



RETIREMENT PLAN OF CARILION CLINIC

FINANCIAL REPORT

SEPTEMBER 30, 2019



RETIREMENT PLAN OF CARILION CLINIC

FINANCIAL REPORT

September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Plan Administrator of the
Retirement Plan of Carilion Clinic
Roanoke, Virginia

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan of Carilion Clinic (the "Plan"), which comprise the statements of net assets available for benefits as of September 30, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of October 1, 2018, and the related statement of changes in accumulated plan benefits for the year 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 of America. 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 information summarized in Note 9, which was certified by Wells Fargo Bank, N.A., the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of September 30, 2019 and 2018, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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.

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of September 30, 2019 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended September 30, 2019, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. 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 Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America 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.

Brown, Edwards & Company, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
July 7, 2020

RETIREMENT PLAN OF CARILION CLINIC

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Investments at fair value (Notes 3, 4, 5, and 9)		
Mutual funds	\$ 42,520,624	\$ 43,018,694
Common collective trusts	234,634,020	291,197,838
Corporate bonds	281,194	-
Common stock	65,179,962	73,961,482
Currency contracts	15,080,270	13,132,437
Partnership interests	699,126,401	579,075,518
	<u>1,056,822,471</u>	<u>1,000,385,969</u>
Interest-bearing cash	15,281,366	11,905,209
Cash	6,364	186
Receivables		
Employer	92,000,000	67,000,000
Accrued income	66,225	114,028
Due from broker	15,307,398	16,180,267
	<u>1,179,483,824</u>	<u>1,095,585,659</u>
Total assets		
	1,179,483,824	1,095,585,659
LIABILITIES		
Due to broker (Note 5)	15,413,398	13,431,241
	<u>15,413,398</u>	<u>13,431,241</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 1,164,070,426</u></u>	<u><u>\$1,082,154,418</u></u>

The Notes to Financial Statements are an integral part of these statements.

RETIREMENT PLAN OF CARILION CLINIC

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Notes 3, 4, 5, and 9)		
Net appreciation in fair value of investments	\$ 25,565,247	\$ 57,305,588
Interest and dividends	<u>14,307,346</u>	<u>10,758,873</u>
	39,872,593	68,064,461
Employer contributions	<u>92,000,000</u>	<u>67,000,000</u>
Total additions	<u>131,872,593</u>	<u>135,064,461</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid	41,727,054	64,041,706
Administrative expenses (Note 10)	<u>8,229,531</u>	<u>8,017,337</u>
Total deductions	<u>49,956,585</u>	<u>72,059,043</u>
Net increase	81,916,008	63,005,418
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>1,082,154,418</u>	<u>1,019,149,000</u>
End of year	<u><u>\$ 1,164,070,426</u></u>	<u><u>\$ 1,082,154,418</u></u>

The Notes to Financial Statements are an integral part of these statements.

RETIREMENT PLAN OF CARILION CLINIC
STATEMENT OF ACCUMULATED PLAN BENEFITS
October 1, 2018 *

**ACTUARIAL PRESENT VALUE OF ACCUMULATED
PLAN BENEFITS (Note 2)**

Vested benefits

Participants currently receiving payments

\$ 370,848,820

Other participants

457,541,779

828,390,599

Nonvested benefits

35,233,012

**TOTAL ACTUARIAL PRESENT VALUE OF
ACCUMULATED PLAN BENEFITS**

\$ 863,623,611

* Latest Valuation Date

The Notes to Financial Statements are an integral part of this statement.

RETIREMENT PLAN OF CARILION CLINIC

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year Ended October 1, 2018 *

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

AT BEGINNING OF YEAR (Note 2)

\$ 821,629,640

Increase (decrease) during the year attributable to:

Benefits accumulated and (gains) losses

47,015,147

Increase for interest due to decrease in discount period

59,020,529

Benefits paid

(64,041,705)

Net increase

41,993,971

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

AT END OF YEAR

\$ 863,623,611

* Latest Valuation Date

The Notes to Financial Statements are an integral part of this statement.

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 1. Description of the Plan

The following brief description of Retirement Plan of Carilion Clinic (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined benefit pension plan covering all eligible employees of Carilion Clinic (the “Company”) and its subsidiaries and affiliate hospitals who have completed 1,000 hours of service during their first twelve months of service and are age 21 or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan document was restated and amended effective October 1, 2016 to clarify certain Plan provisions in order to obtain a new determination letter from the IRS.

The Plan document was amended in December 2017 to add a provision effective January 1, 2018 for lump sum “cash-out” payments. Participants or their spouses who satisfy the criteria as stated in the amendment were allowed an option to receive a lump sum payment or immediate annuity paid on or about April 1, 2018. This amendment also included a provision effective February 1, 2018 to modify the Plan’s disability benefit provisions.

Pension benefits

Participating employees with five or more years of service are entitled to receive annual pension benefits beginning at normal retirement age (65) based upon a formula determined using average compensation and credited years of service up to 35 years. Average compensation is equal to the average of total compensation of the highest five consecutive years of credited service prior to retirement age. A participant who has completed five years of credited service is entitled to a deferred retirement allowance commencing on the participant’s delayed retirement date equal to the greater of the normal retirement allowance increased to reflect the later commencement or the accrued benefit calculated as of the delayed retirement date.

The Plan permits early retirement as of age 55 providing the participant has completed at least 10 years of service. The early retirement benefit is equal to the participant’s accrued benefit as of the early retirement date, reduced by an early retirement factor based on the number of years for which payments commence prior to normal retirement date.

Death and disability benefits

If a participating employee is married and has completed at least five years of service and dies before their retirement benefit would be payable to him or her, a death benefit will be payable to the surviving spouse in a lifetime monthly amount as defined by the Plan.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 1. Description of the Plan (Continued)

Death and disability benefits (Continued)

Active, participating employees, who become disabled and have completed at least five years of service, will be entitled to receive a benefit commencing upon their normal retirement equal to the monthly retirement allowance the participant would have been entitled had the participant remained in service until normal retirement date and based on the participant's average monthly compensation and covered compensation determined as of the disability date. Disability benefits are limited to a maximum of thirty-five years of credited service. Effective February 1, 2018, disability benefits will not include credited service after February 1, 2018.

Note 2. Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and interest-bearing cash

The Wells Fargo Bank, N.A. Collateralized Institutional Bank Deposit Account is an interest-bearing cash account and is insured by the Federal Deposit Insurance Corporation (FDIC) generally up to \$250,000.

The Plan's cash consists of funds held in a cash account maintained by the Trustee. This account is not insured by the FDIC.

Investments valuation and income recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Foreign currency translation

The Plan revalues assets and liabilities denominated in foreign (i.e., non-U.S.) currencies into U.S. dollars using applicable exchange rates as of the date of the Statements of Net Assets Available for Benefits. Income and expenses denominated in foreign currencies are revalued at the exchange rates prevailing at the date of the transaction.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 2. Summary of Significant Accounting Policies (Continued)

Actuarial present value of accumulated plan benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented. Benefits payable upon retirement, death, disability, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits was determined by an actuary from Mercer (US), Inc. as of October 1, 2018 and 2017, respectively, and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits 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.

Significant actuarial assumptions used in determining accumulated plan benefits as of October 1, 2018 and 2017 are as follows:

	2018	2017
Mortality	RP-2014 separate static annuitant and non-annuitant Mortality Tables for healthy participants using the MP-2016 projection scale	RP-2014 separate static annuitant and non-annuitant Mortality Tables for healthy participants using the MP-2016 projection scale
Turnover	Modified Society of Actuaries 2003 Termination Table	Modified Society of Actuaries 2003 Termination Table
Discount rate	Stabilized and non-stabilized segment rates with 4 month look-back, respectively – First 5 years 3.92% and 2.07%, next 15 years 5.52% and 3.70%, over 20 years 6.29% and 4.43%	Stabilized and non-stabilized segment rates with 4 month look-back, respectively – First 5 years 4.16% and 1.71%, next 15 years 5.72% and 3.83%, over 20 years 6.48% and 4.75%
Salary increases	3.0% per year	3.0% per year
Expected investment return	7.50% per year	7.50% per year

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 2. Summary of Significant Accounting Policies (Continued)

Actuarial present value of accumulated plan benefits (Continued)

For the October 1, 2018 valuation, the following changes in assumptions were made and included (1) interest discounts and mortality rates were updated from 2017 to 2018 in accordance with the Pension Protection Act, (2) the expected return on assets for the 2018 plan year was changed from 6.98% to 7.07% to be consistent with the 50th percentile return of the Portfolio Return Calculator, and (3) the expense component of normal cost increased from \$5,100,000 to \$7,000,000.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Should the Plan terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payment of benefits

Benefit payments to participants are recorded upon distribution.

