SINGING RIVER HEALTH SYSTEM EMPLOYEES' RETIREMENT PLAN & TRUST

Investment Report

June 30, 2023

FCI Advisors created this report. We strongly encourage you to compare your account information with your custodian statements on a regular basis and bring any questions or concerns to our attention.

FCI ADVISORS

Third Quarter 2023

Market Environment

This publication is intended for use by clients of FCI Advisors and investment professionals.

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3Q23 Market Outlook

Market Strengths

- The U.S. and global economies are holding up better than expected as economic activities expanded last quarter
- The labor force participation rate for the prime working age is now above pre-COVID levels
- Key components of inflation are now contributing to disinflation, although core services remain sticky
- Despite this year's market rally, valuations across bonds and stocks remain below peak levels

Market Challenges

- Despite a stronger-than-expected economy, the risk of recession remains from a variety of cautious signals
- Consensus earnings expectations may still be too high as earnings risk likely remains to the downside
- The Federal Reserve has indicated there still may be work to do on inflation, furthering risk of overtightening
- The large divergence in performance for the biggest eight names in the S&P 500 and the rest of the index

What to Watch For …

- Initial jobless claims, unemployment rate and job openings as a historically strong labor market starts to cool down
- Inflation data, specifically in core services, as the Fed continues to contemplate further rate hikes in the third quarter
- Credit spreads as consumer and corporate delinquencies are starting to creep up

Market Returns – 2nd QTR 2023 and 2023 YTD

Equity Markets

Value vs. Growth

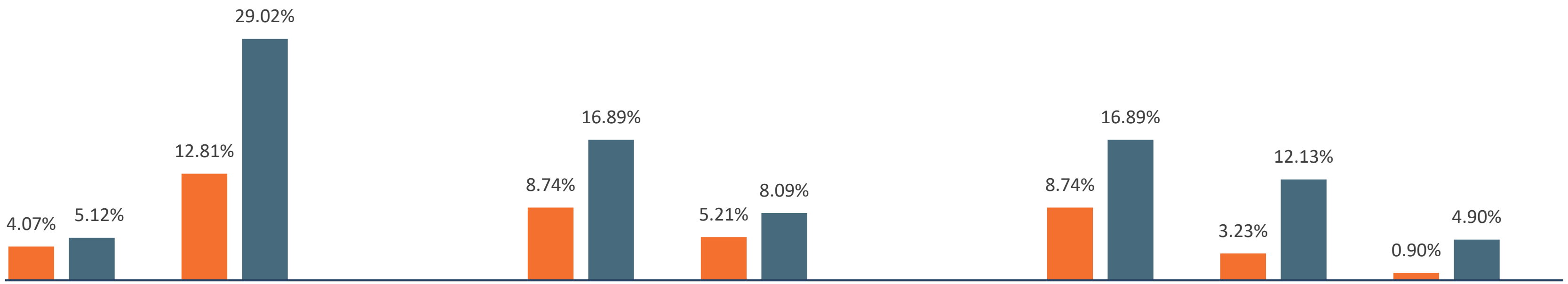
Russell 1000V Russell 1000G

Large Cap vs. Small Cap

S&P 500 Russell 2000

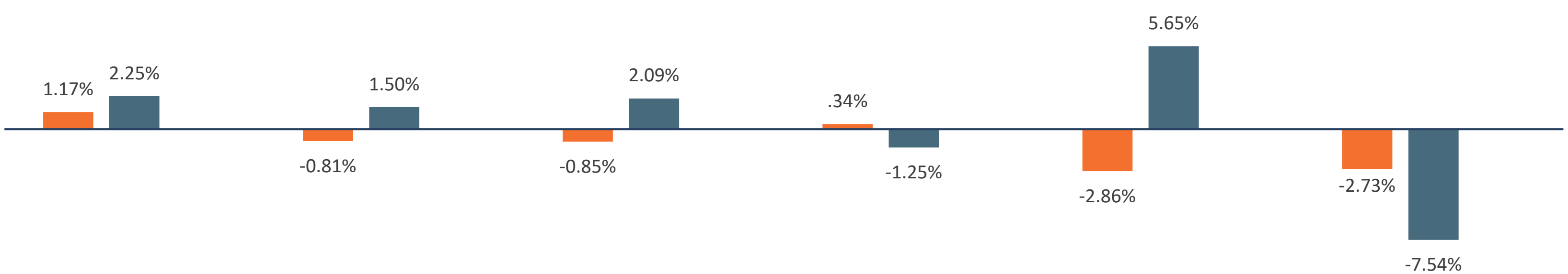
Domestic vs. International*

S&P 500 MSCI EAFE MSCI Emrg Mkts



Bonds, Commodities and Cash

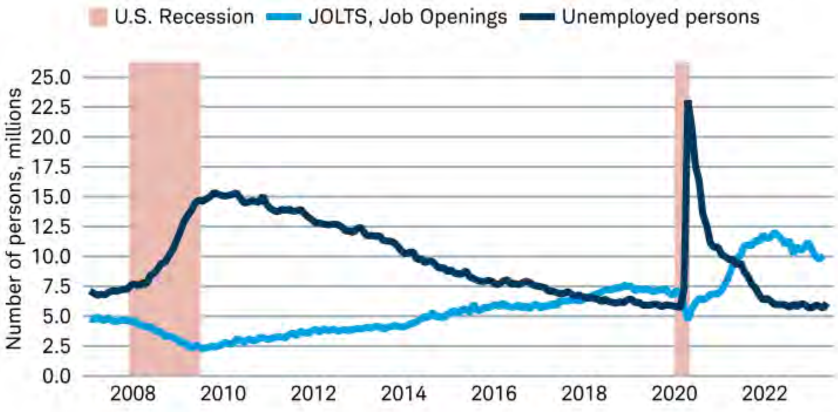
ICE BofA 3-Month T-Bills | Bloomberg Interm G/C | Bloomberg Aggregate | Nominal Broad US Dollar | S&P GSCI Gold TR | S&P GSCI TR Index

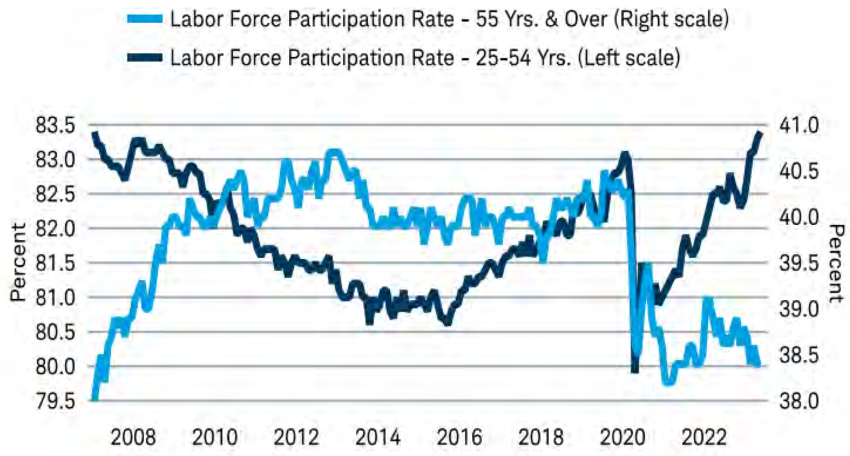


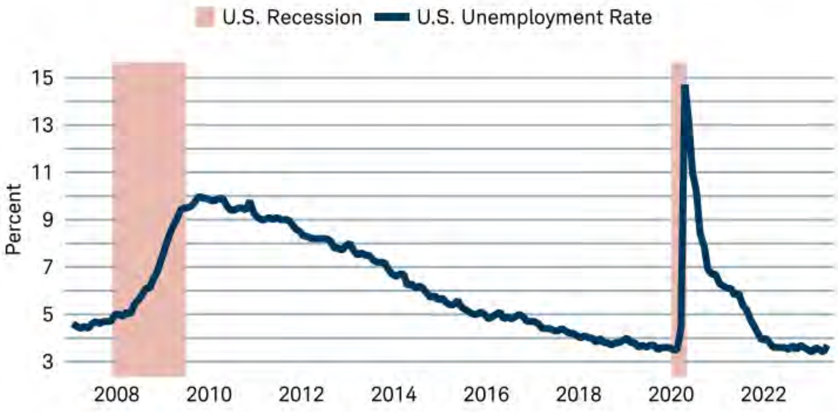
2nd QTR 2023 2023 YTD

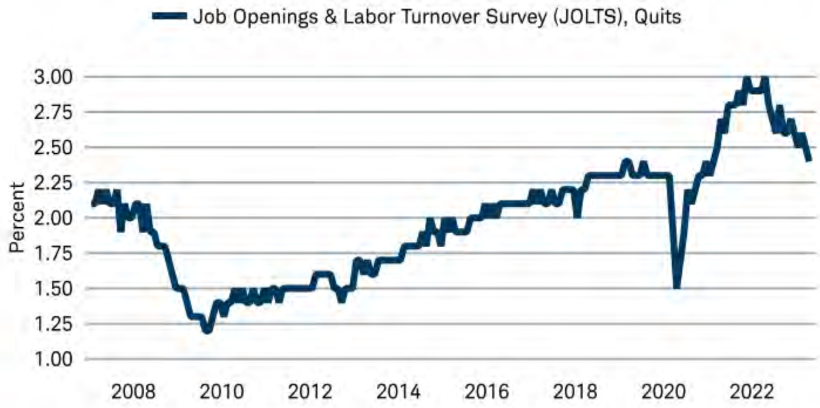
*US Dollars
Data source: IDC, Bloomberg and MSCI
Data as of 06/30/2023

