

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 December, 2020.

Update - Ongoing Litigation

We have three 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 were 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.

Barbour vs SRHSERPT, where the Plan was the Respondent also alleged benefits owed from the Plan that were not paid. On December 1, 2020 Judge Harris dismissed this case. The case has been appealed to the Mississippi Supreme Court.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending November 30. Investment returns have rebounded nicely from the low point in March. Subsequent reports will keep the Court apprised as to the investment performance in coming months. As of November 30, the market value of the Trust is \$110.106 million.

Updated - Plan and Trust Documents

Counsel for SRHS has drafted a restatement to 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 days requesting permission to adopt this new document.

Administration

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

This concludes the report for the 17th day of December, 2020.

Respectfully submitted,



TRACI M. CHRISTIAN

In (\$000's)	Beginning Market Value	Deposits	Withdrawals	Net Transfers	Fees	Expenses	Net Cash Flow	Income	Asset Value Change	Net Performance	Ending Market Value
Total	\$ 101,853	-	\$ (4)	-	\$ (5)	\$ (90)	\$ (100)	\$ 38	\$ 8,314	\$ 8,352	\$ 110,106
Cash	3,874	-	(4)	-	-	(89)	(93)	0	-	0	3,781
Cash in Mutual Fund Account	36	-	-	-	-	(1)	(1)	0	(0)	(0)	35
FCI Advisors Fixed Income	9,196	-	-	-	-	(0)	(0)	27	89	116	9,311
Regiment Capital ²	104	-	-	-	-	-	-	-	-	-	104
III Credit Opportunities Fund ³	6,361	-	-	-	-	-	-	-	719	719	7,080
Coho Partners	5,535	-	-	-	-	(0.13)	(0.13)	7	636	643	6,178
Schwab S&P 500 Index Fund	5,239	-	-	-	-	-	-	-	574	574	5,813
Sustainable Growth Advisers	4,026	-	-	-	-	(0.10)	(0.10)	1	371	372	4,398
Disciplined Growth Investors	6,719	-	-	-	-	-	-	-	1,093	1,093	7,812
Nuance Investmenents	5,018	-	-	-	(3)	(0.12)	(3)	2	438	440	5,455
Wells Fargo Special Small Cap Value	5,513	-	-	-	-	-	-	-	876	876	6,389
Westfield Capital	8,231	-	-	-	-	(0.20)	(0)	2	970	972	9,203
Vanguard Real Estate Index	2,392	-	-	-	-	-	-	-	232	232	2,624
Fidelity Total International Index	8,295	-	-	-	-	-	-	-	1,078	1,078	9,374
DFA International Small Cap Value	1,589	-	-	-	-	-	-	-	250	250	1,838
Fidelity Emerging Markets Index Prem	2,682	-	-	-	-	-	-	-	242	242	2,924
Invesco Opp Developing Markets	2,269	-	-	-	-	-	-	-	249	249	2,519
Gramercy Distressed Opportunities Fund II ³	1,562	-	-	-	-	-	-	-	(18)	(18)	1,544
Invesco Balanced Risk Allocation	6,172	-	-	-	(2)	-	(2.41)	-	495	495	6,665
Elliott International Ltd. ³	6,233	-	-	-	-	-	-	-	19	19	6,252
Invesco Mortgage Recovery Fund-Loans ²	170	-	-	-	-	-	-	-	-	-	170
Invesco US Income	4,534	-	-	-	-	-	-	-	-	-	4,534
Eastern Timberland Opportunities II ²	5,592	-	-	-	-	-	-	-	-	-	5,592
Eastern Timberland Opportunities III ²	511	-	-	-	-	-	-	-	-	-	511

¹Valuation date: 6/30/2020

²Valuation date: 9/30/2020

³Valued using estimated monthly investment performance

⁴Fifth Third fee shown include both fees deducted from the Distribution account and expenses deducted from the manager accounts.

⁵Investment services credit represents the reimbursement to the Plan of the revenue sharing associated with certain mutual funds.

⁶Direct cost. Fees deducted from Fifth Third account.

⁷Indirect cost. Fees deducted from ending dividend or ending market value.

Withdrawals represent "Employee Benefit Payments".

Fees represent investment management fees.

Expenses represent withdrawals from 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	\$ (5.5) custody fee
Traci Christian ⁶	\$ (22.5) special fiduciary
MCG Consulting ⁶	\$ (26.5) administration fee
Charles Mikhail ⁶	\$ (1.6) legal fee
BXS Insurance ⁶	\$ (34.4) administration fee
Nuance Investments ⁶	\$ (2.7) investment management fee
Invesco Balanced Risk ⁷	\$ (2.4) investment management fee