Administrative expenses

Plan fees and administrative expenses are paid by the Plan and Company on a discretionary basis.

Note 3. Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets, including foreign exchange rates; and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 3. Fair Value Measurements (Continued)

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>September 30, 2019</u>				
Mutual funds	\$ 42,520,624	\$ 42,520,624	\$ -	\$ -
Common collective trusts	234,634,020	-	234,634,020	-
Corporate bonds	281,194	-	281,194	-
Common stocks	65,179,962	51,512,085	13,667,877	-
Currency contracts	15,080,270	-	15,080,270	-
Partnership interests	699,126,401	-	-	699,126,401
	<u>\$ 1,056,822,471</u>	<u>\$ 94,032,709</u>	<u>\$ 263,663,361</u>	<u>\$ 699,126,401</u>
<u>September 30, 2018</u>				
Mutual funds	\$ 43,018,694	\$ 43,018,694	\$ -	\$ -
Common collective trusts	291,197,838	-	291,197,838	-
Common stocks	73,961,482	57,369,181	16,592,301	-
Currency contracts	13,132,437	-	13,132,437	-
Partnership interests	579,075,518	-	-	579,075,518
	<u>\$ 1,000,385,969</u>	<u>\$ 100,387,875</u>	<u>\$ 320,922,576</u>	<u>\$ 579,075,518</u>

Level 1 Fair Value Measurements

The fair values of mutual funds and certain common stocks are based on quoted net asset values of the shares held by the Plan at year end.

Level 2 Fair Value Measurements

The fair value of corporate bonds, certain other common stocks, common collective trusts, and currency contracts consist of observable inputs including quoted prices for similar assets or liabilities in active or non-active markets and may also include insignificant adjustments to market observable inputs. While the underlying asset values are quoted prices, the net asset value (NAV) of a unit is not publically quoted. Units can be issued and redeemed on any business day at the NAV. All earnings and losses are reflected in the computation of the NAV and are realized by the participant upon withdrawal. No distributions of income and gain or loss are made to participants. The value of currency contracts is dependent upon exchange rates.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 3. Fair Value Measurements (Continued)

Level 3 Fair Value Measurements

The fair value of limited partnership funds consists of inputs which are unobservable and not actively traded and significant other observable inputs are not available. Limited partnership pricing is derived from other valuation methodologies including various sources such as the issuer, fund manager, and other pricing models.

The following table provides further details of Level 3 fair value measurements.

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

September 30, 2019

Beginning balance	\$ 579,075,518
Total gains or losses (realized and unrealized included in changes in net assets available for benefits)	21,891,895
Purchases	193,289,490
Sales	<u>(95,130,502)</u>
Ending balance	<u>\$ 699,126,401</u>
Total gains for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ 115,203,924</u>

September 30, 2018

Beginning balance	\$ 438,330,282
Total gains or losses (realized and unrealized included in changes in net assets available for benefits)	31,334,245
Purchases	145,090,576
Sales	<u>(35,679,585)</u>
Ending balance	<u>\$ 579,075,518</u>
Total gains for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ 94,813,648</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended September 30, 2019 and 2018 are reported in net appreciation in fair value of investments.

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 4. Common Collective Trusts

The Plan holds investments in four funds of the Highland Collective Investment Trust. These funds are not fully benefit-responsive. The Highland Core Fixed Income Collective Fund includes fixed income securities and registered investment company funds. The Highland Equity Collective Fund includes common stocks, exchange-traded funds, limited liability companies, preferred stocks, real estate investment trusts, registered investment company funds, and warrants. The Highland Public Inflation Hedges Collective Fund includes common stocks, exchange-traded funds, fixed income securities, preferred stocks, real estate investment trusts, registered investment company funds, and other short-term investment funds. The per unit net asset value of the funds are determined each business day. Subscriptions and redemptions of units by qualified purchasers and sellers, respectively, may be processed pursuant to notice entered in the records of the Trustee on the Valuation Date. The Highland Direct Hedged Equity Collective Fund includes exchange-traded funds, fixed income securities, hedge funds, limited partnerships, and registered investment company funds. The per unit net asset value of this fund is determined on the last business day of each month. Redemptions of units by qualified purchasers may be processed quarterly pursuant to 100 days' prior written notice. Net investment income and net realized gains are retained by the funds.

Note 5. Derivative Instruments

The Plan enters into foreign exchange currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar investment securities. When entering into a forward currency contract, the Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Plan's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the date of entry in the contracts and the forward rates at the reporting date is included in the statements of changes in net assets available for benefits. The Plan also enters into future equity contracts. When entering into a future equity contract, the Plan purchases the option to call a fixed quantity of stock on an agreed future date. The Plan's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the stock at the date of entry in the contracts and the stock at the call date, if exercised, is included in the statements of changes in net assets available for benefits. These instruments involve market risk, credit risk, or both kinds of risks in excess of the amount recognized in the statements of net assets available for benefits. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates. Counterparties to a derivative contract seek to obtain risks and rewards similar to those that could be obtained from purchasing or selling a related cash instrument without having to exchange upfront the full purchase or sales price. The Plan uses derivatives to manage and invest in market risk exposures, predominately using foreign exchange contracts.

Accounting for derivatives

All derivatives are recorded on the statements of net assets available for benefits at fair value, with all changes in fair value reflected in the statements of changes in net assets available for benefits.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 5. Derivative Instruments (Continued)

Impact of derivatives on the statements of net assets available for benefits

The following table summarizes the gross fair values of derivative receivables and payables (irrespective of any legally enforceable master netting agreements) by contract type. Spot and forward contracts for receivables are included in investments at fair value. Spot and forward contracts for payables, as well as future equity contracts, are included in due to broker on the statements of net assets available for benefits.

	Gross Derivative Receivables	Gross Derivative Payables
<u>September 30, 2019</u>		
Future equity contracts	\$ -	\$ 6,379
Foreign exchange forward contracts	15,080,270	15,407,019
	<u>\$ 15,080,270</u>	<u>\$ 15,413,398</u>
<u>September 30, 2018</u>		
Foreign exchange spot contracts	\$ 612,255	\$ 612,075
Foreign exchange forward contracts	12,520,182	12,513,074
	<u>\$ 13,132,437</u>	<u>\$ 13,125,149</u>

These amounts also represent the notional amount of derivative contracts outstanding as of September 30, 2019 and 2018. While the notional amounts disclosed above give an indication of the volume of the Plan's derivative activities, the notional amounts significantly exceed the possible losses that could arise from such transactions. For most derivative transactions, the notional amount is not exchanged; it is used simply as a reference to calculate payments.

Derivatives gains and losses

The following table presents derivatives, by contract type, and the gains or losses recorded on such derivatives for the years ended September 30, 2019 and 2018. All amounts are recorded in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

	2019	2018
Foreign exchange spot contracts	\$ 33,980	\$ (97,261)
Foreign exchange forward contracts	338,836	(66,648)
Derivative gains or (losses)	<u>\$ 372,816</u>	<u>\$ (163,909)</u>

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 6. Funding Policy

The Company contributes to the Plan an amount determined by the actuary at least sufficient to maintain the Plan as a qualified employee defined benefit plan meeting the minimum funding standard requirements of ERISA. The Company contribution for the years ended September 30, 2019 and 2018 exceeded the minimum funding requirements as set forth by ERISA.

Although it has not expressed any intention to do so, the Company 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.

Note 7. Tax Status

The Plan obtained a determination letter dated October 2, 2017, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the *Internal Revenue Code (IRC)*. The Plan has been amended since receiving the determination letter, however, the Plan Administrator and legal counsel believe the Plan is currently designed and is being operated in compliance with the applicable requirements of the *IRC*.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of September 30, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Note 8. Plan Termination

In the event the Plan terminates, the net assets of the Plan will not be available on a pro rata basis to provide participant's benefits. Whether a particular participant's accumulated Plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all. Participants should refer to the Plan agreement for more complete information.

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 survivor's 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. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2019, that ceiling is \$5,608 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 8. Plan Termination (Continued)

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 for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Note 9. Trustee's Certification

Certain information was certified as complete and accurate by the Plan's Trustee. This information is as follows:

- Investment assets
- Investment transactions
- Investment income
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
- Schedule H, Line 4j – Schedule of Reportable Transactions

Note 10. Transactions with Related Parties

Certain administrative functions are performed by officers or employees of the Company. These employees are also Plan participants. No such officer or employee receives compensation from the Plan.

For the years ended September 30, 2019 and 2018, Plan assets were invested in certain funds managed by the Plan's Trustee. These transactions qualify as related party transactions. Fees paid by the Plan to the Plan's Trustee for trust services amounted to \$208,735 and \$184,933 for the years ended September 30, 2019 and 2018, respectively.

Note 11. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, foreign exchange rates, 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 change could materially affect the amounts reported in the statements of net assets available for benefit.

