

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, 2021.

Repeated - Ongoing Litigation

We have three lawsuits involving the Plan that are pending.

A motion was filed per the Court's order to dismiss the case against Transamerica, the former administrator. Transamerica has filed a counter claim and that action has not yet been heard. A conference with the Court and all attorneys has been requested.

In Beasley et al vs SRHS et al, the Plan is a Respondent. The lawsuit alleges benefits owed from the Plan that were not paid. A hearing on that case is scheduled for November 2.

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 August 31. 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 August 31, the market value of the Trust is \$117.559 million.

As previously reported, the Special Fiduciary shares the Court's concern with the underperformance of certain active managers within the portfolio. Meetings with the asset advisors, Fiduciary Vest and FCI Advisors, are held at least every three weeks. The most recent meeting on September 8th included a decision to reduce exposure to two managers, Disciplined Growth Investors and Nuance, and allocate the proceeds to a complimentary passive strategy. That move will be done strategically over the coming months.

Discussions will continue regarding moving more funds out of active management to the extent possible and moving more toward passive investment vehicles. Such strategies are common for pension plans of this size and the goal continues to be to maintain a balance between maximizing investment return, minimizing investment expenses and mitigating risk to the portfolio due to market volatility.

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 on November 19, 2021. It is anticipated that the October 1, 2021 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 13th day of September, 2021.

Respectfully submitted,



TRACI MILLER 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	
Total	\$ 115,943	\$ 0.1	\$ (59)	\$ (0)	\$ (4)	\$ (93)	\$ (155)	\$ 51	\$ 1,719	\$ 1,770	\$ 117,559
Cash	1,044	0.1	(59)	2,064	-	(91)	\$ 1,915	0	-	\$ 0	2,959
Cash in Mutual Fund Account	30	-	-	7	-	(1)	\$ 6	0	(0)	\$ (0)	36
FCI Advisors Fixed Income	10,077	-	-	-	-	(0)	\$ (0)	28	(43)	\$ (15)	10,062
Regiment Capital ¹	251	-	-	-	-	-	\$ -	-	-	\$ -	251
Vanguard High Yield Corp Adm Fund	1,275	-	-	-	-	-	\$ -	4	2	\$ 7	1,282
III Credit Opportunities Fund ³	3,894	-	-	-	-	-	\$ -	-	21	\$ 21	3,916
Coho Partners	7,054	-	-	(750)	-	(0.16)	\$ (750.16)	5	3	\$ 8	6,312
Schwab S&P 500 Index Fund	7,122	-	-	(1,257)	-	-	\$ (1,257)	-	198	\$ 198	6,063
Sustainable Growth Advisers	5,245	-	-	-	-	(0)	\$ (0.14)	2	214	\$ 216	5,461
Disciplined Growth Investors	7,737	-	-	-	-	-	\$ -	-	91	\$ 91	7,828
Nuance Investment	7,675	-	-	-	(4)	(0.17)	\$ (4)	11	48	\$ 60	7,731
Wells Fargo Special Small Cap Value	6,821	-	-	-	-	-	\$ -	-	201	\$ 201	7,022
Westfield Capital	6,181	-	-	-	-	(0.16)	\$ (0)	1	341	\$ 342	6,523
Vanguard Real Estate Index	5,044	-	-	-	-	-	\$ -	-	108	\$ 108	5,153
Fidelity Total International Index	10,735	-	-	-	-	-	\$ -	-	190	\$ 190	10,925
DFA International Small Cap Value	3,264	-	-	-	-	-	\$ -	-	64	\$ 64	3,329
Fidelity Emerging Markets Index Prem	3,617	-	-	250	-	-	\$ 250	-	86	\$ 86	3,952
Invesco Opp Developing Markets	3,578	-	-	250	-	-	\$ 250	-	65	\$ 65	3,893
Gramercy Distressed Opportunities Fund II ³	1,641	-	-	-	-	-	\$ -	-	(10)	\$ (10)	1,631
Invesco Balanced Risk Allocation	6,002	-	-	-	-	-	\$ -	-	63	\$ 63	6,065
Elliott International Ltd. ³	6,823	-	-	-	-	-	\$ -	-	75	\$ 75	6,899
Invesco Mortgage Recovery Fund-Loans ¹	163	-	-	-	-	-	\$ -	-	-	\$ -	163
Invesco US Income	5,128	-	-	-	-	-	\$ -	-	-	\$ -	5,128
Eastern Timberland Opportunities II ¹	4,726	-	-	(564)	-	-	\$ (564)	-	-	\$ -	4,162
Eastern Timberland Opportunities III ¹	814	-	-	-	-	-	\$ -	-	-	\$ -	814

¹Valuation date: 6/30/2021

²Valuation date: 3/31/2021

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	\$ (6.3) custody fee
Nuance Investments ⁵	\$ (3.8) investment management
FCI Advisors ⁶	\$ (52.1) investment consulting
Traci Christian ⁶	\$ (22.5) special fiduciary
Charles Mikhail ⁶	\$ (5.6) legal
Williams-Keepers ⁶	\$ (6.0) audit
CAPIS	\$ 1.2 commission recapture