

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div>
	☒ a single-employer plan <div style="margin-left: 150px;">☐ a DFE (specify) _____</div>
B	This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>05/01/1956</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u> <u>1201 WEST FRANK AVENUE</u> <u>LUFKIN, TX 75901</u>	2b	Employer Identification Number (EIN) <u>75-0755367</u>
		2c	Plan Sponsor's telephone number <u>936-634-8111</u>
		2d	Business code (see instructions) <u>622000</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	TROY LINDON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☐ Same as Plan Sponsor CATHOLIC HEALTH INITIATIVES 3900 OLYMPIC BOULEVARD SUITE 400 ERLANGER, KY 41018-1099	3b Administrator's EIN 47-0617373 3c Administrator's telephone number 859-594-3267 <div style="background-color: #cccccc; height: 40px;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 825
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> 6a(1) 268 6a(2) 256 6b 331 6c 162 6d 749 6e 53 6f 802 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1I b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ 0 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2017			
2 Assets:			
a Market value	2a	32422673	
b Actuarial value	2b	32422673	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	380	20138862	20138862
b For terminated vested participants	177	3602599	3602599
c For active participants	268	9167256	9677347
d Total	825	32908717	33418808
4 If the plan is in at-risk status, check the box and complete lines (a) and (b): ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.84 %	
6 Target normal cost	6	444000	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
JUDY M KRUSE	Signature of actuary	10/10/2018 Date
TOWERS WATSON DELAWARE INC.	Type or print name of actuary	17-05907 Most recent enrollment number
233 SOUTH WACKER DRIVE SUITE 1800 CHICAGO, IL 60606	Firm name	312-525-2500 Telephone number (including area code)
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>7.40</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1663844
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05</u> %		100663
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		1764507
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	97.01%
15 Adjusted funding target attainment percentage	15	97.01%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.17%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/01/2017	105000		12/01/2017	105000	
04/03/2017	105000		01/02/2018	5605000	
06/01/2017	105000		02/01/2018	105000	
08/01/2017	105000		03/01/2018	105000	
10/03/2017	105000		04/09/2018	105000	
11/01/2017	105000		05/01/2018	105000	
Totals ▶			18(b)	7180000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	6783782

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)		
10 Interest on line 9 using prior year's actual return of _____ %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of _____ %		
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		

Part III Funding Percentages

14 Funding target attainment percentage	14	%
15 Adjusted funding target attainment percentage	15	%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/01/2018	105000				
07/02/2018	105000				
08/01/2018	105000				
09/01/2018	105000				
Totals ▶			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	444000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	996135		180801
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	624801	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	624801	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	6783782	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	6158981	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:				
a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011
42 Amount of acceleration adjustment	42	0		
43 Excess installment acceleration amount to be carried over to future plan years	43	0		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017	
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY

04-3275867

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50	NONE	118264	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WILLIS TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	76584	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

POLSINELLI

43-3275867

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	8093	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<div>SCHEDULE D (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017					
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX				D Employer Identification Number (EIN) 75-0755367	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: CHI PENSION MASTER TRUST					
b Name of sponsor of entity listed in (a): CATHOLIC HEALTH INITIATIVES					
c EIN-PN 80-0000385-001		d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32081119		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-		

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	171934	2296195
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2150000	6445000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	38	107
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	62380	123873
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	30110414	32081119
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	32494766 40946294
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	32494766 40946294

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	7180000
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	7180000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3434
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	3434
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		3888705
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		11072139

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2126533	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		2126533
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	205214	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	288864	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		494078
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2620611

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8451528
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG, LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4088150. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX		D Employer Identification Number (EIN) 75-0755367
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-3275867		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3 13
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES

Retirement Plan for Employees of Memorial
Health System of East Texas
Years Ended December 31, 2017 and 2016
With Report of Independent Auditors

Ernst & Young LLP



Retirement Plan for Employees of
Memorial Health System of East Texas

Financial Statements and Supplemental Schedules

Years Ended December 31, 2017 and 2016

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Report of Independent Auditors

The Plan Administrator
Retirement Plan for Employees of
Memorial Health System of East Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for Employees of Memorial Health System of East Texas, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2017 and 2016, and for the years then ended, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Disclaimer of Opinion on Supplemental Schedules

The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2017, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 1, 2018

Retirement Plan for Employees of
Memorial Health System of East Texas

Statements of Net Assets Available for Benefits

	December 31	
	2017	2016
Assets		
Non-interest-bearing cash	\$ 2,296,195	\$ 171,934
Investments, at fair value:		
Plan interest in the CHI Master Trust	32,081,119	30,110,414
Short-term money market funds	123,873	62,380
Total investments, at fair value	32,204,992	30,172,794
Receivables:		
Employer contribution receivable	6,445,000	2,150,000
Interest and dividends	107	38
Total receivables	6,445,107	2,150,038
Total assets	40,946,294	32,494,766
Net assets available for benefits	<u>\$ 40,946,294</u>	<u>\$ 32,494,766</u>

See accompanying notes.

Retirement Plan for Employees of
Memorial Health System of East Texas

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2017	2016
Additions		
Investment income:		
Interest and dividends	\$ 3,434	\$ 3,138
Net investment gain from plan interest in the CHI Master Trust	3,888,705	2,129,317
Total investment income	3,892,139	2,132,455
Employer contributions	7,180,000	2,465,000
Total additions	11,072,139	4,597,455
Deductions		
Benefits paid to participants	2,126,533	2,016,673
Administrative expenses	494,078	487,093
Total deductions	2,620,611	2,503,766
Net increase	8,451,528	2,093,689
Net assets available for benefits at:		
Beginning of year	32,494,766	30,401,077
End of year	<u>\$ 40,946,294</u>	<u>\$ 32,494,766</u>

See accompanying notes.

Retirement Plan for Employees of Memorial Health System of East Texas

Notes to Financial Statements

December 31, 2017

1. Description of the Plan

The following description of the Retirement Plan for Employees of Memorial Health System of East Texas (the Plan) is provided for general informational purposes only. Participants of the Plan should refer to the Summary Plan Description for more detailed and complete information regarding the vesting and benefit provisions.

General

The Plan is a noncontributory, defined benefit plan covering all eligible employees of Memorial Health System of East Texas (the Sponsor). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan is administered by Catholic Health Initiatives (CHI) Retirement Plans Subcommittee (the Committee). The Committee has overall responsibility for the operation and administration of the Plan. The Finance Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Trustees.

In May 2014, Memorial Health System of East Texas and CHI signed a definitive agreement for the transfer of Memorial Health System of East Texas to Catholic Health Initiatives. The transaction was completed on May 31, 2014.

In October 2015, the Plan began investing primarily in the CHI Master Trust (CHI Master Trust). In connection with this transfer, The Bank of New York Mellon (BNYM), who also serves as trustee of the CHI Master Trust, became the trustee of the Plan.

Effective December 31, 2003, the Plan was amended such that all benefit accruals under the Plan were frozen.

Funding Policy

The Sponsor has agreed to voluntarily contribute such additional amounts as are necessary to provide assets sufficient to meet the benefits due to participants. The Sponsor's present intention is to make contributions as necessary to ensure the Plan has met the ERISA minimum funding requirements. At December 31, 2017, the Plan has met the ERISA minimum funding requirements.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Administrative Expenses

Certain administrative services are provided to the Plan at no cost by employees of the Sponsor.

