IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
Combustion Engineering, Inc.,	)	**Case No. 03-10495 (KG)**
	)	
Reorganized Debtor.	)	

NOTICE OF FILING OF ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2019

(For the Period January 1, 2019 to December 31, 2019)

PLEASE TAKE NOTICE that, on April 29, 2020, the Trustees of the Combustion Engineering 524(g) Asbestos PI Trust (the "Trust") filed the Annual Report, Financial Statements and Results of Operations of the Trust for Fiscal Year Ended December 31, 2019 (the "Annual Report") and its audited financial statements for the same period (the "Audited Financial Statements"). The Annual Report and the Audited Financial Statements are attached hereto as Exhibits "A" and "A-1," respectively.

Dated: April 29, 2020

Respectfully submitted,

STUTZMAN, BROMBERG, ESSERMAN & PLIFKA, A Professional Corporation

By: */s/ Sander L. Esserman*

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ATTORNEYS FOR THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST

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EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
Combustion Engineering, Inc.,	)	**Case No. 03-10495 (KG)**
	)	
Reorganized Debtor.	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2019

The Honorable Richard Neville, Ret., the Honorable Ken Kawaichi, Ret., and Ellen S. Pryor, Trustees of the Combustion Engineering 524(g) Asbestos PI Trust (the "Trust"), created pursuant to Combustion Engineering, Inc.'s Plan of Reorganization, as Modified through October 7, 2005 (the "Plan"), submit this Annual Report, Financial Statements and Results of Operations of the Combustion Engineering 524(g) Asbestos PI Trust for Fiscal Year Ended December 31, 2019.

I. General

Combustion Engineering, Inc. ("Combustion Engineering") filed a voluntary petition for relief under Chapter 11, title 11 of the United States Code (the "Bankruptcy Code") on February 17, 2003. The United States Bankruptcy Court for the District of Delaware entered the Order Confirming (and Recommending Affirmance by the U.S. District Court) Debtor's Plan of Reorganization as Modified Through October 7, 2005 and Setting Bar Dates to File Certain Claims in Paragraphs 50, 51, 52, 53 and 73 on December 19, 2005 (the "Confirmation Order"). On March 1, 2006, the United States District Court for the District of Delaware entered its order affirming the Confirmation Order and Issuing Injunctions. The Effective Date of the Plan occurred on April 21, 2006. Pursuant to the Plan, Steven Kazan, Russell W. Budd, Brent Coon,

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John D. Cooney and Matthew P. Bergman are the members of the Trust Advisory Committee ("TAC"). Roger Frankel is the Future Claimants' Representative ("FCR").

The Combustion Engineering 524(g) Asbestos PI Trust Agreement ("Trust Agreement") and the Combustion Engineering 524(g) Asbestos PI Trust Bylaws (the "Bylaws") require the Trustees to meet with the TAC and the FCR at least two times each calendar year, at regular or special meetings. In 2019, the Trust held regular meetings on February 13, 2019, May 22, 2019, September 25, 2019, and November 20, 2019.

The Trustees generally held weekly Trustees' meetings throughout the year, usually by telephone.

Effective January 1, 2019, the Trustees named Hon. Richard Neville, Ret. as the Managing Trustee for a one-year term.

The principal office of the Trust is located at 1105 North Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899. In 2019, the Trust's administrative office was located at P.O. Box 307, 27400 Northwestern Highway, Southfield, Michigan 48037.

In 2019, the Trust entered and/or continued service agreements with: Stutzman, Bromberg, Esserman & Plifka, a Professional Corporation (general counsel); Plante Moran, PLLC (accountant, administrator and tax advisor); Verus Claims Services LLC (claims processing facility and claims administrator); Gilbert LLP (insurance counsel); BDO USA, LLP (auditor); Wilshire Associates (financial consultant); Northern Trust Company (custodian); Alliance Bernstein LP (money manager); Northern Trust Investments, N.A. (money manager); State Street Global Advisors (money manager); Aegon USA Investment Management LLC (money manager); Richmond Capital Management, Inc. (money manager); Legal Analysis

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Systems (claims forecasting); and AON Risk Services Central, Inc. (insurance agent). The Trust retained local counsel as needed.