The Labor Market Remains Tight



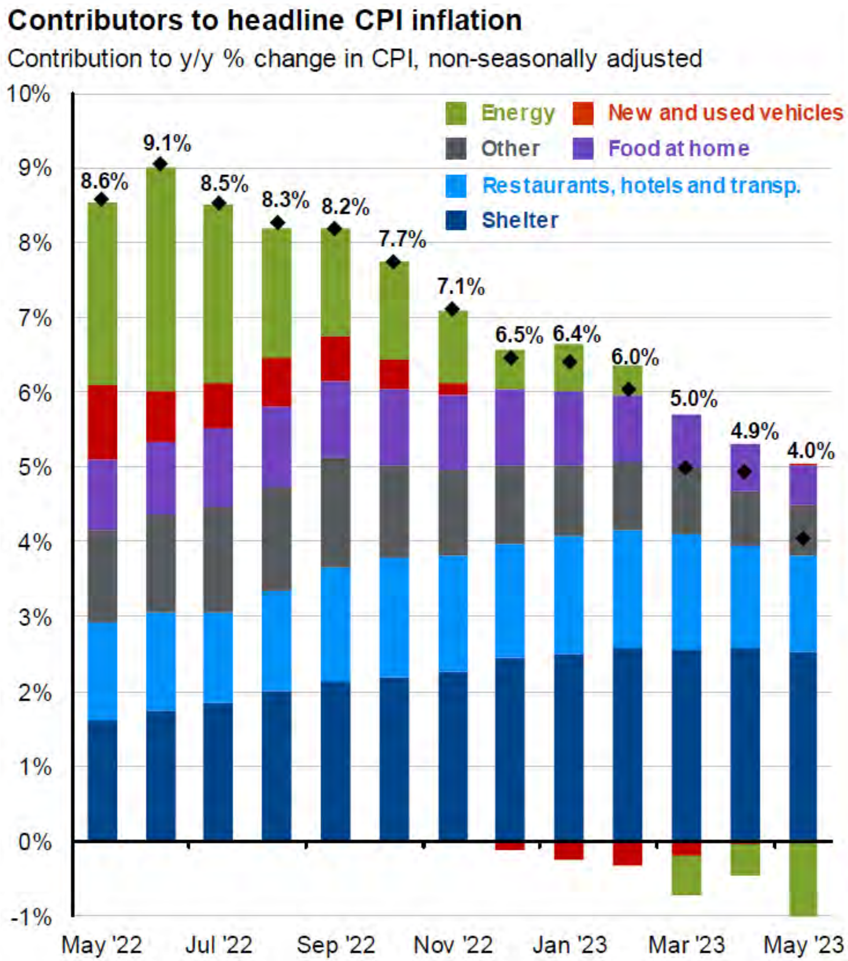


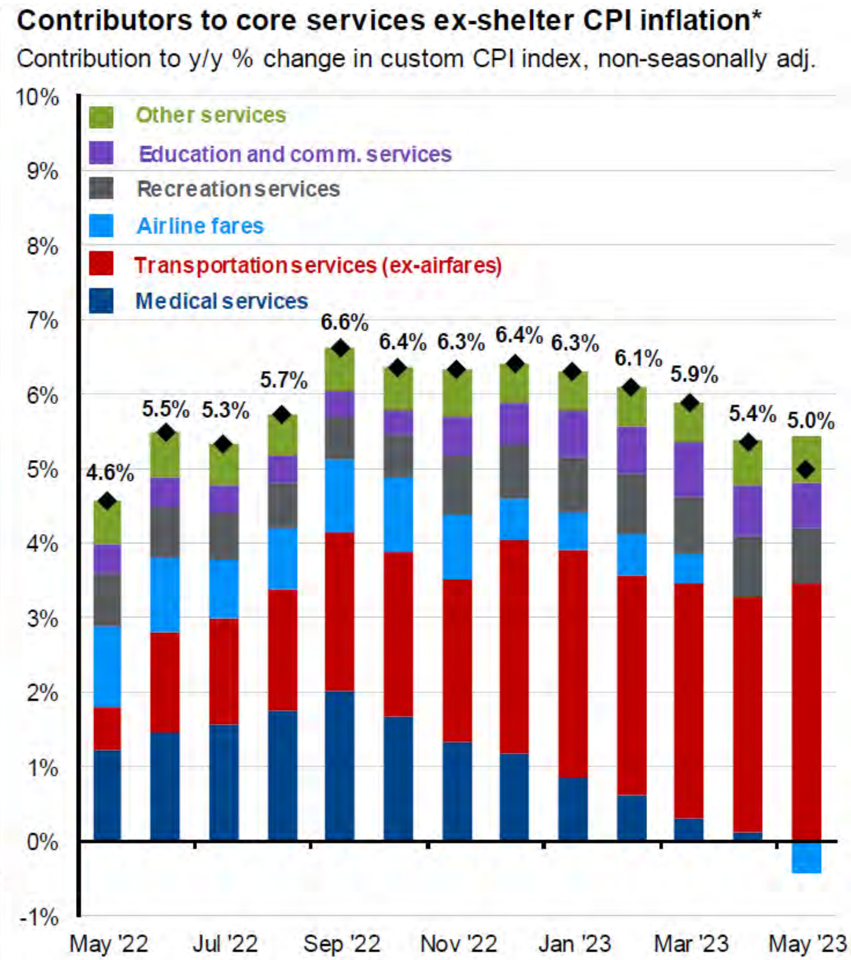




Bars represent National Bureau of Economic Research defined recession periods.
Source: Charles Schwab, Macrobond as of 6/30/2023.

Inflation Components





Source: Bureau of Labor Statistics, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. *Core services ex-shelter CPI is a custom index using CPI components created by J.P. Morgan Asset Management. Left: "Shelter" includes owners' equivalent rent and rent of primary residence; "Other" primarily reflects household furnishings, apparel, education and communication services, medical care services and other personal services. Right: "Transportation services" primarily includes leased cars and trucks, motor vehicle insurance and motor vehicle maintenance and repair. Airline fares are broken out from transportation services.

Guide to the Markets – U.S. Data are as of June 30, 2023.

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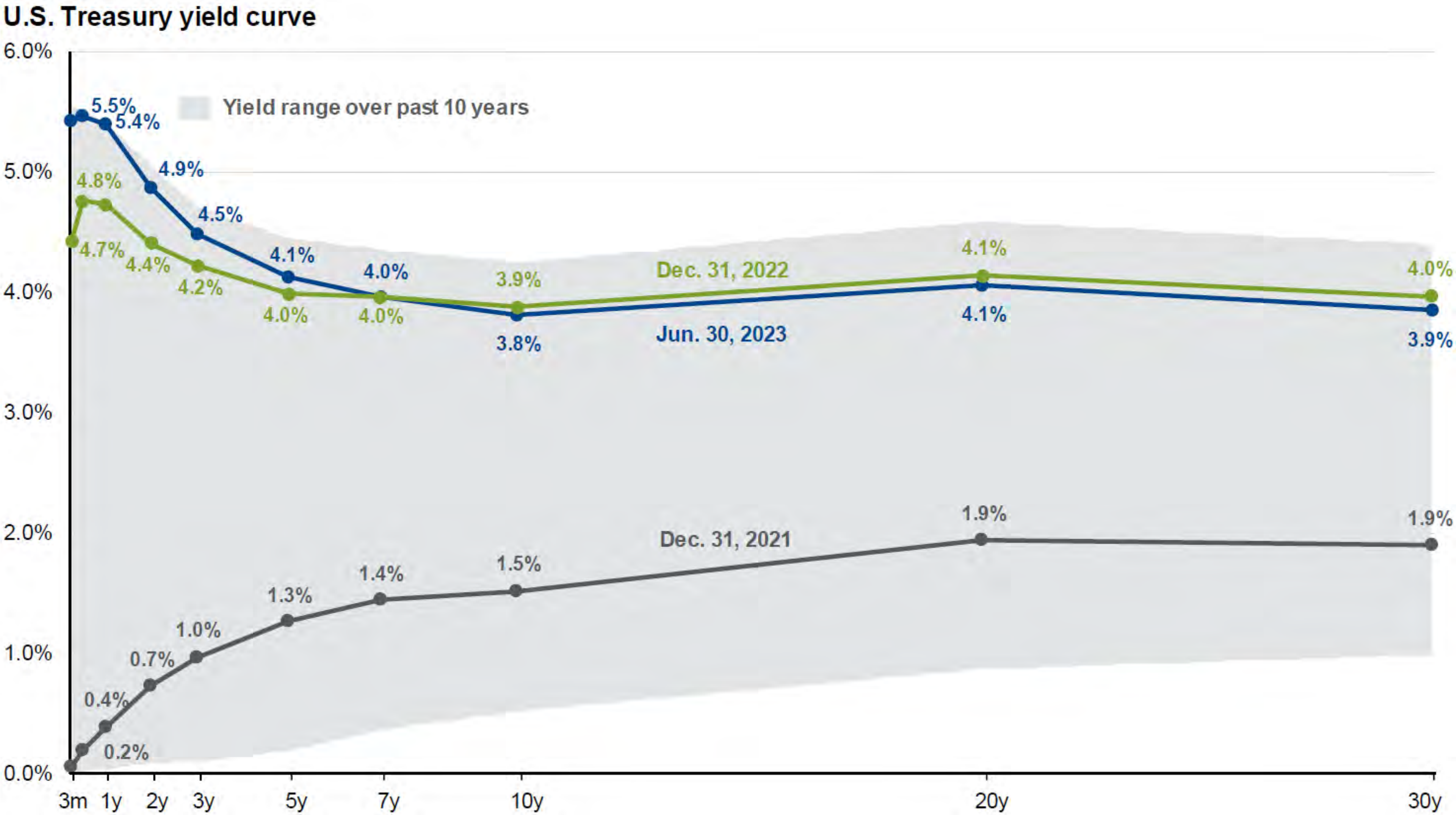
Yield Curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of June 30, 2023.

