UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re: THE CELOTEX CORPORATION, et al., Debtors.	CONSOLIDATED CASE NOS. Case No. 90-10016-CED Case No. 90-10017-CED Chapter 11

ANNUAL REPORT, SUMMARY OF CLAIMS DISPOSED, FINANCIAL STATEMENT, AND ACCOUNT OF THE TRUSTEE OF THE ASBESTOS SETTLEMENT TRUST FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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TABLE OF CONTENTS

Page

I. GENERAL 1

A. Purpose and Contents 1

B. Background on Bankruptcy Cases and the Trust 1

C. Governing Provisions of the Trust Agreement 2

II. TRUST ADMINISTRATION 4

A. Trustee 4

B. Trust Officers 5

C. Trust Auditors 5

D. Trust's Wilmington Claims Processing Facility 5

E. Trust Advisors 6

F. Professional Fees and Expenses 6

III. PAYMENT PERCENTAGE AND CRP 7

A. Payment Percentage 7

IV. SUMMARY OF CLAIMS DISPOSED 8

A. PI Claims Administration 8

V. TRUST'S ASSETS 8

A. Investment Portfolio 9

B. CX LLC 10

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Edward D. Robertson, Jr. ("**Trustee Robertson**"), sole trustee of the Asbestos Settlement Trust (the "**Trust**"), created pursuant to the Modified Joint Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for The Celotex Corporation and Carey Canada, Inc. ("**Plan of Reorganization**"), submits this Annual Report, Summary of Claims Disposed, Financial Statement, and Account for the calendar year ended December 31, 2023.

I. GENERAL

A. Purpose and Contents

The purpose of this Annual Report, Summary of Claims Disposed, Financial Statement, and Account is to fulfill the financial reporting requirements of the Second Amended and Restated Asbestos Settlement Trust Agreement (the "**Trust Agreement**"), to report on the actions taken and obligations incurred on behalf of the Trust by its trustee during the period January 1, 2023 to December 31, 2023 (the "**Reporting Period**"), and to provide the basis for the trustee's annual account and the Court's discharge of the trustee from liability arising out of any matter disclosed herein, as provided in Article 5.12 of the Trust Agreement.

B. Background on Bankruptcy Cases and the Trust

On October 12, 1990, The Celotex Corporation ("**Celotex**"), and its wholly owned subsidiary, Carey Canada, Inc. ("**Carey Canada**"), filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code. The Chapter 11 cases of Celotex and Carey Canada (the "**Bankruptcy Cases**") were consolidated for procedural purposes, and jointly administered, pursuant to an order of the Court. On December 6, 1996, the Court entered an order in these cases confirming the Plan of Reorganization. On March 4, 1997, the United States District Court for the Middle District of Florida adopted and affirmed this Court's confirmation order. On May 30, 1997 (the "**Effective Date**"), the Plan of Reorganization became effective and its trustees began to operate the Trust.

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Through a series of transactions on and shortly after the Effective Date, the Trust was funded with the stock of Celotex, Carey Canada, Walter Industries, and Jim Walter Corporation, along with significant amounts of cash and the expected proceeds from certain litigation. The purpose of the Trust is to assume the asbestos liabilities of Celotex and its affiliates, and to use the assets of the Trust to pay all the asbestos claimants, both present and future, of those companies on a substantially equivalent basis.

C. Governing Provisions of the Trust Agreement

The Annual Report, Summary of Claims Disposed, Financial Statement, and Account are filed in compliance with the following provisions of the Trust Agreement.

Article 3.2 (c) of the Trust Agreement provides:

> **3.2 General Administration**.
>
> (c) (i) The trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred and twenty (120) days following the end of each fiscal year, an annual report containing financial statements of the Trust (including, without limitation, a balance sheet of the Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with the special-purpose accounting methods adopted by the trustees. The trustees shall provide a copy of such report to the TAC, the Legal Representative, the PDCA, the PD Advisory Committee (collectively, the **"Approving Entities"**) and Reorganized Celotex when such reports are filed with the Bankruptcy Court.
>
> (ii) Simultaneously with delivery of each set of financial statements referred to in Article 3.2(c)(i) above, the trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The trustees shall provide a copy of such report to the Approving Entities and Reorganized Celotex when such report is filed.

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 4 of 44
Published by AsbestosClaims.Law
asbestosclaims.law/library/14283/4

Article 5.5 of the Trust Agreement provides:

> **5.5 Compensation and Expenses of Trustees.**
>
> (a) Each of the trustees shall receive compensation from the Trust for his or her services as Trustee in the amount of $60,000 per annum, except that the Chairperson shall receive $75,000 per annum for his or her services.[1] In addition, for all time expended attending Trustee meetings, preparing for such meetings, and working on authorized projects, the Trustees shall receive the sum of $550 per hour. The Trustees shall record all hourly time to be charged to the Trust on a daily basis. The per annum and hourly compensation payable to the Trustees shall be reviewed periodically and increased with the consent of the TAC and the Legal Representative.
>
> (b) The Trust will promptly reimburse all trustees and the Chairperson for all reasonable out-of-pocket costs and expenses incurred by the trustees in connection with the performance of their duties hereunder.
>
> (c) The Trust will include in the report to be filed pursuant to Article 3.2(c)(i) of this Trust Agreement, and in a separate annual report to be filed in the same manner, a description of the amounts paid under this Article 5.5.

As further detailed in footnote 1 below, the $550 hourly compensation amount payable to trustees pursuant to the above quoted Section 5.5.(a) of the Trust Agreement was subsequently adjusted in 2015 to $600 in accordance with the Trust Agreement.

Article 5.12 of the Trust Agreement provides:

> **5.12 Settlement of Trustees' Accounts.** Notwithstanding any state law to the contrary, the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the trustees, whether such account is rendered by the trustees themselves or is sought by any other person. The trustees shall render successive accounts covering periods ending at the end of each calendar year consisting of the filings required by Article 3.2(c) of this Trust Agreement. In addition, an account shall be rendered for the period ending on the date of the death, resignation, removal or retirement of any Trustee. Upon the approval of any such periodic account by the Bankruptcy Court after hearing on notice to the

[1] As previously reported, in 2005, Article 5.5(a) of the Trust Agreement was amended to increase a trustee's per annum compensation from $50,000 to $60,000. During the 2008 reporting period, trustee compensation provisions of the Trust Agreement were again amended to increase the per annum compensation for the Chairperson to $75,000. In addition, the per diem fee payment was replaced with an hourly rate of $500 for all authorized work performed by trustees on behalf of the Trust. With these increases, the annual retainer and hourly rate of compensation for trustee became comparable to that paid to the trustees of other existing, large asbestos trusts, for example, Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust, Babcock & Wilcox Company Asbestos PI Trust, DII Industries, LLC Silica PI Trust, Owens Corning/Fibreboard Asbestos Personal Injury Trust, Federal-Mogul Asbestos Personal Injury Trust, and United States Gypsum Asbestos Personal Injury Settlement Trust. On May 22, 2014, Section 5.5 of the Trust Agreement was amended to increase the hourly rate paid to trustees to $550. Also, a provision was added that trustee compensation shall be reviewed periodically and increased with the consent of the PI Advisory Committee and the Legal Representative. Effective January 1, 2015, the hourly compensation paid to trustees was increased to $600.

