UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
FULLER-AUSTIN INSULATION COMPANY,	)	**C.A. No. 02-1661 (LPS)**
	)	
Debtor.	)	

Annual Report of Trustees

Pursuant to Sections 2.2(c)(ii) of that certain Fuller-Austin Asbestos Settlement Trust's Trust Agreement effective as of December 8, 1998 (the "Trust Agreement"), the Trustees of the Fuller-Austin Asbestos Settlement Trust (the "Trust") hereby file required reports as follows (capitalized terms not otherwise defined herein shall be used with the meanings given them in the Trust Agreement):

1. The audited annual financial statements of the Trust for the year ended December 31, 2023.

2 A summary of the number and the type of claims disposed of during 2023.

As required by the Trust Agreement, the Approving Entities and Reorganized Fuller-Austin have been provided copies of these reports.

Executed April 1, 2024.

Fuller-Austin Asbestos Settlement Trust

By: _____
Anne Ferazzi, Trustee

4885-7625-6939 v.1

Fuller-Austin Asbestos Settlement Trust

Consolidated Special-Purpose Financial Statements and Independent Auditor's Report

December 31, 2023 and 2022

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Fuller-Austin Asbestos Settlement Trust

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Independent Auditor's Report

To the Trustees
Fuller-Austin Asbestos Settlement Trust

Opinion

We have audited the consolidated special-purpose financial statements of Fuller-Austin Asbestos Settlement Trust (the "Trust"), which comprise the consolidated special-purpose statements of net claimants' equity as of December 31, 2023 and 2022, and the related consolidated special-purpose statements of changes in net claimants' equity and investments for the years then ended, and the related notes to the consolidated special-purpose financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the consolidated net claimants' equity of the Trust as of December 31, 2023 and 2022, and the consolidated statements of changes in net claimants' equity and investments for the years then ended in accordance with the basis of accounting described in Note 2 to the Financial Statements.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Restriction on Use

This report is intended for the information and use of the Trustees, management of the Trust, and for filing with the United States Bankruptcy Court for the District of Delaware and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the United States Bankruptcy Court for the District of Delaware, the report is a matter of public record, which public filing does not expand the listed specified users.

CohnReznick LLP

Dallas, Texas
March 26, 2024

Fuller-Austin Asbestos Settlement Trust

Consolidated Special-Purpose Statements of Net Claimants' Equity
December 31, 2023 and 2022

	2023	2022
Assets		
Investments, at fair value	$ 107,773,677	$ 97,447,888
Investment income receivable	709,190	627,200
Income tax receivable	122,902	449,565
Prepaid expenses and other assets	154,994	151,112
Investment in Trust Services, Inc.	-	27,785
Total assets	$ 108,760,763	$ 98,703,550
Liabilities		
Accounts payable and accrued expenses	$ 135,934	$ 76,879
Deferred tax liability	7,271,708	2,699,756
Accrued asbestos injury claims	41,910	227,545
Total liabilities	7,449,552	3,004,180
Net claimants' equity	$ 101,311,211	$ 95,699,370

See Notes to Consolidated Special-Purpose Financial Statements.

Fuller-Austin Asbestos Settlement Trust

Consolidated Special-Purpose Statements of Changes in Net Claimants' Equity
Years Ended December 31, 2023 and 2022

	2023	2022
Additions		
Investment income (loss), net:		
Interest and dividends	$ 2,294,273	$ 1,716,143
Realized gain on investments, net	1,166,254	549,903
Unrealized gain (loss) on investments, net	11,993,564	(15,987,490)
Total investment income (loss), net	15,454,091	(13,721,444)
Proceeds from insurance settlements	216,595	-
Federal income tax benefit	-	6,158,453
Total additions (losses)	15,670,686	(7,562,991)
Deductions		
Claims expense	3,882,756	14,718,080
Operating and legal expenses	1,290,760	1,288,780
Federal income tax expense	4,885,329	-
Total deductions	10,058,845	16,006,860
Change in net claimants' equity	5,611,841	(23,569,851)
Net claimants' equity, beginning of year	95,699,370	119,269,221
Net claimants' equity, end of year	$ 101,311,211	$ 95,699,370

See Notes to Consolidated Special-Purpose Financial Statements.

