

**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 July, 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 June 30. This report may change slightly as we get more quarterly statements from the alternative managers but it should be fairly close.

Of note this month:

- We trimmed more of the Public Real Estate Fund – Vanguard REIT Index. Those proceeds are being held in the money market fund for pension payouts.
- It was a good month for the Plan and the markets as it became more likely that a potential recession has been pushed out to 2024 or later.
  - o It appears that the Federal Reserve has been able to orchestrate an economic soft landing at least for now.
  - o We saw a broad based rally in the markets; large cap, mid cap, small cap and even international stocks rallied.

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 June 30, the market value of the Trust is \$95.306 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.

**Updated - 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.

Notice has been posted on the Plan's website regarding the upcoming hearing on September 5 at 11:00am. 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 the change on the Plan.

**Updated - 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 have been sent to all plan participants either via post or electronically 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 July, 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

June 30, 2023

Investment (\$000's)	Beginning Market Value	Net Additions/ Withdrawals	Interest/ Dividends/Fees	Gains/ Losses	Ending Market Value
<b>Total</b>	93,876	(2,142)	187	3,473	95,306
Cash	3,702	(2,026)	11	-	1,686
Cash in Mutual Fund Account	26	511	-	-	537
FCI Advisors Fixed Income	12,160	-	34	(81)	12,113
Regiment Capital <sup>1</sup>	76	-	-	-	47
Vanguard High Yield Corp Adm Fund	926	-	-	12	938
Coho Partners	6,087	-	15	315	6,417
Schwab S&P 500 Index Fund	9,745	-	-	643	10,388
FCI Advisors Select Growth Equity	4,296	-	2	309	4,607
Fidelity Mid Cap Index	10,371	-	-	863	11,234
Westfield Capital	4,247	-	7	291	4,544
Vanguard Real Estate Index	2,388	(509)	-	128	2,007
Fidelity Total International Index	7,797	-	-	336	8,133
DFA International Small Cap Value	2,112	-	-	90	2,202
Fidelity Emerging Markets Index Prem	3,061	-	-	118	3,180
DFA US Small Cap I	3,966	-	1	355	4,321
Invesco Opp Developing Markets	2,938	-	-	92	3,031
Gramercy Distressed Opportunities Fund II <sup>2</sup>	1,526	-	-	-	1,526
Elliott International Ltd.	6,302	-	-	-	6,302
Invesco Mortgage Recovery Fund-Loans <sup>4</sup>	15	-	-	-	15
Invesco US Income	5,347	-	-	-	5,290
Eastern Timberland Opportunities II <sup>3</sup>	3,938	(117)	117	-	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.