

## 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 June, 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 May 31. Investment returns continue to improve from the low point in March, but at the time of this report, the Plan's investments are still down.

As the economy recovers, hopefully 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 at least \$97 million in the Trust as of October 1, 2020. As of the valuation date of April 1, we had \$89.241M. With the recovery through May, as of May 31, we had \$97.544M.

**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 23<sup>th</sup> day of June, 2020.**

**Respectfully submitted,**



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**TRACI M. CHRISTIAN**

In (\$000's)	Beginning			Net			Asset Value			Net		Ending Market Value
	Market Value	Deposits	Withdrawals	Transfers	Fees	Expenses	Net Cash Flow	Income	Change	Performance		
<b>Total</b>	\$ 94,142	\$ 410	\$ (1,040)	-	-	\$ (39)	\$ (669)	\$ 33	\$ 4,039	\$ 4,072	\$ 97,544	
Cash	1,195	408	(1,040)	789	-	(38)	120	-	0	0	1,316	
Cash in Mutual Fund Account	52	2	-	-	-	(0)	1	0	0	0	53	
Lord Abbett Short Duration Income I	780	-	-	(789)	-	-	(789)	4	6	9	-	
FCI Advisors Fixed Income	9,115	-	-	-	-	(0)	(0)	18	48	66	9,181	
Regiment Capital <sup>1</sup>	90	-	-	-	-	-	-	-	-	-	90	
III Credit Opportunities Fund <sup>2</sup>	4,581	-	-	-	-	-	-	-	781	781	5,362	
Coho Partners	5,691	-	-	-	-	(0.14)	(0.14)	5	233	238	5,929	
Schwab S&P 500 Index Fund	4,905	-	-	-	-	-	-	-	233	233	5,138	
Sustainable Growth Advisers	6,558	-	-	-	-	(0.27)	(0.27)	1	537	538	7,096	
Disciplined Growth Investors	5,654	-	-	-	-	-	-	-	460	460	6,115	
Nuance Investment	4,712	-	-	-	-	(0.87)	(1)	3	178	181	4,893	
Wells Fargo Special Small Cap Value	-	-	-	5,000	-	-	5,000	-	193	193	5,193	
Westfield Capital	11,424	-	-	(5,000)	-	-	(5,000)	1	687	688	7,112	
Invesco Global Real Estate R5	2,717	-	-	-	-	-	-	-	32	32	2,749	
Fidelity Total International Index	7,303	-	-	-	-	-	-	-	323	323	7,627	
DFA International Small Cap Value	1,443	-	-	-	-	-	-	-	72	72	1,515	
Fidelity Emerging Markets Index Prem	2,202	-	-	-	-	-	-	-	44	44	2,246	
Oppenheimer Developing Markets	1,909	-	-	-	-	-	-	-	30	30	1,939	
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,693	-	-	-	-	-	-	-	(33)	(33)	1,660	
Invesco Balanced Risk Allocation <sup>2</sup>	5,674	-	-	-	-	-	-	-	172	172	5,846	
Elliott International Ltd. <sup>2</sup>	5,897	-	-	-	-	-	-	-	41	41	5,938	
Invesco Mortgage Recovery Fund-Loans <sup>1</sup>	171	-	-	-	-	-	-	-	-	-	171	
Invesco US Income <sup>1</sup>	4,775	-	-	-	-	-	-	-	-	-	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>	\$ (4.1) custody fee
FiduciaryVest	\$ (12.8) investment consulting
Traci Christian	\$ (22.5) special fiduciary