The Trust maintained liability insurance for the Trustees, the members of the TAC and the FCR. In addition, the Trust obtained cyber security protection insurance.

II. Asbestos PI Claims

The Combustion Engineering 524(g) Asbestos PI Trust Second Amended and Restated Asbestos PI Trust Distribution Procedures (the "TDP"), the Combustion Engineering 524(g) Asbestos PI Trust Second Revised and Restated Procedures for Reviewing and Liquidating TDP Claims, the Combustion Engineering 524(g) Asbestos PI Trust Claim Form, and other claims-related forms and instructions are available at www.cetrust.org.

A. Payment Percentage, Maximum Annual Payment and Claims Payment Ratio

In January 2019, the Trust set the 2019 Maximum Annual Payment ("MAP") at $70,730,000 plus the rollover of excess funds from 2018. Pursuant to the TDP, the Trust allocates the MAP between Categories A and B in accordance with the Claims Payment Ratio. TDP, Sec. 2.4. The TDP sets the Claims Payment Ratio at 87% for Category A Claims (malignancy claims and severe asbestosis) and 13% for Category B Claims (other non-malignancy claims). TDP, Sec. 2.5.

On July 24, 2019, pursuant to Sections 4.2 and 4.3 of the TDP, the Trustees adjusted the Payment Percentage to 25%, subject to the consent of the TAC and FCR. Pursuant to Section 4.3 of the TDP, the Trustees applied the Payment Percentage of 25% to TDP Determined Claims in the FIFO Payment Queue.[1]

On August 16, 2019, the Trust reset the 2019 MAP for July 1 through December 31 to $25,970,000, divided by the Claims Payment Ratio.

[1] Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the TDP.

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In 2019, the Trust paid $51,501,236 to Category A Claims.

In 2019, the Trust paid $8,162,339 to Category B Claims.

The Trust carried $10,769 of the MAP into 2020 for Category A Claims and $1,805 for Category B Claims.

A total of 475 liquidated Category A Claims and 2,894 liquidated Category B Claims remained in the FIFO Payment Queue as of December 31, 2019.

B. Claims Statistics for the Fiscal Year Ending December 31, 2019

From inception of the Trust through the period ending December 31, 2019, the Trust has received a total of 473,489 claims. As of December 31, 2019, the Trust has paid a total of 189,572 claims. The Trust received 24,256 claims in 2019. In 2019, the Trust liquidated and paid 14,813 claims. Below is further detail with respect to the claims received and paid by the Trust in 2019.

Total claims received in 2019:

Total Category A Claims received in 2019 =		8,527
Category A Claims submitted for Expedited Review	5,702	
Category A Claims submitted for Individual Review	2,825	
Total Category B Claims received in 2019 =		15,729
Category B Claims submitted for Expedited Review	15,159	
Category B Claims submitted for Individual Review	570	
Total claims received in 2019 =		24,256

Total claims paid in 2019:

Total Category A Claims paid in 2019 =		4,573
Category A Claims paid pursuant to Expedited Review	2,914	

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Category A Claims paid pursuant to Individual Review	1,659	
Total Category B Claims paid in 2019 =		10,240
Category B Claims paid pursuant to Expedited Review	10,094	
Category B Claims paid pursuant to Individual Review	146	
Total claims paid in 2019 =		14,813

Since inception of the Trust, the Trust has not approved 262,739 claims, including rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims. The number of claims in the FIFO Processing Queue (as that term is defined in the TDP) on December 31, 2019, totaled 485, of which 50 are Category A Claims and 435 are Category B Claims.