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 5 of 44 asbestosclaims.law/library/14283/5

Approving Entities and such other parties as the Bankruptcy Court may designate, and subject to the terms of the order of the Bankruptcy Court granting such approval, the trustees shall be discharged from any further liability or responsibility as to all matters disclosed in such periodic account, and an action against a trustee for breach of trust arising out of any matter disclosed in such periodic account shall be barred as provided in Fla. Stat. Ann. § 737.307.[2]

II. TRUST ADMINISTRATION

A. Trustee

As noted above, Trustee Robertson served as trustee of the Trust during the Reporting Period.

During the Reporting Period four formal meetings of the Trust were held. These meetings were designated by the trustee as "regular meetings" under the Trust's bylaws. Outside the regular meetings, the trustee conferred with Trust advisors throughout the Reporting Period. Counsel to the TAC and the Legal Representative attended the May 23, 2023 meeting of the Trustee, which was held in Chicago, Illinois.

The compensation paid to the trustee during the Reporting Period is set forth in a supplemental schedule to the Trust's audited financial statements, which are attached as **Exhibit 1**. The filing of the financial statements with this supplemental schedule on compensation satisfies the requirements of Article 5.5(c) of the Trust Agreement.

In compliance with Article 5.5 of the Trust Agreement and the Trust's guidelines for payment of trustee fees and expenses, the Trust paid the trustee compensation and reimbursed his expenses on a quarterly basis. As part of an *in camera* filing made in connection with this report (the "***In Camera* Submission**"), the Trust has supplied the Court with the time and expense records of the trustee for the Reporting Period, along with a copy of the Trust's guidelines for payment of trustee fees and expenses.

[2] Effective July 1, 2008, the State of Florida repealed Chapter 737 of the Florida Statutes and added the Florida Trust Code in Chapter 736. Accordingly, the statute that currently bars proceedings against trustees based on a periodic account is Section 736.1008 of the Florida Statutes.

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 6 of 44 asbestosclaims.law/library/14283/6

B. Trust Officers

Ms. Amy Brockman of Ankura Consulting Group ("**Ankura**") was appointed as Executive Director of the Trust, effective December 19, 2019, and served in that capacity throughout the Reporting Period. John Brophy of John Brophy Analytics and Advisory LLC, was appointed as Managing Director of the Trust, effective July 6, 2022.

C. Trust Auditors

The Trust's auditors are BDO USA, LLP of McLean, Virginia. BDO has significant experience auditing asbestos personal injury trusts and, as required, has conducted an audit of the Trust in conformity with special purpose accounting methods adopted by the trustee. They have expressed an opinion that the Trust's financial statements present fairly, in all material respects, the financial position of the Trust and the results of its operations and its cash flows as of December 31, 2023. The auditors' opinion expressly provides that it is intended for the use of this Court.

D. Trust's Wilmington Claims Processing Facility

As previously reported, the Trust had operated a stand-alone claims processing facility in Wilmington, Delaware for the processing and payment of the Trust's asbestos-related personal injury claims. The Trust's claims facility gained a reputation for fair, efficient, and cost-effective claims processing. As the Trust's backlog of claims was reduced, and as new filings diminished, the then trustees were cognizant of the relative increase in claims processing costs in proportion to the number of claims processed. The then trustees considered available options to reduce claims processing costs, such as closing or reducing the size of its stand-alone facility, contracting with a third party to process its claims, or joining with other asbestos-related personal injury trusts in some joint processing arrangement whereby overhead and other common costs could be shared. As previously reported, the then trustees decided that the best alternative was to keep its experienced claims staff and physical facilities intact, while looking

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 7 of 44 asbestosclaims.law/library/14283/7

for opportunities to jointly process claims with other asbestos personal injury trusts and thereby share the costs of the claims facility.

In 2006, four new, large asbestos trusts were formed at the conclusion of the Chapter 11 proceedings for Babcock & Wilcox Company, Armstrong World Industries, Inc., Owens Corning Fibreboard Company, and United States Gypsum Company. As previously reported, the Trust and those four other asbestos trusts entered into an agreement whereby they would jointly process claims through their common ownership of the Celotex Trust's claims processing facility. The vehicle for this common ownership is the Delaware Claims Processing Facility, LLC, a Delaware limited liability company (the "**Delaware Claims Facility**"), formed to own and operate the Celotex Trust's former claims processing facility. The Delaware Claims Facility processes each member trust's claims in accordance with that trust's applicable governing documents. Based on its usage of the Delaware Claims Facility's resources, each trust pays a *pro rata* portion of the facility's costs. In effect, the Delaware Claims Facility operates on a not-for-profit, or cost-pass-through, basis. In 2013, the WRG Asbestos PI Trust joined the Delaware Claims Facility as a member trust, and effective May 18, 2016, the Pittsburgh Corning Corporation Asbestos Personal Injury Settlement Trust was admitted as a member trust.

E. Trust Advisors

Under the terms of the Trust Agreement, there are two trust advisors: the TAC, now consisting of three personal injury lawyers, Russell Budd, Steven Kazan, and Joseph F. Rice and the Legal Representative, now James L. Patton.

F. Professional Fees and Expenses

During the Reporting Period, the Trust paid $2,093,704 in professional fees and expenses. All professional fees and expenses are reviewed by the trustee/or the Trust's staff for compliance with the Trust's professional fee and expense guidelines. A copy of the Trust's fee

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 8 of 44 asbestosclaims.law/library/14283/8

and expense guidelines is part of the *In Camera* Submission. The professional fees and expenses are set forth and itemized in a supplemental schedule to the Trust's 2023 financial statement, which is attached as **Exhibit 1**.

III. PAYMENT PERCENTAGE AND CRP

A. Payment Percentage

The Trust is a limited fund. None of the asbestos claimants who are beneficiaries of the Trust will have their claims paid in full. Instead, they will be paid some percentage (the "**Payment Percentage**") of the liquidated amount of their claims. The trustee of the Trust is charged with the duty of periodically determining the Payment Percentage by considering, on the one hand, estimates of the number, types, and values of present and expected future claims and, on the other hand, the value and liquidity of the Trust's assets.

Pursuant to Article 3.4(a) of the Trust Agreement, after the first two years of operation, the trustees must periodically reconsider the determination of the Payment Percentage. The language of that provision is as follows:

> [A]fter the second anniversary of the Effective Date [of the Plan of Reorganization], but no less frequently than once every two (2) years, the trustees shall consider their determination of the Payment Percentage to assure that it is based on credible, current information and forecasts, and may, after such consideration, change the Payment Percentage.