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 process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(Continued)

RETIREMENT PLAN OF CARILION CLINIC

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 12. Subsequent Events

Subsequent events were evaluated through July 7, 2020, the date the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus (COVID-19) was reported and the full impact of the outbreak continues to evolve as of the date of this report. The World Health Organization declared the outbreak a “Public Health Emergency of International Concern” on January 30, 2020. The Plan sponsor's operations have been affected by closures and stay at home orders issued in March and April 2020 by government officials in response to the COVID-19 outbreak. The extent of the impact of COVID-19 on the Plan sponsor's operations will depend on the duration and spread of the outbreak, which is uncertain and cannot be predicted. The extent to which COVID-19 may impact plan activity cannot be reasonably estimated at this time.

SUPPLEMENTAL SCHEDULES

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Apollo European Principal Finance Fund III, LP	Private Fixed Income	\$ 4,668,043	\$ 4,765,303
	Apollo Investment Fund VIII, LP	Private Equity	10,095,440	13,019,016
	Apollo Total Return Fund (Onshore), LP	Fixed Income	28,000,000	34,124,450
	Avenue Asia Special Situations Fund V, LP	Private Fixed Income	12,735,994	13,735,161
	BB Aggregator, LLC	Private Equity	3,545,739	9,018,596
	BDCM Opportunity Fund IV	Private Equity	16,348,660	17,807,781
	Blackmoor Ownership Holdings, Ltd.	Public Equity	19,000,000	20,597,529
	Blackstone Capital Partners VII, LP	Private Equity	5,887,050	6,885,600
	Blackstone Tactical Opportunities Fund II, LP	Private Equity	10,918,004	11,353,842
	Blackstone Tactical Opportunities Fund, LP	Private Equity	6,791,835	6,123,977
	Builders Union Fund, Ltd.	Hedge	10,000,000	10,000,000
	Carlyle Partners VI, LP	Private Equity	13,018,077	13,779,003
	CEMOF II Offshore Investors, LP	Private Equity	6,549,393	5,922,165
	Colony Distressed Credit Fund III, LP	Private Equity	7,808,616	8,219,182
	DoubleBlue Argentina Consumer Finance Offshore Fund I, LP	Private Fixed Income	9,250,000	9,150,362
	Elliot International, Ltd. Class B	Hedge	14,839,385	18,901,841
	Excelsior Partners Fund IV	Venture Capital	-	123,800
	Fenghe Asia (USTE) Fund, Ltd. Participating Shares F NR, Sept. 2016	Hedge	9,000,000	9,102,339
	Fenghe Asia (USTE) Fund, Ltd. Participating Shares F, Jan. 2019	Hedge	1,000,000	1,002,027
	Goldman Sachs Private Middle Market Credit, LLC	Private Fixed Income	11,755,066	12,071,542
	Hamilton Lane Private Equity Offshore Fund VI, LP	Private Equity	918,648	1,422,609
	Kerrisdale Partners Offshore, Ltd.	Hedge	10,000,000	12,347,174
	Magnitude Systematic Long/Short, Ltd. Anchor Shares	Hedge	10,000,000	10,487,686
	Oaktree Private Investment Fund 2012, LP	Private Equity	4,532,000	7,083,392
	Old Farm Partners Offshore Fund, Ltd. Founders Class NI, July 2018	Hedge	9,000,000	8,992,516
	Old Farm Partners Offshore Fund, Ltd. Founders Class NI, Nov. 2018	Hedge Fund of Funds	1,000,000	1,025,322

(Continued)

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	OnyxPoint Permian Equity Feeder Feeder II, LLC	Private Equity	\$ 1,049,744	\$ 1,177,930
	OnyxPoint Permian Equity Feeder, LLC	Private Equity	2,090,784	2,430,408
	OnyxPoint Permian Equity Feeder Feeder III, LLC	Private Equity	5,107,493	5,800,958
	OnyxPoint Permian Fixed Income Preferred Feeder, LLC	Private Fixed Income	7,733,506	10,615,885
	Pacific North of South EM All Capital Equity Fund	Public Equity	10,000,000	10,000,000
	PIMCO Bravo Fund Onshore Feeder II, LP	Private Equity	1,824,261	5,455,674
	Pointer Offshore III, Ltd.	Equity Hedge	45,306,815	71,436,060
	RA Capital Healthcare International Fund, Ltd.	Hedge Fund	9,062,086	21,608,504
	Raven Asset Based Opportunities Fund III, LP	Private Fixed Income	18,852,543	19,397,420
	Raven Asset Based Opportunities Fund IV, LP	Private Debt	21,117,983	20,936,338
	Raven RPM Fund I, LP	Private Debt	7,025,000	7,135,484
	RREEF America REIT II, Inc.	Real Estate	26,458,559	39,676,730
	Runway Growth Credit Fund, Inc	Private Fixed Income	28,525,119	27,949,745
	Sandglass Opportunity Feeder Fund (Cayman), Ltd. - Class D Shares, Nov. 2018	Public Debt	3,192,986	3,209,249
	Sandglass Opportunity Feeder Fund (Cayman), Ltd. - Class A1 Shares, Unrestricted Dec. 2018	Public Debt	5,000,000	5,145,717
	Sandglass Opportunity Feeder Fund (Cayman), Ltd. - Class A1 Shares, Unrestricted Dec. 2018 - 1	Public Debt	783,231	787,694
	Sandglass Opportunity Feeder Fund (Cayman), Ltd. - Class B2 Shares, Unrestricted Dec. 2018	Public Debt	1,023,782	1,030,546
	Silver Creek - Special Opportunities Funds Cayman II	Private Equity	1,848,983	833,716
	Silver Creek - Low Volatility Strategies, LP	Hedge	1	23,917
	Solace Capital Special Situations Fund, LP	Private Equity	10,286,567	9,493,350
	South Africa Alpha Tangible Sp.	Public Equity	6,000,000	7,571,286

(Continued)

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Sprott Private Resource Lending International Fund, LP	Private Fixed Income	\$ 7,344,933	\$ 7,695,782
	Sprott Private Resource Lending Co-Investment Intl. Fund, LP	Private Fixed Income	5,578,558	5,906,066
	Sprott Private Resource Lending II (International), LP	Private Debt	2,641,510	2,595,492
	Starwood VEP II Co-invest LLC	Private Equity Energy	1,036,496	1,036,496
	TA XII-B, LP	Private Equity	8,271,244	12,374,435
	Tallinn Capital Energy, LP	Private Debt	1,563,911	1,558,052
	Third Point Offshore Fund, Ltd.	Private Equity	10,041,943	12,799,418
	TI Platform BOV Cayman, LP	Venture Capital	1,132,457	1,132,457
	TT Emerging Markets Opportunities Fund II Ltd., Class A	Public Equity	10,971,996	11,888,908
	UBS Trumbull Property Income Fund (TPI)	Real Estate	31,972,535	45,835,665
	Warburg Pincus Private Equity XII, LP	Private Equity	12,415,500	14,884,971
	WMQS Global Equity Active Extension Offshore Fund LTD F1	Public Equity	42,000,000	42,639,833
	Anthem, Inc.	Common Stock	1,204,253	964,722
	Becton Dickinson & Co.	Common Stock	1,418,453	1,467,674
	Gilead Sciences, Inc.	Common Stock	973,626	794,088
	American International Group, Inc.	Common Stock	696,559	646,120
	Progressive Corp. Ohio	Common Stock	1,372,601	1,519,044
	Unum Group	Common Stock	547,323	594,400
	Bank of New York Mellon Corp	Common Stock	1,219,166	1,045,753
	Berkshire Hathaway, Inc.	Common Stock	2,185,277	2,419,273
	Corepoint Lodging, Inc.	Common Stock	1,281,912	1,144,452
	Citigroup, Inc.	Common Stock	771,829	773,696
	Alliance One International, Inc.	Common Stock	471,313	478,728
	Beazer Homes USA Inc.	Common Stock	945,807	831,420
	M/I Homes, Inc.	Common Stock	682,142	978,900
	Taylor Morrison Home Corp	Common Stock	1,171,905	1,297,000
	Walt Disney Co.	Common Stock	1,355,621	1,534,648
	Dollar General Corp	Common Stock	832,398	1,299,017
	Sherwin Williams Co.	Common Stock	668,376	1,077,195
	Ecolab, Inc.	Common Stock	644,543	967,821
	Resolute Forest Products	Common Stock	308,419	299,860

(Continued)