Pension Benefits

On termination of service, a participant under the normal form of benefits will receive monthly income for life, qualified joint and contingent benefit for married employees, or lump-sum distribution if the lump-sum value of the benefit is less than \$5,000. Employees are eligible for early retirement if the participant has attained age 55 and completed 15 years of credited service.

Upon the death of a participant, his/her beneficiary will receive a monthly retirement income, payable for life thereafter beginning on the first day of the month coincident with or next following the date of death. Upon total and permanent disability of a participant, he/she will be entitled to a monthly income, payable for life.

Vesting

Vesting service is equal to the total period of elapsed time, computed in years and days, from first date of employment until normal retirement date or date of termination of employment, if earlier, less that portion of any absence that is in excess of 12 months. A participant's initial vesting date at 100% is the earlier of (a) the date the participant has completed five years of vesting service or (b) the date the participant attains age 65.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedules. Actual results could differ from those estimates.

Investment Valuation and Fair Value Measurements

The Plan's investments, including those investments held in the CHI Master Trust, are stated at estimated fair value in accordance with Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. The guidance provides a consistent definition of fair value that focuses on an exit price, which is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 prioritizes, with respect to the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the reporting date.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The three-level hierarchy for fair value measurements is as follows:

- Level 1 – Fair value is based on inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the CHI Master Trust has the ability to access at the measurement date. Investments whose values are based on quoted market prices in active markets, and are therefore classified by the Plan and CHI Master Trust within Level 1, generally include actively traded equities, government bonds, mutual funds and exchange traded funds. The CHI Master Trust does not adjust the quoted price for such investments, even in situations where the CHI Master Trust holds a large position and a sale could reasonably impact the quoted price.
- Level 2 – Fair value is based on inputs, other than Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Investments that trade in less liquid public markets or derive market value through corroboration with observable market data (e.g., fixed income securities) are classified by the CHI Master Trust in Level 2 of the fair value hierarchy. The fair value of Level 2 instruments were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads. Estimated prepayment rates, where applicable, are used for valuation purposes and provided by third-party services where quoted market values are not available. Common collective trust funds which have a published price are considered to have a readily determinable fair value. Level 2 instruments include fixed income funds, corporate bonds, and asset-backed securities.
- Level 3 – Fair value is based on inputs to the valuation methodology that are unobservable and significant to the fair value measurement. The CHI Master Trust's Level 3 investments consist of term loans. The valuation of these investments requires significant judgment due to the absence of quoted market values, inherent lack of liquidity, changes in market conditions, and the long-term nature of such investments. Because these investments are not publicly traded, market quotations are generally not available to be used for valuation purposes. Accordingly, the CHI Master Trust's valuations of these investments are generally equal to or based upon the fair value of these investments as of the reporting date, as reported by fund managers.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In situations where inputs used to determine fair value fall into different levels of the fair value hierarchy, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement in its entirety.

The fair value of the CHI Master Trust's Alternative Investments are not publicly traded and readily available market quotations are generally not available to be used for valuation purposes. Accordingly, the CHI Master Trust's valuations of Alternative Investments are measured at the net asset value (NAV) practical expedient as of the reporting date, as reported by fund managers, and are excluded from the three-level hierarchy for fair value measurements in accordance with ASC Topic 820.

While CHI believes that its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to estimate the fair value of Level 3 investments could result in a different estimate of fair value at the reporting date. Those fair value estimates and Alternative Investments measured at NAV may differ significantly from the values that would have been determined had a readily available market for such investments existed, or had such investments been liquidated or sold to external investors, and these differences could be material to the financial statements.

For additional information on the fair value measurements on the investment securities within the CHI Master Trust fair value measurements, see Note 6.

Reclassifications

Certain reclassifications were made to the 2016 CHI Master Trust fair value hierarchy table disclosed in Note 6 to conform to the 2017 presentation.

Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting*. ASU 2017-06 clarifies the presentation requirements for a plan's interest in a master trust, and requires more detailed disclosures of a plan's interest in a master trust. ASU 2017-06 is effective for entities for fiscal years beginning after December 15, 2018, with retrospective application to all periods presented. Early application is permitted. Plan management is currently evaluating the effect that the provisions of ASU 2017-06 will have on the Plan's financial statements.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 3) represent the actuarial present value of estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries. The accumulated plan benefits are based on the employees' average monthly rate of basic compensation for the five successive calendar years out of the fifteen calendar years next preceding normal retirement that gave the highest monthly average rate. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee services rendered to the valuation date.

3. Accumulated Plan Benefits

An actuary from Willis Towers Watson estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

The accumulated plan benefit information as of December 31, 2016, is as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants and beneficiaries currently receiving payments	\$ 18,878,553
---	---------------

Other participants	10,864,462
--------------------	------------

Nonvested benefits	<u>495,005</u>
--------------------	----------------

Total actuarial present value of accumulated plan benefits	<u><u>\$ 30,238,020</u></u>
--	-----------------------------

The change in actuarial present value of accumulated plan benefits is attributable to:

Actuarial present value of accumulated plan benefits

at January 1, 2016	\$ 28,924,565
--------------------	---------------

Increase (decrease) during the year attributable to:

Actuarial loss	1,478,584
----------------	-----------

Benefits paid	(2,016,673)
---------------	-------------

Decrease in the discount period	2,011,230
---------------------------------	-----------

Assumption changes	<u>(159,686)</u>
--------------------	------------------

Net increase	<u>1,313,455</u>
--------------	------------------

Actuarial present value of accumulated plan benefits at December 31, 2016	<u><u>\$ 30,238,020</u></u>
---	-----------------------------

Retirement Plan for Employees of Memorial Health System of East Texas

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

The significant assumptions underlying the actuarial computations at December 31, 2016 and 2015, are as follows:

Assumed rate of return 7.2% in 2016 and 7.2% in 2015

Retirement	Age	Rate
	55-61	2%
	62	15
	63-64	5
	65	50
	66-69	10
	70	100

Mortality basis Separate rates for non-annuitants based on the RP-2014 employees table without collar or amount adjustments and annuitants based on the RP-2014 healthy annuitants table without collar or amount adjustments, with the post-2006 projection removed and projected using the MP-2017 generational scale, converging to a long-term rate of improvement of 0.75% by 2033 at December 31, 2016.

Separate rates for non-annuitants based on the RP-2014 employees table without collar or amount adjustments and annuitants based on the RP-2014 healthy annuitants table without collar or amount adjustments, with the post-2006 projection removed and projected using the MP-2016 generational scale, converging to a long-term rate of improvement of 0.75% by 2032 at December 31, 2015.

Withdrawal
assumptions

Age	Rate	
	Male	Female
25	14.9%	19.9%
30	10.4	13.9
35	7.4	9.9
40	4.3	5.8
45	2.7	3.7
50	0.9	1.4
55	0.0	0.0

Actuarial cost method Projected unit credit cost

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

These actuarial assumptions are based on the presumption the Plan will continue as a frozen plan. Were the Plan to terminate, different assumptions and other factors might be applicable in determining the actuarial present value of the accumulated plan benefits.

4. Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy as described in Note 2, the Plan's assets carried at fair value:

	Level 1	Level 2	Level 3	Total
December 31, 2017				
Registered investment companies	<u>\$ 123,873</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 123,873</u>
December 31, 2016				
Registered investment companies	<u>\$ 62,380</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 62,380</u>

5. Investments

All investment information disclosed in the accompanying financial statements, footnotes, and supplemental schedules, including investments held at December 31, 2017, net investment gain from plan interest in the CHI Master Trust, and interest and dividend income for the year then ended, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by The Bank of New York Mellon, the trustee.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust

Certain of the Plan's investments are held in the CHI Master Trust, which was established for the investment of assets of the Plan and several other CHI-sponsored retirement plans. Each participating plan has an undivided interest in the CHI Master Trust. The CHI Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to each plan's beneficial interest in the CHI Master Trust, income and expenses resulting from the collective investment of the assets of the CHI Master Trust. At December 31, 2017 and 2016, the Plan's interest in the net assets of the CHI Master Trust was approximately 0.84% and 0.83%, respectively.

The following table presents the fair value of the net assets in the CHI Master Trust:

	December 31	
	2017	2016
	<i>(Dollars in Thousands)</i>	
Assets		
Investments in securities	\$ 3,830,127	\$ 3,630,284
Receivable for securities sold	14,834	10,417
Foreign currency exchange contracts	43,195	35,639
Other receivables	11,135	9,552
Total assets	<u>3,899,291</u>	<u>3,685,892</u>
Liabilities		
Payable for securities purchased	36,181	25,884
Foreign currency exchange contracts	43,403	34,586
Other liabilities	2,605	2,708
Total liabilities	<u>82,189</u>	<u>63,178</u>
Net assets	<u><u>\$ 3,817,102</u></u>	<u><u>\$ 3,622,714</u></u>

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

The following table presents the changes in net assets for the CHI Master Trust:

	Year Ended December 31	
	2017	2016
	<i>(Dollars in Thousands)</i>	
Net appreciation in fair value of investments	\$ 410,955	\$ 198,522
Interest income	39,960	41,114
Dividend income	37,752	38,543
Total investment income	488,667	278,179
Investment manager and custody fees	11,615	11,195
Other	266	266
Total expenses	11,881	11,461
Net transfers (contributions and benefit payments for the participating plans)	(282,398)	(213,902)
Net increase	194,388	52,816
Net assets:		
Beginning of year	3,622,714	3,569,898
End of year	\$ 3,817,102	\$ 3,622,714

Alternative Investment Strategies

The goal of the alternative investments allocation is to enhance the diversification profile of the CHI Master Trust. Exposure to hedge funds is derived through investments in fund of funds and deploy strategies such as relative value, event driven and long/short. Real estate exposure is primarily derived through open-end funds that invest in core commercial properties within the United States. Venture capital/private equity exposure is primarily derived through investments in fund of funds that pursue a variety of strategies.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

Alternative Investment Redemptions

The CHI Master Trust's ability to sell certain alternative investments is limited, and redemptions may not be allowed. In these circumstances, the general partners of the alternative investments control the timing of underlying investment realizations and the timing of related distributions. Redemptions are generally permitted for certain alternative investments, primarily hedge fund investments, quarterly with at least 95 days' prior written notice.

Alternative Investment Commitments

The CHI Master Trust's allocation to alternative investments is based upon contractual commitment levels to various funds. These commitments are drawn by the fund managers as opportunities arise to invest the capital. As of December 31, 2017, the CHI Master Trust had committed to invest \$923.0 million in 42 funds, of which \$713.9 million had been invested. The remaining \$209.1 million will be invested when, and if, requested by the funds.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy as described in Note 2, the CHI Master Trust's assets carried at fair value:

December 31, 2017				
	Level 1	Level 2	Level 3	Total
	<i>(Dollars in Thousands)</i>			
Assets				
Short-term investments	\$ 97,598	\$ 12,141	\$ —	\$ 109,739
Common stocks	1,712,171	—	—	1,712,171
Mutual funds and exchange-traded funds	93,687	—	—	93,687
Fixed income funds	—	237,629	—	237,629
Preferred stocks	8,257	—	—	8,257
Corporate bonds		335,904	—	335,904
Asset-backed securities		38,486	—	38,486
Government bonds	349,356	27,817	—	377,173
Foreign government bonds	—	32,419	—	32,419
Term loans	—	—	180,099	180,099
	<u>\$ 2,261,069</u>	<u>\$ 684,396</u>	<u>\$ 180,099</u>	3,125,564
Investments measured at net asset value:				
Hedge funds				284,901
Real estate				309,617
Venture capital/private equity funds				110,045
Total investments at fair value				<u><u>\$ 3,830,127</u></u>
Receivables				
Foreign currency exchange contracts	\$ —	\$ 43,195	\$ —	\$ 43,195
Liabilities				
Foreign currency exchange contracts	\$ —	\$ 43,403	\$ —	\$ 43,403

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

December 31, 2016				
	Level 1	Level 2	Level 3	Total
	<i>(Dollars in Thousands)</i>			
Assets				
Short-term investments	\$ 99,732	\$ 2,690	\$ —	\$ 102,422
Common stocks	1,595,334	—	—	1,595,334
Mutual funds and exchange-traded funds	87,573	—	—	87,573
Fixed income funds	—	226,087	—	226,087
Preferred stocks	7,277	—	—	7,277
Corporate bonds	—	315,551	—	315,551
Asset-backed securities	—	41,196	—	41,196
Government bonds	300,292	29,586	—	329,878
Foreign government bonds	—	26,630	—	26,630
Term loans	—	—	170,923	170,923
	<u>\$ 2,090,208</u>	<u>\$ 641,740</u>	<u>\$ 170,923</u>	<u>2,902,871</u>
Investments measured at net asset value:				
Hedge funds				275,354
Real estate				316,525
Venture capital/private equity funds				<u>135,534</u>
Total investments at fair value				<u>\$ 3,630,284</u>
Receivables				
Foreign currency exchange contracts	\$ —	\$ 35,639	\$ —	\$ 35,639
Liabilities				
Foreign currency exchange contracts	\$ —	\$ 34,586	\$ —	\$ 34,586

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

The table below sets forth a summary of changes in the fair value of the CHI Master Trust's Level 3 assets (dollars in thousands):

	<u>Term Loans</u>
Investments at fair value at January 1, 2016	\$ 163,235
Purchases/contributions of investments	131,126
Sales/distributions of investments	(131,409)
Net change in unrealized appreciation on investments and effect of foreign currency translation	8,578
Net realized losses on investments	(607)
Investments at fair value at December 31, 2016	<u>170,923</u>
Purchases/contributions of investments	171,632
Sales/distributions of investments	(162,260)
Net change in unrealized appreciation on investments and effect of foreign currency translation	2,471
Net realized losses on investments	(2,667)
Investments at fair value at December 31, 2017	<u>\$ 180,099</u>

Derivatives

The CHI Master Trust invests in derivative financial instruments primarily to adjust portfolio risk and asset class exposures. The CHI Master Trust only utilizes derivative instruments that have well-understood risk/return patterns, documented market liquidity, and a recognized pricing mechanism. Investment in such instruments is limited to the extent that the instruments are fully collateralized to avoid any leverage from such positions. Individual investment manager guidelines may further restrict the use of derivatives within the portfolio.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

6. CHI Master Trust (continued)

The following tables summarize the CHI Master Trust's derivative instruments:

	Derivative Assets Fair Value	Derivative Liabilities Fair Value
	<i>(Dollars in Thousands)</i>	
December 31, 2017		
Foreign currency exchange contracts	\$ 43,195	\$ 43,403
December 31, 2016		
Foreign currency exchange contracts	\$ 35,639	\$ 34,586

Concentration of Market, Credit, and Industry Risk

The CHI Master Trust's investments in alternative investments are illiquid, non-publicly traded securities. The underlying investments of these alternative investments are subject to various risk factors, including market, credit, and industry risk. Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest rates. Other risks affecting these underlying investments include, but are not limited to, increasing competition, rapid changes in technology and changes in economic conditions. These risk factors could have a material effect on the ultimate realizable value of the CHI Master Trust's alternative investments.