To better ensure the Trust's ability to pay present and future claimants in substantially the same manner, the then trustees decided in 2001 that thereafter they would monitor the Payment Percentage on an annual basis.

During the Reporting Period, Ankura prepared an updated analysis of the Payment Percentage. Based on Ankura's recommendation and in accordance with the Trust Agreement and the Fifth Amended and Restated Asbestos Personal Injury Claims Resolution Procedures (the "**CRP**"), the Trust's Payment Percentage was decreased from 8% to 7%, effective June 23,

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 9 of 44
Published by AsbestosClaims.Law
asbestosclaims.law/library/14283/9

2023. The adjusted amounts of the discounted cash payments for all disease categories are as follows:

Mesothelioma	$ 8,880
Lung Cancer	$ 2,705
Other Cancer	$ 1,580
Non-Malignancy: Asbestosis	$ 905
Non-Malignancy: Bilateral Pleural Disease	$ 520

The adjustments, in accordance with Section 5.3(f) of the CRP, are in the amounts necessary in order to maintain the original ratio of discounted cash payments to the net Scheduled Value amounts (i.e., the Scheduled Values multiplied by the Payment Percentage) received by claimants who elected individualized review.

IV. SUMMARY OF CLAIMS DISPOSED

A. PI Claims Administration

1. Summary of Claims Processed

As of December 31, 2023, the Trust had received approximately 980,176 personal injury claims. During the Reporting Period, the Trust paid 11,403 personal injury claims in the aggregate amount of $36,816,317. Since inception, the Trust has paid 554,293 personal injury claims in the aggregate amount of $1,424,933,175. A summary showing the number and amount of claims paid by the Trust during the Reporting Period is attached as **Exhibit 2**. This summary is filed in fulfillment of the requirement contained in Article 3.2(c)(ii) of the Trust Agreement.

V. TRUST'S ASSETS

All the Trust's assets available to pay claims are reflected in the Trust's 2023 financial statements, which have been audited by BDO USA, LLP and are attached at **Exhibit 1**. The financial statements were prepared in accordance with special purpose accounting rules adopted by the trustee. The preparation of the financial statements by an independent accounting firm and the filing of the statements with the Bankruptcy Court satisfies the requirements of Article 3.2(c)(i) of the Trust Agreement.

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 10 of 44 asbestosclaims.law/library/14283/10

A. Investment Portfolio

As of the end of the Reporting Period, the Trust's investment portfolio totaled $382,895,326. Excluding cash at year-end, the Trust's investment portfolio totaled $345,871,061. As previously reported, the Trust retains the firm of Cambridge Associates, LLC ("**Cambridge**") as its investment/asset management advisory firm. The fixed income allocation is heavily weighted toward non-taxable securities because the Trust, like other qualified settlement funds, is subject to the highest income tax rate on all its investment income. With Cambridge's assistance, separate investment managers were selected and continue to manage segments of the Trust's investment portfolio. During the Reporting Period, Brown Brothers Harriman continued to serve as the custodian of all Trust funds. Brown Brothers Harriman and Goldman Sachs continued to serve as managers of separate municipal bond accounts. John W. Bristol (U.S. growth manager) and McDonald Capital (U.S. value manager) continued to serve as managers of the U.S. equity portfolio. Johnston International Equity Strategy (non-U.S. growth manager) and Sanderson Asset Management (non-U.S. value manager) continued to serve as managers of the non-U.S. equity portfolio. Finally, the Trust incepted with Opportunistic Credit manager Sentinel Dome during the Reporting Period.

The then trustees developed investment guidelines consistent with Article 4 of the Trust Agreement. These guidelines are frequently reviewed and periodically updated by the trustee(s) with Cambridge's assistance. The guidelines state that the holdings within the bond portfolio must have a minimum equivalent of investment grade rating by one nationally recognized statistical rating organization for any single security. The bond portfolio is diversified as to individual issuer and sector, and the credit quality remains very high in the portfolio relative to the stated benchmark. The current version of the Trust's investment guidelines is attached as **Exhibit 3**.

Celotex Asbestos Trust Annual Reports, 2023 annual report Published by AsbestosClaims.Law
ACL Doc 14283 · Page 11 of 44 **asbestosclaims.law/library/14283/11**

During the Reporting Period, the trustee received detailed monthly reports from Cambridge on the performance of the Trust's investment portfolio and regularly conferred, typically monthly, with representatives of Cambridge. As is done every year, the trustee also met in person with and formally reviewed the performance of each of the Trust's investment managers.

In 2023, the total Trust investment portfolio returned 11.3% net of investment managers' fees and excluding cash holdings. (Municipal bond returns have not been adjusted to reflect pre-tax equivalent returns.) The Trust's total investment return since 2001, when Cambridge was retained as investment advisors, is shown, along with 2023's investment performance, by asset class in the Cambridge composite report attached as **Exhibit 4**.

B. CX LLC

As previously reported, on August 5, 2013, Celotex's Certificate of Dissolution was filed with the State of Delaware beginning a three-year wind-down period pursuant to Delaware law. During the wind-down, the company continued to manage and attempt to liquidate its assets, including its financial investments, its former research and development facility property, and other real estate. On August 1, 2016, Celotex adopted a Plan of Distribution (the "**Plan**") to effect the complete dissolution of the company in accordance with the applicable Delaware dissolution statutes, ending the three-year wind-down. Pursuant to the Plan, the Trust caused CX LLC to be formed as its wholly owned subsidiary that is a disregarded entity for tax purposes. The Trust transferred all of its stock held in Celotex to CX LLC immediately prior to the complete dissolution, and the liquidating distributions made to CX LLC under the Plan were made in exchange for all the outstanding shares of the stock of Celotex held by CX LLC immediately prior to the cancellation of those shares as a result of the dissolution. CX LLC now holds the equity interests of the subsidiaries formerly owned by Celotex and the Trust, through CX LLC, is working to wind-down the affairs of those subsidiaries. In 2019, CX LLC

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 12 of 44
Published by AsbestosClaims.Law
asbestosclaims.law/library/14283/12

completed the liquidation of the remaining material assets of the former Celotex subsidiaries and substantially all of the proceeds were subsequently transferred to the Trust.

As of 2003, Celotex's financial statements were no longer audited separately and, therefore, Celotex's financial results and now CX LLC's financial results are no longer included in the *In Camera* Submission accompanying this annual report. However, Celotex's, CX LLC's and the subsidiaries' financial data and internally prepared financial statements have been, and continue to be, audited in connection with the preparation of the audited financial statements of the Trust.

