

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 April, 2022.

Updated - Ongoing Litigation

We have two lawsuits involving the Plan that are pending.

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. The parties are awaiting a trial setting.

In 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. On April 26, the Mississippi Supreme Court entered its mandate in favor of the Plan. This case is concluded.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending March 31. Plan investments continue to perform reasonably well keeping pace with current market conditions. Subsequent reports will keep the Court apprised as to the investment performance in coming months. As of March 31, the market value of the Trust is \$111.352 million.

As noted in previous reports, meetings with FCI Advisors, are held every two to three weeks as we continue to pursue opportunities to lower investment costs and to generate lower volatility around performance benchmarks. Discussions continue regarding moving more funds out of active management to the extent possible and moving more toward passive investment strategies. 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. This is a process that will continue indefinitely.

Mid-year Estimated Actuarial Valuation as of April 1, 2022

The Special Fiduciary oversaw a mid-year actuarial valuation of the Plan as of April 1, 2022. These results were done at no additional cost to the Plan. The results of this interim valuation indicate that the Plan remains well within the 90%-110% funding corridor on a projected basis as ordered by the Court.

As of April 1, 2022, the projected funded status of the plan sits at an estimated 99.5%.

As previously noted, the recent actuarial audit resulted in discussions regarding the discount rate used (currently 6.0%) and the mortality tables used – two of the key assumptions in the valuation of the Plan’s liabilities. The conclusion is that these two assumptions may be more conservative than necessary. As a result, the Special Fiduciary has studied the possibility of changing these assumptions and has determined that a more conservative approach for valuation purposes continues to be a prudent strategy. No changes are recommended for the formal valuation in October.

These assumptions will continue to be monitored closely with each subsequent valuation.

Administration

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

This concludes the report for the 26th day of April, 2022.

Respectfully submitted,



TRACI MILLER CHRISTIAN

Singing River Health System Employees' Pension Plan Trust
 Mark to Market Accounting Summary

One Month Ended
 March 31, 2022

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
Total	111,606	(1,085)	48	784	111,352
Cash	1,581	(286)	0	-	1,296
Cash in Mutual Fund Account	1,076	705	-	-	1,781
FCI Advisors Fixed Income	10,423	-	26	(294)	10,154
Regiment Capital ¹	251	-	-	-	251
Vanguard High Yield Corp Adm Fund	1,730	-	-	(12)	1,718
III Credit Opportunities Fund ²	1,963	-	-	12	1,975
Coho Partners	6,403	-	13	190	6,606
Schwab S&P 500 Index Fund	8,283	500	-	347	9,131
Sustainable Growth Advisers	4,624	-	2	109	4,735
Fidelity Mid Cap Index	10,969	-	-	280	11,248
Wells Fargo Special Small Cap Value	7,051	-	-	(21)	7,030
Westfield Capital	5,663	-	7	28	5,698
Vanguard Real Estate Index	4,940	(491)	-	312	4,762
Fidelity Total International Index	9,381	(759)	-	(18)	8,605
DFA International Small Cap Value	2,753	(252)	-	(12)	2,489
Fidelity Emerging Markets Index Prem	3,565	(255)	-	(104)	3,206
Invesco Opp Developing Markets	3,218	-	-	(158)	3,060
Gramercy Distressed Opportunities Fund II ²	1,648	-	-	-	1,648
Invesco Balanced Risk Allocation ²	5,942	-	-	-	5,942
Elliott International Ltd.	7,568	-	-	136	7,704
Invesco Mortgage Recovery Fund-Loans ⁴	162	-	-	-	162
Invesco US Income ³	5,150	-	-	-	5,150
Eastern Timberland Opportunities II ³	4,566	-	-	-	4,566
Eastern Timberland Opportunities III ³	1,711	-	-	-	1,711
Lord Abbet Short Duration Income	986	(249)	-	(11)	726

¹Valuation date: 9/30/2021 and taken from Mark to Market report previously provided by FiduciaryVest

²Valuation date: 02/28/2022 using estimated monthly investment performance

³Valuation date: 12/31/2021 asset prices quarterly

⁴Valuation date: 9/30/2021

⁵Valuation date: Beginning Market Value estimated based off of 12/31/2021 Market Value; Ending Market Value estimated based on estimated monthly investment performance

Withdrawals represent "Employee Benefit Payments" and Additions represent hospital contributions.

Fees represent investment management fees.

Beginning market value may vary from previous month ending market values due to adjustments made during current month.

All values are preliminary.