ASARCO Asbestos Personal Injury Settlement Trust

Special-Purpose Financial Statements and Independent Auditor's Report

December 31, 2025 and 2024

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ASARCO Asbestos Personal Injury Settlement Trust

Index

	PAGE
Independent Auditor's Report	2
Special-Purpose Financial Statements	
Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity	4
Special-Purpose Statements of Changes in Net Claimants' Equity	5
Special-Purpose Statements of Cash Flows	6
Notes to Special-Purpose Financial Statements	7

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Independent Auditor's Report

To the Trustee
ASARCO Asbestos Personal Injury Settlement Trust

Opinion

We have audited the special-purpose financial statements of ASARCO Asbestos Personal Injury Settlement Trust (the "Trust"), which comprise the special-purpose statements of assets, liabilities and net claimants' equity as of December 31, 2025 and 2024, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended, and the related notes to the special-purpose financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the assets, liabilities and net claimants' equity of the Trust as of December 31, 2025, and 2024, and the changes in net claimants' equity and its cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the Financial Statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. The Financial Statements are prepared on a special-purpose basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been adopted by the Trustee to communicate the amount of net claimants' equity presently available to fund current and future claims. As a result, the Financial Statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the special-purpose basis of accounting; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the Financial Statements in these circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Restriction of Use

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust and the United States Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court") and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the list of specified users.

CohnReznick LLP

Frisco, Texas
April 13, 2026

ASARCO Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity
December 31, 2025 and 2024

Assets

	2025	2024
Cash and cash equivalents	$ 22,772,949	$ 18,103,565
Investments, at fair value	586,369,528	624,008,537
Alternative investments, at fair value	14,972,735	14,115,528
Investment income receivable	5,877,364	6,380,108
Prepaid expenses	108,052	133,942
Prepaid federal income taxes	944,000	-
Total assets	$ 631,044,628	$ 662,741,680

Liabilities and Net Claimants' Equity

Settled claims payable	$ 5,010,526	$ 3,101,929
Accounts payable and accrued expenses	226,427	194,091
Total liabilities	5,236,953	3,296,020
Net claimants' equity	$ 625,807,675	$ 659,445,660

See Notes to Special-Purpose Financial Statements.

ASARCO Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Changes in Net Claimants' Equity
Years Ended December 31, 2025 and 2024

	2025	2024
Additions		
Interest and dividend income, net	$ 20,412,737	$ 20,548,841
Realized gain on sale of investments, net	19,809,831	19,893,445
Net change in fair value of alternative investments	1,848,867	1,298,371
Unrealized gain on investments, net	10,346,914	-
Cost adjustments on investments	-	18,098
Other income	1,000	5,317
Total additions	52,419,349	41,764,072
Deductions		
Unrealized loss on investments, net	-	6,618,428
Claims settled	73,971,225	81,959,419
Investment advisory fees	1,993,824	2,148,828
Cost adjustments on investments	144,311	-
General and administrative expenses:		
Trustee	364,446	368,058
Claims processing fees	1,447,760	1,436,885
Claims consulting and forecasting fees	57,196	148,446
Insurance	130,932	135,912
Accounting	260,058	293,733
Future claims representative fees and expenses	23,191	21,315
Other	56,345	51,476
Professional services:		
Trust general counsel	450,882	435,273
Trust insurance, special and local counsel	-	354
TAC attorney fees and expenses	108,154	71,887
Federal income tax	7,049,010	8,501,177
Total deductions	86,057,334	102,191,191
Net decrease in net claimants' equity	(33,637,985)	(60,427,119)
Net claimants' equity, beginning of year	659,445,660	719,872,779
Net claimants' equity, end of year	$ 625,807,675	$ 659,445,660

See Notes to Special-Purpose Financial Statements.