Dated: May 1, 2024
Tampa, Florida

Respectfully submitted,

KEATING MUETHING & KLEKAMP PLL
Kevin E. Irwin (Ohio Bar # 021811)
Rachael A. Rowe (OH Bar # 0066823)
Philip A. Tracy (Ohio Bar # 0091389)
One East Fourth Street, Suite 1400
Cincinnati, OH 45202
(513) 579-6400
(513) 579-6457 (telecopy)

-and-

BUSH ROSS, P.A.
P.O. Box 3913
Tampa, FL 33601-3913
(813) 224-9255
(813) 223-9620 (telecopy)

Attorneys for Celotex Asbestos Settlement Trust

BY: /s/ Jeffrey W. Warren
Jeffrey W. Warren, Esq.
Florida Bar No. 150024

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 13 of 44
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asbestosclaims.law/library/14283/13

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 1, 2024, I electronically filed a true and correct copy of the Annual Report, Summary of Claims Disposed, Financial Statement, and Account of the Trustee of the Asbestos Settlement Trust for the Period January 1, 2023 to December 31, 2023, including exhibits, with the Clerk of the United States Bankruptcy Court for the Middle District of Florida by using the CM/ECF system, and I furnished a copy of the foregoing document(s) to the following parties in the manner of service indicated below:

Via United States Mail:

Legal Representative for Unknown Claimants
James L. Patton Jr.
Young, Conaway, Stargatt & Taylor
Rodney Square
1000 North King Street
Wilmington DE 19801

Trust Advisory Committee
Russell Budd
Baron & Budd
Suite 1100
3102 Oak Lawn Avenue
Dallas, TX 75219

Steven Kazan
Kazan, McClain, Satterley & Greenwood
55 Harrison St. Suite 400
Oakland, CA 94607

Joseph F. Rice
Motley Rice LLC
28 Bridgeside Boulevard
Mount Pleasant, SC 29465

Counsel
Ann C. McMillan
Caplin & Drysdale, Chartered
One Thomas Circle NW
Suite 1100
Washington, DC 20005-5802

Representative Indirect Asbestos Claimant
Elizabeth Runyan Geise
Schiff Hardin LLP
901 New York Avenue, NW
Suite 700
Washington, DC 20001

Counsel
Lara R. Fernandez
Trenam, Kemker, Scharf, Barkin, Frye,
O'Neill & Mullis
2700 Bank of America Plaza
101 East Kennedy Boulevard
Post Office Box 1102
Tampa, FL 33601-1102

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 14 of 44
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CX LLC
Philip A. Tracy, Esq.
One East Fourth Street
Suite 1400
Cincinnati, OH 45202

Via CM/ECF System:

United States Trustee
Guy A. Van Baalan
Assistant U.S. Trustee
501 East Polk Street, Suite 1200
Tampa, FL 33602

/s/ Jeffrey W. Warren
Jeffrey W. Warren

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Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 15 of 44
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Asbestos Settlement Trust

Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Asbestos Settlement Trust

Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2023 and 2022

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Asbestos Settlement Trust

Contents

Independent Auditor's Report	1-3
Special-Purpose Financial Statements	
Special-Purpose Statements of Assets, Liabilities and Net Assets	4
Special-Purpose Statements of Changes in Net Assets	5
Special-Purpose Statements of Cash Flows	6
Notes to the Special-Purpose Financial Statements	7-14
Supplementary Information	
Independent Auditor's Report on Supplementary Information	15
Supplementary Schedules of Operating Expenses	16-17
Supplementary Schedules of Professionals Fees	18-19
Supplementary Schedules of Trustee Fees and Expenses	20

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Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report

Trustee
Asbestos Settlement Trust
Wilmington, Delaware

Opinion

We have audited the special-purpose financial statements of the Asbestos Settlement Trust (the Trust) (a common law Trust originally created under the laws of the State of Florida), which comprise the special-purpose statements of assets, liabilities, and net assets as of December 31, 2023 and 2022, and the related special-purpose statements of changes in net assets and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2023 and 2022, and the changes in net assets and cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

Basis for Opinion

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the special-purpose financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose 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 special-purpose 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 special-purpose 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 special-purpose 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 special-purpose 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 audit.

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Other Matter - Restriction of Use

Our report is intended solely for the information and use of the Trust and is not intended to be and should not be used by anyone other than the specified party.

Other Matter - Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the year ended December 31, 2023, but does not include the special-purpose financial statements and our auditor's report thereon. Our opinion on the special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, P.C.

McLean, Virginia
April 29, 2024

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Special-Purpose Financial Statements

Asbestos Settlement Trust

Special-Purpose Statements of Assets, Liabilities and Net Assets

December 31,	2023	2022
Assets		
Cash and cash equivalents	$ 48,005,170	$ 16,774,971
Investments, at fair value		
Equity investments	147,660,382	126,803,701
Investments in bonds	185,201,529	237,004,455
Investment in CX LLC	417,042	486,182
Interest and other receivables	2,115,539	2,886,405
Total assets	383,399,662	383,955,714
Liabilities		
Accrued personal injury claims, accrued expenses, and accounts payable	1,800,688	1,333,234
Total liabilities	1,800,688	1,333,234
Net assets	$ 381,598,974	$ 382,622,480

See accompanying notes to the special-purpose financial statements.

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Asbestos Settlement Trust

Special-Purpose Statements of Changes in Net Assets

Years Ended December 31,	2023	2022
Additions		
Interest and dividend income, net of amortization	$ 8,625,546	$ 8,020,026
Net realized gains and change in unrealized gains on investments and cash equivalents	32,982,811	-
Other additions	5,926	59,620
Total additions	41,614,283	8,079,646
Deductions		
Net realized losses and change in unrealized losses on investments and cash equivalents	-	45,846,947
Personal injury claim payments and expenses	37,197,489	28,701,211
Operating expenses	5,440,300	5,436,427
Total deductions	42,637,789	79,984,585
Decrease in net assets	(1,023,506)	(71,904,939)
Net assets		
Beginning of the year	382,622,480	454,527,419
End of the year	$ 381,598,974	$ 382,622,480

See accompanying notes to the special-purpose financial statements.

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 24 of 44
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Asbestos Settlement Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	2023	2022
Cash flows from operating activities:		
Decrease in net assets	$ (1,023,504)	$ (71,904,939)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Amortization of premium on investments, net	1,752,900	2,896,557
Net realized gain and change in unrealized gain on investments	(32,477,595)	-
Change in value of investment in CX, LLC	69,140	-
Net realized loss and change in unrealized loss on investments	-	45,846,947
Changes in operating assets and liabilities:		
Interest and other receivables	770,866	(319,424)
Accrued personal injury claims, accrued expenses and accounts payable	467,452	(850,566)
Net cash used in operating activities	(30,440,741)	(24,331,425)
Cash flows from investing activities:		
Sales and maturities of bonds	235,752,886	79,956,239
Purchases of bonds	(181,604,450)	(79,161,357)
Sales of equity securities	55,855,811	11,015,829
Purchases of equity securities	(48,333,307)	(13,653,727)
Net cash provided by (used in) investing activities	61,670,940	(1,843,016)
Net increase (decrease) in cash and cash equivalents	31,230,199	(26,174,441)
Cash and cash equivalents at the beginning of the year	16,774,971	42,949,412
Cash and cash equivalents at the end of the year	$ 48,005,170	$ 16,774,971

See accompanying notes to the special-purpose financial statements.

