

**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 November, 2023.

**Updated - 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 have reached a tentative settlement in order to avoid costly litigation and a motion has been filed for the Court's review.

**Plan Investments**

Attached for the Court's review is a report showing asset positions and activity for the month ending October 31 as well as a quarterly report for the quarter ending September 30. October was a down month for most asset classes as interest rates rose and stocks sold off. However the SRHS Plan was down less than the blended index for the month.

Of note this month:

- Geo-political issues in the middle-east created some uncertainty. U.S. deficient and debt concerns; more supply of Treasury's moved interest rates higher which in turn brought stocks down.
- We purchased \$500,000 of the S&P 500 Index fund during the market decline (it is much higher now) with some excess money market balance.
- November has reversed completely (so far)
  - Through yesterday preliminary market value of the trust is \$94.4M
  - Most asset classes are higher; S&P500 +7.5%, small and mid-cap +8.5%, fixed income +3%
  - Interest rates are down as economic data has come in a little softer, but not so bad that recession fears heat up.
  - There is optimism that the Federal Reserve might be done raising rates.
  - 3Q Earnings season better than expected.

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 October 31, the market value of the Trust is \$91.390 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.

**Actuarial Valuation as of October 1, 2023**

The Special Fiduciary is planning to present the results of the October 1, 2023 Actuarial Funding Valuation on November 17, 2023 to the committee at Singing River Hospital as well as to Plan participants later that same day.

This report is attached and contains information related to the Court's order of April 12, 2018 that "The Special Fiduciary shall institute the 90% to 110% funding level corridor ..." This report confirms that the Plan is within that corridor at 91.4% as of the October 1, 2023 valuation date and no recommendation for changes to benefits will be forthcoming.

Also included with the report is a summary of Plan expenses for the year and targeted expenses for the current year. Investment expenses were slightly lower than targeted as we set the goal of continuing to toward more passive investment strategies and administrative expenses were also below target.

**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 15th day of November, 2023.

**Respectfully submitted,**



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**TRACI MILLER CHRISTIAN**