

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 September, 2022.

Repeated - Ongoing Litigation

We have one lawsuit involving the Plan that is still pending.

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. The parties are awaiting a trial setting.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending August 31. The equity market rally that began in mid-June stalled mid-August and continues to whipsaw investors. Headwinds from elevated inflation, rising interest rates, tighter monetary policy, concerns about a recession and continued impacts from the Russia-Ukraine conflict continue to remain in focus. Our investment consultants believe that the equity markets have already priced in much of the bad news but expect the markets to remain volatile through the seasonally weak summer months.

This past month, we have liquidated Sustainable Growth Advisors sending the proceeds to FCI Select Growth (expense savings and better performance expected). We trimmed Allspring Special US Small Cap Value (formally Wells Fargo) on the August market rally. We trimmed International mutual funds on August stock market rally. And we saw Eastern Timberland II sell property and distribute that cash to the Plan.

The Plan's 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 August 31, the market value of the Trust is \$97.732 million.

Repeated - Potential Sale of SRHS

Leadership at SRHS has informed Plan participants that they are exploring options for the sale of the hospital system. According to the information shared, a sale of SRHS would not jeopardize the current status of the settlement or pension payments.

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 18, 2022. It is anticipated that the October 1, 2022 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 26th day of September, 2022.

Respectfully submitted,



TRACI MILLER CHRISTIAN

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

One Month Ended
 August 31, 2022

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
Total	101,505	(1,116)	78	(2,477)	97,732
Cash	1,446	399	2	-	1,847
Cash in Mutual Fund Account	590	(56)	-	-	534
FCI Advisors Fixed Income	11,300	102	29	(356)	11,075
Regiment Capital ¹	251	-	-	-	90
Vanguard High Yield Corp Adm Fund	1,669	-	-	(52)	1,618
Coho Partners	6,388	-	14	(115)	6,288
Schwab S&P 500 Index Fund	8,630	-	-	(352)	8,278
Sustainable Growth Advisers	4,157	(4,312)	1	155	1
FCI Advisors Select Growth Equity	-	4,309	0	(447)	3,862
Fidelity Mid Cap Index	9,961	-	-	(313)	9,648
Allspring Special U.S. Small Cap Value Equity	6,558	(500)	-	(148)	5,910
Westfield Capital	5,187	-	3	(139)	5,051
Vanguard Real Estate Index	4,115	-	-	(248)	3,867
Fidelity Total International Index	7,754	(247)	-	(305)	7,202
DFA International Small Cap Value	2,248	(246)	-	(94)	1,907
Fidelity Emerging Markets Index Prem	2,861	-	-	(11)	2,850
Invesco Opp Developing Markets	2,774	-	-	(49)	2,724
Gramercy Distressed Opportunities Fund II ²	1,615	-	-	-	1,615
Invesco Balanced Risk Allocation ²	3,660	-	-	-	3,562
Elliott International Ltd.	7,693	-	-	-	7,693
Invesco Mortgage Recovery Fund-Loans ⁴	157	-	-	-	157
Invesco US Income ³	5,796	-	-	-	5,796
Eastern Timberland Opportunities II ³	4,236	(564)	28	-	3,700
Eastern Timberland Opportunities III ³	2,245	-	-	-	2,245
Lord Abbet Short Duration Income	213	-	-	(2)	212

¹Valuation date: 06/30/2022

²Valuation date: 07/31/2022 using estimated monthly investment performance

³Valuation date: 06/30/2022 asset prices quarterly

⁴Valuation date: 03/31/2022

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.