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 25 of 44
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1. Description of the Trust

On October 12, 1990, The Celotex Corporation (Celotex Corp.) and its then wholly-owned subsidiary, Carey Canada Inc. (Carey Canada) (collectively, the Pre-Reorganized Companies), voluntarily filed petitions for reorganizing under Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the Middle District of Florida, Tampa Division (the Bankruptcy Court). The filing of the petitions was precipitated by the Pre-Reorganized Companies' then potentially substantial present and future asbestos-related liabilities. On December 6, 1996, the Bankruptcy Court entered an order (the Confirmation Order) confirming the modified joint plan of reorganization (the Confirmed Plan) proposed and filed by the Pre-Reorganized Companies, the Asbestos Health Claimants Committee, the Legal Representative representing the interests of future asbestos bodily injury claimants, and the Trade Creditors Committee, and supported by the Asbestos Property Damage Claimants Committee. On March 4, 1997, the United States District Court for the Middle District of Florida adopted, issued and affirmed the Confirmation Order. The Confirmation Order has become final and cannot be appealed. The Confirmed Plan became effective on May 30, 1997 (the Effective Date or the Effective Date of the Plan of Reorganization).

The essential elements of the Confirmed Plan include, among other things: the utilization of a qualified settlement fund, in the form of the Asbestos Settlement Trust (the Trust), to assume all liabilities and obligations of the Pre-Reorganized Companies, in respect of all asbestos-related personal injury and property damage claims, both present and future (collectively, the Asbestos Claims), and to resolve, and provide for the payment in part or in full, of all Asbestos Claims in accordance with procedures established pursuant to the Confirmed Plan.

When formed, the Trust was funded with (a) cash received from Carey Canada, a wholly-owned subsidiary of Celotex Corp., (b) asbestos insurance recoveries as described in the "Significant Accounting Policies", (c) cash and investments from the Settlement Account, a segregated, custodial account at Bank of America Illinois, funded by Celotex Corp. and designated by order of the Bankruptcy Court dated March 30, 1995 as the Celotex Fund Recipient (as defined in the Veil Piercing Settlement Agreement), (d) 100% of the outstanding shares of reorganized Carey Canada common stock, (e) 100% of the outstanding shares of reorganized Celotex Corp. common stock, (f) promissory notes receivable from Celotex Corp., and (g) the Russellville Industrial Revenue Bond, contributed by JWC Holdings Corporation (JWC), the former parent of Celotex Corp., in consideration for the releases and injunctions described in the Confirmed Plan.

On August 1, 2016, Celotex Corp. signed a Plan of Distribution, the purpose of which was to effect the complete dissolution of Celotex Corporation in accordance with the applicable Delaware dissolution statutes.

Simultaneously, pursuant to the Plan of Distribution, the Trust caused CX LLC to be formed. CX LLC is a wholly owned subsidiary of the Trust and a disregarded entity for tax purposes. The Trust transferred all of its stock held in Celotex Corp. to CX LLC. The liquidating distributions made to CX LLC under the Plan of Distribution were made in exchange for all of the outstanding shares of the stock of Celotex Corp. held by CX LLC.

CX LLC holds the equity interests of the subsidiaries formerly held by Celotex Corp.

The Trustee is responsible for supervising and administering the Asbestos Claims resolution process. The Trust will use its funding for Trust operations and for settlement of Asbestos Claims as defined in the Confirmed Plan.

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2. Significant Accounting Policies

Basis of presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by 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 assets and the related operating expenses of the Trust. Since the accompanying special-purpose 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:

- Assets are generally recorded as they are received by the Trust and are available for the payment of asbestos claims.
- 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 contract or agreement.
- The full amount of claims is expensed in the period in which the confirmed claims are settled.
- 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.
- Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Payments for property and equipment are expensed as incurred. Under GAAP, payments for fixed assets are capitalized and depreciated over the useful lives of the assets. During 2023 and 2022, there were no expenses related to purchases of property and equipment.
- The Trust's investment in CX LLC (formerly its investment in Celotex Corp.) is reported at the net book value of CX LLC, which is calculated as the fair value of cash and cash equivalents, and prepaids less the fair value of liabilities. Any changes in the value of the Trust's investment in CX LLC is recorded as a gain or loss in the accompanying special-purpose statements of changes in net assets. Cash contributions to CX LLC are recorded as an increase in the investment in CX LLC. Distributions to the Trust from CX LLC reduce the carrying value of the investment. Under GAAP, consolidated financial statements and related notes to the consolidated financial statements of the Trust and its wholly-owned subsidiary would be presented.
- Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes

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in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.

- The Trust does not record any asbestos insurance recoveries until the funds are received from the insurance carriers. These recoveries come from various insurance coverages obtained by CX, LLC. covering, among other things, products and general liability claims. Future recoveries under such policies will inure to the Trust. Under GAAP, an asset would be recorded for an estimate of the amount to be received for insurance recoveries that are due to the Trust.

- The Trust records amortization of premium and accretion of discount on its investment securities under the straight-line method. Under GAAP, such amortization and accretion would be calculated under the effective interest (i.e., constant yield) method.

- Under GAAP, for financial statement disclosure purposes all investments would be categorized based on the priority of inputs used to measure fair value. Under GAAP, inputs used in measuring fair value are categorized into three levels. Level 1 includes inputs that are based upon quoted prices for identical instruments traded in active markets. Level 2 includes 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 market or can be corroborated by observable market data for substantially the full term of the investment. Level 3 includes 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. The accompanying special-purpose financial statements do not categorize all investments into these levels.

- Under GAAP, disclosure is made about contractual maturities of investments in debt securities as of the date of the latest balance sheet presented. Such disclosures are not included in these special-purpose financial statements.

- Under GAAP, for financial statement disclosure purposes a rollforward of beginning and ending balances separating the investment activity for the international equities and alternative investment. The international equities and alternative investment are included as equity investments. Such disclosure is not included in these special-purpose financial statements.

Use of estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to the net assets during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on the net assets.

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Cash and cash equivalents

The Trust considers all highly liquid instruments with original maturities of one month or less to be cash equivalents. The Trust maintains cash balances that may at times exceed federally insured limits. Cash balances are maintained at high-quality financial institutions and the Trust believes the credit risk related to these cash balances is minimal. The Trust has not experienced any losses related to these balances.

Investments

Investment securities (including all bonds and equity investments) are stated at fair value based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements with the changes in unrealized gains and losses recorded in the current period. The fair value of the investment in CX LLC is based on the value of its assets less its liabilities as of the date of the special-purpose financial statements. Investment income is recognized when earned. Realized gains and losses on sales are determined using the specific identification method.

