

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 November, 2020.

Repeated - 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.

Per the Court's order, that motion has been filed. A notice advising plan participants of the motion and the implications of dismissing the lawsuits was sent via US mail on October 8 to all participants with vested retirement benefits who are not in pay status. These notices were sent by the Plan's administrator, MCG Consulting Group. Notices were mailed on October 26 to all plan participants in pay status along with their monthly checks or direct deposit advice. These notices will be sent via US mail by the Plan's custodian, Fifth Third Bank.

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 October 31 as well as a quarterly report for the quarter ending September 30. Investment returns are holding steady after a rebound from

Plan Investments - continued

the low point in March. Subsequent reports will keep the Court apprised as to the investment performance in coming months.

As of October 31, the market value of the Trust is \$101.824 million.

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.

Actuarial Valuation as of October 1, 2020

The Special Fiduciary is planning to present the results of the October 1, 2020 Actuarial Funding Valuation on November 20, 2020 to the committee at Singing River Hospital as well as to Plan participants later that same day. Both meetings will be held via Zoom.

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 94% as of the October 1, 2020 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.

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.

This concludes the report for the 16th day of November, 2020.

Respectfully submitted,



TRACI M. CHRISTIAN