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Veritiv Corporation	Common Stock	\$ 181,990	\$ 119,328
	Verso Corporation	Common Stock	343,021	239,553
	Bonanza Creek Energy, Inc.	Common Stock	106,438	125,384
	Era Group Inc.	Common Stock	583,690	607,158
	Green Plains, Inc.	Common Stock	282,194	235,209
	Fidelity National Info. Services, Inc.	Common Stock	1,501,365	1,495,276
	Microsoft Corporation	Common Stock	1,058,051	1,769,157
	Visa, Inc.	Common Stock - Class A	1,011,809	1,012,279
	Photronics, Inc.	Common Stock	421,746	568,480
	Alphabet, Inc.	Common Stock - Class C	1,218,438	1,493,275
	Tutor Perini Corp	Common Stock	739,062	541,674
	Atlas Air Worldwide Holdings, Inc.	Common Stock	311,077	297,714
	CAI International, Inc.	Common Stock	100,141	100,142
	Verizon Communications	Common Stock	1,940,602	2,066,002
	JP Morgan Structured Products WTS	Common Stock, Exp 7/2/20	262,941	654,600
	Macquarie Bank, Ltd. Hong Kong WTS	Common Stock, Exp 8/10/20	895,565	665,416
	British American Tobacco, PLC	Common Stock - Global Equity	1,361,425	865,756
	DCC, PLC	Common Stock - Global Equity	1,184,282	1,168,578
	Informa, PLC	Common Stock - Global Equity	871,049	1,014,391
	Relx, PLC	Common Stock - Global Equity	1,058,355	1,215,883
	Air France - KLM	Common Stock - Global Equity	1,073,116	1,202,789
	Bayer AG NPV	Common Stock - Global Equity	1,514,006	1,022,687
	Danone	Common Stock - Global Equity	1,113,156	1,155,918
	Deutsche Boerse AG NPV	Common Stock - Global Equity	999,131	1,231,608
	Deutsche Telekom AG RFD	Common Stock - Global Equity	1,310,361	1,216,486
	EssilorLuxottica SA	Common Stock - Global Equity	1,158,976	1,298,912
	Fresenius Medical Care AG + Co NPV	Common Stock - Global Equity	1,267,572	889,116
	Knorr-Bemse AG	Common Stock - Global Equity	888,325	887,165
	Naturgy Energy Group SA	Common Stock - Global Equity	660,044	816,817
	AIA Group, Ltd.	Common Stock - Global Equity	1,276,241	1,377,209
	Resona Holdings, Inc.	Common Stock - Global Equity	1,475,256	1,134,848
	Kuehne + Nagel International	Common Stock - Global Equity	1,192,078	1,315,135
	Nestle SA	Common Stock - Global Equity	1,203,820	1,574,330
	Advantage Oil & Gas Ltd.	American Depositary Receipts	1,099,739	428,582
	AerCap Holdings N.V.	American Depositary Receipts	1,299,136	1,445,400
	Alibaba Group Holding, Ltd.	American Depositary Receipts	1,199,785	1,157,733

(Continued)

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Alio Gold, Inc.	American Depository Receipts	\$ 506,766	\$ 78,365
	Allegion PLC	American Depository Receipts	489,151	617,443
	Ardmore Shipping Corporation	American Depository Receipts	451,206	423,002
	Asanko Gold, Inc	American Depository Receipts	482,929	532,813
	Avianca Holdings SA	American Depository Receipts	2,841,164	1,476,544
	Blue Capital Holding, Ltd.	American Depository Receipts	694,401	436,378
	Capital Product Partners LP	American Depository Receipts	375,266	306,469
	Diamond S Shipping, Inc.	American Depository Receipts	210,599	216,796
	Eldorado Gold Corp.	American Depository Receipts	120,543	290,598
	Fly Leasing, Ltd.	American Depository Receipts	776,643	1,158,815
	Gold Fields Limited	American Depository Receipts	1,114,827	1,390,392
	Iamgold, Corp	American Depository Receipts	2,260,489	1,344,904
	International Seaways, Inc.	American Depository Receipts	804,467	843,781
	Korea Electric Power Corp	American Depository Receipts	719,600	641,728
	Linde Public Limited Company	American Depository Receipts	740,942	878,133
	Highland	Equity Fund Collective Investment Trust	56,440,216	70,012,582
	Highland	Core Fixed Income Fund Collective Investment Trust	14,476,109	16,067,213
	Highland	Public Inflation Hedges Fund Collective Investment Trust	48,310,654	53,165,308
	Highland	Directed Hedged Equity Collective Fund	81,242,187	95,388,917
	AMG	Yacktman Special Opportunities Fund - Class Z #1180	5,000,000	4,881,703
	Oakmark	Global Select Fund Inst. #2884	11,504,177	10,103,187
	Artisan	Global Value Fund Inst. #1679	10,937,252	11,205,177
	Davenport	Small Cap Focus Fund	5,030,248	5,165,948
	Polaris	Global Value Fund #778	11,127,344	11,164,609
*	Wells Fargo	Collateralized Institutional Bank Deposit Account	15,281,366	15,281,366

(Continued)

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(a)	(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Forward Currency Contract	1,400,600 AUD, 11/7/19	\$ 958,702	\$ 945,721
	Forward Currency Contract	1,840,900 CAD, 11/7/19	1,388,960	1,391,455
	Forward Currency Contract	356,423,600 JPY, 11/7/19	3,305,897	3,307,297
	Forward Currency Contract	3,340,800 SEK, 11/7/19	345,123	340,758
	Forward Currency Contract	974,648 HKD, 11/7/19	974,648	974,648
	Forward Currency Contract	1,683,224 CHF, 11/7/19	1,683,224	1,683,224
	Forward Currency Contract	4,375,229 EUR, 11/7/19	4,375,229	4,375,229
	Forward Currency Contract	2,061,938 GBP, 11/7/19	2,061,938	2,061,938
	SM Energy Co.	Corp. Bond, 5/21/15, 5.625%, 6/1/25	292,740	281,194
				<u>\$ 1,072,103,837</u>

* Party-in-interest

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
Year Ended September 30, 2019

(a) Identity of Party Involved	(b) Description of Asset	(c) Total Number of Transactions	(d) Purchase Price	(e) Selling Price	(f) Lease Rental	(g) Expenses Incurred In Connection With Transaction	(h) Cost of Asset	(i) Current Value of Asset on Transaction Date	(j) Net Gain/(Loss)
Wells Fargo	Collateralized Institutional Bank Deposit Account	259	\$ 244,215,244	\$ -	\$ -	\$ -	\$ 244,215,244	\$ 244,215,244	\$ -
Wells Fargo	Collateralized Institutional Bank Deposit Account	251	\$ -	\$ 240,839,078	\$ -	\$ -	\$ 240,839,078	\$ 240,839,078	\$ -

Schedule SB, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & UP	TOTAL
Under 25	2	479	14								495
		31,696									31,759
25–29	4	930	265	11							1,210
		42,452	45,633								43,089
30–34	4	680	442	187	13						1,326
		56,728	58,898	55,098							59,057
35–39	13	457	341	270	102	4					1,187
		70,060	83,066	67,303	60,173						80,526
40–44	14	363	294	229	131	78	8				1,117
		59,614	86,222	79,536	71,748	68,976					81,825
45–49	13	310	278	305	176	157	89	9			1,337
		58,777	79,489	77,051	84,649	75,011	76,756				80,903
50–54	7	277	237	265	150	157	145	93	5		1,336
		53,274	67,520	75,489	80,494	83,156	74,324	70,427			75,793
55–59	5	247	210	237	140	126	100	107	57	6	1,235
		61,116	67,367	69,731	75,900	85,010	83,664	75,904	76,293		78,333
60–64	3	135	140	155	110	90	69	48	69	49	868
		59,025	86,753	72,444	85,064	99,518	84,690	85,590	79,251	67,162	89,268
65–69	1	51	43	80	28	35	20	11	4	22	295
		76,583	97,254	81,066	73,507	79,707	103,619			78,166	95,738
70 & up	4	9	8	17	8	2	2	1	2	3	56
											66,747
Total	70	3,938	2,272	1,756	858	649	433	269	137	80	10,462
	12,914	56,956	81,750	78,447	81,497	87,506	81,230	76,567	78,859	85,145	71,572

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2017 limited to \$270,000. Average pay is not shown for cells with fewer than 20 participants.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***ACTUARIAL ASSUMPTIONS FOR OCTOBER 1, 2018 FUNDING VALUATION****DISCOUNT RATE
SPONSOR ELECTIONS**

- Segment rates or full yield curve Segment
- Look-back months 4

Stabilized**Nonstabilized**

- First 5 years 3.92% 2.07%
- Next 15 years 5.52% 3.70%
- Over 20 years 6.29% 4.43%

Mortality sponsor elections

- Healthy participants Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
- Pre-1995 disabilities Revenue Ruling 96-7 table for participants who became disabled before 1995.
- Post-1994 disabilities Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits.