Accrued personal injury claims, accrued expenses and accounts payable

Accrued personal injury claims consist of certain personal injury claims that are settled but unpaid as of December 31, 2023 and 2022. Accrued expenses and accounts payable consist of legal accruals, as well as outstanding invoices associated with managing the Trust.

Operating and administrative expenses

Operating and administrative expenses of the Trust are paid from net assets when invoices are received.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). 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 the Trustees and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

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 cumulative unrealized gains and losses on investments (see Note 4). The income taxes associated with gains on investments will be recorded in the Trust's special-purpose financial statements when the net gains are realized (i.e., the securities are sold) and the taxes become currently payable.

The Trust is generally no longer subject to income tax examinations by the Internal Revenue Service for the years ended December 31, 2019 and prior.

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3. Related Parties

On November 1, 2006, the Trust became a member in a limited liability company under an agreement with four other Qualified Settlement Funds, contributing property and equipment valued at $132,193 as a capital contribution to this entity.

Effective January 1, 2007, this entity began processing all of the Trust's bodily injury claims.

During the years ended December 31, 2023 and 2022, the Trust incurred expenses of $1,539,851 and $1,352,863, respectively, for reimbursement of expenses paid by the entity on behalf of the Trust.

As of December 31, 2023 and 2022, $10,858 and $0, respectively, is due to the Trust from this entity.

4. Investments

Investment securities consist of the following at December 31, 2023:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
Equity	$ 88,779,553	$ 58,880,829	$ -	$ 147,660,382
Bonds	187,163,820	486,663	(2,448,954)	185,201,529
	$ 275,943,373	$ 59,367,492	$ (2,448,954)	$ 332,861,911

Investment securities consist of the following at December 31, 2022:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
Equity	$ 85,099,353	$ 41,704,348	$ -	$ 126,803,701
Bonds	246,196,179	-	(9,191,724)	237,004,455
	$ 331,295,532	$ 41,704,348	$ (9,191,724)	$ 363,808,156

The Trust invests in a professionally managed portfolio that contains U.S. and international equity securities, international equity funds, municipal bonds, and alternative investment. The alternative investment holds securities in North America and International bank loans and North America corporate bonds. Positions within the alternative investments cover various industries. 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 securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net assets and special-purpose statements of changes in net assets.

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Investment in CX LLC

On July 31, 2016, the Trust liquidated its investment in Celotex Corp. and transferred its interest to CX LLC. As of August 1, 2016, the CX LLC member unit investment represents a 100% ownership interest in CX LLC. The value of the Trust's investment in CX LLC (formerly Celotex Corp.) as of December 31, 2023 and 2022 consisted of cash and cash equivalents and other amounts owed to CX, LLC.

The following summarizes the financial information used to compute the value of the Trust's investment in CX LLC as of December 31:

	2023	2022
Cash and marketable securities	$ 193,258	$ 262,398
Other assets	223,784	223,784
Net estimated value of investment	$ 417,042	$ 486,182

There was no distribution made during the years ended December 31, 2023 and 2022. CX, LLC paid $69,140 in professional expenses to reduce the balance to $193,258 by December 31, 2023.

5. Income Taxes

During the years ended December 31, 2023 and 2022, the Trust paid no income taxes and recorded no income tax expense.

As of December 31, 2023, the Trust has net operating losses totaling approximately $32,074,921, which were generated prior to January 1, 2018, and are scheduled to expire at various dates through 2037. As of December 31, 2023, the Trust has net operating losses totaling approximately $8,832,369, respectively, which were generated after January 1, 2018 and may be used to reduce future taxable income.

As of December 31, 2023, the Trust has net capital losses totaling approximately $1,739,000, available to offset future capital gains, which were generated after January 1, 2018. Capital loss carryforwards created after January 1, 2018, may be carried back for three years and carried forward for five years. Capital loss carrybacks and carryforwards cannot create a net operating loss.

As disclosed in Note 2 to the special-purpose 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 carry forwards, net capital loss carryforwards, or cumulative unrealized gains and losses on investments.

6. Contingent Liabilities

The Trust has entered certain reimbursement and indemnification agreements in the Plan Documents (as defined in the Confirmed Plan), including, but not limited to, the Agreement Regarding Disputed Claims, the Affiliate Asset Purchase Agreements, and the Tax Cooperation and Indemnification Agreements. These agreements could result in future claims against the Trust.

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

Substantial third-party claims have been asserted against CX, LLC. for which the Trust may be contingently liable. It is presently not possible to determine the extent, if any, of the CX, LLC's liability which might arise as a result thereof.

7. Liability for Asbestos Claims

The ultimate number of Asbestos Claims to be filed and the liability for all such claims is not determinable at this time. Net assets at December 31, 2023 and 2022 represent funding available for all Asbestos Claims for which no fixed liability has yet been established. Net assets at December 31, 2023 and 2022 may or may not be sufficient to meet all future obligations of the Trust.

8. Trustee's Liability Insurance

The Trust purchased the Trustee's liability insurance for premiums of $109,950 and $179,025 in 2023 and 2022, respectively. The current policy term is May 30, 2023 to May 30, 2024. The Trust's accounting policy is to expense in the current period any amounts which will not be available to pay future Asbestos Claims or expenses of the Trust. Accordingly, amounts of $109,950 and $179,025 were recorded as deductions in net assets in 2023 and 2022, respectively.

9. Trustee and Trust Advisors

The Trustee is required to provide notice, to consult, or obtain the consent of the Trustees' Advisory Committee (the TAC), the Legal Representative, the Property Damage Advisory Committee (the PDAC) or the Property Damage Claims Administrator (the PDCA) in various matters as detailed in the First Amended and Restated Asbestos Settlement Trust Agreement, the Asbestos Settlement Trust First Amended and Restated Bylaws, the Second Amended and Restated Asbestos Personal Injury Claims Resolution Procedures, the Third Amended and Restated Asbestos Property Damage Claims Resolution Procedures, the Fourth Amended and Restated Asbestos Personal Injury Claims Resolutions Procedures, and the Fifth Amended and Restated Asbestos Personal Injury Claims Resolutions Procedures.

Fees and expenses of the Trustee and trust advisors for 2023 and 2022 were as follows:

	2023		
	Fees	Expenses	Total
Trustee	$ 155,550	$ 4,848	$ 160,398
Trustee's Advisory Committee	10,196	229	10,425
Legal representative	15,871	1,807	17,678
	$ 181,617	$ 6,884	$ 188,501

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	2022		
	Fees	Expenses	Total
Trustee	$ 149,700	$ 3,604	$ 153,304
Trustee's Advisory Committee	17,726	176	17,902
Legal representative	11,181	782	11,963
	$ 178,607	$ 4,562	$ 183,169

The above amounts are included in operating expenses in the special-purpose statements of changes in net assets for the years ended December 31, 2023 and 2022.

