

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 November, 2019.

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

As stated last month, the Plan's investments have struggled in recent months and while performance is fair relative to benchmarks, overall performance for the year ending September 30 is poor and improvements in the asset allocation are needed with the goal of meeting or exceeding our investment targets. Representatives from both FCI advisors and Fiduciary Vest will be in attendance at the meeting with the hospital committee on November 15. At the request of the Special Fiduciary, both consultants are traveling to attend the meeting in person at their own expense and will not bill the plan for travel expenses.

Attached for the Court's review is a report showing positions and activity for the quarter ending September 30, 2019.

Actuarial Valuation as of October 1, 2019

The Special Fiduciary is planning to present the results of the October 1, 2019 Actuarial Funding Valuation on November 15, 2019 to the committee at Singing River Hospital as well as to Plan participants in two open meetings that same day.

This report is attached and contains information related to the Court's order of April 12, 2018 that "The Special Fiduciary shall institute the 90% to 110% funding level corridor ..." This report confirms that the Plan is within that corridor at 95% as of the October 1, 2019 valuation date and no recommendation for changes to benefits will be forthcoming.

Also included with the report is a summary of Plan expenses for the year.

Singing River Health System is hosting all meetings at no cost to the Plan.

The Special Fiduciary would be glad to attend an open session to answer any questions the Court may have regarding the valuation or ongoing administration. She leaves it to the Court to request and set such a session.

Administration

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

In October, it was discovered that two participants in pay status were receiving incorrect monthly amounts. The error occurred during the transition of custodial work from Transamerica to Fifth Third earlier this year. The errors were discovered by McCloud Consulting Group during the participant data reconciliation for the October 1 valuation.

The current custodian, Fifth Third, agreed to reimburse the Plan for their mistake and the participant will not be asked to repay the overage received. It is unclear who is responsible for the second, smaller error, the Special Fiduciary elected not to seek reimbursement or to pursue the matter further.

This concludes the report for the 18th day of November, 2019.

Respectfully submitted,



TRACI M. CHRISTIAN