Fuller-Austin Asbestos Settlement Trust

Consolidated Special-Purpose Statements of Changes in Investments
Years Ended December 31, 2023 and 2022

	2023	2022
Inflows		
Net earnings from investments	$ 3,406,322	$ 1,888,199
Proceeds from insurance settlements	216,595	-
Total inflows	3,622,917	1,888,199
Outflows		
Operating and legal expenses	1,222,301	1,386,379
Income tax payments	-	420,000
Asbestos claim payments	4,068,391	14,262,990
Total outflows	5,290,692	16,069,369
Net ouflows	(1,667,775)	(14,181,170)
Noncash changes		
Net unrealized gain (loss) on investments	11,993,564	(15,987,490)
Net increase (decrease) in investments	10,325,789	(30,168,660)
Investments, beginning of year	97,447,888	127,616,548
Investments, end of year	$ 107,773,677	$ 97,447,888

See Notes to Consolidated Special-Purpose Financial Statements.

Note 1 - Description of the Trust

General

Fuller-Austin Asbestos Settlement Trust (the "Trust") was established on December 11, 1998, pursuant to the Order Approving the Disclosure Statement and Confirming the Plan of Reorganization under chapter 11 of the United States Bankruptcy Code for Fuller-Austin Insulation Company (the "Plan") dated November 13, 1998 (the "Confirmation Order"). The Trust was formed to resolve, pursuant to the Plan and Plan documents, the liabilities of Fuller-Austin Insulation Company ("Fuller-Austin"), resulting from known and unknown asbestos disease claims ("Asbestos Claims"), and the pending and threatened litigation related to such claims. The asbestos liabilities of Fuller-Austin and the Trust were established by judgment upon issuance of the Confirmation Order. Asbestos Claims typically allege asbestos-related disease or injury from occupational exposure to asbestos or products that contained asbestos.

Upon formation of the Trust, assets consisting of cash and 100 percent ownership of Fuller-Austin were transferred to the Trust.

Through its ownership of Fuller-Austin, the Trust has the right to reimbursement of Asbestos Claims indemnity and expense under the general liability insurance policies purchased by Fuller-Austin.

Claims

The Trust is intended to be self-liquidating. The Trust's estimated liability is based, in part, on Fuller-Austin's liability that was legally established by confirmation of the Plan and the forecast of the number of claims, by disease, expected to be resolved by the Trust over the next twenty-nine years. The amount of insurance that will ultimately be recovered and available to settle these claims is not currently known. The total number of claims to be filed may result in Allowed Asbestos Claims in excess of the assets and insurance available for repayment, thus resulting in substantially equivalent pro rata payments to all holders of Allowed Asbestos Claims.

The purpose of the Trust is to assume the liabilities of Fuller-Austin, its successors in interest, and their Affiliates, arising from or relating to Asbestos Claims, and to use the Trust's assets and income to pay holders of Allowed Asbestos Claims in accordance with the Confirmation Order, Asbestos Claims Resolution Procedures ("CRP"), and Trust Agreement in such a way that all holders of similar Asbestos Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust established pursuant to section 524(g)(2)(B)(I) of the Bankruptcy Code.

Through December 31, 2016, the Trust's payment percentage was 78%, which was adjusted from 71% on October 17, 2013. During 2017, Trustees, based on the increase in the claim liability forecast by the Trust's experts, reduced the payment percentage to 41.6% for all claims paid beginning January 1, 2017. An additional decrease to the payment percentage was made in October 2017 to further reduce the payment percentage to 16.2%. On October 27, 2022, the Trustees approved to increase the payment percentage from 16.2% to 30%.

The Trustees are responsible for supervising and/or administering the Asbestos Claims resolution process and effectively managing the assets held by the Trust to fund Asbestos Claims liabilities channeled to the Trust by the Confirmation Order.

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Termination
Pursuant to the Trust Agreement, the Trust will automatically terminate on the date (the "Termination Date") ninety (90) days after the first to occur of the following events:

- All Asbestos Claims filed have been settled, or otherwise resolved, and twelve months have elapsed during which no new Asbestos Claim has been filed;
- The Trustees have in place irrevocable insurance policies and claims handling agreements (with suitable third parties) both of which have been approved by the court and are adequate to discharge all expected remaining obligations and expenses of the Trust; or
- Twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all the descendants of Joseph P. Kennedy, Sr. of Massachusetts living on December 11, 1998.