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Asset Class Returns

																2008 - 2022	
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	Ann.	Vol.
Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 16.9%	Large Cap 8.8%	REITs 23.4%
Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 12.1%	Small Cap 7.2%	Small Cap 23.2%
Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 8.1%	REITs 6.6%	EM Equity 23.0%
High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 7.8%	Asset Alloc. 6.1%	Comdty. 20.2%
Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 5.2%	High Yield 5.4%	DM Equity 20.0%
Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	EM Equity 5.1%	Fixed Income 2.7%	Large Cap 17.7%
Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	REITs 3.0%	DM Equity 2.3%	High Yield 13.0%
REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Cash 2.3%	EM Equity 1.0%	Asset Alloc. 12.4%
DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Fixed Income 2.1%	Cash 0.6%	Fixed Income 4.2%
EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.8%	Comdty. -2.6%	Cash 0.4%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2007 to 12/31/2022. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of June 30, 2023.

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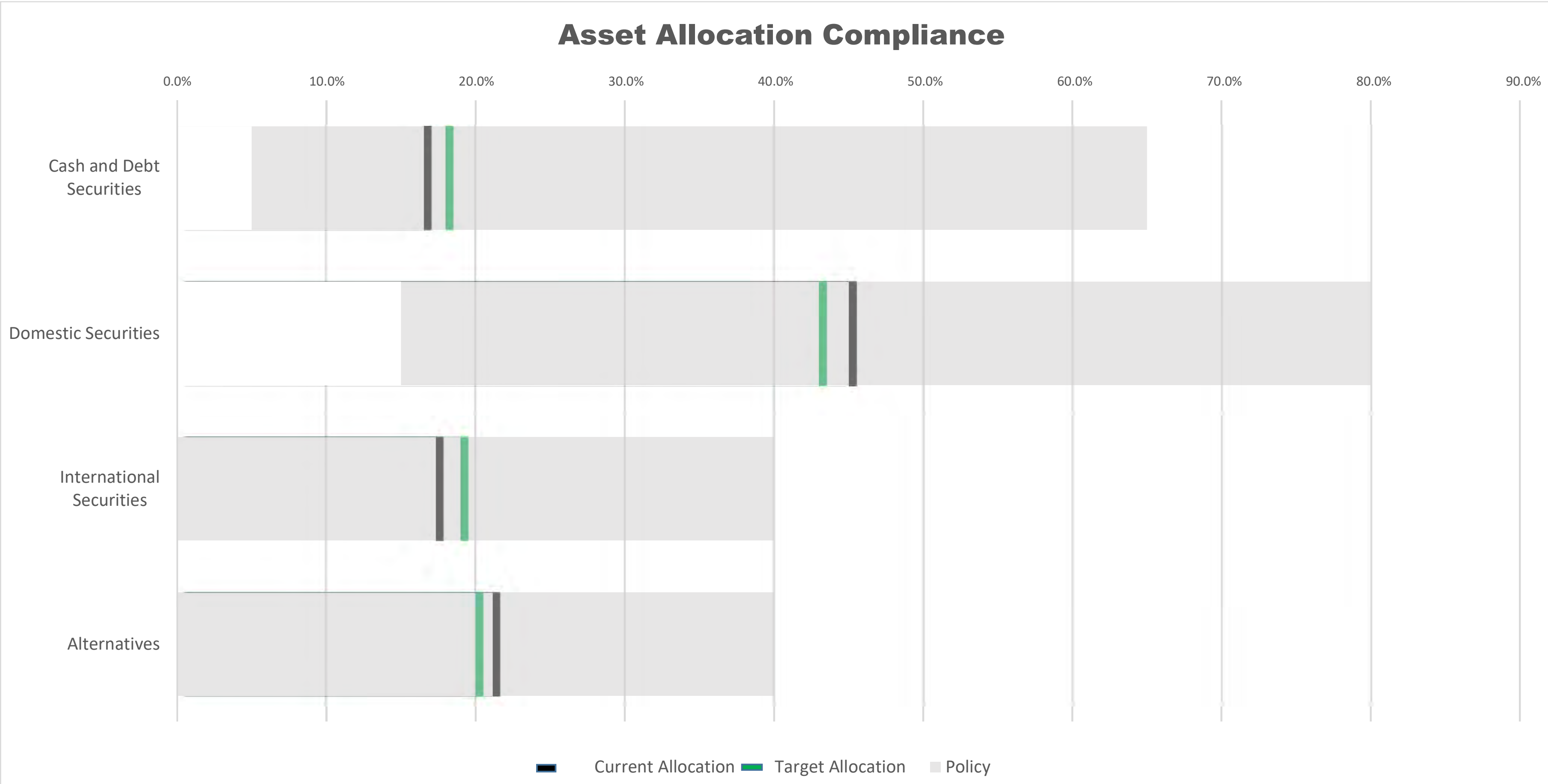
Executive Summary: SRHS Employees Retirement Plan & Trust

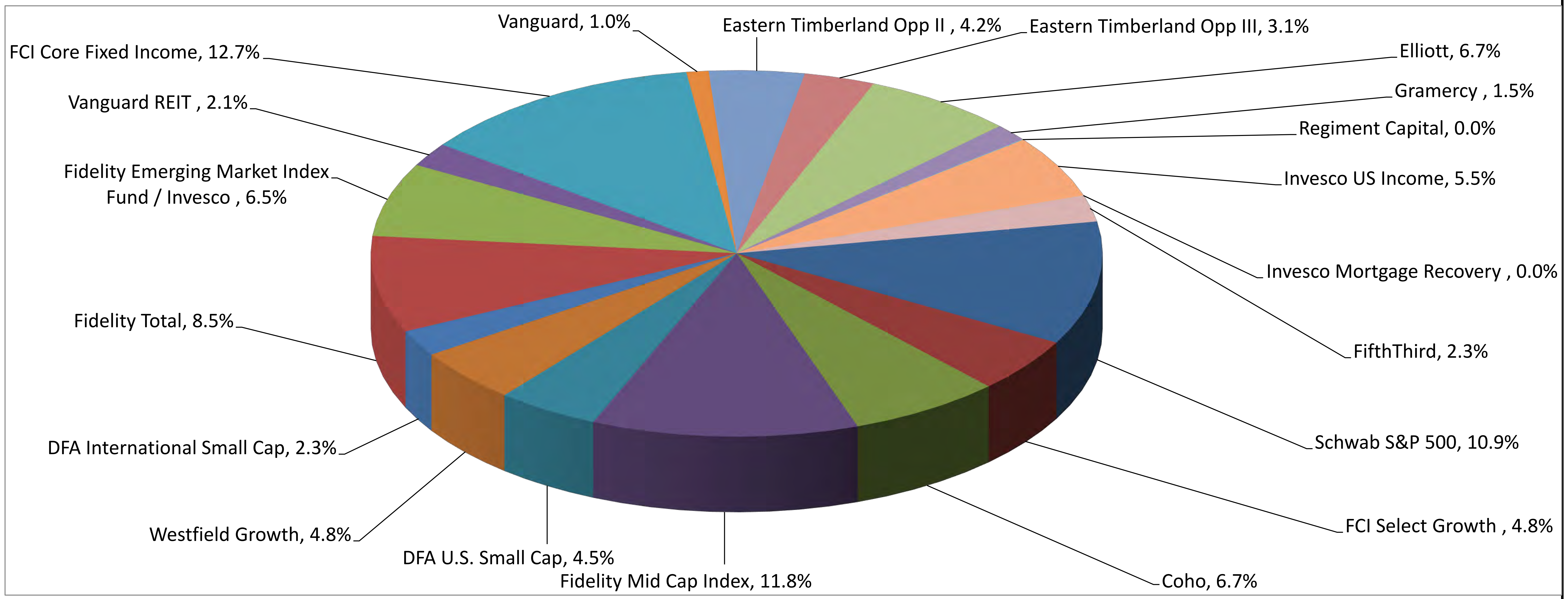
- The Plan increased 3.18% for the quarter and is now up 12.91% for the first nine months of the 2023 fiscal year.
- Continued to trim exposure to public REIT's and High Yield exposure during the quarter.
- Sold a small allocation of the Schwab S&P 500 Index Fund and increased the Fidelity Emerging Market Index Fund.
- Lowered the allocation of Westfield Small Cap Growth CIT strategy; re-balance.
  - Proceeds held in money market for pension payouts
- Liquidated Allspring U.S. Small Cap Value CIT strategy.
  - Proceeds allocated to DFA U.S. Small Cap Fund and Fidelity Mid Cap Index Fund
  - Lower fee structure
- Regiment Capital wired a return of capital distribution; first since November 2018.
- Invesco Mortgage Recovery Fund wired a distribution.
- Gramercy Distressed Opp. Fund continues to look for opportunities to sell remaining assets.



