-	10	284	6,541
Vanguard Real Estate Index	5,091	-	-	495	5,586
Fidelity Total International Index	10,363	-	-	394	10,757
DFA International Small Cap Value	3,116	-	-	194	3,310
Fidelity Emerging Markets Index Prem	3,683	-	-	62	3,744
Invesco Opp Developing Markets	3,697	-	-	(68)	3,629
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,594	-	-	(32)	1,562
Invesco Balanced Risk Allocation <sup>5</sup>	5,936	-	-	(148)	5,788
Elliott International Ltd. <sup>5</sup>	7,042	-	-	(70)	6,972
Invesco Mortgage Recovery Fund-Loans <sup>4</sup>	162	-	-	-	162
Invesco US Income <sup>3</sup>	5,413	-	-	-	5,413
Eastern Timberland Opportunities II <sup>3</sup>	4,376	(197)	197	-	4,376
Eastern Timberland Opportunities III <sup>3</sup>	841	820	-	(0)	1,661
Lord Abbet Short Duration Income	999	-	-	(0)	999

<sup>1</sup>Valuation date: 9/30/2021 and taken from Mark to Market report previously provided by FiduciaryVest

<sup>2</sup>Valuation date: 12/31/2021 using estimated monthly investment performance

<sup>3</sup>Valuation date: 9/30/2021 asset prices quarterly

<sup>4</sup>Valuation date: 9/30/2021

<sup>5</sup>Valuation date: Beginning Market Value estimated based off of 9/30/2021 Market Value; Ending Market Value estimated based on estimated monthly investment performance

Withdrawals represent "Employee Benefit Payments" and Additions represent hospital contributions.

Fees represent investment management fees.

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

All values are preliminary.