As provided in Section 7.2(b) of the Trust Agreement, the Termination Date, after payment of all the Trust's liabilities have been provided for, all monies remaining in the Trust estate shall be given to such organization(s) exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (the "IRC"), which tax-exempt organization(s) shall be selected by the Trustees using their reasonable discretion; provided, however, that (i) if practicable, the tax-exempt organization(s) shall be related to the treatment of, research on or the relief of suffering of individuals suffering from asbestos related lung disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to Reorganized Fuller-Austin within the meaning of section 468B(d)(3) of the IRC. Notwithstanding any other provision of the Plan Documents, this Article 7.2(b) cannot be modified or amended.

Note 2 - Summary of significant accounting policies

Basis of presentation
The Trust's special-purpose consolidated financial statements (the "Financial Statements") are prepared using special-purpose accounting methods adopted by the Trustees, which differs from accounting principles generally accepted in the United States of America ("GAAP"). The special-purpose basis of accounting was applied in order to communicate to the beneficiaries of the Trust the amount of net assets presently available to fund current and future claims. Since the accompanying Financial Statements and transactions are not based upon GAAP, accounting treatment applied by other parties for these same transactions may differ as to timing and amount. The significant differences from GAAP and the special purpose basis of accounting are as follows:

- The Financial Statements are prepared using the accrual basis of accounting, except as otherwise described herein.
- Cash and cash equivalents are recorded at cost and included in investments.
- The accrual for unpaid asbestos claims reflected in the consolidated special-purpose statement of net claimants' equity represents accepted but unpaid claims. No liability is recorded for future claim filings and filed claims on which no acceptance has been received. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not reported and for those claims that have been submitted but not yet approved for payment by the Trust.
- These Financial Statements do not include a statement of cash flows. The Financial Statements include a consolidated statement of changes in investments. This statement

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represents the various inflows and outflows of cash during the reporting periods in order to reconcile the changes in investments, at fair value, from the beginning to the end of the respective year on the cash basis.

- The Trust has recorded its Investment in Trust Services, Inc. ("TSI") at historical cost. Under GAAP, the investment would be treated differently. See Note 7.

Consolidation
The accompanying Financial Statements include the Trust and its wholly-owned subsidiary, Fuller-Austin. All significant inter-company transactions and balances have been eliminated.

Subsequent events
The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through March 26, 2024, the date on which the Financial Statements were available to be issued.

Cash and cash equivalents
The Trust considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments
Investments are measured at fair value. Changes in fair value are recorded as increases or decreases to the fund balance (deficit). The Trust records securities transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recorded on an accrual basis. All investments are considered to be available for sale.

Fair value of investments
The Trust measures its investments at fair value, according to a hierarchy of valuation techniques. See Note 5. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies an investment for each level:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs other than Level 1 that are based on observable market data. These include quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, Inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and Inputs that are derived from or corroborated by observable markets.

Level 3: Developed from unobservable data, reflecting the investment manager's assumptions.

When quoted prices in active markets for identical assets are available, these quoted market prices are used to determine the fair value of financial assets and classify these assets as Level 1. In other cases where a quoted market price for identical assets in an active market is either not consistently available or not observable, fair value is estimated using valuation methodologies based on available and observable market information or a matrix pricing model. These financial assets would then be classified as Level 2. If quoted market prices are not available, fair value is determined using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. In these instances, financial assets will be classified based upon the lowest level of input that is significant to the valuation. Thus, financial assets may be classified in Level 3 even though there may be some significant inputs that may be readily available.

From time to time the Trust may hold financial investments where there is no active market, or the market is dislocated. When determining the fair value of such investments the valuation depends on facts and circumstances requiring significant management judgment. It is acceptable to use inputs based on management estimates or assumptions, or for management to make adjustments to observable inputs to determine fair value when markets are not active and relevant observable inputs are not available.

Fund balance (deficit)
The initial funding, all other assets received, and all payments made by the Trust are recorded directly to the fund balance (deficit). Estimates of certain liabilities are also recorded directly to the fund balance (deficit) when they become estimable and probable. Portions of the fund balance (deficit) are used to fund the legal and operational expenses of the Trust. The fund balance (deficit) represents current funding available to compensate all present and unknown claimants, as well as the Trustees' estimate of the aggregate liability for Asbestos Claims.