ASARCO Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Net decrease in net claimants' equity	$ (33,637,985)	$ (60,427,119)
Adjustments to reconcile net decrease in net claimants' equity to net cash used in operating activities		
Realized gain on sale of investments, net	(19,809,831)	(19,893,445)
Net change in fair value of alternative investments	(1,848,867)	(1,298,371)
Unrealized (gain) loss on investments in securities, net	(10,346,914)	6,618,428
Cost adjustments on investments	144,311	(18,098)
Amortization of bond premium	4,185,975	6,069,350
Changes in operating assets and liabilities:		
Investment income receivable	502,744	429,740
Prepaid expenses	25,890	4,018
Prepaid federal income taxes	(944,000)	516,000
Settled claims payable	1,908,597	1,536,110
Accounts payable and accrued expenses	32,336	(10,567)
Net cash used in operating activities	(59,787,744)	(66,473,954)
Cash flows from investing activities		
Proceeds from sales of investments	276,699,817	233,216,220
Proceeds from sales of alternative investments	989,765	17,016,440
Purchases of investments	(213,232,454)	(178,447,779)
Purchases of alternative investments	-	(475,000)
Net cash provided by investing activities	64,457,128	71,309,881
Net increase in cash and cash equivalents	4,669,384	4,835,927
Cash and cash equivalents, beginning of year	18,103,565	13,267,638
Cash and cash equivalents, end of year	$ 22,772,949	$ 18,103,565

See Notes to Special-Purpose Financial Statements.

ASARCO Asbestos Personal Injury Settlement Trust

Notes to Special-Purpose Financial Statements
December 31, 2025

Note 1 - Description of the trust

The ASARCO Asbestos Personal Injury Settlement Trust (the "Trust"), organized pursuant to the laws of the State of Delaware, was established on December 9, 2009 and is a Qualified Settlement Fund ("QSF") pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code ("Code"). The Trust was formed to assume all Asbestos Personal Injury ("PI") Trust Claims (whether now existing or arising at any time hereafter) and to use the Trust assets to pay holders of claims in accordance with the ASARCO Personal Injury Settlement Trust Agreement ("Trust Agreement"). The Trust's funding is dedicated solely to the settlement of Asbestos PI Trust Claims and the related costs thereto, as defined in the Trust Agreement. Defined terms have the meaning that is defined in the Trust Agreement.

The Trustee is responsible for supervising and administering the Trust. The Trustee will use the Trust's assets and income to pay the holders of all Asbestos PI Trust Claims in accordance with the Trust Agreement and the ASARCO PI Settlement Trust Distribution Procedures ("TDP") in such a way that holders of Asbestos PI Trust Claims are treated fairly, equitably and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B) of the United States Bankruptcy Code.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Trust's special-purpose financial statements ("Financial Statements") are prepared using special-purpose accounting methods adopted by the Trust and the Trustee, which differ from accounting principles generally accepted in the United States of America ("GAAP"). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity available for the payment of claims and the related operating expenses of the Trust. Since the Financial Statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Investments are recorded at fair value. All interest and dividend income, net of investment expenses, are included in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains (losses) on investments are recorded as a net addition (deduction) in the special-purpose statements of changes in net claimants' equity. Cost of alternative investments is calculated on a tax basis. Under GAAP, cost of alternative investments is typically determined using a specific identification or average cost basis. In addition, under GAAP, the Financial Statements would require additional disclosures related to fair value.
- Amortization and accretion of bond premiums or discounts is included in interest and dividend income, net. Under GAAP, it would be shown gross as a component of interest expense or interest income.
- Insurance recoveries are not recorded until the funds are received from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by entities which assigned the rights to such policies to the Trust or were negotiated by the Trust. Under GAAP, insurance recoveries would be recorded upon settlement and assurance of collectability.

- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- The full amounts of claims are generally treated as deductions from net claimants' equity in the period in which the settled claims are approved for payment. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported and for those claims that have been submitted but not yet approved for payment by the Trust.
- Income tax expense (benefit) is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is recorded based upon income (loss) reported for special-purpose financial statement purposes, which includes federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Additionally, GAAP requires all tax positions to be reviewed using a more likely than not threshold for financial statement recognition of tax assets and a liability to be recorded for an uncertain tax position taken or expected to be taken beyond this threshold.