10. Subsequent Events

The Trust has evaluated its December 31, 2023 special-purpose financial statements for subsequent events through April 29, 2024, the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements.

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Supplementary Information

BDO

Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report on Supplementary Information

Trustee
Asbestos Settlement Trust
Wilmington, Delaware

Our audits of the special-purpose financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those special-purpose financial statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of those special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, P.C.

April 29, 2024

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Asbestos Settlement Trust

Supplementary Schedule of Operating Expenses

Year Ended December 31, 2023

Professional fees (see Supplementary Schedule of Professional Fees)			$ 2,093,704
General and administrative			
Investment advisory and custodial fees - Brown Brothers	$	197,478	
Investment advisory fees - Cambridge & Associates		215,356	
Investment advisory fees - Goldman Sachs		167,132	
Investment advisory fees - Johnson Equity		165,503	
Investment advisory fees - John W. Bristol		162,503	
Investment advisory fees - McDonald Capital		301,063	
Investment advisory fees - Sanderson		180,081	
Investment advisory fees - Sentinel Dome Partners		100,962	
Other administrative expenses		18,216	1,508,294
Trustee fees and expenses (see Supplementary Schedule of Trustee Fees and Expenses)			160,398
TAC attorney fees			
Caplin & Drysdale/attorney fees			10,196
Caplin & Drysdale/expenses			229
Legal representative fees and expenses			
Young, Conaway, Stargatt & Taylor/fees			15,871
Young, Conaway, Stargatt & Taylor/expenses			1,807
Trustee liability insurance			109,950
Offsite storage fees			175,163
Facility usage expenses			1,364,688
Total operating expenses			$ 5,440,300

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Asbestos Settlement Trust

Supplementary Schedule of Operating Expenses

Year Ended December 31, 2022

Professional fees (see Supplementary Schedule of Professional Fees)			$ 2,271,298
General and administrative			
Investment advisory and custodial fees - Brown Brothers	$	224,721	
Investment advisory fees - Cambridge & Associates		212,720	
Investment advisory fees - Goldman Sachs		196,841	
Investment advisory fees - Johnson Equity		159,910	
Investment advisory fees - John W. Bristol		145,263	
Investment advisory fees - McDonald Capital		259,705	
Investment advisory fees - Sanderson		233,084	
Other administrative expenses		17,828	1,450,072
Trustee fees and expenses (see Supplementary Schedule of Trustee Fees and Expenses)			153,304
TAC attorney fees			
Caplin & Drysdale/attorney fees			17,726
Caplin & Drysdale/expenses			176
Legal representative fees and expenses			
Young, Conaway, Stargatt & Taylor/fees			11,181
Young, Conaway, Stargatt & Taylor/expenses			782
Trustee liability insurance			179,025
Offsite storage fees			131,560
Facility usage expenses			1,221,303
Total operating expenses			$ 5,436,427

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Asbestos Settlement Trust

Supplementary Schedule of Professional Fees

Year Ended December 31, 2023

Accounting		
Accounting/audit	$	83,828
Accounting/taxes		21,725
Accounting/other		78,985
Subtotal accounting		184,538
Legal fees		
General		
Ankura Consulting		563,141
Bush Ross, P.A		8,690
Hill & Knowlton Strategies		17,295
Keating, Muething & Klekamp		663,378
Other		83,725
Subtotal legal fees		1,336,229
Other professional fees (general)		
Ankura Consulting		317,574
John Brophy Advisory & Analytics LLC		186,223
Other		69,140
Subtotal other professional fees (general)		572,937
Total professional fees	$	2,093,704

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Asbestos Settlement Trust

Supplementary Schedule of Professional Fees

Year Ended December 31, 2022

Accounting		
Accounting/audit	$	91,520
Accounting/taxes		13,123
Accounting/other		73,949
Subtotal accounting		178,592
Legal fees		
General		
Bush Ross, P.A		12,573
Hill & Knowlton Strategies		17,295
Keating, Muething & Klekamp		844,194
Other		903,586
Subtotal legal fees		1,777,648
Other professional fees (general)		
Ankura Consulting		315,058
Subtotal other professional fees (general)		315,058
Total professional fees	$	2,271,298

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 39 of 44
Published by AsbestosClaims.Law
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Asbestos Settlement Trust

Supplementary Schedules of Trustee Fees and Expenses

	2023 Trustee Fees and Expenses			
	Per Annum	Hourly Fees	Out-of Pocket Expenses	Total Payments
Edward Robertson	$ 75,000	$ 80,550	$ 4,848	$ 160,398

	2022 Trustee Fees and Expenses			
	Per Annum	Hourly Fees	Out-of Pocket Expenses	Total Payments
Sharon Meadows	$ 37,500	$ 22,100	$ 2,102	$ 61,702
Edward Robertson	43,750	46,350	1,502	91,602

Trustee fees and expenses accrued and unpaid at December 31, 2023 and 2022 are included in accrued expenses and accounts payable in the special-purpose statements of assets, liabilities and net assets.

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 40 of 44
Published by AsbestosClaims.Law
asbestosclaims.law/library/14283/40

Celotex Asbestos Trust Annual Reports, 2023 annual report
ACL Doc 14283 · Page 41 of 44

Celotex Asbestos Settlement Trust
Summary of Claims Disposed - 2023
Personal Injury and Property Damage

	DCP Paid Claims 2023		DCP Second Payments Paid in 2023		IRC Full Payments Paid in 2023		IRC Second Payments Paid in 2023	Total PI Claims Paid 2023	
Month	Amount	# of Claims	Amount	# of Claims	Amount	# of Claims	Amount	Amount	# of Claims
Jan	$477,340	171	$0	-	$2,615,735	820		$ 3,093,075	991
Feb	$469,210	168	$0	-	$2,853,840	801		$ 3,323,050	969
Mar	$740,810	229	$0	-	$3,135,177	900		$ 3,875,987	1,129
Apr	$711,055	372	$0	-	$2,800,600	1,007		$ 3,511,655	1,379
May	$534,210	168	$0	-	$2,695,131	782		$ 3,229,341	950
Jun	$701,365	259	$0	-	$2,697,124	711		$ 3,398,489	970
Jul	$183,945	74	$0	-	$2,182,575	614		$ 2,366,520	688
Aug	$673,640	254	$0	-	$2,950,028	815		$ 3,623,668	1,069
Sep	$496,334	212	$0	-	$2,497,385	723		$ 2,993,719	935
Oct	$275,085	91	$0	-	$2,099,718	627		$ 2,374,803	718
Nov	$165,645	88	$0	-	$2,923,309	935		$ 3,088,954	1,023
Dec	$253,865	117	$0	-	$1,683,191	465		$ 1,937,056	582
Totals	$ 5,682,504	2,203	$ -	-	$ 31,133,813	9,200	$ -	$ 36,816,317	11,403