Insurance proceeds and insurance settlements
All, or a portion of, future proceeds to be paid to the Trust through the execution of a settlement agreement with the insurer will be recognized as an accrued receivable if and when all of the following conditions are met:

- The Trust has obtained an executed copy of the settlement agreement.
- Future payments due to the Trust are in settlement of policies that have been exhausted by claims incurred by the Trust, and the terms of settlement can reasonably be assumed to be satisfied.
- The future claims paying ability of the insurer is deemed to be collectible, and the insurer holds a Standard & Poor's rating of AA- or better.

Unless the unpaid amounts due under an insurance settlement qualify as accrued receivables, future payments will be recognized on a cash (as received) basis in the corresponding accounting period.

Claims and claim expenses
Claims and claim expenses are recorded when they can be estimated and are probable.

Concentration of credit risk
Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash equivalents and investments. The Trust maintains cash equivalents at financial institutions it considers to be of high credit quality. At times, the Trust may have cash deposits in banks that exceed federally insured limits. The Trust has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss related to cash.

The Trust's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and such change could materially affect the value of the Trust's portfolio.

Use of estimates
The preparation of the Financial Statements in conformity with special-purpose accounting methods requires the Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial

Statements and the reported amounts of additions and deductions to the net claimants' equity during the reporting periods. Significant items subject to such estimates and assumptions include the fair value of investments and income taxes. Actual results could differ from those estimates.

Income taxes
Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when it is more likely than not that the deferred tax assets may not be realized.

The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issues is subject to the Trustees' assessment of relevant risks, facts, and circumstances existing at that time. The Trust uses a more likely than not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. To the extent that the Trustees' assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating expenses, respectively.

Note 3 - Claims resolution

The CRP was adopted in connection with the Plan. The CRP provides for processing, allowing or disallowing, liquidating, and paying all Asbestos Claims as required by the Plan and the Trust Agreement.

Note 4 - Trust Advisor and Legal Representative

Pursuant to the Plan and the Trust Agreement, two advisory positions were established: the Trust Advisor and the Legal Representative. The Trust Advisor serves in a fiduciary capacity representing all holders of Asbestos Claims, excluding unknown Asbestos Claimants. The Legal Representative serves in a fiduciary capacity representing the interests of the Unknown Asbestos Claimants, for the purpose of protecting the rights of individuals who may subsequently assert demands. As required by the Plan and the Trust Agreement, the Trust Advisor and the Legal Representative provide consultative services to the Trustees regarding specific issues affecting the Trust. Additionally, the Plan provides for instances in which the consent of the Trust Advisor and the Legal Representative must be obtained by the Trustees before implementing a decision.

Note 5 - Investments and fair value measurements

The Trust had net unrealized holding gains on investments of approximately $19,653,000 and $7,660,000 at December 31, 2023 and 2022, respectively. The costs and estimated fair values of the Trust's investments are as follows at December 31:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Cash equivalents	$ 4,832,786	$ 4,832,786	$ 3,673,036	$ 3,673,036
Debt securities	58,330,902	59,336,326	60,166,248	59,998,826
Equity securities	24,956,725	43,604,565	25,948,904	33,776,026
	$ 88,120,413	$ 107,773,677	$ 89,788,188	$ 97,447,888

The following is a description of the valuation methodologies used for financial assets measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy.

Cash equivalents
Cash equivalents consist primarily of cash balances and amounts receivable/payable for unsettled securities transactions held/initiated at the clearing brokers of the Trust and money market funds and are carried at cost, which approximates fair value, and are classified as Level 1.

Debt securities
The Trust's investments in debt securities do not have quoted market prices. These fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow and are classified within Level 2 of the valuation hierarchy. These Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions and certain corporate, asset-backed, and other securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, these securities could be classified within Level 3 of the valuation hierarchy. Currently, all of the Trust's debt securities are considered to be Level 2 securities.

Equity securities
All of the Trust's equity securities are those that are traded on public markets. These securities are classified as Level 1 because quoted prices are available for these securities in an active market.

Financial assets with changes in fair value that are measured on a recurring basis were as follows at December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 4,832,786	$ -	$ -	$ 4,832,786
Debt securities	-	59,336,326	-	59,336,326
Equity securities	43,604,565	-	-	43,604,565
Total	$ 48,437,351	$ 59,336,326	$ -	$ 107,773,677

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	2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 3,673,036	$ -	$ -	$ 3,673,036
Debt securities	-	59,998,826	-	59,998,826
Equity securities	33,776,026	-	-	33,776,026
Total	$ 37,449,062	$ 59,998,826	$ -	$ 97,447,888

Note 6 - Insurance settlements receivable

In May 2003, Fuller-Austin executed a settlement agreement with The Home Insurance Company ("Home") in the amount of $2,166,000. Subsequent to the settlement, Home entered into liquidation in New Hampshire. The settlement was confirmed by the Home Liquidator. To date, Home has paid approximately $866,000 based on the current Home payment percentage of 25%. Fuller-Austin expects to receive additional payments over several years as the Home payment percentage is increased. The amount and timing of additional payments is unknown.

