

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 October, 2021.

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. Transamerica has filed a counter claim and that action has not yet been heard. A conference with the Court and all attorneys has been requested.

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 is scheduled for 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 September 30. While the markets were down in September mostly due to the increase in interest rates, 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 September 30, the market value of the Trust is \$116.875 million.

As previously reported, the Special Fiduciary shares the Court's concern with the underperformance of certain active managers within the portfolio. However, it's worth noting that the overall Trust has performed well relative to the blended account benchmarks and the actuarial return assumption. In conjunction with the move toward more passive investment strategies, the services of advisor Fiduciary Vest have been discontinued. 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. Put another way: utilizing more passive strategies such as mutual funds and ETF's will mean that the performance of the fund more closely matches that of the market in general.

Discussions will 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.

Repeated - Administration

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

The Special Fiduciary is planning a visit to Plan participants on November 19, 2021. It is anticipated that the October 1, 2021 Actuarial Valuation will be completed by early November and presented to the Court and to Plan participants with similar timing to last year.

Preliminary results indicate that the Plan's funding status on a projected basis remains within the court ordered corridor of 90% - 110%. The Special Fiduciary does not anticipate making any recommendations for changes to the Plan as a result of this valuation.

This concludes the report for the 18th day of October, 2021.

Respectfully submitted,



TRACI MILLER 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	\$ 117,567	\$ 3,000.4	\$ (1,065)	-	\$ (4)	\$ (2)	\$ 1,930	\$ 117	\$ (2,739)	\$ (2,621)	\$ 116,875
Cash	2,959	3,000.4	(1,065)	-	-	(0)	\$ 1,935	0.01	-	\$ 0	4,894
Cash in Mutual Fund Account	36	-	-	-	-	(1)	\$ (1)	0.00	(0)	\$ 0	35
FCI Advisors Fixed Income	10,062	-	-	-	-	(0)	\$ (0)	33	(133)	\$ (100)	9,962
Regiment Capital ¹	251	-	-	-	-	-	\$ -	-	-	\$ -	251
Vanguard High Yield Corp Adm Fund	1,282	-	-	-	-	-	\$ -	4	(6)	\$ (2)	1,280
III Credit Opportunities Fund ³	3,916	-	-	-	-	-	\$ -	-	13	\$ 13	3,929
Coho Partners	6,312	-	-	-	-	(0.14)	\$ (0)	18	(216)	\$ (198)	6,113
Schwab S&P 500 Index Fund	6,063	-	-	-	-	-	\$ -	-	(282)	\$ (282)	5,781
Sustainable Growth Advisers	5,461	0.03	-	-	-	(0)	\$ (0.10)	4	(321)	\$ (317)	5,144
Disciplined Growth Investors	7,828	-	-	(1,500)	-	-	\$ (1,500.00)	-	(301)	\$ (301)	6,027
Nuance Investments	7,731	-	-	(1,500)	(4)	(0.17)	\$ (1,504)	13	(216)	\$ (203)	6,024
Fidelity Mid Cap Index	-	-	-	3,000	-	-	\$ 3,000	-	(56)	\$ (56)	2,944
Wells Fargo Special Small Cap Value	7,022	-	-	-	-	-	\$ -	-	(202)	\$ (202)	6,820
Westfield Capital	6,523	0.03	-	-	-	(0.15)	\$ (0)	3	(237)	\$ (234)	6,289
Vanguard Real Estate Index	5,153	-	-	-	-	-	\$ -	31	(323)	\$ (291)	4,861
Fidelity Total International Index	10,925	-	-	-	-	-	\$ -	-	(380)	\$ (380)	10,545
DFA International Small Cap Value	3,329	-	-	-	-	-	\$ -	10	(93)	\$ (83)	3,246
Fidelity Emerging Markets Index Prem	3,952	-	-	-	-	-	\$ -	-	(161)	\$ (161)	3,792
Invesco Opp Developing Markets	3,893	-	-	-	-	-	\$ -	-	(110)	\$ (110)	3,783
Gramercy Distressed Opportunities Fund II ³	1,635	-	-	-	-	-	\$ -	-	(20)	\$ (20)	1,615
Invesco Balanced Risk Allocation	6,070	-	-	-	-	-	\$ -	-	(126)	\$ (126)	5,944
Elliott International Ltd. ³	6,899	-	-	-	-	-	\$ -	-	145	\$ 145	7,043
Invesco Mortgage Recovery Fund-Loans ¹	163	-	-	-	-	-	\$ -	-	-	\$ -	163
Invesco US Income	5,128	-	-	-	-	-	\$ -	-	285	\$ 285	5,413
Eastern Timberland Opportunities II ¹	4,162	-	-	-	-	-	\$ -	-	-	\$ -	4,162
Eastern Timberland Opportunities III ¹	814	-	-	-	-	-	\$ -	-	-	\$ -	814

¹Valuation date: 6/30/2021

²Valuation date: 3/31/2021

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 Cash Flow Overview (in \$000's):	
Fifth Third ⁴	\$ (1.9) custody fee
Nuance Investments ⁶	\$ (3.8) investment management
CAPIS	\$ 0.4 commission recapture