

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, 2020.

Updated - Ongoing Litigation

We still 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. The Court ordered on September 14, 2020 that the Special Fiduciary is authorized to file a motion in Cause No. 2017-087-SR in the Circuit Court of Jackson County, Mississippi, requesting authorization to stay the action for up to six months while she provides notice to plan participants of the intention to dismiss her suits against Transamerica and KPMG so that vested beneficiaries may join one of the pending actions or file their own action.

The Special Fiduciary expects that motion to be filed before the end of the month and will then commence notifying all participants.

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. On the Barbour case, a hearing was held on August 7, 2020 and a decision is pending from Judge Harris.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending August 31. Investment returns are holding steady after a rebound from the low point in March. 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 and continued improvement through July,

as of July 31, we had \$100.496. As of August 31, the market value of the Trust is \$102.326M

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.

The Special Fiduciary is planning a visit to Plan participants to be held via Zoom some time in November. It is anticipated that the October 1, 2020 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 22nd day of September, 2020.

Respectfully submitted,



TRACI M. CHRISTIAN

In (\$000's)	Beginning			Net			Net Cash Flow	Income	Asset Value Change	Net Performance	Ending Market Value
	Market Value	Deposits	Withdrawals	Transfers	Fees	Expenses					
Total	\$ 100,496	\$ 0	\$ (1,040)	-	\$ (3)	\$ (31)	\$ (1,073)	\$ 38	\$ 2,866	\$ 2,903	\$ 102,326
Cash	3,246	0	(1,040)	101	-	(30)	(968)	0	-	0	2,278
Cash in Mutual Fund Account	37	-	-	-	-	(0)	(0)	0	-	0	37
FCI Advisors Fixed Income	9,396	-	-	-	-	(0)	(0)	27	(125)	(99)	9,297
Regiment Capital ¹	90	-	-	-	-	-	-	-	-	-	90
III Credit Opportunities Fund ³	6,029	-	-	-	-	-	-	-	171	171	6,200
Coho Partners	5,613	-	-	-	-	(0.14)	(0.14)	5	218	223	5,836
Schwab S&P 500 Index Fund	5,221	-	-	-	-	-	-	-	375	375	5,596
Sustainable Growth Advisers	3,928	-	-	-	-	(0.10)	(0.10)	1	308	309	4,237
Disciplined Growth Investors	6,608	-	-	-	-	-	-	-	214	214	6,822
Nuance Investmenents	4,988	-	-	-	(3)	(0.12)	(3)	3	38	41	5,026
Wells Fargo Special Small Cap Value	5,397	-	-	-	-	-	-	-	218	218	5,615
Westfield Capital	7,597	-	-	-	-	(0.18)	(0)	2	541	543	8,139
Invesco Global Real Estate R5	2,917	-	-	-	-	-	-	-	75	75	2,992
Fidelity Total International Index	8,288	-	-	-	-	-	-	-	374	374	8,662
DFA International Small Cap Value	1,585	-	-	-	-	-	-	-	103	103	1,689
Fidelity Emerging Markets Index Prem	2,609	-	-	-	-	-	-	-	61	61	2,670
Invesco Opp Developing Markets	2,223	-	-	-	-	-	-	-	87	87	2,310
Gramercy Distressed Opportunities Fund II ³	1,620	-	-	-	-	-	-	-	(17)	(17)	1,603
Invesco Balanced Risk Allocation ³	6,140	-	-	-	-	-	-	-	184	184	6,324
Elliott International Ltd. ³	6,128	-	-	-	-	-	-	-	43	43	6,171
Invesco Mortgage Recovery Fund-Loans ¹	170	-	-	-	-	-	-	-	-	-	170
Invesco US Income	4,524	-	-	-	-	-	-	-	-	-	4,524
Eastern Timberland Opportunities II ²	5,634	-	-	(101)	-	-	(101)	-	-	-	5,533
Eastern Timberland Opportunities III ²	509	-	-	-	-	-	-	-	-	-	509

¹Valuation date: 3/31/2020

²Valuation date: 6/30/2020

³Valued using estimated monthly investment performance

³ Fifth Third fee shown include both fees deducted from the Distribution account and expenses deducted from the manager accounts.

⁴ Investment services credit represents the reimbursement to the Plan of the revenue sharing associated with certain mutual funds.

⁵ Direct cost. Fees deducted from Fifth Third account by investment manager.

⁶ 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 ⁴	\$ (3.4)	custody fee
Special Fiduciary	\$ (24.2)	special fiduciary
Charles Mikhail	\$ (3.2)	legal fee
Nuance	\$ (2.7)	investment management fee
Capis	\$ 1.9	commission recapture