417(e) lump sums None assumed.**Non-417(e) lump sums** Not applicable.**Other economic assumptions**

- Salary increases 3.00% per year
- Flat-dollar benefit increases N/A
- Social Security wage base 2.45% per year
- Inflation 2.20% per year
- Expected investment return 7.07% (previously, 6.98%)
- Expenses \$7,000,000 assumed for the current plan year administrative expenses.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***RATIONALE FOR ECONOMIC ASSUMPTIONS**

- Salary increases – The assumption is based on Carilion Clinic's expectations regarding the level of increase in wages.
- Social Security taxable wage base increases – The Social Security wage base increase assumption reflects inflation plus .25% real wage growth. This real wage growth is based on a review of historical US Average Wage increases and annual average CPI-U over extended time periods and consideration of more recent and potential future prospects for real wage increases.
- Inflation – This assumption is based on the inflation assumption periodically published by Mercer Investment Consulting in their Capital Markets Outlook.
- Expected investment return – The expected rate of return on plan assets is based the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's target asset mix. The expected return on assets assumption is net of an adjustment of 20 bps for expenses assumed to be paid from plan assets.
- Expenses – Three year average of actual expenses rounded to the nearest \$100,000.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

**DEMOGRAPHIC
ASSUMPTIONS**

- Withdrawal

For plan participants, 20% are expected to terminate during the first, second and third years of employment and 15% during the fourth and fifth years. Rates of turnover for plan members who have at least five years of service are assumed to follow the modified SOA 2003 termination table. Mercer slightly modified the termination table developed by the Society of Actuaries to allow for a smoother progression of rates.

Sample rates are as follows:

Age	Number of Withdrawals Per 100 Participants
25	18.0
30	12.2
35	8.7
40	6.9
45	6.1
50	5.6
55	4.4
60	3.4

- Disability incidence

The rates of disability among active employees are assumed to follow a table of which the following are representative:

Age	Number of Disabilities Per 100 Lives
25	0.40
35	0.40
45	0.42
55	1.40
60	2.48

No disability retirements are assumed to occur after normal retirement age.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement			
	Attained age	Eligible for Rule of 80	Not Eligible for Rule of 80
	55	10%	5%
	56-57	10%	2%
	58-61	5%	2%
	62	15%	15%
	63	15%	5%
	64	10%	5%
	65	80%	80%
	66-69	25%	25%
	70	100%	100%
• Benefit commencement age for			
— Future vested deferred	65		
— Current vested deferred	65		
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
— Percentage married	80%	80%	
— Spouse age difference	3 years younger	3 years older	
Form of payment	<u>Single Life</u>	<u>50% J&S</u>	<u>100% J&S</u>
• Active retirements	100%	0%	0%
• Future vested deferred	100%	0%	0%
• Future disabilities	100%	0%	0%
• Future deaths			
— Eligible for early, normal retirement or disability	0%	0%	100%
— Not eligible for early, normal retirement or disability	0%	100%	0%
• Current vested deferred	100%	0%	0%
Unpredictable contingent event assumptions	Not applicable.		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

RATIONALE FOR DEMOGRAPHIC ASSUMPTIONS

- **Withdrawal** – The withdrawal rates are based on an experience study undertaken in 2014 using data from 2009 – 2013 and the expectation that the future retirement patterns and circumstances of the employer will not differ significantly from the period studied.
- **Disability** – Disability rates do not significantly affect valuation results.
- **Retirement** – The retirement rates are based on an experience study undertaken in 2014 using data from 2009 – 2013 and the expectation that the future retirement patterns and circumstances of the employer will not differ significantly from the period studied.
- **Benefit commencement age** – The benefit commencement age for current and future vested termination participants is assumed to be 65, based on the fact that the majority of the vested terminated participants will either not be eligible for early retirement or will incur significant reduction in monthly benefits for early retirement.
- **Spouse assumptions** – The assumptions regarding percent married/spouse age difference at benefit commencement was developed in conjunction with the plan sponsor based on plan experience and national averages.
- **Form of payment** – Form of payment assumption is based on plan provisions and historical data.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***ACTUARIAL METHODS FOR FUNDING****Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to the funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE OF REPORTABLE TRANSACTIONS
September 30, 2019

(a) Identity of Party Involved	(b) Description of Asset	(c) Total Number of Transactions	(d) Purchase Price	(e) Selling Price	(f) Lease Rental	(g) Expenses Incurred In Connection With Transactions	(h) Cost of Asset	(i) Current Value of Asset on Transaction Date	(j) Net Gain/(Loss)
WELLS FARGO	COLLATERALIZED INSTITUTIONAL BANK DEPOSIT ACCOUNT	259	\$ 244,215,244.00	\$ -	\$ -	\$ -	\$ 244,215,244.00	\$ 244,215,244.00	\$ -
WELLS FARGO	COLLATERALIZED INSTITUTIONAL BANK DEPOSIT ACCOUNT	251	\$ -	\$ 240,839,078.00	\$ -	\$ -	\$ 240,839,078.00	\$ 240,839,078.00	\$ -

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 10/01/2018 and ending 09/30/2019

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

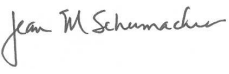
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN OF CARILION CLINIC	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CARILION CLINIC	D Employer Identification Number (EIN) 54-1190771
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500

Part I	Basic Information
1 Enter the valuation date: Month 10 Day 01 Year 2018	
2 Assets:	
a Market value.....	2a 1,086,863,929
b Actuarial value	2b 1,070,855,978
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 4,320 (2) Vested Funding Target 421,550,859 (3) Total Funding Target 421,550,859
b For terminated vested participants	2,755 103,223,958 103,223,958
c For active participants	10,462 439,682,739 490,031,878
d Total	17,537 964,457,556 1,014,806,695
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>	
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 5.81%
6 Target normal cost	6 44,135,379

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		06/26/2020
Signature of actuary		Date
JEAN M. SCHUMACHER, A.S.A.		2004678
Type or print name of actuary		Most recent enrollment number
MERCER		804-344-2635
Firm name		Telephone number (including area code)
1051 EAST CARY STREET, SUITE 900		
RICHMOND VA 23219		
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 ☐

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

**Schedule SB (Form 5500) 2018
v. 171027**

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	26,319,815
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	26,319,815
10 Interest on line 9 using prior year's actual return of <u>7.01</u> %	0	1,845,019
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		50,471,381
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>6.01</u> %.....		3,033,330
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		53,504,711
d Portion of (c) to be added to prefunding balance.....		
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	28,164,834

Part III Funding Percentages

14 Funding target attainment percentage	14	102.74%
15 Adjusted funding target attainment percentage.....	15	105.52%
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	103.22%
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
10/15/2019	23,000,000	0			
12/23/2019	10,000,000	0			
01/15/2020	13,000,000	0			
06/11/2020	46,000,000	0			
Totals ▶			18(b)	92,000,000	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	84,910,889

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:
3.92 %2nd segment:
5.52 %3rd segment:
6.29 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions)

Prior regulation:

☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Current regulation:

☐

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**

44,135,379

b Excess assets, if applicable, but not greater than line 31a**31b**

27,884,449

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

0

0

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**

16,250,930

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

36 Additional cash requirement (line 34 minus line 35).....**36**

16,250,930

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

84,910,889

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

68,659,959

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

*Schedule SB, line 22 — Weighted Average Retirement Age***Eligible for Rule of 80**

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10%	10,000	1,000	55,000
56	10%	9,000	900	50,400
57	10%	8,100	810	46,170
58	5%	7,290	365	21,141
59	5%	6,926	346	20,430
60	5%	6,579	329	19,738
61	5%	6,250	313	19,063
62	15%	5,938	891	55,221
63	15%	5,047	757	47,695
64	10%	4,290	429	27,456
65	80%	3,861	3,089	200,773
66	25%	772	193	12,741
67	25%	579	145	9,701
68	25%	434	109	7,384
69	25%	326	81	5,620
70	100%	244	244	17,103
Total			10,000	615,637
Average				61.56

*Schedule SB, line 22 — Weighted Average Retirement Age***Not Eligible for Rule of 80**

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	10,000	500	27,500
56	2.00%	9,500	190	10,640
57	2.00%	9,310	186	10,613
58	2.00%	9,124	182	10,584
59	2.00%	8,941	179	10,551
60	2.00%	8,762	175	10,515
61	2.00%	8,587	172	10,476
62	15.00%	8,416	1,262	78,264
63	5.00%	7,153	358	22,533
64	5.00%	6,796	340	21,746
65	80.00%	6,456	5,165	335,699
66	25.00%	1,291	323	21,304
67	25.00%	968	242	16,220
68	25.00%	726	182	12,347
69	25.00%	545	136	9,396
70	100.00%	409	409	28,597
Total			10,000	636,984
Average				63.70

Schedule SB, line 22 — Weighted Average Retirement Age

Weighted Average Retirement Age for both groups:

(A) Groups	(B) Groups-wise Weighted Total	(C) Number of Participants	(D) Weighted (B) x (C)
Eligible for Rule of 80	61.56	1,280	78,797
Not Eligible for Rule of 80	63.70	9,182	584,893
Total		10,462	663,690
Total Weighted Average			63.44
Total of (d) / Total of (c)			

*Schedule SB, Part V — Summary of Plan Provisions***SUMMARY OF MAJOR PLAN PROVISIONS**

Effective date	Restated October 1, 2016, last amended December 21, 2017.
Status of the plan	The plan has ongoing accruals.
Significant events that occurred during the year	None.
Definitions	
• Participation	First of the month coinciding with or next following the completion of one year of service and the attainment of age 21
• Credited service	All plan years of service with at least 1,000 hours of service. Break-In-Service rules also apply.
• Compensation	Total earnings including overtime, bonuses and commissions in effect during the year preceding the valuation date not in excess of the IRC Section 401(a)(17) compensation limit. In determining benefit accruals on or after October 1, 2002, the annual compensation limit for plan years prior to October 1, 2002 shall be \$200,000 (except for plan years October 1, 1989 through September 30, 1994).
• Final average Compensation	Average of the total compensation for the 5 highest consecutive plan years of credited service.