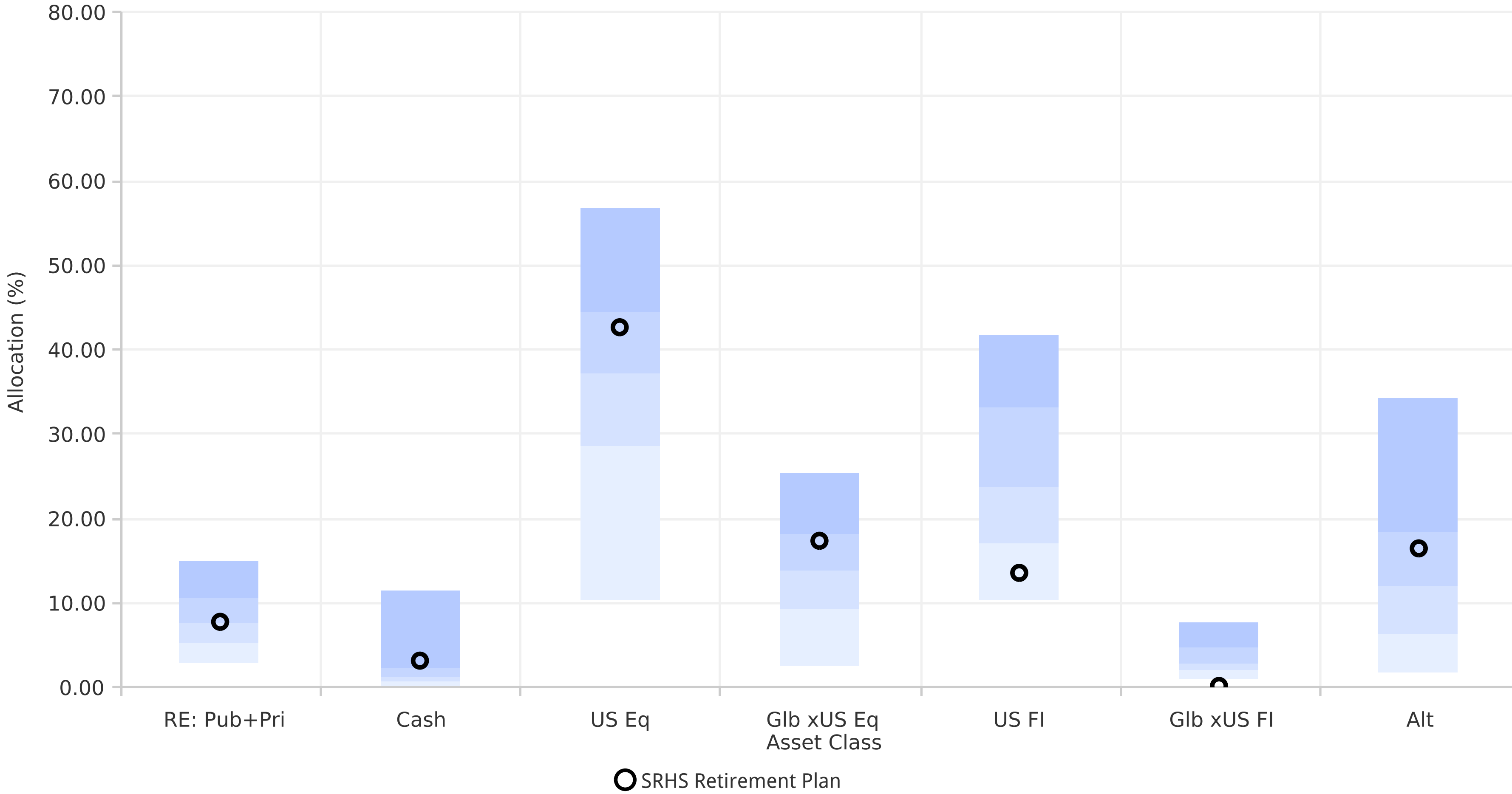
	Market Value	Current Allocation	Target	Variance
Total Plan	**95,508,791**	**100.0%**	**100.0%**	**0.0%**
Debt Securities/Money Market	15,792,994	16.5%	18.0%	-1.5%
Domestic Securities	42,992,992	45.0%	43.0%	2.0%
International Securities	16,545,009	17.3%	19.0%	-1.7%
Alternatives	20,177,796	21.1%	20.0%	1.1%

As of 06/30/2023

Singing River Health System Employees' Retirement Plan & Trust
Asset Class Summary
06/30/2023



STYLE	MANAGER		ENDING MARKET VALUE	CURRENT PORTFOLIO ALLOCATION	PERCENTAGE OF EQUITIES
EQUITY		$	60,063,031	62.9%	
Large Cap Core	Schwab S&P 500	$	10,387,961	10.9%	17.3%
Large Cap Growth	FCI Select Growth	$	4,607,056	4.8%	7.7%
Large Cap Value	Coho	$	6,416,920	6.7%	10.7%
Mid Cap Core	Fidelity Mid Cap Index	$	11,234,433	11.8%	18.7%
Small Cap Value	DFA U.S. Small Cap	$	4,320,613	4.5%	7.2%
Small Cap Growth	Westfield Growth	$	4,544,153	4.8%	8%
International	DFA International Small Cap	$	2,201,791	2.3%	3.7%
International	Fidelity Total	$	8,133,058	8.5%	13.5%
Emerging Market Equity	Fidelity Emerging Market Index Fund / Invesco	$	6,210,161	6.5%	10.3%
Public REIT	Vanguard REIT	$	2,006,886	2.1%	3.3%
FIXED INCOME		$	13,050,636	13.7%	100.0%
Core Fixed Income	FCI Core Fixed Income	$	12,113,059	12.7%	
High Yield	Vanguard	$	937,576	1.0%	
ALTERNATIVE		$	20,177,796	21.1%	
Timber	Eastern Timberland Opp II	$	4,024,885	4.2%	
Timber	Eastern Timberland Opp III	$	2,984,759	3.1%	
Global Hedge Fund	Elliott	$	6,358,352	6.7%	
Emerging Market Debt	Gramercy	$	1,457,879	1.5%	
Liquidating	Regiment Capital	$	46,843	0.0%	
Private	Invesco US Income	$	5,290,386	5.5%	
Mortgage Loans	Invesco Mortgage Recovery	$	14,692	0.0%	
CASH		$	2,217,328	2.3%	
Money Market	FifthThird	$	2,217,328	2.3%	
TOTAL PORTFOLIO		$	95,508,791	100.0%	



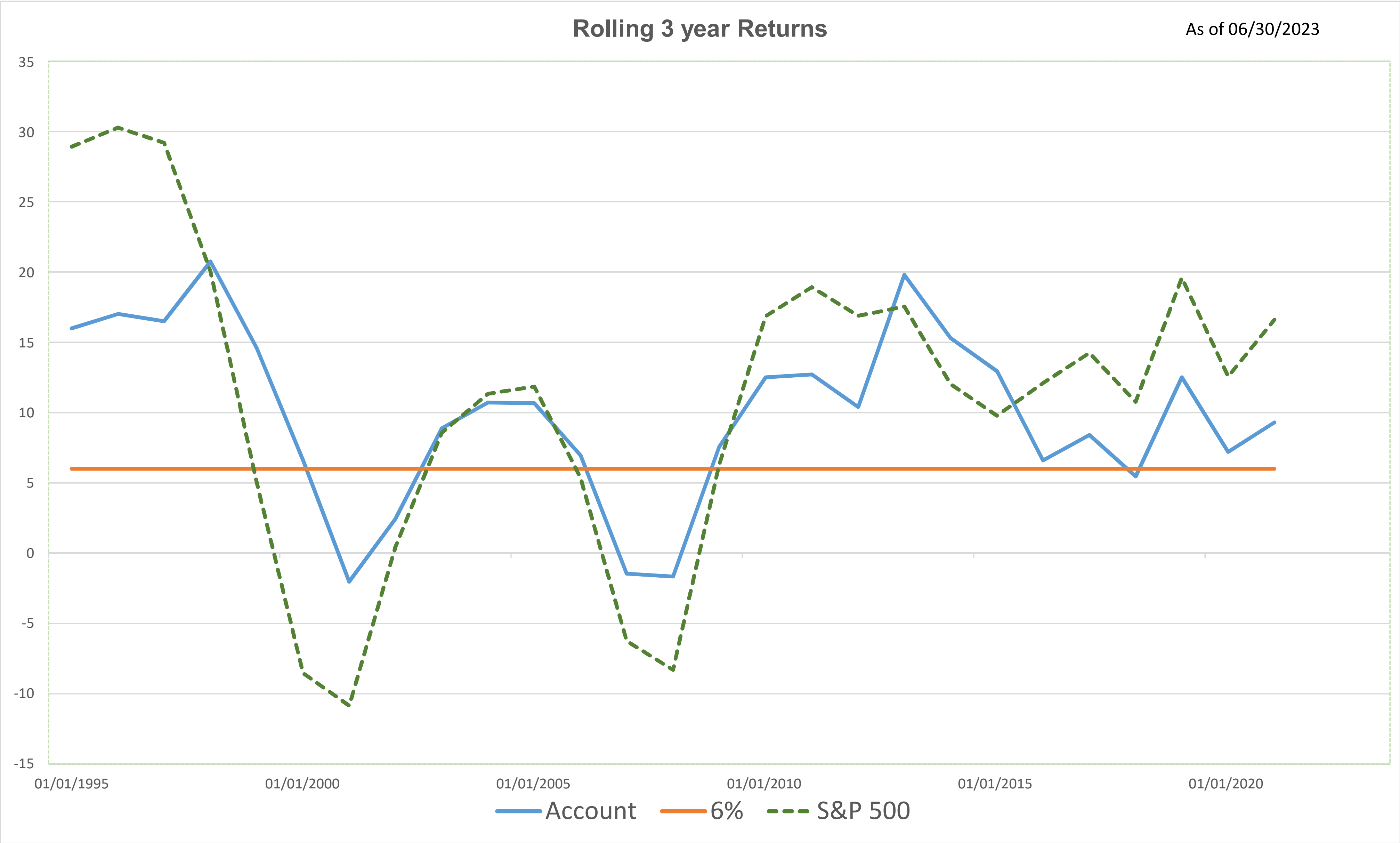
Name	RE: Pub+Pri	Cash	US Eq	Glb xUS Eq	US FI	Glb xUS FI	Alt
5th Percentile	14.87	11.19	56.77	25.36	41.66	7.52	34.20
25th Percentile	10.52	2.23	44.40	17.97	33.09	4.59	18.26
50th Percentile	7.59	1.14	37.03	13.61	23.67	2.81	11.74
75th Percentile	5.08	0.46	28.41	9.04	16.80	1.97	6.30
95th Percentile	2.67	0.05	10.33	2.46	10.21	0.72	1.49
Observations	152	194	155	193	155	22	106
SRHS Retirement Plan	7.60 (50)	3.00 (18)	42.50 (33)	17.20 (29)	13.40 (86)	-- (99)	16.30 (30)

