IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	)	Jointly Administered at
	)	Case No. 03-35592 JKF
MID-VALLEY, INC., *et. al*.,	)	
	)	Chapter 11
Reorganized Debtors.	)	
	)	Document No. 2669
	)	

ORDER OF COURT PERMITTING THE FILING OF CERTAIN DOCUMENTS WITHOUT REOPENING THE REORGANIZATION CASES[1]

WHEREAS, this Court entered an Order of Final Decree on November 21, 2005 at Docket No. 2514 ordering that the Reorganized Debtors' Reorganization Cases be closed; and

WHEREAS, pursuant to the terms of the Confirmation Order, the Asbestos PI Trust Documents and the Silica PI Trust Documents, certain additional informational and other filings are anticipated to be made including, but not limited to (i) annual reports to be filed by the Asbestos and Silica PI Trusts; and (ii) amended Plan Exhibits filed by the Reorganized Debtors (collectively, the "Additional Filings"); and

WHEREAS, at the hearing held on November 6, 2006, this Court indicated that the Additional Filings should not necessitate the reopening of these Reorganization Cases or any related payment of filing fees; it is hereby

ORDERED, that the Clerk of this Court is directed to accept the Additional Filings and the Additional Filings shall not require the reopening of these Reorganized Cases or

[1] Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Uniform Glossary of Defined Terms for Plan Documents filed of record on November 5, 2004 (Dkt. No. 2086).

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the payment of any related filing fees; and it is further

ORDERED, each such Additional Filing shall include a copy of this Order, affixed to the front of the Additional Filing; and it is further

ORDERED, that counsel for the Reorganized Debtors shall immediately serve a copy of this Order on (i) each entity set forth in the Reorganized Debtors' current Official Service List; (ii) each entity set forth on the current Bankruptcy Rule 2002 Notice List; and (iii) any other parties-in-interest, and file a certificate of service with the Clerk of the Bankruptcy Court within ten (10) days hereof; and it is further

ORDERED, that the Clerk of the Bankruptcy Court is hereby directed to make a notation on the dockets that, the Reorganization Cases (Case Nos. 03-35592, 03-35593, 03-35595, 03-35596, 03-35597, 03-35599, 03-35600, and 03-35601) have been closed.

Dated: Dated: 11/16/2006 12:39:42, 2006

Judith K. Fitzgerald
wmk
Judith K. Fitzgerald
United States Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:	§	Jointly Administered at
	§	Case No. 03-35592-JKF
MID-VALLEY, INC., et al.,	§	
	§	Chapter 11
Reorganized Debtors	§	
	§	

DII INDUSTRIES, LLC ASBESTOS PI TRUST'S 2022 ANNUAL REPORT

Pursuant to the DII Industries, LLC Asbestos PI Trust Agreement, the Trustees of the DII Industries, LLC Asbestos PI Trust ("Trust") report the following 2022 activities:

I. Financial Statements

The Trust's Special-Purpose Financial Statements and Independent Auditor's Report for the years ended December 31, 2022 and 2021 are attached as Exhibit A.

II. Claims Summary

A summary of the number and types of claims the Trust disposed of in 2022 is attached as Exhibit B.

III. Documented Site List

A summary of the changes the Trust made to its Documented Site list in 2022 is attached as Exhibit C.

IV. Trustees' Fees, Expenses, and Activities

In 2022, the Trustees earned $819,700 and were reimbursed $32,265 of the expenses they incurred (a) conducting weekly meetings with the Trust's staff; (b) leading quarterly meetings with the Trust Advisory Committee and Legal Representative; (c) monitoring the Trust's financial portfolio; (d) regularly meeting with the Trust's financial advisors and investment managers; (e) reviewing and approving the Trust's financial statements, audit reports, and

processes; (f) supervising the Trust's responses to discovery requests and activity in arbitrations, mediations, and litigation; (g) monitoring developments in legislation, litigation, and bankruptcies that could affect the Trust; (h) evaluating and revising the Trust's claims review processes; (i) monitoring the Trust's claims processing facility's performance; (j) assessing the Trust's staffing needs and compensation; (k) supervising continued enhancements to the Trust's information security procedures and infrastructure; and (l) otherwise administering the Trust.

In particular, and as described below, the Trustees devoted significant attention to (a) overseeing the Trust's claims audit program and (b) responding to subpoenas seeking claims information issued by debtors in North Carolina bankruptcy proceedings.

A. Claims Audit Program

The Trust resolved more than 800 claim audits in 2022 as part of its ongoing efforts to ensure that its assets are used to pay valid claims. The Trustees received frequent reports on these audits from Trust staff and guided their resolutions.