7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated December 2, 2013, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

7. Income Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan, and has concluded that there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Related-Party and Party-in-Interest Transactions

Certain of the Plan's assets are invested in funds managed by the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

9. Risks and Uncertainties

The Plan and the CHI Master Trust invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

10. Plan Termination

In the event of termination of the Plan, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of an annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- Other vested benefits insured by the PBGC, a U.S. government agency, up to the applicable limitations (discussed below).
- All other vested benefits.
- All nonvested benefits.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the financial condition of CHI and the level of benefits guaranteed by the PBGC. Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

The Plan provides that following a plan termination (as defined), the assets of the Plan shall be applied in accordance with the provisions of the plan agreement to satisfy all liabilities to participants and beneficiaries, and the Sponsor shall be entitled to any balance of plan assets remaining.

Retirement Plan for Employees of
Memorial Health System of East Texas

Notes to Financial Statements (continued)

11. Subsequent Events

Management has evaluated subsequent events for the Plan through October 1, 2018, the date the accompanying financial statements were available to be issued.

Supplemental Schedules

Retirement Plan for Employees of
Memorial Health System of East Texas

EIN 75-0755367; Plan #001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2017

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value
*The Bank of New York Mellon	BNYM Cash Reserve	\$ 34	\$ 34
*The Bank of New York Mellon	Dreyfus Government Securities Fund	\$ 123,873	\$ 123,873

*Party in interest

Retirement Plan for Employees of
Memorial Health System of East Texas

EIN 75-0755367; Plan #001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2017

Identity of Party Involved	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (i) – A single transaction in excess of 5% of the fair value of plan assets					
Dreyfus Govt Securities	\$ 705,000	\$ –	\$ 705,000	\$ 705,000	\$ –
Dreyfus Govt Securities	765,647	–	765,647	765,647	–
Dreyfus Govt Securities	–	765,647	765,647	765,647	–
Dreyfus Govt Securities	–	171,934	171,934	171,934	–
Dreyfus Govt Securities	–	171,934	171,934	171,934	–
Dreyfus Govt Securities	–	283,535	283,535	283,535	–
Category (iii) – A series of transactions in excess of 5% of the fair value of plan assets					
Dreyfus Govt Securities Fund	\$ 1,665,527	\$ –	\$ 1,665,527	\$ 1,665,527	\$ –
Dreyfus Govt Securities Fund	–	1,604,069	1,604,069	1,604,069	–

There were no category (ii) or (iv) reportable transactions during 2017.

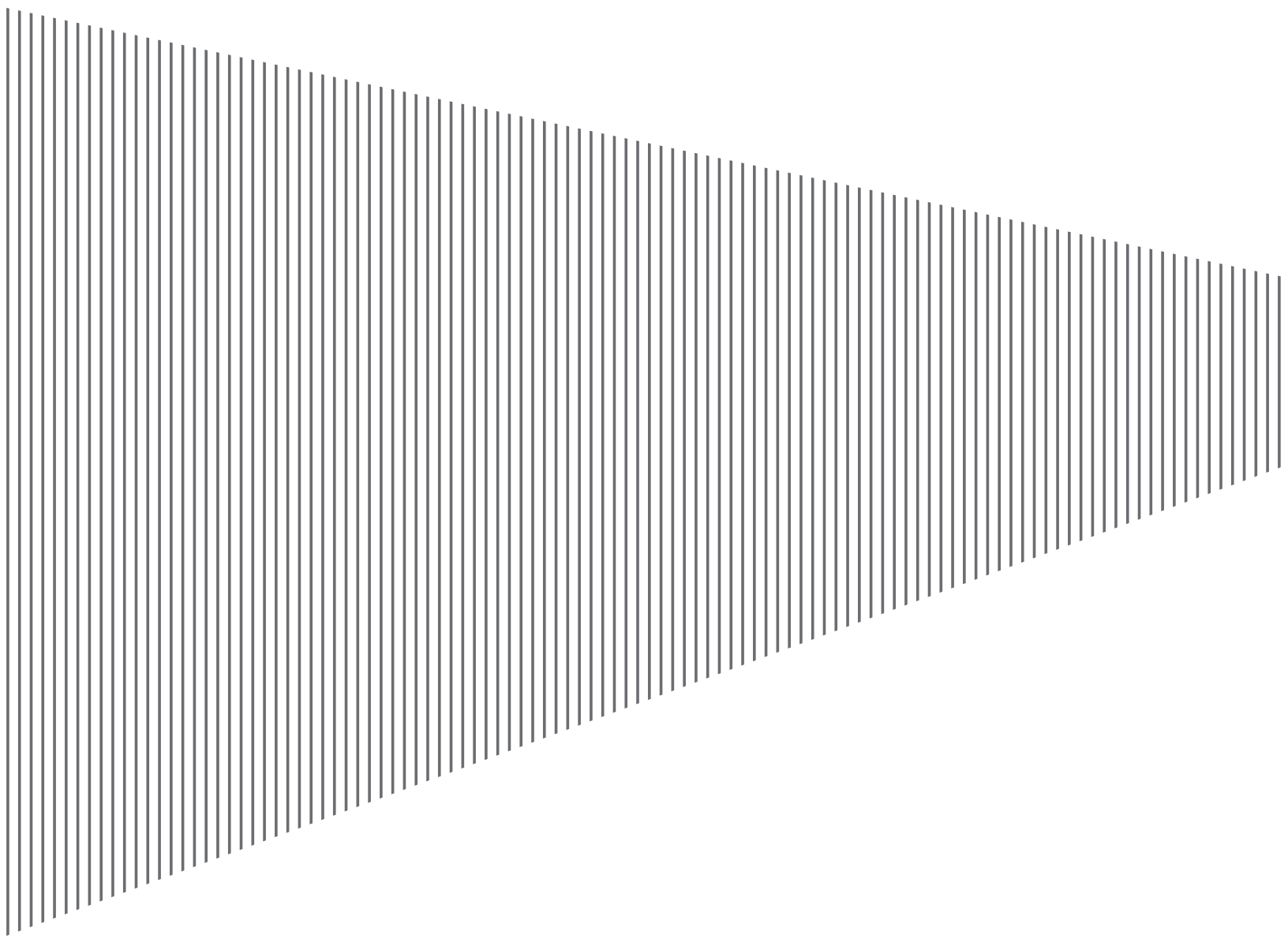
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SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2017

Attained Age	Years of Credited Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	4	1	0	0	0	0	0
35 - 39	0	0	0	6	7	0	0	0	0	0
40 - 44	0	0	0	7	22	5	0	0	0	0
45 - 49	0	0	0	5	24	10	7	0	0	0
50 - 54	0	0	0	1	18	6	7	2	2	0
55 - 59	0	0	0	5	19	12	6	10	4	1
60 - 64	0	0	0	2	14	15	8	6	6	4
65 - 69	0	0	0	2	2	2	5	2	0	1
70 & Over	0	0	0	0	4	2	1	1	0	0

Plan Name: Retirement Plan For Employees of Memorial Health System of East Texas
 EIN / PN: 75-0755367 / 001
 Plan Sponsor: Memorial Health System of East Texas
 Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.16%	1.52%
■ Second segment rate	5.72%	3.80%
■ Third segment rate	6.48%	4.79%
■ Effective interest rate	5.84%	4.02%

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

■ Healthy	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).
■ Disabled	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).