*Schedule SB, Part V — Summary of Plan Provisions***Normal retirement**

- **Eligibility**

The later of age 65 or the first day of the plan year which contains the fifth (5th) anniversary of the date the participant commenced participation in the Plan.
- **Benefit**

Payable upon the normal retirement of any participant and the greater of:

 - a. The sum of:
 - (1) For participants under the plan or former plan as of September 30, 1992, the participant's accrued benefit at September 30, 1992 determined under the provisions of the Plan or former plan based on credited service as of September 30, 1992, plus
 - (2) An amount ("the post 1992, accrued benefit") determined in c. below based on the credited service accrued after September 30, 1992. Total credited service from the sum of (1) and (2) is limited to 35 years or
 - b. The sum of:
 - (1) Accrued benefit as of September 30, 1994, determined as if employment had terminated on that day based on the formula in effect on that date with compensation not to exceed the amount determined by the Secretary of Treasury pursuant to IRC Section 401(a)(17), with the 1993 amount of \$235,840 applied to all plan years retroactively to the first day of the plan year beginning after December 31, 1988, plus
 - (2) An amount ("the post 1994 accrued benefit") determined in c. below based on the credited service accrued after September 30, 1994. Total credited service from the sum of (1) and (2) is limited to thirty-five years; or
 - c. The sum of
 - (1) .95% of final average compensation times credited service up to thirty-five years, plus
 - (2) .65% of final average compensation in excess of covered compensation times credited service up to thirty-five years; or
 - d. \$300.00 per year

For non-highly compensated employees who were participants in the Radford Community Hospital plan on September 30, 1992 and were still active participants on September 30, 1997, there was a one-time election for participants who were age 55 and older prior to April 1, 1998 to continue under Radford's formula. All other Radford participants are eligible for the greater of the following three benefits.

 - a. The sum of:
 - (1) accrued benefit as of September 30, 1997, determined as if employment had terminated on that day based on the Radford formula, plus
 - (2) an amount ("the post-1997 accrued benefit") determined in b. below based on the credited service accrued after September 30, 1997. Total credited service from the sum of (1) and (2) is limited to thirty-five years; or
 - b. The sum of:
 - (1) .95% of final average compensation times credited service up to thirty-five years, plus
 - (2) .65% of final average compensation in excess of covered compensation times credited service up to thirty-five years with the accrued benefit as of September 30, 1997 as a minimum; or
 - c. \$300.00 per year

Schedule SB, Part V — Summary of Plan Provisions

	For acquisitions listed in Appendix D of the plan, employment from the participant's most recent hire date with acquisitions will be recognized for vesting in the plan, early retirement eligibility, except for Rule of 80, disability retirement eligibility, and normal retirement.																								
Accrued normal retirement benefit	Same as the Normal Retirement Benefit calculation, except that final average compensation, covered compensation, and credited service are computed at date of termination.																								
Delayed retirement																									
• Eligibility	First of any month after the participant's normal retirement date.																								
• Benefit	The greater of: <ol style="list-style-type: none"> benefit as determined in Normal Retirement Benefit calculation above with credited service, covered compensation and final average compensation computed as of his delayed retirement date, or the normal retirement benefit as calculated at the participant's normal retirement date and actuarially increased to reflect the later commencement. 																								
Early retirement																									
• Eligibility	First day of any month, provided attained age 55 and completed 10 years of credited service.																								
• Benefit	Accrued benefit as of the early retirement date payable: <ol style="list-style-type: none"> At age 65 without reduction, or If the sum of age and service is less than 80, the accrued benefit is reduced by the early retirement factors listed below, reflecting the early commencement of payments. <p>If the sum of age and service is greater than or equal to 80, only the excess portion of the accrued benefit is reduced by the following early retirement factors reflecting the early commencement of payments.</p> <table> <tr> <th>Age</th><th>Factor</th></tr> <tr><td>65</td><td>1.0000</td></tr> <tr><td>64</td><td>0.9231</td></tr> <tr><td>63</td><td>0.8462</td></tr> <tr><td>62</td><td>0.7692</td></tr> <tr><td>61</td><td>0.7308</td></tr> <tr><td>60</td><td>0.6923</td></tr> <tr><td>59</td><td>0.6538</td></tr> <tr><td>58</td><td>0.6154</td></tr> <tr><td>57</td><td>0.5769</td></tr> <tr><td>56</td><td>0.5292</td></tr> <tr><td>55</td><td>0.4862</td></tr> </table>	Age	Factor	65	1.0000	64	0.9231	63	0.8462	62	0.7692	61	0.7308	60	0.6923	59	0.6538	58	0.6154	57	0.5769	56	0.5292	55	0.4862
Age	Factor																								
65	1.0000																								
64	0.9231																								
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59	0.6538																								
58	0.6154																								
57	0.5769																								
56	0.5292																								
55	0.4862																								

*Schedule SB, Part V — Summary of Plan Provisions***Disability retirement**

- Eligibility
- Benefit

Completed 5 years of credited service and totally and permanently disabled (eligible for and receiving Social Security disability benefits).

Commencing on the normal retirement date, the monthly retirement allowance the participant would have been entitled to had he remained in service until his disability date with final average compensation and covered compensation determined as of the disability date.

Effective February 1, 2018, the monthly retirement allowance for future disabled participants includes service earned through the participant's disability date.

Deferred vested

- Eligibility
- Benefit

5 years of credited service or the attainment of Normal Retirement Age.

Commencing on his normal retirement date calculated the same as in the Normal Retirement Benefit calculation. A participant who has enough credited service to be eligible for early retirement may receive a reduced benefit on or after age 55.

Pre-retirement death

- Eligibility
- Benefit

If a married participant has completed at least 5 years of service and dies before beginning to receive any benefits, the surviving spouse will receive a lifetime monthly allowance.

If eligible for early, normal retirement, or disability the same amount that the spouse would have received if the participant had:

- Separated from service on the date of death.
- Retired with an immediate 100% Joint and Survivor Annuity.

If not eligible for early or normal retirement at death, the same amount that the spouse would have received if the participant had:

- Separated from service on the date of death.
- Survived to earliest retirement age.
- Retired with an immediate 50% Joint and Survivor Annuity.

Form of benefit

Automatic form for unmarried participants

Straight Life

Automatic form for married participants

Joint and 50% Survivor

Optional forms

Straight Life

Ten Year Certain and Continuous

Fifteen Year Certain and Continuous

Joint and Last Survivor – 50%, 66 2/3%, 75% and 100%

Level Income Option

Lump sum – benefits with a present value of up to \$5,000 are automatically paid as a lump sum based on IRC Section 417(e)(3) assumptions

Option form conversion factors

UP 1984 Mortality Table setback 5 years at 7.5% interest rate.

*Schedule SB, Part V — Summary of Plan Provisions***Miscellaneous**

Maximum benefits

Annual benefits may not exceed the limits in IRC Section 415. Annual compensation may not exceed the limits in IRC Section 401(a)(17).

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through October 1, 2016 are included in this valuation:

- **Most recent plan amendments included:** Last amended December 21, 2017.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - Active participants: The actuarially increased normal retirement benefit is valued as a minimum benefit for any participant over normal retirement age.
 - Deferred vested participants: Current deferred vested participants over normal retirement age are valued with retirement benefit back payments adjusted with interest and added to the future annuity payment stream.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

PLAN PROVISIONS SPECIFIC TO FUNDING**Additional Benefits Included or Excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.

Schedule SB, Part V — Summary of Plan Provisions

- *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
- *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

- Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2017 to 2018.
- The plan's disability benefit for disablements after February 1, 2018, was amended to exclude service after a participant becomes disabled.