B. North Carolina Bankruptcy Court Subpoenas

Certain debtors in chapter 11 bankruptcy cases in North Carolina issued subpoenas to the Trust, other asbestos trusts, and the Trust's and other trusts' claims processing facilities in 2021 and 2022. The Trust moved to quash or modify the subpoenas in order to protect the confidentiality of Trust claimants' information. The Trustees received regular reports from Trust staff, asked questions, provided feedback, and oversaw the Trust's response to each subpoena.

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V. Trust Advisory Committee Fees, Expenses, and Activities

In 2022, the Trust paid the Trust Advisory Committee and its legal counsel and other professionals $38,694 in fees and reimbursed $1,587 of the expenses they incurred. During the year, the Trust Advisory Committee advised the Trustees on their performance of the activities discussed above.

VI. Legal Representative Fees, Expenses, and Activities

In 2022, the Trust paid the Legal Representative and his legal counsel and other professionals $52,245 in fees and reimbursed $3,280 of the expenses they incurred. Like the Trust Advisory Committee, the Legal Representative advised the Trustees on their performance of the activities discussed above.

VII. Additional Information

For additional information regarding the Trust's financial statements or operations, please contact its Executive Director, Gregg McHugh, at 12222 Merit Drive, Suite 1150, Dallas, Texas 75251, or at 214-271-0554, or go to www.diiasbestostrust.org.

/s/
Marcellene J. Malouf, Managing Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Mark M. Gleason, Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Honorable David R. Herndon, Trustee
DII Industries, LLC Asbestos PI Trust

Exhibit A

Special-Purpose Financial Statements and Independent Auditor's Report

December 31, 2022 and 2021

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DII Industries, LLC Asbestos PI Trust

Special-Purpose Financial Statements and Independent Auditor's Report

December 31, 2022 and 2021

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DII Industries, LLC Asbestos PI Trust

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Independent Auditor's Report

To the Trustees of the
DII Industries, LLC Asbestos PI Trust

Opinion

We have audited the accompanying special-purpose financial statements of the DII Industries, LLC Asbestos PI Trust (the "Trust"), which comprise the special-purpose statement of net claimants' equity as of December 31, 2022, the related special-purpose statements of changes in net claimants' equity and changes in investments for the year then ended, and the related notes to the financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2022, and the changes in net claimants' equity and investments for the year 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 that accounting principles generally accepted in the United States of America (“GAAP”). The special-purpose basis of accounting has adopted by the Trustees to present the amount of equity presently available to current and future claimants and the changes in equity during the periods. As a result, the Financial Statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Other Matter - Prior Year Financial Statements

The Financial Statements of the Trust as of and for the year ended December 31, 2021, before the restatement described in Note 3, were audited by BKM Sowan Horan, LLP ("BKM"), whose partners and professional staff joined CohnReznick, LLP as of November 1, 2022. BKM expressed an unmodified opinion on those statements in their report dated April 21, 2022. Their auditor’s report included an emphasis of matter indicating that the Trust's Financial Statements were prepared on the special-purpose basis of accounting which is a basis of accounting used to communicate the amount of net equity presently available to current and future claimants. As part of our audit of the December 31, 2022 Financial Statements, we also audited the adjustments described in Note 3 that were applied to restate the 2021 Financial Statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 Financial Statements of the Trust other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2021 Financial Statements as a whole.

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Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility 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, including omissions, 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.

Restriction of 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 Western District of Pennsylvania - Pittsburgh Division (the "Bankruptcy Court"), and it should not be used by anyone other than those specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the listed specified users.

CohnReznick LLP

Dallas, Texas
April 27, 2023

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DII Industries, LLC Asbestos PI Trust

Special-Purpose Statements of Net Claimants' Equity
December 31, 2022 and 2021

	2022	2021 (as restated) Note 3
Investments, at fair value	$1,312,068,304	$1,587,055,146
Investment income receivable	8,961,997	9,421,903
Prepaid expenses and other assets	382,180	327,853
Prepaid income taxes	11,906,200	2,395,048
Property and equipment, net	65,688	57,928
Operating lease assets	702,152	-
Total assets	1,334,086,521	1,599,257,878
Liabilities and Net Claimants' Equity		
Accounts payable and accrued expenses	803,072	899,712
Settled but unpaid claims	3,653,448	3,536,603
Deferred income tax liability	88,629,822	131,509,314
Lease liability	709,489	-
Total liabilities	93,795,831	135,945,629
Net claimants' equity	$1,240,290,690	$1,463,312,249

See Notes to Special-Purpose Financial Statements.

