

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 July, 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 June 30. Investments continue to perform well keeping pace with current market conditions. Subsequent reports will keep the Court apprised as to the investment performance in coming months. As of June 30, the market value of the Trust is \$117.356 million.

Updated - Plan and Trust Documents

Counsel for SRHS drafted a restatement to the legal Plan and Trust document. 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 17th and a second draft document reflecting additional changes ordered by the Court was presented and approved. The final document was signed and executed on June 24, 2021. This final document as well as a red/green lined version showing all changes has been posted on the Plan's website.

Administration

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

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

Respectfully submitted,



TRACI MILLER 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 | \$ 117,831 | \$ 0.4 | \$ (1,087) | - | \$ (7) | \$ (7) | \$ (1,101) | \$ 105 | \$ 520 | \$ 626 | \$ 117,356 |
| Cash | 4,227 | 0.4 | (1,087) | 24 | - | (6) | (1,068) | - | 0 | 0 | 3,159 |
| Cash in Mutual Fund Account | 31 | - | - | - | - | (1) | (1) | 0 | 0 | 0 | 31 |
| FCI Advisors Fixed Income | 9,857 | - | - | - | - | (0) | (0) | 21 | 89 | 110 | 9,966 |
| Regiment Capital ¹ | 250 | - | - | - | - | - | - | - | - | - | 250 |
| Vanguard High Yield Corp Adm Fund | 1,256 | - | - | - | - | - | - | 4 | 8 | 13 | 1,269 |
| III Credit Opportunities Fund ³ | 3,866 | - | - | - | - | - | - | - | 15 | 15 | 3,881 |
| Coho Partners | 7,056 | - | - | - | - | (0.16) | (0.16) | 17 | (107) | (90) | 6,966 |
| Schwab S&P 500 Index Fund | 6,798 | - | - | - | - | - | - | - | 159 | 159 | 6,957 |
| Sustainable Growth Advisers | 4,851 | - | - | - | - | (0) | (0.11) | 5 | 221 | 225 | 5,077 |
| Disciplined Growth Investors | 7,422 | - | - | - | - | - | - | - | 88 | 88 | 7,509 |
| Nuance Investment | 7,689 | - | - | - | (4) | (0.17) | (4) | 14 | (119) | (105) | 7,580 |
| Wells Fargo Special Small Cap Value | 7,118 | - | - | - | - | - | - | - | (124) | (124) | 6,994 |
| Westfield Capital | 6,154 | - | - | - | - | (0.14) | (0) | 3 | 127 | 130 | 6,283 |
| Vanguard Real Estate Index | 4,706 | - | - | - | - | - | - | 34 | 89 | 123 | 4,829 |
| Fidelity Total International Index | 10,933 | - | - | - | - | - | - | - | (58) | (58) | 10,874 |
| DFA International Small Cap Value | 3,327 | - | - | - | - | - | - | 7 | (108) | (100) | 3,227 |
| Fidelity Emerging Markets Index Prem | 3,835 | - | - | - | - | - | - | - | 45 | 45 | 3,880 |
| Invesco Opp Developing Markets | 3,902 | - | - | - | - | - | - | - | (8) | (8) | 3,894 |
| Gramercy Distressed Opportunities Fund II ³ | 1,579 | - | - | - | - | - | - | - | 59 | 59 | 1,638 |
| Invesco Balanced Risk Allocation | 5,890 | - | - | - | - | - | - | - | 53 | 53 | 5,943 |
| Elliott International Ltd. ³ | 6,734 | - | - | - | - | - | - | - | 88 | 88 | 6,822 |
| Invesco Mortgage Recovery Fund-Loans ¹ | 162 | - | - | - | - | - | - | - | - | - | 162 |
| Invesco US Income | 4,813 | - | - | - | - | - | - | - | - | - | 4,813 |
| Eastern Timberland Opportunities II ¹ | 4,586 | - | - | - | - | - | - | - | - | - | 4,586 |
| Eastern Timberland Opportunities III ¹ | 789 | - | - | (24) | (3) | - | (27) | - | 3 | 3 | 765 |

¹Valuation date: 3/31/2021

²Valuation date: 12/31/2020

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 Cash Flow Overview (in \$000's): | |
|--|--------------------------------|
| Fifth Third ⁴ | \$ (3.8) custody fee |
| Charles Mikhail ⁶ | \$ (3.4) legal services |
| Nuance Investments ⁵ | \$ (3.9) investment management |
| Eastern Timber III ⁷ | \$ (3.2) investment management |
| CAPIS | \$ 0.4 commission recapture |