III. Compensation and Expenses of Trustees

Under Section 5.5(c) of the Trust Agreement, the Trust reports to the Court the amount of compensation and expenses paid to the Trustees. The Trust refers the Court to the Supplementary Information to the audited special-purpose financial statements, attached hereto. The Trust pays the Delaware Trustee a fee of $2,500, which is included in administrative costs in the Supplementary Information.

IV. Plan Reserve Blocked Account

Under the Excess Funds Agreement entered as of April 20, 2006, by and among the Trust, Combustion Engineering, Inc., ABB Inc. and ABB Holdings Inc., a Plan Reserve Blocked Account was established and funded to pay certain administrative expenses of the Combustion Engineering Chapter 11 case and certain unsecured creditor claims filed against the Combustion Engineering bankruptcy estate, all if and as allowed under the Plan. To the extent that funds remain in the Plan Reserve Blocked Account after the payment of the allowed administrative

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expenses and unsecured claims, the funds become the property of the Trust pursuant to the Plan. If the allowed administrative expenses and unsecured claims exceed the amount of the funds in the Plan Reserve Blocked Account, the Trust has no liability for the payment of the remaining portion of the allowed administrative expenses and unsecured claims. By agreement with Combustion Engineering, Inc. entered on November 6, 2006, one half of certain legal fees incurred and accrued by Combustion Engineering, Inc. after April 21, 2006 will be paid from the Plan Reserve Blocked Account.

Pursuant to the Excess Funds Agreement, on February 19, 2020, Combustion Engineering, Inc. reported to the Trust regarding the status of the Plan Reserve Blocked Account. As of February 19, 2020, the balance of the Plan Reserve Blocked Account totaled approximately $9.3 million.

V. Financial Statements

A copy of the Trust's audited financial statements for the year ending December 31, 2019, is attached hereto as Exhibit "A-1." The attached financial statements include supplemental schedules with the Trust's operating expenses and income taxes for the years ended December 31, 2019 and 2018.

Dated: April 29, 2020

STUTZMAN, BROMBERG, ESSERMAN & PLIFKA, A Professional Corporation

By: */s/ Sander L. Esserman*

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ATTORNEYS FOR THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST

EXHIBIT A-1

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Combustion Engineering 524(g) Asbestos PI Trust

Audited Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2019 and 2018

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

Combustion Engineering 524(g) Asbestos PI Trust

Audited Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2019 and 2018

Combustion Engineering 524(g) Asbestos PI Trust

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Independent Auditor's Report

Trustees
Combustion Engineering 524(g) Asbestos PI Trust
Southfield, Michigan

We have audited the accompanying special-purpose financial statements of **Combustion Engineering 524(g) Asbestos PI Trust** (the Trust) which comprise the special-purpose statements of assets, liabilities and net claimants' equity as of December 31, 2019 and 2018, and the related special-purpose statements of changes in net claimants' equity and special-purpose statements of cash flows for the years then ended and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the special-purpose basis of accounting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the **Combustion Engineering 524(g) Asbestos PI Trust** as of December 31, 2019 and 2018, and the changes in net claimants' equity and cash flows for the years then ended in accordance with the special-purpose basis of accounting described in Note 2 to the special-purpose financial statements.

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, these special-purpose financial statements were 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. Our opinion is not modified with respect to this matter. The special-purpose basis of accounting has been used in order to communicate the amount of net equity presently available to fund current and future claimants.

Restriction of Use

Our report is intended solely for the information and use of the Trust and should not be used by anyone other than the specified party. This restriction is not intended to limit the distribution of this report which, upon filing with the United States Bankruptcy Court for the District of Delaware, is a matter of public record.

BDO USA, LLP

April 22, 2020

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Special-Purpose Financial Statements

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Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

December 31,	2019	2018
Assets		
Cash and cash equivalents	$ 27,523,393	$ 50,800,612
Investment securities	538,914,746	526,271,292
Accrued interest and dividends receivable	5,001,130	5,691,805
Unsettled securities	832,401	923,957
Prepaid income taxes	-	113,489
Other assets	115,243	105,394
Total assets	572,386,913	583,906,549
Liabilities		
Accrued claims, accrued expenses and accounts payable	7,619,300	3,537,631
Unsettled securities	4,448,570	962,646
Income tax payable	633,081	-
Total liabilities	12,700,951	4,500,277
Net claimants' equity	$ 559,685,962	$ 579,406,272

See accompanying notes to the special-purpose financial statements.