Plan Name:	Retirement Plan For Employees of Memorial Health System of East Texas
EIN / PN:	75-0755367 / 001
Plan Sponsor:	Memorial Health System of East Texas
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Termination

Rates varying by age and gender

Representative Termination Rates

Percentage leaving during the year		
Attained Age	Males	Females
20	22.4%	29.9%
25	14.9%	19.9%
30	10.4%	13.9%
35	7.4%	9.9%
40	4.3%	5.8%
45	2.7%	3.7%
50	0.9%	1.4%
55	0.0%	0.0%
60 and over	0.0%	0.0%

Disability

Wyatt 1985 Disability Study Class I unisex rates.

Retirement

Rates varying by age, average age 65.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rates
55 - 61	2.0%
62	15.0%
63 - 64	5.0%
65	50.0%
66 - 69	10.0%
70	100.0%

Benefit commencement date:

- Preretirement death benefit The later of age 55 with 15 years of vesting service or death of the active participant
- Deferred vested benefit The later of age 55 with 15 years of vesting service or termination of employment
- Disability benefit Upon disablement
- Retirement benefit Upon termination of employment

Plan Name: Retirement Plan For Employees of Memorial Health System of East Texas
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SCHEDULE SB ATTACHMENTS

Form of payment	For valuation purposes, participants are assumed to elect the normal form.
Percent married	100% of males; 100% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.
Spouse age	Wife three years younger than husband.
Covered pay	Not applicable since plan was frozen effective December 31, 2003.
Administrative expenses	An estimate of current year's expenses excluding PBGC premiums provided by CHI, plus an estimate of the current year's PBGC premiums. For 2017 \$444,000.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the 2016 plan year, discounted using the effective interest rate for the 2016 plan year.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Catholic Health Initiatives and, based on that review, is not aware of any significant benefits required to be valued that were not.

Plan Name:	Retirement Plan For Employees of Memorial Health System of East Texas
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Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Change in assumptions and methods since prior valuation

The funding interest rate base and the required mortality table used to calculate the funding target and target normal cost were updated pursuant to the requirements of the Pension Protection Act of 2006.

The assumed plan-related expenses added to the target normal cost were changed to reflect expected current year experience and current year PBGC premiums.

Data Sources

CHI, through its third party administrator, furnished participant data as of January 1, 2017. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

Assumptions Rationale – Significant Economic Assumptions

Discount rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Plan Related Expenses

Administrative expenses are estimated by determining the expected expense for the coming year.

Assumptions Rationale – Significant Demographic Assumptions

Healthy mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Disabled mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Termination

Termination rates were based on a published table for pension participants believed to have similar characteristics to the plan population.

Retirement

Retirement rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed.

Benefit commencement date for deferred benefits

Deferred vested participants' assumed commencement age is a single age intended to capture the expected average age at commencement.

Plan Name:	Retirement Plan For Employees of Memorial Health System of East Texas
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Plan Sponsor:	Memorial Health System of East Texas
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Source of Prescribed Methods

Funding methods The methods used for funding purposes as described above, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Plan Name: Retirement Plan For Employees of Memorial Health System of East Texas
EIN / PN: 75-0755367 / 001
Plan Sponsor: Memorial Health System of East Texas
Valuation Date January 1, 2017

See

Audited Financial Statements

For

Schedule of Reportable Transactions

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value.....	2a	32,422,673	
b Actuarial value.....	2b	32,422,673	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	380	20,138,862	20,138,862
b For terminated vested participants	177	3,602,599	3,602,599
c For active participants	268	9,167,256	9,677,347
d Total	825	32,908,717	33,418,808
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.84%	
6 Target normal cost	6	444,000	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	JUDY M. KRUSE <div style="text-align: center;"> Signature of actuary </div>	<div style="text-align: center;"> <u>10/10/18</u> Date 1705907 </div> <div style="text-align: center;"> Most recent enrollment number 312-525-2500 </div> <div style="text-align: center;"> Telephone number (including area code) </div>
JUDY M. KRUSE <div style="text-align: center;">Type or print name of actuary</div>		
TOWERS WATSON DELAWARE INC. <div style="text-align: center;">Firm name</div>		
233 SOUTH WACKER DRIVE SUITE 1800 CHICAGO IL 60606 <div style="text-align: center;">Address of the firm</div>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2017

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>7.40%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		1,663,844
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05%</u>		100,663
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		1,764,507
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	97.01%
15 Adjusted funding target attainment percentage.....	15	97.01%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.17%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/01/2017	105,000		08/01/2018	105,000	
04/03/2017	105,000		09/01/2018	105,000	
06/01/2017	105,000				
08/01/2017	105,000				
10/03/2017	105,000				
11/01/2017	105,000				
12/01/2017	105,000				
01/02/2018	5,605,000				
02/01/2018	105,000				
03/01/2018	105,000				
04/09/2018	105,000				
05/01/2018	105,000				
06/01/2018	105,000				
07/02/2018	105,000				
Totals ▶			18(b)	7,180,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	6,783,782

20 Quarterly contributions and liquidity shortfalls:**a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	444,000
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	996,135	180,801	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	624,801
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	624,801
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	6,783,782
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	6,158,981
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

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Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Memorial Health System of East Texas
EIN/PN	75-0755367 / 001
Plan Name	Retirement Plan For Employees of Memorial Health System of East Texas
Valuation Date	January 1, 2017
Enrolled Actuary	Judy M. Kruse
Enrollment Number	17-05907

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

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Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2017

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
<55	0.00	1,000,000	1.000000	0.000000	0.000000
55	0.02	1,000,000	1.000000	0.020000	1.100000
56	0.02	980,000	0.980000	0.019600	1.097600
57	0.02	960,400	0.960400	0.019208	1.094856
58	0.02	941,192	0.941192	0.018824	1.091783
59	0.02	922,368	0.922368	0.018447	1.088394
60	0.02	903,921	0.903921	0.018078	1.084705
61	0.02	885,842	0.885842	0.017717	1.080728
62	0.15	868,126	0.868126	0.130219	8.073567
63	0.05	737,907	0.737907	0.036895	2.324406
64	0.05	701,011	0.701011	0.035051	2.243236
65	0.50	665,961	0.665961	0.332980	21.643726
66	0.10	332,980	0.332980	0.033298	2.197671
67	0.10	299,682	0.299682	0.029968	2.007872
68	0.10	269,714	0.269714	0.026971	1.834056
69	0.10	242,743	0.242743	0.024274	1.674925
70	1.00	218,468	0.218468	0.218468	15.292791
Average age at retirement					64.930316
Rounded for Schedule SB item 22					65

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Plan Sponsor:	Memorial Health System of East Texas
Valuation Date	January 1, 2017

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Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.16%	1.52%
■ Second segment rate	5.72%	3.80%
■ Third segment rate	6.48%	4.79%
■ Effective interest rate	5.84%	4.02%

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

■ Healthy	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).
■ Disabled	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).