In June 2017, Fuller-Austin entered into a settlement agreement with the insolvent London Market estates of OIC Run-Off Limited and London and Overseas Insurance Company Limited (together, the "Companies") to resolve remaining unresolved insurance coverage for which Fuller-Austin was the named insured. This settlement totaled $2,154,030 and the Companies have paid approximately $1,737,000 to date. Fuller-Austin expects to receive additional payments over several years as the payment percentage is increased. The amount and timing of additional payments is unknown.

Note 7 - Investment in Trust Services, Inc.

The Trust is an owner of Trust Services, Inc. (a Texas corporation) ("TSI") along with the NGC Bodily Injury Trust ("NGC"). Currently, each owner trust, the Trust and NGC, has a one-half interest in TSI through the ownership of one share of TSI stock each. During 2023, the stockholders of TSI decided to proceed with a liquidation of TSI, and the Trust entered into a comprehensive claims processing and services agreement with a third party. In connection with the proposed liquidation of TSI in 2024, the Trust has adjusted its investment in TSI to zero. The new agreement commenced on September 1, 2023 with an initial term of one year with an automatic two-year renewal unless terminated prior to the initial term. The new agreement provides administrative, financial, investment, and claims processing services.

Prior to the agreement discussed above, the Trust had a comprehensive services agreement with TSI, which provided administrative, financial, investment, and claims processing services to the Trust in exchange for a pro-rata reimbursement of TSI's expenses based on an agreed upon allocation methodology. The Trust has recorded expenses with TSI of approximately $297,000 and $376,000 for the years ended December 31, 2023 and 2022, respectively. The Trust had prepaid expenses with TSI of approximately $70,000 and $63,000 at December 31, 2023 and 2022, respectively.

Note 8 - Taxation

The Trust reports its income to the Internal Revenue Service as a designated settlement fund which is taxed at the highest rate applicable to trusts under Section 1(e) of the IRC, which is 37% for the years ended December 31, 2023 and 2022, respectively.

Fuller-Austin Asbestos Settlement Trust

Notes to Consolidated Special-Purpose Financial Statements
December 31, 2023 and 2022

The Trust's federal income tax expense is calculated as follows:

	Years ended December 31,	
	2023	2022
Modified taxable income (loss)	$ 882,874	$ (363,060)
Tax rate	37%	37%
Tax expense (benefit) generated on modified taxable income	326,663	(134,332)
True up of prior year estimates	(13,286)	319,944
Deferred income tax expense (benefit)	4,571,952	(6,344,065)
Net federal income tax expense (benefit)	$ 4,885,329	$ (6,158,453)

The tax effects of temporary differences that give rise to deferred tax assets and liabilities were as follows:

	December 31,	
	2023	2022
Unrealized gain on investments	$ (7,271,708)	$ (2,834,088)
Net operating loss carryforward	-	134,332
Net deferred tax assets (liabilities)	$ (7,271,708)	$ (2,699,756)

The Trust has not recognized any income tax liability or expense related to the review of uncertain tax positions.

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IV. Disposition of Claims 2023

Disease Name	Allowed	Disallowed	Total
Mesothelioma	19	16	**35**
Lung Cancer	31	20	**51**
Laryngeal Cancer	2	2	**4**
Esophageal Cancer	5	1	**6**
Stomach Cancer	0	4	**4**
Colo-Rectal Cancer	18	5	**23**
Asbestosis	813	87	**900**
Pleural Disease	16	8	**24**
Total	**904**	**143**	**1,047**

969 Claims filed in 2023

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

In re: FULLER-AUSTIN INSULATION COMPANY, Debtor.	C.A. No. 02-1661 (LPS)

CERTIFICATE OF SERVICE

I hereby certify that on April 9, 2024, the foregoing document was caused to be served via the Court's CM/ECF system upon all counsel of record.

I hereby further certify that on April 9, 2024, the foregoing document was caused to be served as indicated upon the following parties:

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