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
APOLLO EUROPEAN PRINCIPAL	Venture Capital	\$ 4,668,043.00	\$ 4,765,303.00
APOLLO INVESTMENT FUND VIII, L.P.	Venture Capital	\$ 10,095,440.00	\$ 13,019,016.00
APOLLO TOTAL RETURN FUND	Venture Capital	\$ 28,000,000.00	\$ 34,124,450.00
AVENUE ASIA SPECIAL SITUATIONS FUND V LP	Venture Capital	\$ 12,735,994.00	\$ 13,735,161.00
BB AGGREGATOR LLC	Venture Capital	\$ 3,545,739.00	\$ 9,018,596.00
BDCM OPPORTUNITY FUND IV	Venture Capital	\$ 16,348,660.00	\$ 17,807,781.00
BLACKMOOR OWNERSHIP HOLDINGS LTD	Venture Capital	\$ 19,000,000.00	\$ 20,597,529.00
BLACKSTONE CAPITAL PARTNERS VII LP	Venture Capital	\$ 5,887,050.00	\$ 6,885,600.00
BLACKSTONE TACTICAL OPPORTUNITIES FUND L.P.	Venture Capital	\$ 6,791,835.00	\$ 6,123,977.00
BLACKSTONE TACTICAL OPPORTUNITIES FUND II, LP	Venture Capital	\$ 10,918,004.00	\$ 11,353,842.00
BUILDERS UNION FUND LIMITED	Venture Capital	\$ 10,000,000.00	\$ 10,000,000.00
CARLYLE PARTNERS VI, LP	Venture Capital	\$ 13,018,077.00	\$ 13,779,003.00
CEMOF II OFFSHORE INVESTORS LP	Venture Capital	\$ 6,549,393.00	\$ 5,922,165.00
COLONY DISTRESSED CREDIT FUND III LP	Venture Capital	\$ 7,808,616.00	\$ 8,219,182.00
DOUBLEBLUE ARGENTINA CONSUMER	Venture Capital	\$ 9,250,000.00	\$ 9,150,362.00
ELLIOT INTERNATIONAL LIMITED CLASS B	Venture Capital	\$ 14,839,385.00	\$ 18,901,841.00
EXCELSIOR PARTNERS FUND IV	Venture Capital	\$ -	\$ 123,800.00
FENGHE ASIA (USTE) FUND LTD.	Venture Capital	\$ 9,000,000.00	\$ 9,102,339.00
FENGHE ASIA (USTE) FUND LTD.	Venture Capital	\$ 1,000,000.00	\$ 1,002,027.00
GOLDMAN SACHS PRIVATE MIDDLE MARKET CREDIT LLC	Venture Capital	\$ 11,755,066.00	\$ 12,071,542.00
HAMILTON LANE PRIVATE EQUITY OFFSHORE FUND VI L.P.	Venture Capital	\$ 918,648.00	\$ 1,422,609.00
HIGHLAND DIRECT HEDGED EQUITY COLLECTIVE FUND	Collective Investment Trust	\$ 81,242,187.00	\$ 95,388,917.00
KERRISDALE PARTNERS OFFSHORE LTD	Venture Capital	\$ 10,000,000.00	\$ 12,347,175.00
MAGNITUDE SYSTEMATIC LONG/SHORT LTD	Venture Capital	\$ 10,000,000.00	\$ 10,487,686.00
OAKTREE PRIVATE INVESTMENT FUND 2012 LP	Venture Capital	\$ 4,532,000.00	\$ 7,083,392.00

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
September 30, 2019

(b) Identity of Issuer	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
OLD FARM PARTNERS OFFSHORE FUND LTD FOUNDERS CLASS NI SERIES JULY 2018	Venture Capital	\$ 9,000,000.00	\$ 8,992,516.00
OLD FARM PARTNERS OFFSHORE FUND LTD FOUNDERS CLASS NI SERIES	Venture Capital	\$ 1,000,000.00	\$ 1,025,322.00
ONYXPOINT PERMIAN EQUITY	Venture Capital	\$ 1,049,744.00	\$ 1,177,930.00
ONYXPOINT PERMIAN EQUITY FEEDER LLC	Venture Capital	\$ 2,090,784.00	\$ 2,430,408.00
ONYXPOINT PERMIAN EQUITY III	Venture Capital	\$ 5,107,493.00	\$ 5,800,958.00
ONYXPOINT PERMIAN FIXED INCOME	Venture Capital	\$ 7,733,506.00	\$ 10,615,885.00
PACIFIC NORTH OF SOUTH EM ALL CAP EQ	Venture Capital	\$ 10,000,000.00	\$ 10,000,000.00
PIMCO BRAVO FUND OFFSHORE FEEDER II L.P.	Venture Capital	\$ 1,824,261.00	\$ 5,455,674.00
POINTER OFFSHORE III, LTD. IRT MIRRORED HOLDING	Venture Capital	\$ 45,306,815.00	\$ 71,436,060.00
RA CAPITAL HEALTHCARE INTERNATIONAL FUND LTD	Venture Capital	\$ 9,062,086.00	\$ 21,608,504.00
RAVEN ASSET BASED OPPORTUNITIES FUND III LP	Venture Capital	\$ 18,852,543.00	\$ 19,397,420.00
RAVEN ASSET-BASED CREDIT	Venture Capital	\$ 21,117,983.00	\$ 20,936,338.00
RAVEN RPM FUND I LP	Venture Capital	\$ 7,025,000.00	\$ 7,135,484.00
RREEF AMERICA REIT II, INC IRT MIRRORED HOLDING	Venture Capital	\$ 26,458,559.00	\$ 39,676,731.00
RUNWAY GROWTH CREDIT FUND INC	Venture Capital	\$ 28,525,119.00	\$ 27,949,745.00
SANDGLASS OPPORTUNITY FEEDER	Venture Capital	\$ 3,192,986.00	\$ 3,209,249.00
SANDGLASS OPPORTUNITY FEEDER FUND (CAYMAN) LTD. CLASS A1 SHARES	Venture Capital	\$ 5,000,000.00	\$ 5,145,717.00
SANDGLASS OPPORTUNITY FEEDER FUND (CAYMAN) LTD. CLASS A1 SHARES	Venture Capital	\$ 783,231.00	\$ 787,694.00
SANDGLASS OPPORTUNITY FEEDER FUND (CAYMAN) LTD. CLASS B2 SHARES	Venture Capital	\$ 1,023,782.00	\$ 1,030,546.00
SILVER CREEK - SPECIAL OPPORTUNITIES FUNDS CAYMAN II	Venture Capital	\$ 1,848,983.00	\$ 833,716.00
SILVER CREEK-LOW VOLATILITY STRATEGIES LP	Venture Capital	\$ 1.00	\$ 23,917.00
SOLACE CAPITAL SPECIAL SITUATIONS FUND LP	Venture Capital	\$ 10,286,567.00	\$ 9,493,350.00
SOUTH AFRICA ALPHA TANGIBLE SP	Venture Capital	\$ 6,000,000.00	\$ 7,571,286.00
SPROTT PRIVATE RESOURCE LENDING INTERNATIONAL FUND LP	Venture Capital	\$ 7,344,933.00	\$ 7,695,782.00
SPROTT PRIVATE RESOURCE LENDING C-CO-INVEST INTERNATIONAL FUND LP	Venture Capital	\$ 5,578,558.00	\$ 5,906,066.00

