

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

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 September, 2018.

1. Plan Audit (repeated information)

The Special Fiduciary has been presented with a service agreement for plan auditing services to be conducted by the current hospital auditing firm of Dixon Hughes. An agreement with SRHS regarding the fees is pending.

2. Update - Return of Contributions for Active Participants

The Plan was amended per the Court's order of August 21, 2018 to allow active participants to withdraw their own contributions in lieu of a retirement annuity benefit. Attached for the Court's reference is a sample packet of information sent out during the first week of August to all actively employed participants. Over 150 participants have thus far made such an election. Payments are currently in process for those participants who have so elected. This window will end on December 31, 2018.

3. Update - Request for Proposals for Investment Management Services

In an effort to more efficiently manage the Plan's assets and reduce costs, the Special Fiduciary on June 11, 2018 issued a "Requests for Proposals" (RFP) for the following services: Custody, Benefit Payments, Expense Disbursements, and/or Investment Management.

Eleven firms responded. The Special Fiduciary has conferred with the Plan's independent investment advisors regarding the proposals submitted. Four finalist firms have been invited to give secondary presentations of their proposals. Some of the finalist firms also offered investment advisory services as part of their proposals. Because those advisory service offers created a conflict of interest with the special proposal evaluation role of the current investment advisor, Fiduciary Vest, in the RFP evaluation process, an

outside independent advisor has been engaged to assist with the final evaluation of the presentations. In addition, Fiduciary Vest will also make a presentation of their ongoing role as investment advisor. This was done so that the Special Fiduciary and the Court can review all current and potential service provider options available to the Plan and select the solution best suited to this Plan.

At the Court's request, the Special Fiduciary will make available all information regarding the selection process, any or all proposals, and secondary presentations.

The Special Fiduciary expects to complete the selection process by the middle of October and make a recommendation to the Court in the form of a motion.

4. Actuarial Valuation as of October 1, 2018 (repeated information)

The Special Fiduciary is planning to present the results of the October 1, 2018 Actuarial Funding Valuation on November 16, 2018 to the committee at Singing River Hospital as well as to Plan participants in two open meetings that same day/evening.

This report will contain information related to the Court's order of April 12, 2018 that "The Special Fiduciary shall institute the 90% to 110% funding level corridor ..."

It is anticipated that this report will be prepared in advance of that meeting and the Special Fiduciary requests guidance from the Court as to how and when the Court would like to be presented with this report. Absent alternative direction from the Court, the Special Fiduciary will file the Actuarial Valuation Report either along with her October monthly report to the Court if it is available or separately in early November.

5. Administrative

All invoices to date have been processed.

This concludes the report for the 27th day of September, 2018

Respectfully submitted,



TRACI M. CHRISTIAN