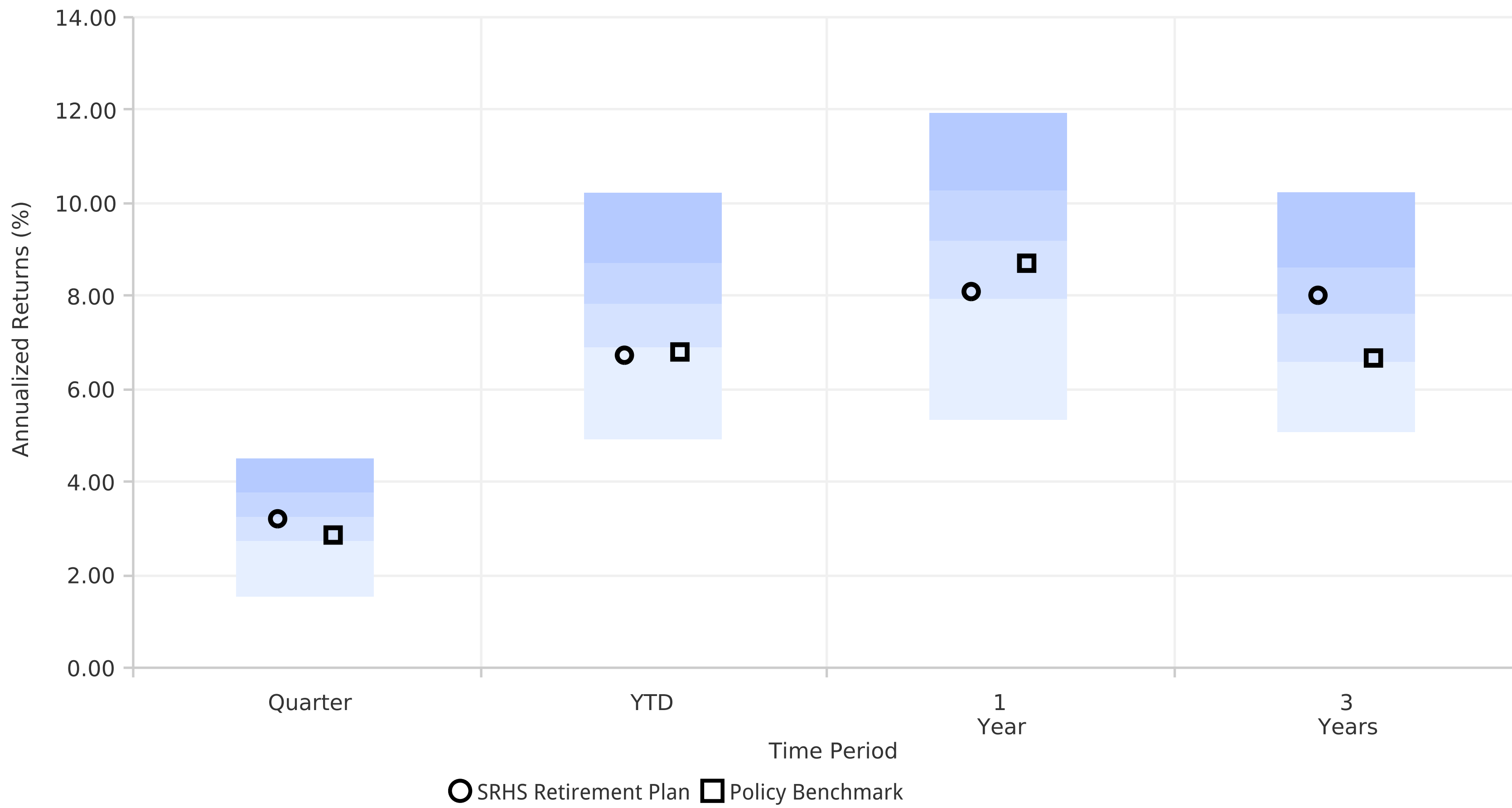
PERFORMANCE SUMMARY
SINGING RIVER HEALTH SYSTEM EMPLOYEES' RETIREMENT PLAN & TRUST
As of 06-30-23

Asset Class	Target %	QTD Return	YTD Return	1 Year	3 Year	Since 09/30/2022
Cash and Equivalents	0.00%	0.92%	1.70%	5.06%	1.74%	4.70%
Fixed Income	18.00%	-0.62%	2.31%	0.57%	0.98%	5.12%
FCI CORE FIXED INCOME		-0.76%	2.16%	-0.38%	-4.13%	4.66%
BBG Govt/Credit (US)		*-0.93%*	*2.20%*	*-0.70%*	*-4.11%*	*4.04%*
VANGUARD HIGH-YIELD CORPORATE ADM		1.20%	4.62%	8.78%		9.72%
BBG Corp High Yield (US)		*1.75%*	*5.38%*	*9.06%*		*9.77%*
Equities	62.00%	5.00%	11.39%	14.59%	10.18%	21.95%
Large Cap						
FCI SELECT GROWTH EQUITY		14.80%	36.61%			32.81%
Russell 1000 Growth TR		*12.81%*	*29.02%*			*31.85%*
SCHWAB S&P 500 INDEX		8.72%	16.87%	19.69%	14.62%	25.83%
S&P 500 TR		*8.74%*	*16.89%*	*19.59%*	*14.61%*	*25.73%*
COHO		0.34%	-0.63%	6.65%	10.33%	10.65%
Russell 1000 Value Tr		*4.07%*	*5.12%*	*11.54%*	*14.30%*	*18.18%*
Mid Cap						
FIDELITY MID CAP INDEX FD		4.75%	8.99%	14.97%		19.03%
Russell Midcap TR		*4.76%*	*9.01%*	*14.92%*		*19.02%*
Small Cap						
WESTFIELD		6.81%	15.70%	20.52%	10.05%	21.59%
Russell 2000 Growth TR		*7.05%*	*13.55%*	*18.53%*	*6.10%*	*18.25%*
ALLSPRING SPECIAL U.S. SMALL CAP VALUE EQUITY		-0.57%	2.64%	5.19%	14.48%	14.86%
Russell 2000 Value TR		*3.18%*	*2.50%*	*6.01%*	*15.43%*	*11.13%*

PERFORMANCE SUMMARY
SINGING RIVER HEALTH SYSTEM EMPLOYEES' RETIREMENT PLAN & TRUST
As of 06-30-23

Asset Class	Target %	QTD Return	YTD Return	1 Year	3 Year	Since 09/30/2022
International						
DFA INTERNATIONAL SMALL CAP VALUE I		0.87%	7.46%	15.25%	12.55%	28.19%
FIDELITY TOTAL INTERNATIONAL INDEX FUND		2.48%	9.39%	12.45%	7.41%	25.56%
MSCI EAFE		*3.23%*	*12.13%*	*19.41%*	*9.31%*	*31.65%*
FIDELITY EMERGING MARKET INDEX FUND		1.05%	5.34%	1.49%	2.11%	15.68%
INVESCO DEVELOPING MARKETS R6		-0.21%	11.11%	11.71%	0.04%	23.80%
MSCI Emerg Mkts TR		*0.90%*	*4.90%*	*1.71%*	*2.31%*	*14.96%*
ALTERNATIVES	20.00%	1.80%	3.58%	-3.35%		7.75%
VANGUARD REIT INDEX ADM		1.64%	3.47%	-3.94%		7.94%
NAREIT Index		*1.49%*	*3.11%*	*-4.34%*		*7.24%*
INTERNAL RATE OF RETURN						
ELLIOTT INTERNATIONAL LIMITED		0.90%	2.74%	4.24%	9.93%	2.01%
INVESCO US INCOME FUND, LP		-0.13%	-3.77%	-6.13%	12.50%	-7.68%
EASTERN TIMBERLAND OPPORTUNITIES II, LP		2.20%	1.49%	9.52%	9.47%	6.65%
EASTERN TIMBERLAND OPPORTUNITIES III, LP		4.69%	5.56%	6.63%	10.37%	4.11%
GRAMERCY DISTRESSED OPPORTUNITY FUND II, LP		-6.24%	-6.25%	-9.74%	-4.23%	-6.70%
SINGING RIVER - REGIMENT CAPITAL		0.00%	0.00%	0.00%		0.00%
SINGING RIVER - INVESCO MORTGAGE RECOVERY FUND-LOANS		0.00%	0.00%	0.00%		0.00%
Total Gross of Fee		**3.18%**	**6.70%**	**8.07%**	**7.99%**	**12.91%**
SRHS Blended Index		2.83%	6.77%	8.68%	6.64%	*13.55%*


Rolling 3 year Returns
As of 06/30/2023
35
30
25
20
15
10
5
0
-5
-10
-15
01/01/1995
01/01/2000
01/01/2005
01/01/2010
01/01/2015
01/01/2020
Account
6%
S&P 500