	PD First Payments Paid in 2023		PD Second Payments Paid in 2023		PD Settlements Paid in 2023		Total PD Claims Paid in 2023		Totals PI and PD Claims Paid in 2023	
Month	Amount	# of Claims	Amount	# of Claims	Amount	# of Claims	Amount	# of Claims	Amount	# of Claims
Jan	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,093,075	991
Feb	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,323,050	969
Mar	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,875,987	1,129
Apr	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,511,655	1,379
May	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,229,341	950
Jun	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,398,489	970
Jul	$ -	-	$ -	-	$ -	-	$ -	-	$ 2,366,520	688
Aug	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,623,668	1,069
Sep	$ -	-	$ -	-	$ -	-	$ -	-	$ 2,993,719	935
Oct	$ -	-	$ -	-	$ -	-	$ -	-	$ 2,374,803	718
Nov	$ -	-	$ -	-	$ -	-	$ -	-	$ 3,088,954	1,023
Dec	$ -	-	$ -	-	$ -	-	$ -	-	$ 1,937,056	582
Totals	$ -	-	$ -	-	$ -	-	$ -	-	$ 36,816,317	11,403

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CELOTEX ASBESTOS SETTLEMENT TRUST

INVESTMENT GUIDELINES FOR THE ASBESTOS SETTLEMENT TRUST

January 2023

- The asset allocation for the Trust portfolio is as follows:

Asset Class	% of Portfolio
Bonds	55.0%
U.S. Equity	25.0%
Non-U.S. Equity	15.0%
Diversifiers	5.0%
Total Portfolio	100.0%

  - The bond portfolio exists to provide short-term and intermediate-duration bonds given the length of the expected liability stream of the Trust. Given the current tax rate of the Trust, the portfolio will largely be invested in municipal bonds, but managers have the ability on an opportunistic basis to attain higher yield through taxable securities.
  - The equity allocation exists to attain long-term capital appreciation, given the projected existence of the Trust. Historically, equities have outperformed bonds in attained long-term capital appreciation.
    - The equity portfolio is structured to have exposure to both a growth and value style of investing to provide the necessary diversification in this portfolio.
    - In addition, the equity portfolio is broadly diversified across economic sectors and securities to provide additional diversification and reduce portfolio risk.
    - The equity portfolio is prohibited from holding any securities whose primary revenue derives from tobacco or tobacco-related products.
  - The diversifiers allocation exists to provide an additional source of investment return that is differentiated from, or less correlated with, the Trust's investments in cash, fixed income and long-only equities. Diversifier investments will be made through either hedge funds or specialized credit managers, provided (i) the value of any one of the Trust's investments in these funds does not exceed 7% of the aggregate value of Trust Assets and (ii) the aggregate value of the Trust's investments in these funds does not exceed 20% of the aggregate value of Trust Assets. The Trust shall hold or acquire only Hedge Funds or specialized credit funds that have little or minimal leverage and little or minimal exposure to illiquid investments. The investments in these funds will not be subject to the investment restrictions as stated in the Trust Agreement, and excerpted below.

- The portfolio will be monitored monthly by Cambridge Associates, and Cambridge Associates will communicate to the Trustees on their monthly call as to whether or not the portfolio requires asset allocation adjustments toward the target allocation as outlined above. Asset allocation adjustments are contingent on cash flow needs and market values and conditions.
- Individual investment managers are subject to their individual manager guidelines, with respect to investment objective, benchmark, allowable securities, credit quality requirements (if applicable), and concentration limits.
- Investments for the Account shall be subject to the following restrictions as stated in the Trust Agreement:



- The Adviser shall not acquire for the Account equity in any entity or other business enterprise if, immediately following such acquisition, the Account would hold more than 5% of the equity in such entity or business enterprise. The Account shall not hold, directly or indirectly, more than 10% of the equity in any entity or business enterprise.

- The Account shall not acquire or hold any long-term debt securities unless such securities are rated "Baa category" or higher by Moody's, "BBB category" or higher by S&P or have been given an equivalent investment grade rating by another nationally recognized statistical rating service, or have been issued or fully guaranteed as to principal and interest by the United States or any agency thereof.

- The Account shall not acquire or hold for longer than 90 days any commercial paper unless such paper is rated "Prime-1" or higher by Moody's or "A-1" or higher by S&P or has been given an equivalent rating by another nationally recognized statistical rating agency.

- The Account shall not acquire or hold any preferred stock unless such preferred stock is rated "AA category" or higher by Moody's or "A category" or higher by S&P or has been given an equivalent rating by another nationally recognized statistical rating agency.

- The Account shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Item 2 above.

- The Account shall not acquire or hold any repurchase obligations unless, in the opinion of the Adviser, they are adequately collateralized.

- The Account shall not acquire or hold any options.

- The Account shall not acquire or hold emerging market debt.

- The following is not permitted: leverage (excludes futures transactions as defined above), reverse repurchase agreements; short-selling (except with respect to shorts against the box, and futures).

- Trading with affiliated broker/dealers is not permitted.

- Client has the right to advise Adviser at any time of any further restrictions applicable to the investments of and for the Account, and Adviser will thereafter abide by such restrictions in the management of the Account upon written notification by the Client to the Adviser.

- The Manager will report the following information each month to the Trustees and to Cambridge Associates, Inc.: total return net of all commissions and fees; additions to, and withdrawals from, the Portfolio; current holdings at cost and market; and purchases and sales for the quarter. On an annual basis, the Manager will provide the Trustees with an audited and certified financial statement of the Manager's firm.

- The Manager is required to inform the Trustees of any material change in fundamental investment philosophy or investment process, ownership, organizational structure, professional personnel, or Portfolio structure.



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Celotex Asbestos Settlement Trust
Asset Allocation & Asset Class Returns (Net)
As of December 31, 2023

Asset Class	Assets $	% of Managed Assets	% of Total Assets	Total Return 12/31/22-12/31/23	Total Return Annualized Since Inception
U.S. Equity	103,256,396	29.9%	27.0%	29.0 %	9.2 %
Non-U.S. Equity	25,204,564	7.3%	6.6%	14.1 %	4.5 %
Opportunistic Credit	21,626,374	6.3%	5.6%	---	8.1 %
U.S. Bonds	195,783,727	56.6%	51.1%	4.9 %	3.2 %
Total Managed Assets	**345,871,061**	**100.0%**	**90.3%**	11.9 %	4.6 %
Cash	37,024,265	10.7%	9.7%	0.9 %	0.6 %
Total Assets	**382,895,326**		**100.0%**	11.3 %	4.5 %

Note: Bonds are tax-exempt bonds and returns shown are not adjusted to reflect pre-tax equivalent return.

Celotex Asbestos Settlement Trust Asset Allocation as of December 31, 2023

