

## 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 May, 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 asset positions and activity for the month ending April 30. Investment returns have come back slightly since March 31, but at the time of this report, the Plan's investments are still most certainly down.

The Special Fiduciary with the advice of the investment professionals has done her best to position the portfolio to weather these types of economic storms. Reviews of the asset allocations and positions are always ongoing with the goal of meeting or exceeding our investment targets.

Hopefully, the economic environment calms soon and the Plan will be in a better funded position by the end of the Plan year. Subsequent reports will keep the Court apprised as to the investment performance in coming months.

For reference: In order to maintain the required funding corridor, the Plan will need to have \$97 million in the Trust as of October 1, 2020. As of the valuation date of April 1, we had \$89.241M. With the slight recovery in April, as of April 30, we had \$94.221M.

**Repeated - Plan and Trust Documents**

Discussions are underway with counsel for SRHS regarding the status of the legal Plan document and Trust Agreement. Both of these documents need to be updated to reflect law changes, court rulings and administrative practices. The Special Fiduciary expects to offer a motion to the Court in the coming weeks requesting permission to move forward with these updates.

**Administration**

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

**This concludes the report for the 19<sup>th</sup> day of May, 2020.**

**Respectfully submitted,**



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**TRACI M. CHRISTIAN**

In (\$000's)	Beginning		Net				Asset Value		Net		Ending Market
	Market Value	Deposits	Withdrawals	Transfers	Fees	Expenses	Net Cash Flow	Income	Change	Performance	Value
<b>Total</b>	<b>\$ 89,291</b>	<b>\$ 35</b>	<b>\$ (1,055)</b>	<b>\$ 0</b>	<b>\$ (49)</b>	<b>\$ (93)</b>	<b>\$ (1,162)</b>	<b>\$ 130</b>	<b>\$ 5,962</b>	<b>\$ 6,091</b>	<b>\$ 94,221</b>
Cash	1,040	35	(1,055)	1,266	-	(92)	\$ 154	1	-	\$ 1	1,195
Cash in Mutual Fund Account	551	-	-	(499)	-	(0)	\$ (500)	0	(0)	\$ 0	52
Lord Abbett Short Duration Income I	1,446	-	-	(701)	-	-	\$ (701)	5	29	\$ 34	780
FCI Advisors Fixed Income	8,892	-	-	-	-	(0)	\$ (0)	19	205	\$ 223	9,115
Regiment Capital <sup>1</sup>	179	-	-	-	-	-	\$ -	-	-	\$ -	179
III Credit Opportunities Fund <sup>2</sup>	4,892	-	-	-	-	-	\$ -	-	(317)	\$ (317)	4,575
Coho Partners	5,116	-	-	-	(8)	-	\$ (7.67)	10	574	\$ 583	5,691
Schwab S&P 500 Index Fund	4,348	-	-	-	-	-	\$ -	-	557	\$ 557	4,905
Sustainable Growth Advisers	5,663	-	-	-	(11)	(0.14)	\$ (10.67)	3	903	\$ 906	6,558
Disciplined Growth Investors	4,886	-	-	-	-	-	\$ -	-	768	\$ 768	5,654
Wedge Capital	4,250	-	-	(4,712)	-	(0.10)	\$ (4,712)	11	451	\$ 462	-
Nuance Investments	-	-	-	4,712	-	-	\$ 4,712	-	-	\$ -	4,712
Westfield Capital	9,920	-	-	-	(19)	(0.24)	\$ (19)	4	1,519	\$ 1,522	11,424
Invesco Global Real Estate R5	2,598	-	-	(16)	-	-	\$ (16)	16	119	\$ 135	2,717
Fidelity Total International Index	6,772	-	-	-	-	-	\$ -	-	532	\$ 532	7,303
DFA International Small Cap Value	1,297	-	-	-	-	-	\$ -	-	146	\$ 146	1,443
Fidelity Emerging Markets Index Prem	2,025	-	-	-	-	-	\$ -	-	177	\$ 177	2,202
Oppenheimer Developing Markets	1,765	-	-	-	-	-	\$ -	-	144	\$ 144	1,909
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,706	-	-	-	-	-	\$ -	-	(14)	\$ (14)	1,692
Invesco Balanced Risk Allocation	5,520	-	-	-	-	-	\$ -	-	154	\$ 154	5,675
Elliott International Ltd. <sup>2</sup>	5,829	-	-	-	-	-	\$ -	-	64	\$ 64	5,893
Invesco Mortgage Recovery Fund-Loans <sup>1</sup>	170	-	-	-	-	-	\$ -	-	-	\$ -	170
Invesco US Income	4,825	-	-	(50)	(12)	-	\$ (62)	62	(50)	\$ 12	4,775
Eastern Timberland Opportunities II <sup>1</sup>	5,601	-	-	-	-	-	\$ -	-	-	\$ -	5,601

<sup>1</sup>Valuation date: 3/31/2020

<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.

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>	\$ (3.3) custody fee
McCloud Consulting	\$ (31.9) actuarial services
FCI Advisors	\$ (49.7) investment consulting/mgmt
Wedge Capital	\$ (8.0) final investmt mgmt fee
CAPIS	\$ 1.1 commission recapture
Coho Partners	\$ (7.7) investment mgmt fee
Sustainable Growth	\$ (10.5) investment mgmt fee
Westfield Capital	\$ (18.6) investment mgmt fee
Invesco US Income	\$ (12.2) investment mgmt fee