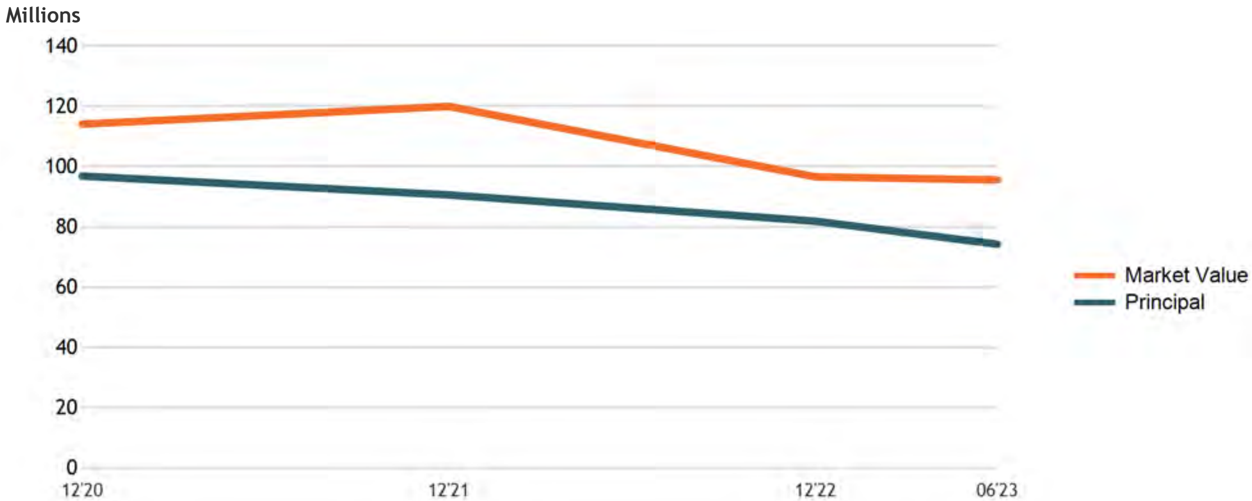
Name	Quarter	YTD	1 Year	3 Years
5th Percentile	4.49	10.19	11.91	10.18
25th Percentile	3.72	8.70	10.24	8.58
50th Percentile	3.23	7.80	9.15	7.58
75th Percentile	2.71	6.88	7.91	6.55
95th Percentile	1.49	4.89	5.29	5.03
Observations	251	248	246	241
○ SRHS Retirement Plan	3.18 (53)	6.70 (78)	8.07 (73)	7.99 (39)
□ Policy Benchmark	2.83 (69)	6.77 (77)	8.68 (66)	6.64 (73)

Cash Flow Summary

US Dollar
6/30/2023

Period	Beginning Market Value	Additions Withdrawals Expenses	Interest Dividends	Gain Losses	Ending Market Value
12/31/19 to 12/31/20	111,217,621.69	-9,633,173.94	1,235,048.64	11,189,905.26	114,009,401.65
12/31/20 to 12/31/21	114,009,401.65	-8,975,947.18	2,006,773.53	12,859,661.58	119,899,889.58
12/31/21 to 12/31/22	119,899,889.58	-9,723,720.22	1,719,438.81	-15,370,175.53	96,525,432.63
12/31/22 to 06/30/23	96,525,432.63	-7,813,240.93	766,028.31	6,030,570.73	95,508,790.74
	111,217,621.69	**-36,146,082.27**	**5,727,289.30**	**14,709,962.03**	**95,508,790.74**

Market Value



Singing River Health System Profit Sharing Plan - Fee Analysis

06/30/2023

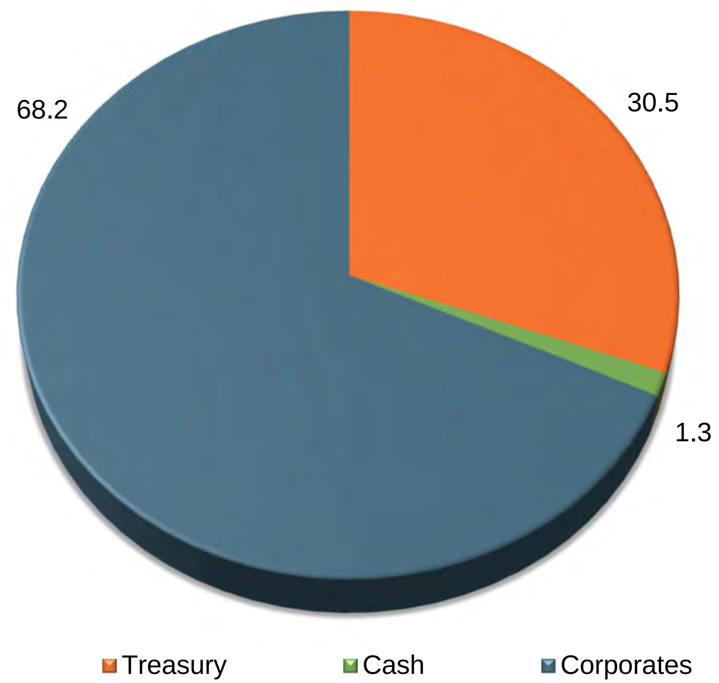
Asset Class	Asset	Ticker	Portfolio Weight	Portfolio Dollars	Expenses	Fee Amount	Fee Payment Method	Liquidity
CASH			**2%**					
Money Market	FifthThird		2%	$2,217,329	N/A	Included Below		Daily
FIXED INCOME			**14%**					
US Gov/Credit	FCI Govt / Credit		13%	$12,113,059	0.00%	Included Below		
High Yield	Vanguard High Yield Fund	VWEAX	1%	$937,576	0.13%	$1,219	NA-Included in NAV	Daily
EQUITY			**61%**					
Large Cap Core Equity	Schwab S&P 500 Index	SWPPX	11%	$10,387,961	0.020%	$2,078	NA-Included in NAV	Daily
Large Cap Value Equity	COHO - Separate Account		7%	$6,416,920	0.600%	$38,502		Daily
Large Cap Growth Equity	FCI Select Growth		5%	$4,607,056	0.000%	Included Below		Daily
Mid Cap Core Equity	Fidelity Mid Cap Index	FSMDX	12%	$11,234,433	0.025%	$2,809	NA-Included in NAV	Daily
Smal Cap Value Equity	DFA U.S. Small Cap	DFSTX	5%	$4,320,613	0.270%	$11,666		Monthly
Small Cap Growth Equity	Westfield Capital - Separate Account		5%	$4,544,153	0.750%	$34,081		Daily
International	Fidelity Total International Index Fund	FTIHX	9%	$8,133,058	0.060%	$4,880	NA-Included in NAV	Daily
International	DFA International Small Cap Value I	DISVX	2%	$2,201,791	0.440%	$9,688	NA-Included in NAV	Daily
Emerging Market Equity	Fidelity Emerging Market Index	FPADX	3%	$3,179,566	0.075%	$2,385	NA-Included in NAV	Daily
Emerging Market Equity	Invesco Developing Market Fund	ODVIX	3%	$3,030,594	0.840%	$25,457	NA-Included in NAV	Daily
Public REITS	Vanguard REIT Index	VGSLX	2%	$2,006,886	0.120%	$2,408	NA-Included in NAV	Daily
ALTERNATIVES			**23%**					
Hedge Fund	Elliott International LP		7%	$6,358,352	1.500%	$95,375		Quarterly
Private Real Estate	Invesco US Income LP		6%	$5,290,386	1.000%	$52,904		Quarterly
Timber	Eastern Timberland Opp II LP		4%	$4,024,885	0.900%	$36,224		Illiquid
Timber	Eastern Timberland Opp III LP		3%	$2,984,759	0.850%	$25,370		Illiquid
Distressed Debt	Gramercy Distressed Opp Fund II LP		2%	$1,457,879	1.000%	$14,579		Illiquid
Mortgage Recovery	Invesco Mortgage Recovery Fund LP		0%	$14,692	0.000%	$0		Illiquid
Bank Loans	Regiment Capital LP		0%	$46,843	0.000%	$0		Illiquid
Total Estimated Investment Fees - Subtotal for Outside Managers (Direct & Indirect)				**$95,508,791**	**0.38%**	**$359,623**		
			100%	$95,508,791				
Total Annual Estimated Administrative Expenses						**$334,140**		
Total Annual Estimated Investment Management Expenses (FCI)						$198,661		
Total Annual Estimated Custody & Benefit Expense (FifthThird)						$45,360		
Total Estimated Plan Expenses						**$578,161**		
TOTAL ESTIMATED ANNUAL COSTS					**0.98%**	**$937,784**		

Investment fees are direct investment management fees paid to separate account managers and indirect investment fees from mutual funds and ETF's.

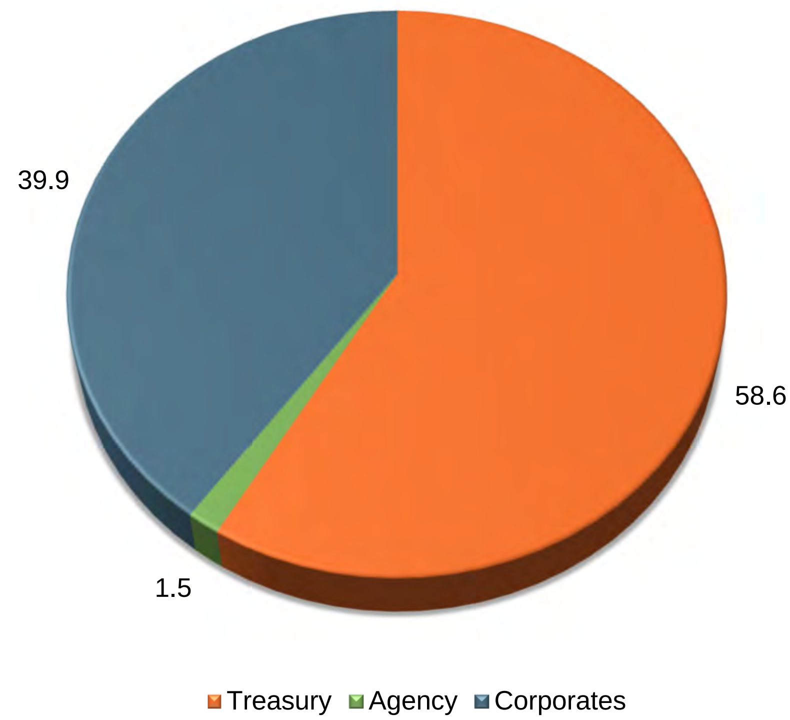
Costs as a percent of assets includes both estiamted plan expeneses and estimated investment fees.