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Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	2019	2018
Additions		
Investment income	$ 18,471,646	$ 16,699,830
Net increase in unrealized gain on investment securities	28,875,827	-
Net realized gain on investment securities	1,033,667	-
Federal tax refund	-	4,486
Total additions	48,381,140	16,704,316
Deductions		
Net decrease in unrealized gain on investment securities	-	18,176,872
Net realized loss on investment securities	-	6,988,774
Operating expenses and income taxes	5,396,635	5,090,366
Direct investment expenses	881,010	1,075,412
Other deductions	4,287	9,198
Total deductions	6,281,932	31,340,622
Net increase (decrease) in net claimants' equity	42,099,208	(14,636,306)
Net claimants' equity - beginning of the year	579,406,272	655,982,588
Receipts from scheme payments and insurance	2,000,000	10,537,505
Distributions from net claimants' equity	(59,663,575)	(70,113,924)
Net change in provision for claimants' in queue	(4,155,943)	(2,363,591)
Net claimants' equity - end of the year	$ 559,685,962	$ 579,406,272

See accompanying notes to the special-purpose financial statements.

Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	2019	2018
Cash received from:		
Sales and maturities of investments	$ 196,268,904	$ 323,031,243
Investment income	23,962,807	22,910,263
Proceeds from other refunds	2,000,000	10,537,505
Other income	-	4,486
Total cash inflows	222,231,711	356,483,497
Cash paid for:		
Purchase of investment securities	180,186,158	292,375,817
Distribution to claimants	59,663,575	70,113,924
Trust operating expenses	3,481,270	3,504,339
Investment expenses	977,927	1,123,723
Income taxes	1,200,000	2,250,000
Total cash outflows	245,508,930	369,367,803
Net decrease in cash and cash equivalents	(23,277,219)	(12,884,306)
Cash and cash equivalents at the beginning of year	50,800,612	63,684,918
Cash cash equivalents at the end of year	$ 27,523,393	$ 50,800,612

See accompanying notes to the special-purpose financial statements.

Combustion Engineering 524(g) Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

The Combustion Engineering 524(g) Asbestos PI Trust (the Trust), organized pursuant to the laws of the State of Delaware, was established pursuant to Combustion Engineering, Inc.'s (CE) plan of reorganization, as modified through October 7, 2005 (the Plan) and became effective on April 20, 2006. The Trust was formed to assume all Asbestos 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 Asbestos PI Trust Agreement. The Trust's funding is dedicated solely to the settlement of asbestos personal injury claims and the related costs thereto, as defined in the Plan. The Trust's principal office is in Wilmington, Delaware and its administrative office is located in Southfield, Michigan. Defined terms have the meanings assigned to them in the Plan.

The Trust was initially funded with ABB, Ltd. stock, ABB promissory note, a CE contribution agreement, a CE convertible secured note, and insurance settlement rights. The Trust has divested itself of all ABB, Ltd. holdings.

2. Significant Accounting Policies

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees, 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 and 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:

a. Insurance recoveries are recorded when the related policies are settled and collectability is assured from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by CE and related entities and assigned to the Trust or were negotiated by the Trust. All known non-speculative insurance recoveries have been received.

b. Investment securities are recorded at fair market value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Realized and unrealized gains and losses on investment securities are recorded as additions or deductions in the special-purpose statements of changes in net claimants' equity. Under GAAP, unrealized gains and losses of available-for-sale securities are excluded from earnings and recorded as other comprehensive income or loss with the accumulated balance shown as a separate component of stockholders' equity.

c. Amortization and accretion of bond premiums or discounts is included in investment income.

d. 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.