DII Industries, LLC Asbestos PI Trust

Special-Purpose Statements of Changes in Net Claimants' Equity
Years Ended December 31, 2022 and 2021

	2022	2021 (as restated) Note 3
Investment income (loss), net		
Interest and dividends, net	$ 27,904,188	$ 28,209,843
Realized gain (loss) on investments, net	(2,961,877)	13,655,667
Unrealized gain (loss) on investments, net of investment fees and expenses	(164,831,325)	52,003,136
Total investment income (loss)	(139,889,014)	93,868,646
Operating expenses		
Asbestos claims payment expense	117,605,462	118,382,480
Operating and legal expenses	7,417,727	7,588,466
Total operating expenses	125,023,189	125,970,946
Loss before federal income taxes	(264,912,203)	(32,102,300)
Income tax benefit (expense)	41,890,644	(19,682,031)
Decrease in net claimants' equity	(223,021,559)	(51,784,331)
Net claimants' equity, beginning of year	1,463,312,249	1,515,096,580
Net claimants' equity, end of year	$1,240,290,690	$1,463,312,249

See Notes to Special-Purpose Financial Statements.

DII Industries, LLC Asbestos PI Trust

Special-Purpose Statements of Changes in Investments
Years Ended December 31, 2022 and 2021

	2022	2021
Investment inflows		
Investment income, net	$ 28,364,094	$ 28,629,154
Realized gains on investments, net	-	13,655,667
Total inflows	28,364,094	42,284,821
Investment outflows		
Asbestos claims payments	117,488,617	115,978,738
Realized losses on investments, net	2,961,877	-
Operating and legal payments	7,576,454	7,316,243
Income taxes paid	10,500,000	18,405,000
Total outflows	138,526,948	141,699,981
Net outflows	(110,162,854)	(99,415,160)
Noncash changes		
Net unrealized (loss) gain on investments	(164,831,325)	52,003,136
Operating lease costs	7,337	-
Net decrease in investments	(274,986,842)	(47,412,024)
Investments, beginning of year	1,587,055,146	1,634,467,170
Investments, end of year	$1,312,068,304	$1,587,055,146

See Notes to Special-Purpose Financial Statements.

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DII Industries, LLC Asbestos PI Trust

Notes to Special-Purpose Financial Statements
December 31, 2022 and 2021

Note 1 - Description of the Trust

General

The Trust is a Pennsylvania common law trust and is a Qualified Settlement Fund within the meaning of Treasury Department regulations issued pursuant to Section 468B of the Internal Revenue Code. The Trust was created on January 20, 2005, in connection with the plan of reorganization (the "Plan") for DII Industries, LLC and certain of its affiliated debtors and debtors-in-possession (the "Debtors"). The Debtors were direct or indirect subsidiaries of Halliburton Company ("Halliburton"). The Plan was confirmed by order entered on July 21, 2004, by the Bankruptcy Court (the "Order"). The Order was affirmed by the United States District Court for the Western District of Pennsylvania on December 1, 2004. The Plan became effective on January 20, 2005. The Trust's purpose is to assume the asbestos liabilities of the Debtors, Halliburton, Harbison-Walker Refractories Company, and certain other businesses and to use the Trust's assets and income to pay holders of those liabilities so that all holders of similar asbestos claims, both current and future, are treated in a substantially equivalent manner.

Halliburton, its affiliates, and other related companies were granted the protection of a permanent channeling injunction entered by the Bankruptcy Court in connection with the Order. The injunction enjoins the assertion of Asbestos Unsecured PI Trust Claims ("Asbestos Claims") against those entities and channels such claims to the Trust for resolution.

The Trustees are fiduciaries to the Trust and are responsible for administering it and its assets in accordance with the Plan.

The Trust is governed by a Trust Agreement ("TA") and Trust Distribution Procedures ("TDP") that establish the framework and criteria for allowance and payment of Asbestos Claims by the Trust.

The Trust's assets consist primarily of cash, cash equivalents, and investments, which, with the earnings on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the value of each allowed claim that will actually be paid will be determined by projections of total allowable Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings, on the other.

The Trust will terminate in accordance with TA article 7.2.

Note 2 - Summary of significant accounting policies

Basis of accounting

The Trust's Financial Statements are prepared using a special-purpose accounting methods adopted by the Trust and its Trustees, which differs from GAAP. The special-purpose accounting methods are being used to better communicate the equity available to satisfy 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. These special-purpose accounting methods and the differences from GAAP include the following:

- No liability is recorded for future claim filings that could be received over the life of the Trust or for filed claims on which no settlement offer has been made.
- Certain investment disclosures required under GAAP are not included.

- These Financial Statements do not include a statement of cash flows. The Financial Statements include a special-purpose statement of changes in investments.