Singing River Health Systems – 06/30/2023

Singing River Health Systems	
Yield to Worst	4.92
Average Coupon	3.15
Current Yield	3.49
Average Maturity	8.33 Years
Effective Duration	6.46



Bloomberg's Intermediate G/C	
Yield to Worst	4.79
Average Coupon	2.86
Current Yield	3.17
Average Maturity	9.02 Years
Effective Duration	6.51



Investment Policy
of the
Singing River Health System Employees' Retirement Plan and Trust

Investment Policy Contents

Introduction

This document refers to the Singing River Health System Employees' Retirement Plan and Trust (the Plan and Trust) and the fund from which benefits are paid to its beneficiaries. The Trust was established in 1983 to provide retirement benefits for employees of the Singing River Health System (SRHS). Originally, the plan was an employer-directed defined benefit plan. The SRHS Board of Trustees appointed Plan Trustees to oversee the Plan and Trust. On October 19, 2015, by order of the Chancery Court of Jackson County, Mississippi (the Court), a Special Fiduciary was appointed to take possession of the Trust property and to administer the Trust, including all plan assets and property. The Special Fiduciary is the Plan's sole trustee and is granted all power and authority prescribed by the Trust and consistent with the *Mississippi Uniform Trust Code, Miss Code Ann. § 91-8-101, et seq.*

This document is intended to serve as a reference tool, operating investment guidelines, and a communications link between the Plan and Plan Trustee and:

- The Plan's investment managers,
- The Plan's investment advisor and
- The Plan's other professional advisors

This document records the Special Fiduciary's logical and diligent process of study, examination, evaluation and conclusions about the most suitable combination of investment risk level and rate of return objectives which will satisfy both the Plan's present and future benefits obligations and the Trust's ongoing ability to fund them.

This policy document establishes the specific guidelines for action, and also conveys the philosophical foundations for those guidelines.

Plan Overview

The Plan is a defined benefit pension plan, which bases its benefits upon an employee's highest average quarterly compensation from SRHS for the 19 consecutive quarters, plus the last quarter of employment during the last 40 consecutive quarters of employment. An employee's number of years of service also determines his or her retirement benefit. Accrued benefits in the Plan were frozen effective December 5, 2014. No new benefits will be earned after that date. All benefits under the Plan were reduced by 25% in May of 2018 by order of the Court. The Court has further ordered that the funded status of the Plan remain within a corridor of 90% to 110% funded. Benefit amounts may be further revised under order of the Court if the funded status of the Plan falls outside of this range.

Taxation

The Plan has qualified for exemption pursuant to Section 401(a) of the Internal Revenue Code as a governmental plan. As such, the Plan's investment returns are not subject to current income taxation.

Funding Resources and Obligations

The Plan's contribution resources previously came from employer contributions made by SRHS and from mandatory employee contributions of 3% of annual compensation, up to the limits established by Federal regulations. Currently SRHS is making annual contributions to the Plan in accordance with the finalized legal settlement.

Liquidity Needs

The Special Fiduciary and the professional advisors expect to periodically review and update their understanding of the Plan's forecasts of cash disbursement for Plan benefits and expenses, so that the elements and time horizon(s) of the Plan's investment program can be adjusted, as needed and appropriate for that context.

Roles and Responsibilities

The Court has delegated certain responsibilities, as outlined in the Plan document, for the Plan described here to the Special Fiduciary, who recommends and implements the investment policy with regard to asset allocation, manager and custodian selection and portfolio supervision. The Special Fiduciary reports to the Court regarding the status of the Trust. The Special Fiduciary shall act as a prudent investor respecting that individual assets of the Trust must not be evaluated in isolation, but in the context of the Trust portfolio as a whole and as part of the overall investment strategy having risk and return objectives reasonably suited to the Plan.

<u>Special Fiduciary Duties with respect to Plan operations and administration</u>

- Ensure the Trust is operated for the exclusive benefit of participants and their beneficiaries taking into account the interest of both the current and future beneficiaries.
- Ensure expenses paid out of the Trust are appropriate and reasonable.
- Ensure Trust assets as accounted for and periodically audited.
- Ensure Trust reports are maintained and periodically reviewed.
- Ensure Trust operation complies with all state and federal laws, and the Plan and Trust documents.
- Refrain from conflicts of interest and prohibited transactions.

<u>Special Fiduciary Duties with respect to Plan Investments</u>

- Hire and fire investment advisor and/or investment manager(s).
- Establish and maintain the Investment Policy Statement.
- Diversify the investments of the Trust unless the Special Fiduciary determines that the Trust and the beneficiaries would be better served without diversifying.
- Establish and maintain minimum quality and diversification standards for employing investment managers as listed in **Exhibit A**.
- Select, monitor and replace (as necessary) investment managers, insurance contracts and/or any unmanaged investments.
- Approve contracts with investment managers.
- Review performance of investment funds and investment managers, relative to their benchmarks, and appropriate peers at least annually.

- Monitor all fees being paid on plan investments.
- Refrain from conflicts of interest in selecting investment managers.

Investment Goals

The overall objective of the investment program is to achieve a rate of return in the Trust that, over the long term, will fund the liabilities and provide for the required benefits in a manner that satisfies the fiduciary requirements of the Plan.

The Special Fiduciary recognizes that financial markets are cyclical and that:

- the beginning points, ending points and magnitude of market cycles cannot be predicted; and
- there is no relationship between market cycles and calendar or other time periods commonly used for performance measurement and evaluation.

The long-range goals (greater than 5 years) of this investment plan are to:

1. Meet the pension benefit obligations to the Plan participants
2. Exceed the return of a Policy Benchmark comprised of the appropriate market indexes reflecting the Plan's asset allocation (see **Exhibit B**)
3. Perform in line with comparable pension plans on a risk-adjusted basis
4. Match or exceed the assumed discount rate used by the plan's actuary

Total fund, asset class, and individual investment manager performance will be compared to appropriate passive market indices and a universe of peers. The performance benchmarks used may differ from those outlined in **Exhibit B**. Investment performance is reviewed and analyzed over multiple time periods allowing for greater variance from this policy's objectives over periods shorter than three years for each investment fund and over five years for the total fund.

Asset Allocation Strategy

*Please see **Exhibit B** for Asset Allocation Targets and Allowable Ranges Around Target Allocations.*

Using asset allocation studies based on long-term historical capital market performance, the Special Fiduciary finds the target mixture of asset classes in **Exhibit B** appropriate to produce the desired performance at acceptable fluctuation levels over time for the portfolio.

The Asset Allocation schedule shown in **Exhibit B** of this Investment Policy provides for allowable ranges within each asset class, or strategy, in order to provide investment managers some flexibility in asset allocation to meet the goals of this Investment Policy.

The Special Fiduciary recognizes that a rigid asset allocation would be both impractical and, to some extent, undesirable under various potential market conditions. Therefore, the allocation of the Trust's total assets may vary from time to time within the ranges listed in **Exhibit B**, without being considered an exception to these operating guidelines.

The Special Fiduciary, with the counsel of the investment advisor, may engage active investment managers, whose goals over time are to outperform respective indices, or passive managers who seek to replicate the return of corresponding indices.

Investing Strategies and Vehicles

The Trust may invest in the following investment vehicles:

- Separately managed accounts
- Mutual funds
- Exchange-Traded Funds (ETFs)
- Commingled funds
- Collective investment trusts
- Limited Partnerships
- Foreign exempted companies

Rebalancing

Because different asset classes will perform at different rates, the Special Fiduciary will closely watch the asset allocation shifts caused by performance in the Trust. The Special Fiduciary will review the relative market values of the asset segments and will generally rebalance the asset classes which are farthest short of their target allocations in this Policy. Rebalancing will typically occur as of any quarter-end at which the allocations reach a point where they are out of target ranges.

Unallocated Cash

Investment managers performing under this Policy are not expected to accumulate a significant cash position without prior approval of the Special Fiduciary. If the basic investing style of a particular manager includes a routine, temporary use of instruments having a maturity of less than one year, they must inform the Special Fiduciary and agree to the use of that investing style in advance.

Investment Performance Evaluation and Review

Frequency of Measurement

The Special Fiduciary will measure investment performance quarterly, or more often, as deemed appropriate.

Expected Interim Progress Toward Multi-Year Objectives

The Special Fiduciary will generally follow the time horizons set forth in this policy, when making judgments about performance. However, Investment Managers for the Trust should be advised that the Special Fiduciary intends to track their interim progress toward multi-year goals. If the Special Fiduciary finds (or is professionally advised) that performance is sub-standard, then the Special Fiduciary's reviews of such a manager may disregard the time horizon concept for purposes of considering possible actions.

Investment Managers hired by the Special Fiduciary shall generally be expected to outperform an appropriate market benchmark and perform well against a universe of their peers over multi-year time periods.

Corrective Action Guidelines

Corrective action should be taken as a result of an ongoing investment manager review process. The following are instances where corrective action or termination may be in order:

1. Major organizational changes in a firm, including any changes in portfolio managers, may require a new contract and interview process. Failure on the part of the Investment Manager to notify the Special Fiduciary of such changes is grounds for termination. At all times, communication with the managers should be open and informative. Investment Managers should be willing and able to meet at least annually with the Special Fiduciary.
2. Violation of terms of contract constitutes grounds for termination.
3. Surges in portfolio trading volume.
4. As part of its overall asset allocation strategy, the Special Fiduciary will choose managers with certain styles and approaches to provide portfolio diversification. Therefore, it is critical that managers adhere to the original intent of the Special Fiduciary at the time they are engaged. Any significant changes in investment approach may be grounds for termination.

