

**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 October, 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 September 30. The markets traded down the month of September across all asset classes. While this is bad news for the October 1 measurement date, they have come back nicely through the first couple weeks of October.

Of note this month:

- We received a contribution of \$3M from SRHS in accordance with the settlement agreement and another scheduled contribution for October of \$1.2M posted on October 10.
- The money market balance is sufficient to cover payouts through calendar year-end. This is helpful as it means investment holdings need not be liquidated when the markets are down.
- We should continue to receive ETO II cash flow from the liquidation of real estate in that fund.
- We are looking for an opportunity to liquidate investment in COHO partners sometime in 2024.

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 \$92.247 million.

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**

The hearing scheduled for September 5 at 11:00am was postponed. Once rescheduled, the Special Fiduciary as well as the Plan's investment advisor will be in attendance to provide information and answer questions about the impact of any changes in the corporate structure of the Health System on the Plan.

**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.

The Special Fiduciary is planning a visit to Plan participants on November 17, 2023. It is anticipated that the October 1, 2023 Actuarial Valuation will be completed by early November and presented to the Court and to Plan participants with similar timing to last year.

**Despite down markets at the end of September, preliminary results indicate that the Plan's funding status on a projected basis will remain within the court ordered corridor of 90% - 110% as of the valuation date. 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 11th day of October, 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

September 30, 2023

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
<b>Total</b>	94,332	853	64	(3,002)	92,247
Cash	2,638	1,107	9	-	3,755
Cash in Mutual Fund Account	10	(3)	-	-	7
FCI Advisors Fixed Income	12,057	(0)	34	(339)	11,752
Regiment Capital <sup>1</sup>	42	-	-	-	42
Vanguard High Yield Corp Adm Fund	949	-	-	(13)	936
Coho Partners	6,312	(0)	14	(308)	6,017
Schwab S&P 500 Index Fund	10,299	-	-	(492)	9,807
FCI Advisors Select Growth Equity	4,654	47	2	(260)	4,443
Fidelity Mid Cap Index	11,278	-	-	(567)	10,712
Westfield Capital	3,466	(0)	4	(137)	3,333
Vanguard Real Estate Index	1,981	-	-	(145)	1,836
Fidelity Total International Index	8,082	-	-	(273)	7,809
DFA International Small Cap Value	2,013	(298)	-	(45)	1,670
Fidelity Emerging Markets Index Prem	3,157	-	-	(86)	3,071
DFA US Small Cap I	4,383	-	1	(227)	4,156
Invesco Opp Developing Markets	2,950	-	-	(108)	2,842
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,464	-	-	-	1,464
Elliott International Ltd.	6,281	-	-	-	6,281
Invesco Mortgage Recovery Fund-Loans <sup>4</sup>	15	-	-	-	15
Invesco US Income	5,290	-	-	-	5,290
Eastern Timberland Opportunities II <sup>3</sup>	4,025	-	-	-	4,025
Eastern Timberland Opportunities III <sup>3</sup>	2,985	-	-	-	2,985

<sup>1</sup>Valuation date: 06/30/2023<sup>2</sup>Valuation date: 06/30/2023 using estimated monthly investment performance<sup>3</sup>Valuation date: 06/30/2023 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.