

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 October, 2022.

Repeated - Ongoing Litigation

We have one lawsuit involving the Plan that is still 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.

Plan Investments

Attached for the Court's review is a report showing asset positions and activity for the month ending September 30. The markets closed down to new lows for the year right at the end of the quarter. Many persistent factors again contributed to the weak quarter including a continuation of inflationary pressures, higher inter rates, a more restrictive Federal Reserve and increasing concerns with regard to Ukraine/Russia.

Steps we have taken this year to try and cushion the market weakness:

- Hold extra cash as the market has continued to decline
- Overweight Value Stocks
- Underweight International Stocks; reduced further early in the year
- Reduced exposure to public real estate
- Reduced credit risk in the bond portfolio by liquidating III Credit Opp High Yield
- Incrementally added to the S&P 500 fund on capitulation days this year with excess cash

Account activity for the month:

- Received \$536,000 in cash from the continued winding down of Eastern Timberland II
- Capital call of \$306,000 for asset purchases inside Eastern Timberland III
- Received hospital pension payment at the end of September and the remainder in the first week of October

Plan Investments (continued)

The Plan's 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 September 30, the market value of the Trust is \$93.644 million.

Repeated - Potential Sale of SRHS

Leadership at SRHS has informed Plan participants that they are exploring options for the sale of the hospital system. According to the information shared, a sale of SRHS would not jeopardize the current status of the settlement or pension payments.

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 18, 2022. It is anticipated that the October 1, 2022 Actuarial Valuation will be completed by early November and presented to the Court and to Plan participants with similar timing to last year.

Given the market lows at the end of September, preliminary results now indicate that the Plan's funding status on a projected basis will drop slightly below the court ordered corridor of 90% - 110% as of the valuation date. However, given the subsequent rebound in October and the overall volatility of late, the Special Fiduciary does not currently anticipate making any recommendations for changes to the Plan as a result of this valuation.

This concludes the report for the 25th day of October, 2022.

Respectfully submitted,



TRACI MILLER CHRISTIAN

Singing River Health System Employees' Pension Plan Trust

One Month Ended

Mark to Market Accounting Summary

September 30, 2022

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
Total	97,801	1,921	42	(6,013)	93,644
Cash	1,844	2,143	4	-	3,991
Cash in Mutual Fund Account	533	(320)	-	-	213
FCI Advisors Fixed Income	11,075	-	29	(535)	10,568
Regiment Capital ¹	251	-	-	-	90
Vanguard High Yield Corp Adm Fund	1,618	-	-	(61)	1,557
Coho Partners	6,287	-	12	(473)	5,827
Schwab S&P 500 Index Fund	8,278	-	-	(762)	7,516
Sustainable Growth Advisers	1	-	0	-	1
FCI Advisors Select Growth Equity	3,862	-	2	(395)	3,470
Fidelity Mid Cap Index	9,648	-	-	(892)	8,756
Allspring Special U.S. Small Cap Value Equity	5,910	-	-	(663)	5,247
Westfield Capital	5,051	-	7	(419)	4,638
Vanguard Real Estate Index	3,867	-	-	(496)	3,370
Fidelity Total International Index	7,202	-	-	(725)	6,477
DFA International Small Cap Value	1,907	-	-	(190)	1,718
Fidelity Emerging Markets Index Prem	2,850	-	-	(324)	2,526
Invesco Opp Developing Markets	2,724	-	-	(276)	2,448
Gramercy Distressed Opportunities Fund II ²	1,588	-	-	-	1,588
Invesco Balanced Risk Allocation ²	3,507	-	-	-	3,562
Elliott International Ltd.	7,687	-	-	92	7,779
Invesco Mortgage Recovery Fund-Loans ⁴	157	-	-	-	157
Invesco US Income ³	5,796	-	(12)	109	5,893
Eastern Timberland Opportunities II ³	3,700	-	-	-	3,700
Eastern Timberland Opportunities III ³	2,245	306	-	-	2,552
Lord Abbet Short Duration Income	212	(209)	-	(2)	-

¹Valuation date: 06/30/2022²Valuation date: 08/31/2022 using estimated monthly investment performance³Valuation date: 06/30/2022 asset prices quarterly⁴Valuation date: 03/31/2022

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.