5. Performance patterns not logically explainable in terms of the published style, or performance out-of-step with manager's style peer group.
6. The manager's performance will be viewed in light of the management firm's assigned investment style and approach, keeping in mind at all times the Trust's diversification strategy as well as other organizational and relationship issues. Decisions to terminate managers are solely within the discretion of the Special Fiduciary.
7. Investment managers may be replaced at any time as part of the overall restructuring of the Plan.
8. Other events or circumstances that are deemed to be in the best interest of Trust, its participants and beneficiaries, or the Plan.

VII. Policy Adoption

<u>Singing River Health System Employee's Retirement Plan and Trust Special Fiduciary</u>

Executed the __21st__ day of ___May______, 20_21_

Signature: ______________________________________

Traci M. Christian

Title: Special Fiduciary

Exhibit A
Specific Portfolio Constraints

The following standards apply to all investment portfolios that are separately managed. The Special Fiduciary recognizes that any pooled investment vehicle or mutual fund cannot be subjected to these requirements, except to the extent these distinctions can be incorporated by the Special Fiduciary into their process of selecting such vehicles. Nevertheless, the Special Fiduciary will review investing activities in any pooled investment vehicles utilized, versus the investment policy and, if appropriate, the Special Fiduciary may accordingly decide that a particular pooled/mutual fund has ceased to be suitable.

Fixed Income

The purpose of domestic and international fixed income investments is to provide liquidity and a highly predictable, dependable source of income. Fixed instruments should reduce the overall volatility of the Trust's assets and provide a deflation hedge.

The following standards are for the separately managed fixed income accounts and are not monitored by the Special Fiduciary. Each manager is expected to confirm receipt of the standards in writing.

1. Quality Standards (not applicable to a portfolio which is specifically committed to invest in High Yield Bonds)

- Minimum: Must be rated investment-grade by at least one major rating agency
- Maximum: No manager's portfolio allocation to the lowest investment-grade category (BBB-rated) shall be greater than the bench index allocation plus 3%
- Weighted average (target) quality for each portfolio manager: A-rated or better

2. Duration Standards

- Maximum/Minimum: Portfolio modified duration should not be greater than (+/-) 25% of benchmark index

3. Diversification Standards

- Single security issue: Maximum 5%

- Single Sector Allocation (level 2): Maximum benchmark index allocation (+/-) 20% (except U.S. Government securities)
- Non-Index Sector Allocation (level 2): Maximum allocation to non-index sectors shall be limited to 30% of the manager's portfolio market value

4. Liquidity Standards

- Original issuance for corporate securities must be at least $300 million, unless the Special Fiduciary approves the investment in advance.
- Securities that are thinly traded and therefore cannot be considered liquid are not permitted without prior specific permission from the Special Fiduciary.

5. Prohibited Categories for all investment managers, unless authorized by the Special Fiduciary

- Derivative instruments including, but not limited to options, futures, swaps, structured finance products, etc. in which either the inherent structure of the instrument or the nature of the transaction is leveraged, i.e. creates market exposure in excess of the market value of the underlying assets.
- Issuer affiliated with the investment manager

6. Frequency of Reporting to Special Fiduciary

- At least quarterly

Equities

1. **Diversification Standards**
   Diversification for the total investment program is achieved through manager selection. The Special Fiduciary recognizes the value of including concentrated, high-conviction managers within the total equity allocation. Appropriately sizing each manager's allocation creates the desired diversification across the overall program.

   Should any single manager's designated allocation be greater than 10% of the total program, they shall adhere to the following standards unless granted written exception authorized by the Special Fiduciary. Such designated managers will be explicitly notified and will submit written acknowledgement of adherence to these standards.

- Market value of any single holding not to exceed 7.5% of the manager's allocation, without obtaining permission from the Special Fiduciary
- Maximum sector concentration: greater of 2.5x benchmark, or 20% of current portfolio market value

2. Liquidity Standards

- Traded on one or more national and/or international exchanges (NASDAQ, National Market, or quoted in the NASDAQ Bid/Asked section)
- $100 million minimum market capitalization
- Managers should maintain appropriate procedures to determine their liquidity exposure to an individual security holding on a **firm wide basis**, i.e., awareness and documentation of what percent of normal trading volume is represented by their total holding for the Plan in a particular issue.

3. Proxy Voting

- Unless specifically directed by the Special Fiduciary, the managers have sole responsibility for voting proxies of shares of companies in the portfolio in a manner consistent with the best interests of the Plan.
- Managers are required to vote proxies on every issue that could be reasonably expected to have a significant impact on the value of the investment.
- Managers are required to keep a record of all proxy votes and upon request report to the Special Fiduciary at least annually.

4. Prohibited Categories for all Equity managers, unless authorized by the Special Fiduciary

- Issuer related to the investment manager,
- Restricted or letter stock,
- Private placement debt, and
- Derivative instruments that create or add leverage.

Alternatives

These apply only to investment managers that have been authorized by the Special Fiduciary or previous Plan Trustees and use these categories as inherent elements within their investment programs. Examples of investment managers that may qualify for this authorization include hedge funds, real estate managers, commodities managers, and private equity managers.

1. Short sales, or “naked” positions should be limited to only within investments in hedge funds.
2. Margin purchases, which create leverage or market exposure in excess of the market value of underlying assets, and which create asymmetric return patterns that could result in substantial losses, shall be limited to include only purchases made in hedge funds.
3. Real Estate investments shall be limited to pooled investments that are professionally managed to include REITs, timberland or other institutional classes of real estate portfolios.
4. Distressed debt securities that trade at a significant discount to the principal amount of the obligation shall be limited to include only specific investment manager mandates.
5. Private partnership investments shall be limited to include only investments in institutionally managed strategies that may include real estate, distressed debt, private equity, timberland and hedge funds.
6. Fully collateralized securities lending programs are not considered margin purchases and may be utilized, subject to a separate Supplemental Agreement approved by the Special Fiduciary.

Exhibit B
Asset Allocation and Allowable Ranges around Target

In Force as of: 3/1/2021

The Asset Class benchmarks will be used for the construction of the Policy Benchmark, but individual managers may be measured against a different benchmark.

Asset Class	Policy Benchmark	Policy Target	Min	Max
Cash Equivalent		2%	0%	10%
US Intermediate Fixed Income	Blmb. Barc. Govt/Credit	12%	5%	40%
Bank Loans / Direct Lending	S&P/LSTA Leveraged Loan	0%	0%	0%
High Yield	ICE BAML High Yield	4%	0%	15%
Total Debt Securities		**18%**		
US Large Cap Equities	S&P 500	15%	5%	25%
US Mid Cap Equities	Russell Midcap	13%	5%	25%
US Small Cap Equities	Russell 2000	11%	5%	20%
Real Estate Securities (REITs)	FTSE NAREIT All REITs	4%	0%	10%
International Developed	MSCI EAFE	9%	0%	15%
International Small Cap	MSCI World ex US Small Cap	3%	0%	10%
Emerging Markets Equities	MSCI Emerging Markets	7%	0%	15%
Total Equity Securities		**62%**		
Hedge Funds	DJCS Multi-Strategy	6%	0%	10%
Distressed Securities	HFN Distressed	0%	0%	0%
Global Macro	Barclay Global Macro	5%	0%	10%
Timberland	NCREIF Timber	5%	0%	10%
Direct Real Estate	NCREIF Property	4%	0%	10%
Total Alternative Securities		**20%**		
Total Portfolio		**100%**		

Historical Asset Allocation

Asset Class	Amended Jul 19	Amended Apr 18	Amended June 16	Amended June 14	Amended Dec 06	Amended Jan 01	Amended Jan 99	Amended Nov 96	Amended Jan 94	Original
Cash Equivalent	2%	2%								5%
US Intermediate Fixed Incon	17%	17%	24%	15%	10%	30%	35%	40%	50%	60%
Bank Loans / Direct Lending	1%	1%	1%	5%						
High Yield	6%	6%	5%	5%	10%					
Total Debt Securities	**26%**	**26%**	**30%**	**25%**	**20%**	**30%**	**35%**	**40%**	**50%**	**65%**
US Large Cap Equities	12%	12%	10%	10%	10%	40%	40%	50%	50%	35%
US Mid Cap Equities	12%	12%	10%	10%	10%					
US Small Cap Equities	12%	12%	10%	10%	15%	15%	15%			
Real Estate Securities (REITs	4%	4%	3%	3%						
International Developed	9%	9%	5%	5%	10%	10%	10%	10%		
Emerging Markets Equities	3%	3%	2%	2%	5%					
Total Equity Securities	**52%**	**52%**	**40%**	**40%**	**50%**	**65%**	**65%**	**60%**	**50%**	**35%**
Long / Short Equity			8%	8%	15%					
Hedge Funds	5%	5%	3%	8%						
Distressed Securities	2%	2%	3%	3%						
Commodities			4%	4%	5%	5%				
Global Macro	6%	6%	5%	5%						
Timberland	5%	5%	3%	3%						
Direct Real Estate	4%	4%	4%	4%	10%					
Total Alternative Securities	**22%**	**22%**	**30%**	**35%**	**30%**	**5%**	**0%**	**0%**	**0%**	**0%**
Total Portfolio	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Exhibit C
Manager Supplement

Management Firm Name: ______________________________

Asset Class(es) Managed Under This Policy: ______________________________

Product Name: ______________________________

Type of Account Involved:

____ Actively Managed ____ Separate Portfolio

____ Passive ____ Pooled/Commingled Fund

____ Semi-Passive ____ Mutual Fund

Specific Exceptions to Portfolio Constraints which might be expected to occur, on occasion, unless actively prevented:

Section/ Page	Description of Exception	Expected Frequency	Expected Duration	Advance Policy Exception Approval Requested? [Yes/No]

Full copy of the Investment Policy has been received and reviewed. Terms of this Policy and Supplement are acceptable and believed to be realistic, subject to "Expected Exceptions" listed above.

____
Management Firm

By: ______________________________
Signature

______________________________ ______________________________
Name and Title Date