Use of estimates
The preparation of Financial Statements requires the management of the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Financial Statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting periods. Actual results could differ from those estimates, and such differences could have a material effect on net claimants' equity.

Cash equivalents
The Trust considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

Investments
Investments are stated at fair value. See Notes 3 and 4. Changes in unrealized gains and losses are recorded as increases and decreases to net claimants' equity. Realized gains and losses on sales of investments other than alternative investments are determined using the specific identification method. The Trust records transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as investment income receivable.

Settled claims payable
Settled claims payable consist of certain claims that are settled but unpaid at year end. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. An unpaid claim is a claim that has been approved for payment by the Trustee but cannot be paid due to annual cap limitations or has been authorized by the Trustee and not paid. Unpaid claims that are a result of annual cap limitations are recorded when settled.

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The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2025 and 2024 represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

Accounts payable and accrued expenses
Accounts payable and accrued expenses consist of outstanding invoices associated with managing the Trust.

Income taxes
The Trust is classified as a QSF pursuant to the Code in the United States of America federal jurisdiction, which is taxed at the highest rate applicable to trusts under Section 1(e) of the Code, which was 37%. As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of management, the Trust is not subject to state income taxes and, therefore, the Financial Statements do not include any provision or liability for state income taxes. The funding received at the inception of the Trust, as well as any subsequent funding received from insurers, does not represent taxable income to the Trust. In addition, payments to claimants do not represent tax deductions of the Trust. The Trust reports tax-related interest and penalties as a component of income tax expense and general and administrative expenses, respectively.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in unrealized gains and losses on investments. The income taxes associated with gains on investments will be recorded in the Trust's Financial Statements when the net gains are realized (i.e., the securities are sold) and the income taxes become currently payable. In addition, there is no provision for deferred taxes associated with any future benefit from the potential use of net operating loss or capital loss carryforwards to reduce taxable income in future years.

The Trust's federal income tax returns are generally subject to income tax examination by the Internal Revenue Service ("IRS") for a period of three years from the date the tax returns are filed. The Trust is generally no longer subject to income tax examinations by the IRS for the years ended December 31, 2021 and prior.

Risk and uncertainties
Certain of the Trust's assets are exposed to credit risk. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has not experienced any losses in such accounts, and it does not believe it is exposed to any significant credit risk.

The Trust invests in a professionally managed investment portfolio that contains common shares of publicly traded companies, corporate and government obligations, and alternative investments. Such investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment will occur in the near term, and such changes could materially affect the Trust's account balances and the amounts reported in the Financial Statements.

ASARCO Asbestos Personal Injury Settlement Trust

Notes to Special-Purpose Financial Statements
December 31, 2025

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through April 13, 2026, the date which the Financial Statements were available to be issued.

Note 3 - Investments, at fair value

Investments, at fair value, consist of the following at December 31:

	2025		
	Cost	Fair value	Unrealized gains (losses), net
Equities	$ 57,586,403	$ 123,966,454	$ 66,380,051
Bonds	454,923,285	462,403,074	7,479,789
Total	$ 512,509,688	$ 586,369,528	$ 73,859,840

	2024		
	Cost	Fair value	Unrealized gains (losses), net
Equities	$ 65,689,791	$ 131,135,069	$ 65,445,278
Bonds	494,805,820	492,873,468	(1,932,352)
Total	$ 560,495,611	$ 624,008,537	$ 63,512,926

The maturities of the Trust's investment in bonds are as follows as of December 31:

	2025				
	Less than 1 Year	After 1 year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 10,847,825	$ 113,540,777	$ 90,088,472	$ 247,926,000	$ 462,403,074

Note 4 - Fair value measurements

The Trust's investments are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the Trust would use valuation models.