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e. The claim distributions are treated as a reduction to 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 Trustees. An unpaid settled claim is a claim that cannot be paid due to annual cap limitations or has been authorized for payment by the Trustees but not yet paid. The liability for unpaid claims that is a result of annual cap limitations is recorded when settled. This liability is the product of the liquidated value of the unpaid claims times the Payment Percentage in effect at year-end. The actual amount paid to an unpaid claimant maybe more or less depending on the Payment Percentage in effect at the time of payment. 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.

f. 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.

g. 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. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is calculated based upon book income reported for financial statement purposes, the current federal and state income tax rates, and changes in deferred taxes due to the permanent and timing differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes also include a provision for taxes attributable to changes in unrealized gains and losses on investments.

Use of Estimates

The preparation of these special-purpose financial statements requires 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 special-purpose financial statements, as well as the reported changes in net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash Equivalents and Investment Securities

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

Investment securities are stated at fair market value with changes in unrealized gains and losses recorded in the current period. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as accrued interest and dividends receivable. Realized gains and losses on sales are determined using the specific identification method.

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Accrued Claims, Accrued Expenses and Accounts Payable

Accrued claims consist of certain claims that are settled but unpaid at December 31, 2019 and 2018. 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 Trustees. An unpaid settled claim is a claim that cannot be paid due to annual cap limitations or has been authorized by the Trustees but not yet paid. The liability for unpaid claims that is a result of annual cap limitations is recorded when settled. This liability is the product of the liquidated value of the unpaid claims times the Payment Percentage in effect at year-end. The actual amount paid to an unpaid claimant maybe more or less depending on the Payment Percentage in effect at the time of payment.

Accrued expenses and accounts payable consist of outstanding invoices associated with managing the Trust.

Unsettled Securities

Unsettled securities consist of amounts due for securities sold before year end and commitments for securities acquired before year end.

Operating Expenses

Operating expenses of the Trust are recorded as deductions on the special-purpose statements of changes in net claimants' equity in the period in which the invoices are accrued.

Income Taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). The Trust is subject to federal income taxes based on its 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.

Trust files income tax returns in the United States of America (U.S.) federal jurisdiction. The Trust's federal income tax returns are generally subject to income tax examination by the Internal Revenue Service for a period of 3 years from the date the tax returns are filed. All tax returns filed after tax year 2015 are still subject to examination.

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 Notes 3 and 5). 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 income taxes become currently payable.

Concentrations of Credit Risk

The Trust's cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits, exposing the Trust to credit risk. The Trust has not experienced losses related to these balances.

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Combustion Engineering 524(g) Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

3. Cash, Cash Equivalents and Investment Securities

Cash, cash equivalents and investment securities consist of the following at December 31, 2019:

	2019		
	Cost	Fair Value	Unrealized Gain
Cash and cash equivalents	$ 27,523,393	$ 27,523,393	$ -
Equities	43,560,190	76,374,648	32,814,458
Bonds	450,229,758	462,540,098	12,310,340
Total cash, cash equivalents and investments	**$ 521,313,341**	**$ 566,438,139**	**$ 45,124,798**

Cash, cash equivalents and investment securities consist of the following at December 31, 2018:

	2018		
	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 50,800,612	$ 50,800,612	$ -
Equities	48,637,154	65,553,873	16,916,718
Bonds	461,385,167	460,717,419	(667,747)
Total cash, cash equivalents and investments	**$ 560,822,933**	**$ 577,071,904**	**$ 16,248,971**

The maturities of the Trust's investments in bonds are as follows as of December 31, 2019:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	**$ 61,614,241**	**$ 130,249,422**	**$ 153,225,922**	**$ 117,450,513**	**$ 462,540,098**

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The maturities of the Trust's investments in bonds are as follows as of December 31, 2018:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 50,111,398	$ 183,237,877	$ 158,420,373	$ 68,947,772	$ 460,717,420

4. Fair Value Measurements

The Trust's investments are recorded at fair value. Fair value is 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.