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Termination

Rates varying by age and gender

Representative Termination Rates

Percentage leaving during the year		
Attained Age	Males	Females
20	22.4%	29.9%
25	14.9%	19.9%
30	10.4%	13.9%
35	7.4%	9.9%
40	4.3%	5.8%
45	2.7%	3.7%
50	0.9%	1.4%
55	0.0%	0.0%
60 and over	0.0%	0.0%

Disability

Wyatt 1985 Disability Study Class I unisex rates.

Retirement

Rates varying by age, average age 65.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rates
55 - 61	2.0%
62	15.0%
63 - 64	5.0%
65	50.0%
66 - 69	10.0%
70	100.0%

Benefit commencement date:

- Preretirement death benefit The later of age 55 with 15 years of vesting service or death of the active participant
- Deferred vested benefit The later of age 55 with 15 years of vesting service or termination of employment
- Disability benefit Upon disablement
- Retirement benefit Upon termination of employment

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Form of payment	For valuation purposes, participants are assumed to elect the normal form.
Percent married	100% of males; 100% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.
Spouse age	Wife three years younger than husband.
Covered pay	Not applicable since plan was frozen effective December 31, 2003.
Administrative expenses	An estimate of current year's expenses excluding PBGC premiums provided by CHI, plus an estimate of the current year's PBGC premiums. For 2017 \$444,000.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the 2016 plan year, discounted using the effective interest rate for the 2016 plan year.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Catholic Health Initiatives and, based on that review, is not aware of any significant benefits required to be valued that were not.

Plan Name:	Retirement Plan For Employees of Memorial Health System of East Texas
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Change in assumptions and methods since prior valuation

The funding interest rate base and the required mortality table used to calculate the funding target and target normal cost were updated pursuant to the requirements of the Pension Protection Act of 2006.

The assumed plan-related expenses added to the target normal cost were changed to reflect expected current year experience and current year PBGC premiums.

Data Sources

CHI, through its third party administrator, furnished participant data as of January 1, 2017. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

Assumptions Rationale – Significant Economic Assumptions

Discount rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Plan Related Expenses

Administrative expenses are estimated by determining the expected expense for the coming year.

Assumptions Rationale – Significant Demographic Assumptions

Healthy mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Disabled mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Termination

Termination rates were based on a published table for pension participants believed to have similar characteristics to the plan population.

Retirement

Retirement rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed.

Benefit commencement date for deferred benefits

Deferred vested participants' assumed commencement age is a single age intended to capture the expected average age at commencement.

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Source of Prescribed Methods

Funding methods The methods used for funding purposes as described above, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

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SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective Date and Most Recent Amendment

The plan was originally effective May 1, 1976. The plan was amended and restated effective December 30, 2016.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Participation is limited to participants in the plan as of December 31, 2003. All employees prior to December 31, 2003 were eligible to participate under the plan after one year of service. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Note: If an employee meets the age requirement, but fails to complete 1,000 hours during the first year, participation will begin on the January 1 following the plan year in which 1,000 hours are completed.

Benefit Accrual Preservation Date

December 31, 2003. The plan was frozen to participation and benefit accruals after December 31, 2003.

Credited Service

The number of years and completed months of service from date of hire to the earlier of date of termination or Benefit Accrual Preservation Date, adjusted for certain periods of unpaid absence.

Vesting Service

Total service from date of hire to date of termination, less any absence in excess of 12 months.

Final Average Monthly Compensation

The monthly average of the 5 consecutive years' compensation out of the last 15 years at the earlier of the date of termination or the Benefit Accrual Preservation Date that gives the highest average. Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or

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Section 401(k) plan. Compensation is limited to the pay limit as described in IRC Section 401(a)(17). The limit at Benefit Accrual Preservation Date is \$200,000.

Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under social security. The MTW is the annual limit on wages subject to the FICA tax for social security. The 35-year period ends with the year the employee reaches eligibility for an unreduced social security benefit (age 65, 66, or 67 depending on the year the employee was born). For years after the Benefit Accrual Preservation Date (2003) and prior to the end of the 35-year period, the MTW from the Benefit Accrual Preservation Date (2003) is used.

Normal Retirement Benefit

1. Normal Retirement Date: Age 65.
2. Monthly Benefit: The sum of A and B:
 - A. 1.30% of Final Average Monthly Compensation times Credited Service up to 40 years
and
 - B. 0.65% of Final Average Monthly Compensation in excess of monthly Covered Compensation times Credited Service up to 35 years.
3. Normal Form of Retirement Income: Life only.

Late Retirement

For employees who accrue less than 40 hours of service in any calendar month and whose retirement occurs after the Normal Retirement Date, the late retirement income will be based on the greater of 1 and 2:

1. The Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date, if earlier than the Late Retirement Date.
2. The income provided on an actuarially equivalent basis by the single-sum value of the retirement income payable as of Normal Retirement Date if earlier than the Benefit Accrued Preservation Date and if employment had then terminated, accumulated with interest to the later of the Benefit Accrual Preservation Date or the Annuity Starting Date.

All other employees who retire after the Normal Retirement Date will receive a Late Retirement Income equal to the Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date if earlier than the Late Retirement Date.

Accrued Benefits

The participant's Accrued Benefit at any given date is the Normal Retirement Benefit, based on the formulas above, the product of (a) the Final Average Monthly Compensation and monthly Covered Compensation determined as of the earlier of date of termination or the Benefit Accrual Preservation Date times (b) the ratio of Credited Service at the earlier of date of termination or Benefit Accrual Preservation Date to Credited Service at Normal Retirement Date.

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The Accrued Benefit was frozen for all participants as of December 31, 2003.

Early Retirement Benefit

1. Eligibility: Age 55 and 15 years of vesting service.
2. Monthly Benefit: The sum of A and B:
 - A: 1.30% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date times Credited Service at the Benefit Accrual Preservation Date up to 40 years multiplied by the appropriate Factor A reduction as shown below.
 - plus
 - B: 0.65% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date in excess of monthly Covered Compensation times Credited Service at the Benefit Accrual Preservation Date up to 35 years multiplied by the appropriate Factor B reduction as shown below.

Age	Factor A*	Factor B
65	100.0%	100.0%
64	98.0%	93.3%
63	96.0%	86.7%
62	94.0%	80.0%
61	92.0%	73.3%
60	90.0%	66.7%
59	84.0%	63.3%
58	78.0%	60.0%
57	72.0%	56.7%
56	66.0%	53.3%
55	60.0%	50.0%

* 100% if the participant has both attained age 60 and completed 30 years of Credited Service at the Benefit Accrued Preservation Date.

Disability Benefit

1. Eligibility: Total and permanent disability of participant prior to Normal Retirement Date and 2 years of Vesting Service.
2. Monthly Benefit: The monthly income that can be provided by the greater of A and B, but not less than C if eligible for Early Retirement Benefit as of the date of termination of service due to disability:
 - A. The present value of the Accrued Benefit as of the Benefit Accrual Preservation Date.
 - B. A multiple of the Final Average Monthly Compensation as of the Benefit Accrual Preservation Date. If the employee is at least age 45 and has completed 15 years of service, the multiple is 30; otherwise, the multiple is 12.

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C. The monthly Early Retirement Benefit payable at the Disability Retirement Date.

This income is payable for life only.

The monthly benefit may not be greater than the retirement income the participant would receive if he remained in active employment at his rate of pay at the Benefit Accrual Preservation Date and retired.

3. Waiting Period: Benefits will not commence until the employee has been disabled for six months and has filed a request for disability benefits with the employer.

