

**IN THE CHANCERY COURT OF JACKSON COUNTY, MISSISSIPPI**

IN RE: Lay, et al. v. Singing River Health System, et al.; Cause No. 2015-0060

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**REPORT BY SPECIAL FIDUCIARY TRACI M. CHRISTIAN**

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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 June, 2021.

**Repeated - Ongoing Litigation**

We 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 was filed and an order granting the motion was signed by Judge Forrest A. Johnson on January 6, 2021. Notices were sent in October, 2020 to all participants with a vested annuity benefit. A second and final notice was sent in February, 2021.

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 is the Respondent also alleges 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 May 31. Investments continue to perform well. Subsequent reports will keep the Court apprised as to the investment performance in coming months. As of May 31, the market value of the Trust is \$117.767 million.

**Updated - Plan and Trust Documents**

Counsel for SRHS has drafted a restatement to the legal Plan and Trust document. This document needs to be updated to reflect law changes, court rulings and administrative practices. The Special Fiduciary, presented this draft to the Court on May 12, 2021. The Court ordered the implementation of changes after that hearing on May 17<sup>th</sup> and a second draft document reflecting additional changes ordered by the Court will be presented before the end of June.

**Administration**

Per the Court's order of May 17th, the Special Fiduciary has posted to the Plan's website a list of names of missing participants so that other participants who may know some of these missing participants can encourage them to contact the Plan administrator and claim their refund. This effort has been productive and many former participants are coming forward.

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

**This concludes the report for the 15th day of June, 2021.**

**Respectfully submitted,**



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**TRACI M. CHRISTIAN**

In (\$000's)	Beginning			Net			Asset Value			Net		Ending Market Value
	Market Value	Deposits	Withdrawals	Transfers	Fees	Expenses	Net Cash Flow	Income	Change	Performance		
<b>Total</b>	<b>\$ 117,924</b>	<b>-</b>	<b>\$ (1,034)</b>	<b>\$ 0</b>	<b>\$ (3)</b>	<b>\$ (55)</b>	<b>\$ (1,091)</b>	<b>\$ 40</b>	<b>\$ 894</b>	<b>\$ 934</b>	<b>\$ 117,767</b>	
Cash	6,587	-	(1,034)	(1,273)	-	(53)	(2,360)	0	-	0	4,227	
Cash in Mutual Fund Account	32	-	-	-	-	(1)	(1)	0	(0)	(0)	31	
FCI Advisors Fixed Income	9,806	-	-	-	-	(0)	(0)	21	30	51	9,857	
Regiment Capital <sup>1</sup>	250	-	-	-	-	-	-	-	-	-	250	
Vanguard High Yield Corp Adm Fund	1,252	-	-	-	-	-	-	6	(2)	4	1,256	
III Credit Opportunities Fund <sup>3</sup>	5,297	-	-	(1,500)	-	-	(1,500)	-	73	73	3,869	
Coho Partners	6,972	-	-	-	-	(0.16)	(0.16)	5	80	84	7,056	
Schwab S&P 500 Index Fund	6,751	-	-	-	-	-	-	-	47	47	6,798	
Sustainable Growth Advisers	4,909	-	-	-	-	(0.11)	(0.11)	2	(59)	(57)	4,851	
Disciplined Growth Investors	7,428	-	-	-	-	-	-	-	(6)	(6)	7,422	
Nuance Investment	7,686	-	-	-	(3)	(0.17)	(3)	6	1	7	7,689	
Wells Fargo Special Small Cap Value	6,969	-	-	-	-	-	-	-	150	150	7,118	
Westfield Capital	6,376	-	-	-	-	(0.14)	(0)	1	(223)	(222)	6,154	
Vanguard Real Estate Index	3,165	-	-	1,500	-	-	1,500	-	41	41	4,706	
Fidelity Total International Index	10,611	-	-	-	-	-	-	-	322	322	10,933	
DFA International Small Cap Value	2,207	-	-	1,000	-	-	1,000	-	120	120	3,327	
Fidelity Emerging Markets Index Prem	3,277	-	-	500	-	-	500	-	58	58	3,835	
Invesco Opp Developing Markets	2,804	-	-	1,000	-	-	1,000	-	98	98	3,902	
Gramercy Distressed Opportunities Fund II <sup>3</sup>	1,581	-	-	-	-	-	-	-	(4)	(4)	1,577	
Invesco Balanced Risk Allocation	5,714	-	-	-	-	-	-	-	110	110	5,824	
Elliott International Ltd. <sup>3</sup>	6,674	-	-	-	-	-	-	-	60	60	6,734	
Invesco Mortgage Recovery Fund-Loans <sup>1</sup>	162	-	-	-	-	-	-	-	-	-	162	
Invesco US Income	4,813	-	-	-	-	-	-	-	-	-	4,813	
Eastern Timberland Opportunities II <sup>2</sup>	5,677	-	-	(1,091)	-	-	(1,091)	-	-	-	4,586	
Eastern Timberland Opportunities III <sup>2</sup>	925	-	-	(136)	-	-	(136)	-	-	-	789	

<sup>1</sup>Valuation date: 3/31/2021

<sup>2</sup>Valuation date: 12/31/2020

<sup>3</sup>Valued using estimated monthly investment performance

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

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

<sup>6</sup>Direct cost. Fees deducted from Fifth Third account.

<sup>7</sup>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 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 Cash Flow Overview (in \$000's):	
Fifth Third <sup>4</sup>	\$ (3.7) custody fee
FiduciaryVest (2 qtrs) <sup>5</sup>	\$ (27.5) investment consulting
Special Fiduciary <sup>6</sup>	\$ (23.5) fiduciary services
Nuance Investments <sup>6</sup>	\$ (3.1) investment consulting