ASARCO Asbestos Personal Injury Settlement Trust

Notes to Special-Purpose Financial Statements
December 31, 2025

The Trust's assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1: Inputs that are based upon quoted prices for identical instruments traded in active markets.
- Level 2: Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the investment.
- Level 3: Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Alternative investments measured using net asset value ("NAV") as a practical expedient are not categorized within the fair value hierarchy.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value.

Equities: Valued at the closing price reported in the active market on which the individual securities are traded.

Bonds: Valued using the documented trade price if trading in an active market. Otherwise, valued using a metrics system provided by the pricing vendors.

Alternative investments: Valued based on the NAV provided using the Trust's proportionate share of each fund's net assets. The NAV is used as a practical expedient to estimate fair value.

Assets measured at fair value on a recurring basis are summarized below:

	As of December 31, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 22,772,949	$ 22,772,949	$ -	$ -
Equities	123,966,454	123,966,454	-	-
Bonds				
Government	28,088,249	28,088,249	-	
Corporate	17,566,767	-	17,566,767	-
International	1,377,601	-	1,377,601	-
Municipal	415,370,457	-	415,370,457	-
Total bonds	462,403,074	28,088,249	434,314,825	-
Alternative investments at NAV	14,972,735			
Total assets at fair value	$ 624,115,212	$ 174,827,652	$ 434,314,825	$ -

ASARCO Asbestos Personal Injury Settlement Trust

Notes to Special-Purpose Financial Statements
December 31, 2025

	As of December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 18,103,565	$ 18,103,565	$ -	$ -
Equities	131,135,069	131,135,069	-	-
Bonds				
Government	30,797,756	30,797,756	-	
Corporate	20,382,215	-	20,382,215	-
International	1,227,173	-	1,227,173	-
Municipal	440,466,324	-	440,466,324	-
Total bonds	492,873,468	30,797,756	462,075,712	-
Alternative investments at NAV	14,115,528			
Total assets at fair value	$ 656,227,630	$ 180,036,390	$ 462,075,712	$ -

Alternative investments generally employ long, short and multi-trading strategies in various markets. These funds have semi-annual and quarterly redemption periods with notice periods of between 30 to 95 days.

The table below sets forth a summary of changes in the fair value of the Trust's alternative investments for the years ended December 31:

	2025	2024
Balance, beginning of year	$ 14,115,528	$ 28,819,867
Purchases	-	475,000
Liquidations / distributions	(989,765)	(17,016,440)
Realized gains (losses)	(1,895)	538,730
Net change in fair value	1,848,867	1,298,371
Balance, end of year	$ 14,972,735	$ 14,115,528

Note 5 - Income taxes

For the years ended December 31, 2025 and 2024, the Trust's provision for federal income taxes was $7,049,010 and $8,501,177, respectively. During the years ended December 31, 2025 and 2024, the Trust made estimated tax payments totaling $8,000,000 and $7,295,000, respectively. As of December 31, 2025, the Trust had an income tax receivable of $944,000 related to overpayment of estimated taxes. As of December 31, 2024, there was no income tax receivable.

As disclosed in Note 2 to the Financial Statements, the Trust does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with net operating loss carryforwards, net capital loss carryforwards, or unrealized gains and losses on investments.

Note 6 - Claims settled

For the year ended December 31, 2025, the Trust settled 17,124 claims totaling $73,971,225, including 4,458 claims totaling $5,010,526 that were settled but not paid as of December 31, 2025. The Trust paid 13,905 claims totaling $72,062,628 during the year ended December 31, 2025.

For the year ended December 31, 2024, the Trust settled 20,020 claims totaling $81,959,419, including 1,239 claims totaling $3,101,929 that were settled but not paid as of December 31, 2024. The Trust paid 19,263 claims totaling $80,411,352 during the year ended December 31, 2024.

Note 7 - Contingent liabilities

The ASARCO Incorporated and Americas Mining Corporation's Seventh Amended Plan of Reorganization for the Debtors under Chapter 11 of the United States Bankruptcy Code subjects the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying Financial Statements. Such claims, if any, are not expected to be material.

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