Vested Benefits Upon Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Termination Benefit: The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at Normal Retirement Date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to Normal Retirement Date. The participant may also elect to receive an actuarially reduced benefit in order to provide a death benefit for the period between termination and the date retirement payments commence. Such death benefit is equal to the actuarial present value of the deferred accrued benefit, determined as of the Benefit Accrual Preservation Date.

Death Benefits for Participants in Active Service

1. Eligibility: Two years of Vesting Service or after initial vesting date.
2. Benefit: The participant's beneficiary will receive an income payable for 10 years certain and life (other optional forms are available) that can be provided by the greater of A or B below:
 - A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.
 - B. The smaller of (1) or (2) below:
 - (1) A multiple of the Final Average Monthly Compensation. If the employee is at least age 45 and has completed 15 years of vesting service, the multiple is 30. Otherwise, the multiple is 12.
 - (2) 100 times the monthly retirement income the participant accrued as of the Benefit Accrual Preservation Date.

If death occurs after normal retirement but prior to actual retirement, the participant's beneficiary will receive a benefit equal in value to the Late Retirement Benefit described above that the participant would have received had he retired as of his date of death.

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Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 7.0% interest rate and the UP-1984 Mortality Table. Lump-sum distributions are allowed, but only if the lump sum is less than \$5,000.

Special Provisions for Top-Heavy Plans

1. The plan is top heavy in any plan year that the value of accrued benefits for "Key Employees" (as defined in the Internal Revenue Code) is 60% or more of the total value of accrued benefits under the plan.
2. Vesting: For years that the plan is top heavy the minimum vesting percentage is equal to 20% after two years of vesting service, increasing by 20% per year until it is 100% after six years of vesting service.
3. Minimum Accrued Benefit: There is a minimum accrued benefit equal to 2% of five-year-average pay times the number of years of service after January 1, 1984, that the plan is top heavy, up to a maximum of ten years.
4. The plan is not currently top heavy.

Minimum Benefit

1. Eligibility: The employee must have been an active participant in the plan as of December 31, 1992.
2. Minimum Accrued Benefit: The participant's monthly Accrued Benefit shall not be less than that which was accrued as of December 31, 1992, under the terms of the plan in effect on that date.

Special Provisions for Former Polk County Memorial Hospital Participants

1. Eligibility: The employee must have been hired before July 1, 1994.
2. Participation: The later of A and B:
 - A. July 1, 1994
 - B. Completion of at least 1,000 Hours of Service
3. Vesting Service: Vesting Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.
4. Credited Service: Credited Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 1, 1996 and performed housekeeping or food service functions for MHSET, and were subsequently employed by Marriott Management Services, Healthcare Services Division.
2. These employees are 100% Vested as of December 1, 1996.

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Special Provisions for Former Memorial Center – San Augustine

1. Eligibility: The employee must have been employed with Memorial Medical Center – San Augustine as of July 1, 1996.
2. Participation: If the employee has not previously terminated service with Memorial Medical Center – San Augustine, participation begins with the employee's original hire date at that facility. If the employee has terminated service with San Augustine, participation begins with the employee's hire date at MHSET.
3. Vesting Service: Vesting Service at Memorial Health System of East Texas (MHSET) shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.
4. Credited Service: Credited Service at MHSET shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 31, 1997 and were employed in the Medical Records Department of the Medical Transcription Department, and were subsequently employed by Transcend Services, Inc.
2. These employees are 100% Vested as of December 31, 1997.

Changes in Plan Provisions since Last Actuarial Valuation

Effective as of January 1, 2017, participants whose lump sum value of their vested accrued benefit does not exceed \$5,000 will have the full value of their benefit automatically cashed out, with no further benefits due thereafter. This amendment is not included in the valuation since it is not expected to have a significant effect on the plan's liabilities.

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Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2017

Attained Age	Years of Credited Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	4	1	0	0	0	0	0
35 - 39	0	0	0	6	7	0	0	0	0	0
40 - 44	0	0	0	7	22	5	0	0	0	0
45 - 49	0	0	0	5	24	10	7	0	0	0
50 - 54	0	0	0	1	18	6	7	2	2	0
55 - 59	0	0	0	5	19	12	6	10	4	1
60 - 64	0	0	0	2	14	15	8	6	6	4
65 - 69	0	0	0	2	2	2	5	2	0	1
70 & Over	0	0	0	0	4	2	1	1	0	0

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Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2017

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2017	209,235	7	209,235	34,359
2	Shortfall	01/01/2016	886,325	6	786,900	146,442
Total					996,135	180,801

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Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Memorial Health System of East Texas
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Plan Name	Retirement Plan For Employees of Memorial Health System of East Texas
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Enrolled Actuary	Judy M. Kruse
Enrollment Number	17-05907

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2017

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
<55	0.00	1,000,000	1.000000	0.000000	0.000000
55	0.02	1,000,000	1.000000	0.020000	1.100000
56	0.02	980,000	0.980000	0.019600	1.097600
57	0.02	960,400	0.960400	0.019208	1.094856
58	0.02	941,192	0.941192	0.018824	1.091783
59	0.02	922,368	0.922368	0.018447	1.088394
60	0.02	903,921	0.903921	0.018078	1.084705
61	0.02	885,842	0.885842	0.017717	1.080728
62	0.15	868,126	0.868126	0.130219	8.073567
63	0.05	737,907	0.737907	0.036895	2.324406
64	0.05	701,011	0.701011	0.035051	2.243236
65	0.50	665,961	0.665961	0.332980	21.643726
66	0.10	332,980	0.332980	0.033298	2.197671
67	0.10	299,682	0.299682	0.029968	2.007872
68	0.10	269,714	0.269714	0.026971	1.834056
69	0.10	242,743	0.242743	0.024274	1.674925
70	1.00	218,468	0.218468	0.218468	15.292791
Average age at retirement					64.930316
Rounded for Schedule SB item 22					65

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Schedule SB, Part V Summary of Plan Provisions

Effective Date and Most Recent Amendment

The plan was originally effective May 1, 1976. The plan was amended and restated effective December 30, 2016.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Participation is limited to participants in the plan as of December 31, 2003. All employees prior to December 31, 2003 were eligible to participate under the plan after one year of service. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Note: If an employee meets the age requirement, but fails to complete 1,000 hours during the first year, participation will begin on the January 1 following the plan year in which 1,000 hours are completed.

Benefit Accrual Preservation Date

December 31, 2003. The plan was frozen to participation and benefit accruals after December 31, 2003.

Credited Service

The number of years and completed months of service from date of hire to the earlier of date of termination or Benefit Accrual Preservation Date, adjusted for certain periods of unpaid absence.

Vesting Service

Total service from date of hire to date of termination, less any absence in excess of 12 months.

Final Average Monthly Compensation

The monthly average of the 5 consecutive years' compensation out of the last 15 years at the earlier of the date of termination or the Benefit Accrual Preservation Date that gives the highest average. Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or

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Section 401(k) plan. Compensation is limited to the pay limit as described in IRC Section 401(a)(17). The limit at Benefit Accrual Preservation Date is \$200,000.

Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under social security. The MTW is the annual limit on wages subject to the FICA tax for social security. The 35-year period ends with the year the employee reaches eligibility for an unreduced social security benefit (age 65, 66, or 67 depending on the year the employee was born). For years after the Benefit Accrual Preservation Date (2003) and prior to the end of the 35-year period, the MTW from the Benefit Accrual Preservation Date (2003) is used.