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 market or can be corroborated by observable market data for substantially the full term of 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.

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

Level 1: Equities are valued at the closing price reported on the active market in which the individual securities are traded.

Level 2: Bonds are valued using a metrics system provided by the Trust's pricing vendors.

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Combustion Engineering 524(g) Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

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

	As of December 31, 2019			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 27,523,393	$ 26,969,726	$ 553,667	$ -
Equities:				
Common stock	67,513,174	67,497,284	15,890	-
Other	8,861,474	8,861,474	-	-
Total equities	76,374,648	76,358,758	15,890	-
Bonds:				
Bank Loans	24,728,795	-	24,728,795	-
Government	63,107,592	-	63,107,592	-
Corporate	56,286,063	-	56,286,063	-
Municipal	318,417,648	-	318,417,648	-
Total bonds	462,540,098	-	462,540,098	-
Total assets at fair value	$ 566,438,139	$ 103,328,484	$ 463,109,655	$ -

	As of December 31, 2018			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 50,800,612	$ 50,549,304	$ 251,308	$ -
Equities:				
Common stock	58,089,401	58,089,401	-	-
Other	7,464,472	7,464,472	-	-
Total equities	65,553,873	65,553,873	-	-
Bonds:				
Bank Loans	23,148,477	-	23,148,477	-
Government	58,178,487	-	58,178,487	-
Corporate	52,793,906	-	52,793,906	-
Municipal	326,596,549	-	326,596,549	-
Total bonds	460,717,419	-	460,717,419	-
Total assets at fair value	$ 577,071,904	$ 116,103,177	$ 460,968,727	$ -

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5. Income Taxes

For federal income tax purposes, CE has elected for the qualified assets of the Trust to be taxed as a Qualified Settlement Fund (QSF). The following is a summary of the estimated net taxable operating income for the years ended December 31:

	2019	2018
Increase/decrease in net claimants' equity before income taxes	$ 44,099,208	$ (4,098,801)
Less: other non-taxable income	(668,883)	(4,486)
Less: municipal bond interest	(8,206,401)	(9,218,792)
Less: realized (gains) losses on investment securities	(1,033,667)	-
Less: receipts from settlements and scheme payments	(2,000,000)	(10,537,505)
Plus: realized losses on investment securities	-	6,988,774
Plus (Less): change in net unrealized gains on investment securities, net of amortization expense	(28,875,827)	18,176,872
Plus: expenses allocable to municipal bond interest	-	1,230,360
Plus: income taxes paid and accrued	1,946,570	1,489,645
Net taxable operating income	5,261,000	4,026,067
Statutory tax rate	37.0%	37.0%
Provision for current income taxes	$ 1,946,570	$ 1,489,645

On December 22, 2017, Congress passed the Tax Cuts and Jobs Act (the 2017 Tax Act) which reduced the income tax rate from 39.6% to 37% and modified the rules regarding the usability of certain net operating losses for the Trust beginning on January 1, 2018. There are no net operating loss carryback provisions under the 2017 Tax Act. As of December 31, 2018, the Trust has approximately $7,616,000 of net capital loss carryforwards available to offset future capital gains. These net capital loss carryforwards will expire, if not utilized, on various dates through 2023. 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.

Additionally, as of December 31, 2019, the estimated deferred tax liability associated with unrealized gains on investments is approximately $16,696,000. As of December 31, 2018, the estimated deferred tax liability associated with unrealized gains on investments is approximately $6,012,000.

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.

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6. Distributions from Net Claimants' Equity

For the years ended December 31, 2019 and 2018, the Trust settled 12,235 and 16,847 claims totaling $63,819,518 and $72,477,515, respectively. For the years ended December 31, 2019 and 2018, the Trust received 24,256 and 25,873 new claim filings, respectively.