RETIREMENT PLAN OF CARILION CLINIC
(Sponsor EIN: 54-1190771) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
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SPROTT PRIVATE RESOURCE LENDING II (INTERNATIONAL), LP	Venture Capital	\$ 2,641,510.00	\$ 2,595,492.00
STARWOOD VEP II CO-INVEST LLC	Venture Capital	\$ 1,036,496.00	\$ 1,036,496.00
TA XII-B L.P.	Venture Capital	\$ 8,271,244.00	\$ 12,374,435.00
TALLINN CAPITAL ENERGY LP	Venture Capital	\$ 1,563,911.00	\$ 1,558,052.00
THIRD POINT OFFSHORE FUND, LTD	Venture Capital	\$ 10,041,943.00	\$ 12,799,418.00
TI PLATFORM BOV CAYMAN LP	Venture Capital	\$ 1,132,457.00	\$ 1,132,457.00
TT EMERGING MARKETS OPP FUND II	Venture Capital	\$ 10,971,996.00	\$ 11,888,908.00
UBS TRUMBULL PROPERTY INCOME FUND (TPI) IRT MIRRORRED HOLDINGSHIP	Venture Capital	\$ 31,972,535.00	\$ 45,835,665.00
WARBURG PINCUS PRIVATE EQUITY XII LP	Venture Capital	\$ 12,415,500.00	\$ 14,884,971.00
WMQS GLOBAL EQUITY ACTIVE EXTENSION	Venture Capital	\$ 42,000,000.00	\$ 42,639,833.00
HIGHLAND EQUITY FUND COLLECTIVE	Investment Trust	\$ 56,440,216.00	\$ 70,012,582.00
HIGHLAND FIXED INCOME FUND	Collective Investment Trust	\$ 14,476,109.00	\$ 16,067,213.00
HIGHLAND PUBLIC INFLATION HEDGE	Fund Collective Investment Trust	\$ 48,310,654.00	\$ 53,165,308.00
AMG YACKTMAN SPECIAL OPPORTUNITIES	FUND CLASS Z #1180	\$ 5,000,000.00	\$ 4,881,703.00
ARTISAN GLOBAL	Value Fund Class-Ins	\$ 10,937,252.00	\$ 11,205,177.00
DAVENPORT SMALL CAP FOCUS	Investment Trust	\$ 5,030,248.00	\$ 5,165,949.00
OAKMARK CLOBAL SELECT FUND	CLASS INST #2884	\$ 11,504,177.00	\$ 10,103,187.00
POLARIS GLOBAL	Value Fund #778	\$ 11,127,344.00	\$ 11,164,609.00
WELLS FARGO	Collateralized Institutional Bank Deposit Account	\$ 15,281,366.00	\$ 15,281,366.00
SM ENERGY CO	Corporate Debt Instruments	\$ 292,740.00	\$ 281,194.00
ADVANTAGE OIL & GAS LTD	Common	\$ 1,099,739.00	\$ 428,582.00
AERCAP HOLDINGS NV	Common	\$ 1,299,136.00	\$ 1,445,400.00
AIA GROUP LTD USD 1.0	Common	\$ 1,276,241.00	\$ 1,377,209.00
AIR FRANCE-KLM EUR RFD	Common	\$ 1,073,116.00	\$ 1,202,789.00
ALIBABA GROUP HOLDING LTD.	Common	\$ 1,199,785.00	\$ 1,157,733.00

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ALIO GOLD INC	Common	\$ 506,766.00	\$ 78,365.00
ALLEGION PUBLIC LIMITED COMPANY	Common	\$ 489,151.00	\$ 617,443.00
AILANCE ONE INTERNATIONAL INC	Common	\$ 471,313.00	\$ 478,728.00
ALPHABET INC CL C	Common	\$ 1,218,438.00	\$ 1,493,275.00
AMERICAN INTERNATIONAL GROUP, INC	Common	\$ 696,559.00	\$ 646,120.00
ANTHEM INC	Common	\$ 1,204,253.00	\$ 964,722.00
ARDMORE SHIPPING CORP	Common	\$ 451,206.00	\$ 423,002.00
ASANKO GOLD INC	Common	\$ 482,929.00	\$ 532,813.00
ATLAS AIR WORLDWIDE HLDGS INC	Common	\$ 311,077.00	\$ 297,714.00
AVIANCA HOLDINGS SA	Common	\$ 2,841,164.00	\$ 1,476,544.00
BANK NEW YORK MELLON CORP COM	Common	\$ 1,219,166.00	\$ 1,045,753.00
BAYER A G NPV	Common	\$ 1,514,006.00	\$ 1,022,687.00
BEAZER HOMES USA INC	Common	\$ 945,807.00	\$ 831,420.00
BECTON DICKINSON & CO	Common	\$ 1,418,453.00	\$ 1,467,674.00
BERKSHIRE HATHAWAY INC.	Common	\$ 2,185,277.00	\$ 2,419,273.00
BLUE CAPITAL HOLDING LTD.	Common	\$ 694,401.00	\$ 436,378.00
BONANZA CREEK ENERGY INC	Common	\$ 106,438.00	\$ 125,384.00
BRITISH AMERICAN TOBACCO PLC	Common	\$ 1,361,425.00	\$ 865,756.00
CAI INTERNATIONAL INC	Common	\$ 100,141.00	\$ 100,142.00
CAPITAL PRODUCT PARTNERS LP	Common	\$ 375,266.00	\$ 306,469.00
CITIGROUP INC.	Common	\$ 771,829.00	\$ 773,696.00
COREPOINT LODGING INC	Common	\$ 1,281,912.00	\$ 1,144,452.00
DANONE EUR 0.25	Common	\$ 1,113,156.00	\$ 1,155,918.00
DCC PLC EUR 0.25	Common	\$ 1,184,282.00	\$ 1,168,578.00
DEUTSCHE BOERSE AG NPV	Common	\$ 999,131.00	\$ 1,231,608.00

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DEUTSCHE TELEKOM AG RFD	Common	\$ 1,310,361.00	\$ 1,216,486.00
DIAMOND S SHIPPING INC	Common	\$ 210,599.00	\$ 216,796.00
DOLLAR GENERAL CORP	Common	\$ 832,398.00	\$ 1,299,017.00
ECOLAB INC	Common	\$ 644,543.00	\$ 967,821.00
ELDORADO GOLD CORPORATION	Common	\$ 120,543.00	\$ 290,598.00
ERA GROUP INC	Common	\$ 583,690.00	\$ 607,158.00
ESSILOR INTL EUR .35 RFD	Common	\$ 1,158,976.00	\$ 1,298,912.00
FIDELITY NATL INFORMATION SVCS INC	Common	\$ 1,501,365.00	\$ 1,495,276.00
FLY LEASING LTD.	Common	\$ 776,643.00	\$ 1,158,815.00
FRESENIUS MEDICAL CARE AG + CO NPV	Common	\$ 1,267,572.00	\$ 889,116.00
GILEAD SCIENCES INC	Common	\$ 973,626.00	\$ 794,088.00
GOLD FIELDS LIMITED - ADR	Common	\$ 1,114,827.00	\$ 1,390,392.00
GREEN PLAINS INC.	Common	\$ 282,194.00	\$ 235,209.00
IAMGOLD CORP	Common	\$ 2,260,489.00	\$ 1,344,904.00
INFORMA PLC P	Common	\$ 871,049.00	\$ 1,014,391.00
INTERNATIONAL SEAWAYS INC	Common	\$ 804,467.00	\$ 843,781.00
JP MORGAN STRUCTURED PR WTS	Common	\$ 262,941.00	\$ 654,600.00
KNORR-BREMSE AG EUR 1.0	Common	\$ 888,325.00	\$ 887,165.00
KOREA ELECTRIC POWER CORPORATI - ADR	Common	\$ 719,600.00	\$ 641,728.00
KUEHNE + NAGEL INTERNATIONA CHF 1.0	Common	\$ 1,192,078.00	\$ 1,315,135.00
LINDE PUBLIC LIMITED COMPANY	Common	\$ 740,942.00	\$ 878,133.00
M/I HOMES, INC	Common	\$ 682,142.00	\$ 978,900.00
MACQUARIE BANK LTD	Common	\$ 895,565.00	\$ 665,416.00
MICROSOFT CORP	Common	\$ 1,058,051.00	\$ 1,769,157.00
NATURGY ENERGY GROUP SA EUR 1.0	Common	\$ 660,044.00	\$ 816,817.00

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NESTLE SA CHF 0.1	Common	\$ 1,203,820.00	\$ 1,574,330.00
PHOTRONICS INC COM	Common	\$ 421,746.00	\$ 568,480.00
PROGRESSIVE CORP OHIO	Common	\$ 1,372,601.00	\$ 1,519,044.00
RELX PLC	Common	\$ 1,058,355.00	\$ 1,215,883.00
RESOLUTE FOREST PRODUCTS	Common	\$ 308,419.00	\$ 299,860.00
RESONA HOLDINGS INC	Common	\$ 1,475,256.00	\$ 1,134,848.00
SHERWIN WILLIAMS CO	Common	\$ 668,376.00	\$ 1,077,195.00
TAYLOR MORRISON HOME CORP	Common	\$ 1,171,905.00	\$ 1,297,000.00
TUTOR PERINI CORP	Common	\$ 739,062.00	\$ 541,674.00
UNUM GROUP	Common	\$ 547,323.00	\$ 594,400.00
VERITIV CORP	Common	\$ 181,990.00	\$ 119,328.00
VERIZON COMMUNICATIONS	Common	\$ 1,940,602.00	\$ 2,066,002.00
VERSO CORP	Common	\$ 343,021.00	\$ 239,553.00
VISA INC-CLASS A SHRS	Common	\$ 1,011,809.00	\$ 1,012,279.00
WALT DISNEY	Common	\$ 1,355,621.00	\$ 1,534,648.00

Schedule SB, line 24 — Change in Actuarial Assumptions

- The expected return on assets for the 2018 plan year was changed from 6.98% to 7.07% to be consistent with the 50th percentile return of the Portfolio Return Calculator.
- The expense component of normal cost changed from \$5,100,000 to \$7,000,000.