Normal Retirement Benefit

1. Normal Retirement Date: Age 65.
2. Monthly Benefit: The sum of A and B:
 - A. 1.30% of Final Average Monthly Compensation times Credited Service up to 40 years
and
 - B. 0.65% of Final Average Monthly Compensation in excess of monthly Covered Compensation times Credited Service up to 35 years.
3. Normal Form of Retirement Income: Life only.

Late Retirement

For employees who accrue less than 40 hours of service in any calendar month and whose retirement occurs after the Normal Retirement Date, the late retirement income will be based on the greater of 1 and 2:

1. The Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date, if earlier than the Late Retirement Date.
2. The income provided on an actuarially equivalent basis by the single-sum value of the retirement income payable as of Normal Retirement Date if earlier than the Benefit Accrued Preservation Date and if employment had then terminated, accumulated with interest to the later of the Benefit Accrual Preservation Date or the Annuity Starting Date.

All other employees who retire after the Normal Retirement Date will receive a Late Retirement Income equal to the Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date if earlier than the Late Retirement Date.

Accrued Benefits

The participant's Accrued Benefit at any given date is the Normal Retirement Benefit, based on the formulas above, the product of (a) the Final Average Monthly Compensation and monthly Covered Compensation determined as of the earlier of date of termination or the Benefit Accrual Preservation Date times (b) the ratio of Credited Service at the earlier of date of termination or Benefit Accrual Preservation Date to Credited Service at Normal Retirement Date.

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The Accrued Benefit was frozen for all participants as of December 31, 2003.

Early Retirement Benefit

1. Eligibility: Age 55 and 15 years of vesting service.
2. Monthly Benefit: The sum of A and B:
 - A: 1.30% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date times Credited Service at the Benefit Accrual Preservation Date up to 40 years multiplied by the appropriate Factor A reduction as shown below.
 - plus
 - B: 0.65% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date in excess of monthly Covered Compensation times Credited Service at the Benefit Accrual Preservation Date up to 35 years multiplied by the appropriate Factor B reduction as shown below.

Age	Factor A*	Factor B
65	100.0%	100.0%
64	98.0%	93.3%
63	96.0%	86.7%
62	94.0%	80.0%
61	92.0%	73.3%
60	90.0%	66.7%
59	84.0%	63.3%
58	78.0%	60.0%
57	72.0%	56.7%
56	66.0%	53.3%
55	60.0%	50.0%

* 100% if the participant has both attained age 60 and completed 30 years of Credited Service at the Benefit Accrued Preservation Date.

Disability Benefit

1. Eligibility: Total and permanent disability of participant prior to Normal Retirement Date and 2 years of Vesting Service.
2. Monthly Benefit: The monthly income that can be provided by the greater of A and B, but not less than C if eligible for Early Retirement Benefit as of the date of termination of service due to disability:
 - A. The present value of the Accrued Benefit as of the Benefit Accrual Preservation Date.
 - B. A multiple of the Final Average Monthly Compensation as of the Benefit Accrual Preservation Date. If the employee is at least age 45 and has completed 15 years of service, the multiple is 30; otherwise, the multiple is 12.

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C. The monthly Early Retirement Benefit payable at the Disability Retirement Date.

This income is payable for life only.

The monthly benefit may not be greater than the retirement income the participant would receive if he remained in active employment at his rate of pay at the Benefit Accrual Preservation Date and retired.

3. Waiting Period: Benefits will not commence until the employee has been disabled for six months and has filed a request for disability benefits with the employer.

Vested Benefits Upon Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Termination Benefit: The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at Normal Retirement Date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to Normal Retirement Date. The participant may also elect to receive an actuarially reduced benefit in order to provide a death benefit for the period between termination and the date retirement payments commence. Such death benefit is equal to the actuarial present value of the deferred accrued benefit, determined as of the Benefit Accrual Preservation Date.

Death Benefits for Participants in Active Service

1. Eligibility: Two years of Vesting Service or after initial vesting date.
2. Benefit: The participant's beneficiary will receive an income payable for 10 years certain and life (other optional forms are available) that can be provided by the greater of A or B below:
 - A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.
 - B. The smaller of (1) or (2) below:
 - (1) A multiple of the Final Average Monthly Compensation. If the employee is at least age 45 and has completed 15 years of vesting service, the multiple is 30. Otherwise, the multiple is 12.
 - (2) 100 times the monthly retirement income the participant accrued as of the Benefit Accrual Preservation Date.

If death occurs after normal retirement but prior to actual retirement, the participant's beneficiary will receive a benefit equal in value to the Late Retirement Benefit described above that the participant would have received had he retired as of his date of death.

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Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 7.0% interest rate and the UP-1984 Mortality Table. Lump-sum distributions are allowed, but only if the lump sum is less than \$5,000.

Special Provisions for Top-Heavy Plans

1. The plan is top heavy in any plan year that the value of accrued benefits for "Key Employees" (as defined in the Internal Revenue Code) is 60% or more of the total value of accrued benefits under the plan.
2. Vesting: For years that the plan is top heavy the minimum vesting percentage is equal to 20% after two years of vesting service, increasing by 20% per year until it is 100% after six years of vesting service.
3. Minimum Accrued Benefit: There is a minimum accrued benefit equal to 2% of five-year-average pay times the number of years of service after January 1, 1984, that the plan is top heavy, up to a maximum of ten years.
4. The plan is not currently top heavy.

Minimum Benefit

1. Eligibility: The employee must have been an active participant in the plan as of December 31, 1992.
2. Minimum Accrued Benefit: The participant's monthly Accrued Benefit shall not be less than that which was accrued as of December 31, 1992, under the terms of the plan in effect on that date.

Special Provisions for Former Polk County Memorial Hospital Participants

1. Eligibility: The employee must have been hired before July 1, 1994.
2. Participation: The later of A and B:
 - A. July 1, 1994
 - B. Completion of at least 1,000 Hours of Service
3. Vesting Service: Vesting Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.
4. Credited Service: Credited Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 1, 1996 and performed housekeeping or food service functions for MHSET, and were subsequently employed by Marriott Management Services, Healthcare Services Division.
2. These employees are 100% Vested as of December 1, 1996.

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Special Provisions for Former Memorial Center – San Augustine

1. Eligibility: The employee must have been employed with Memorial Medical Center – San Augustine as of July 1, 1996.
2. Participation: If the employee has not previously terminated service with Memorial Medical Center – San Augustine, participation begins with the employee's original hire date at that facility. If the employee has terminated service with San Augustine, participation begins with the employee's hire date at MHSET.
3. Vesting Service: Vesting Service at Memorial Health System of East Texas (MHSET) shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.
4. Credited Service: Credited Service at MHSET shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 31, 1997 and were employed in the Medical Records Department of the Medical Transcription Department, and were subsequently employed by Transcend Services, Inc.
2. These employees are 100% Vested as of December 31, 1997.

Changes in Plan Provisions since Last Actuarial Valuation

Effective as of January 1, 2017, participants whose lump sum value of their vested accrued benefit does not exceed \$5,000 will have the full value of their benefit automatically cashed out, with no further benefits due thereafter. This amendment is not included in the valuation since it is not expected to have a significant effect on the plan's liabilities.

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See

Audited Financial

Statements

For

Schedule of Assets Held

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Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2017

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2017	209,235	7	209,235	34,359
2	Shortfall	01/01/2016	886,325	6	786,900	146,442
Total					996,135	180,801

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