The following is a reconciliation of distributions from claimants' equity to total claims (and related expenses) paid for the years ended December 31:

	2019	2018
Claim settlements	$ 63,819,518	$ 72,477,515
Change in accrued claims and expenses	(4,155,943)	(2,363,591)
Total cash paid for distributions to claimants	$ 59,663,575	$ 70,113,924

7. Contingent Liabilities

The Plan Documents (as defined in the Plan) subject 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 special-purpose financial statements. Such claims, if any, are not expected to be material.

8. Liability for Asbestos Claims

Personal injury claims that were settled, but unpaid as of December 31, 2019 and 2018, have been accrued and included in accrued claims, accrued expenses and accounts payable. These amounts have been included in distributions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the years ended December 31, 2019 and 2018.

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, 2019 and 2018 represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

9. Subsequent Events

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The COVID-19 outbreak has negatively impacted investment markets through the date of issuance of these special-purpose financial statements and caused a temporary decline in the Trust's investment portfolio. The Trustees, Trust advisors, and management of the Trust are actively

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monitoring the impact of the global situation. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Trust is not able to estimate the effects of the COVID-19 outbreak on its operations and net claimants' equity for fiscal year 2020.

In addition, On March 27, 2020, the President of the United States signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions for an elective five-year carryback of net operating losses (NOLs) generated in taxable years beginning after December 31, 2017 and before January 1, 2021. Taxpayers may elect to relinquish the entire five-year carryback period with respect to a particular year's NOL, with the election being irrevocable once made. In addition, the 80% limitation on NOL deductions arising in taxable years beginning after December 31, 2017, has temporarily been pushed to taxable years beginning after December 31, 2020. The Trustees, Trust advisors, and management continue to examine the impact that the CARES Act may have on the Trust and are currently unable to determine the impact on its operations and net claimants' equity for fiscal year 2020.

The Trust has evaluated its December 31, 2019 special-purpose financial statements for subsequent events through April 22, 2020, the date the special-purpose financial statements were available to be issued. Other than the matter described above related to the COVID-19 outbreak and the CARES Act, 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

Years Ended December 31, 2019 and 2018

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Independent Auditor's Report on Supplementary Information

Trustees
Combustion Engineering 524(g) Asbestos PI Trust
Southfield, Michigan

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those special-purpose 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, LLP

April 22, 2020

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Combustion Engineering 524(g) Asbestos PI Trust

Schedules of Investment Income

Years Ended December 31,	2019	2018
Investment income		
Interest on bonds	$ 13,855,342	$ 14,123,762
Interest received from insurance settlement	2,068,740	-
Other dividends	1,812,520	1,764,830
Interest on short term investments	735,044	811,238
Total investment income	$ 18,471,646	$ 16,699,830

See independent auditor's report on supplementary information.

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Combustion Engineering 524(g) Asbestos PI Trust

Schedules of Operating Expenses, Income Taxes and Direct Investment Expenses

Years Ended December 31,	2019	2018
Operating expenses and income taxes		
Federal income taxes	$ 1,946,570	$ 1,489,645
Claims processing services	980,925	976,006
Legal fees	793,516	897,876
Consulting	511,103	487,906
Accounting and audit	294,341	367,255
Trustee disbursements	734,425	687,429
Insurance	128,422	129,173
Other expenses	3,333	51,076
Administrative costs	4,000	4,000
Total operating expenses and income taxes	$ 5,396,635	$ 5,090,366
Direct investment expenses		
Investment advisory fees	$ 883,155	$ 1,029,324
Foreign taxes	(52,145)	(11,742)
Custodial fees	50,000	57,830
Total direct investment expenses	$ 881,010	$ 1,075,412

See Independent auditor's report on supplementary information.

CERTIFICATE OF SERVICE

I, Andrea L. Ducayet, certify that on April 29, 2020, a true and correct copy of the foregoing was served on the parties listed below via first class mail and all other parties registered for electronic service via CM/ECF.

/s/ Andrea L. Ducayet

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