

**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, 2023.

**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 May 31.

Of note this month:

- Equity and fixed income markets were mostly flat to down for the month of May.
  - o Value stocks performed the worst with COHO being down the most.
  - o Growth stocks were driven up by technology stocks, especially those associated with Artificial Intelligence (AI)
- Stocks are up significantly in the first two weeks of June; driven again by technology and AI.
- We liquidated Allspring Small Cap CIT and replaced that investment with mostly the DFA Small Cap mutual fund.
  - o Expense ratio reduced from 75 bps to 27 bps for an expense savings of about \$28,000 per year
  - o Better liquidity
  - o Also added to Midcap and Emerging market equities
- There is enough money market balance (liquidity) to cover the next three months of pension payouts

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 May 31, the market value of the Trust is \$93.886 million.

**Plan Investments (continued)**

The Special Fiduciary with the advice of the Plan's independent investment advisor continues to monitor this allocation and make changes within the Investment Policy Statement targets.

**Repeated - Corporate Structure of SRHS**

On March 27, 2023, the Jackson County Board of Supervisors (BOS) announced their decision to partner with the Franciscan Missionaries of Our Lady Health System (FMOLHS). The memo released assured plan participants that this change will not affect their pension benefits.

**Repeated - Mississippi Legislative Guidance**

Last year the Mississippi state legislature passed code sections 41-13-49 and 41-13-51 titled "Duties and responsibilities of administrator of retirement plan." And "Summary plan" respectively. Those sections seek to ensure that plan participants are provided with, among other information, a copy of a Summary Plan Description. To that end, an updated Summary has been prepared and letters will go out to all plan participants with a link to the Plan's website where the Summary can be downloaded.

The Special Fiduciary will continue to review the guidance to ensure compliance.

**Repeated - Financial Audit of the Fund**

The audit firm of Williams Keepers has begun their financial audit of the fund for the year ended September 30, 2022.

**Administration**

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

**This concludes the report for the 16th day of June, 2023.**

**Respectfully submitted,**



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**TRACI MILLER CHRISTIAN**

## Singing River Health System Employees' Pension Plan Trust

One Month Ended

## Mark to Market Accounting Summary

May 31, 2023

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
<b>Total</b>	96,181	(1,108)	65	(1,221)	93,886
Cash	2,677	1,016	11	-	3,704
Cash in Mutual Fund Account	851	(824)	-	-	27
FCI Advisors Fixed Income	12,300	-	36	(175)	12,161
Regiment Capital <sup>1</sup>	76	-	-	-	47
Vanguard High Yield Corp Adm Fund	933	-	-	(8)	926
Coho Partners	6,508	-	12	(433)	6,087
Schwab S&P 500 Index Fund	9,953	(248)	-	40	9,745
FCI Advisors Select Growth Equity	4,051	-	4	242	4,296
Fidelity Mid Cap Index	9,898	750	-	(277)	10,371
Allspring Special U.S. Small Cap Value Equity	5,952	(6,026)	-	74	-
Westfield Capital	4,223	-	2	23	4,247
Vanguard Real Estate Index	2,514	(25)	-	(101)	2,388
Fidelity Total International Index	8,076	-	-	(279)	7,797
DFA International Small Cap Value	2,234	-	-	(122)	2,112
Fidelity Emerging Markets Index Prem	2,871	250	-	(60)	3,061
DFA US Small Cap I	-	4,000	1	(34)	3,966
Invesco Opp Developing Markets	3,056	-	-	(117)	2,938
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,563	-	-	-	1,563
Elliott International Ltd.	6,295	-	-	6	6,302
Invesco Mortgage Recovery Fund-Loans <sup>4</sup>	15	-	-	-	15
Invesco US Income	5,347	-	-	-	5,347
Eastern Timberland Opportunities II <sup>3</sup>	3,938	-	-	-	3,938
Eastern Timberland Opportunities III <sup>3</sup>	2,851	-	-	-	2,851

<sup>1</sup>Valuation date: 03/31/2023<sup>2</sup>Valuation date: 03/31/2023 using estimated monthly investment performance<sup>3</sup>Valuation date: 03/31/2023 asset prices quarterly<sup>4</sup>Valuation date: 03/31/2023

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.