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 stated at estimated fair value. Fair value for investments, other than the hedge funds and the foreign equity fund, are based on quoted market prices for identical or similar instruments traded in active markets as of the date of the Financial Statements. The fair value for the hedge funds and the foreign equity fund are based on the Trust's proportionate share of each fund's net assets, as reported as of the date of the Financial Statements. When determining the fair value of such investments, the valuation is dependent on facts and circumstances requiring judgment by the Trustees and Trust management. In exercising that judgment, they rely upon the valuation by the Trust's investment managers and advisors. Changes in fair value are recorded as additions and deductions to net claimants' equity. Realized gains and losses on investments are calculated based on the specific identification method. The Trust records investment transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recorded on an accrual basis.

Claims and claims processing expense
Amounts due to claimants for allowed claims are recorded when signed releases are received and verified. Allowed claims with signed releases that are received and verified but not paid before the end of the year are accrued as settled, but unpaid claims in the special-purpose statements of net claimants' equity. Additional or supplemental payments receive the same treatment when sufficient evidence has been received and verified. See Note 4.

Claims processing expenses are recorded as incurred and are included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and amortization. The Trust uses both straight-line and accelerated methods of depreciation over the estimated useful lives of the assets, which range from 5 to 7 years. Depreciation expense was approximately $22,000 and $21,000 for the years ended December 31, 2022 and 2021, respectively, and is included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Net claimants' equity
Net claimants' equity is available for (i) the payments of allowed asbestos-related claims, whether pending or future, and (ii) operational expenses of the Trust.

Concentration of credit risk
Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, cash equivalents, and investments. The Trust maintains cash and 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, based on consultations with its advisors, does not believe it is exposed to any significant credit risk.

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, the values of investments may change materially. The Trust has a formal investment policy that provides for diversification and establishes standards to invest the Trust's assets.

Use of estimates
The preparation of the Financial Statements requires the Trustees and Trust management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the Financial Statement date, and the reported amounts of additions to and deductions from net claimants' equity during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of investments and the estimates of current and deferred income taxes. Actual results could differ from these estimates.

Statements of changes in investments
The accompanying statements of changes in investments represent the various inflows and outflows 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.

Income taxes
Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws. 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 potential audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issue is subject to the Trustees' and Trust management's 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 Trust's assessment of such tax positions 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 and legal expenses, respectively. The Trust has not recognized any income tax liability or expense related to the review of uncertain tax positions.

Leases
At lease commencement, the Trust recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs, and lease incentives. See Note 9.

Subsequent events
The Trust has evaluated events and transactions subsequent to the date of the Financial Statements to determine if they require recognition or disclosure. The Financial Statements consider events through April 27, 2023, the date on which the Financial Statements were available to be issued.

Note 3 - Restatement of 2021 Financial Statements

During 2022, an error was identified in the tax cost basis of the hedge funds and the foreign equity fund which impacted the calculation of deferred income taxes. The error was a result of an input error

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made in 2015 and caused the deferred income tax liability to be overstated. The 2021 financial statements were adjusted as follows:

	Previously Reported	Restatement	As Restated
Special-Purpose Statement of Net Claimants' Equity			
Deferred income tax liability	$ 165,904,371	$ (34,395,057)	$ 131,509,314
Net claimants' equity	1,428,917,192	34,395,057	1,463,312,249
Special-Purpose Statement of Changes in Net Claimants' Equity			
Income tax expense	23,580,246	(3,898,215)	19,682,031
Decrease in net claimants' equity	(55,682,546)	3,898,215	(51,784,331)
Net claimants' equity, beginning of	1,484,599,738	30,496,842	1,515,096,580
Net claimants' equity, end of year	1,428,917,192	34,395,057	1,463,312,249

Note 4 - Funding of the Trust

Funding of the Trust was set forth in the Plan. On January 20, 2005, its effective date, the Trust received $950,000 in cash; a note receivable from Halliburton in the amount of $30,742,628 due December 31, 2005; and 59,500,000 shares of Halliburton stock from the Debtors, which had a market value of $2,504,652,500. The value of this funding, as of the effective date, totaled $2,536,345,128.

The Trust sold all shares of the Halliburton stock on March 23, 2005, generating proceeds to the Trust of $2,481,983,000, net of fees and other charges of $46,767,000. The note receivable was paid in full at a discounted amount of $30,685,035 by December 31, 2005. The net cash realized from the funding of the Trust totaled $2,513,618,035.

The Plan also provides for additional funding through the Asbestos PI Trust Additional Funding Agreement (the "Funding Agreement"). Under the Funding Agreement, the Debtors are obligated to pay the Trust any insurance recoveries in excess of $2,300,000,000. This obligation ceases once the Debtors have paid an aggregate of $700,000,000 to the Trust. No proceeds were received or due during the years ended December 31, 2022 and 2021, in connection with the Funding Agreement. No estimate of any future collection under this obligation has been recorded as it is uncertain to occur.

Note 5 - Claims processing

The Trust reviews and determines Asbestos Claims in accordance with the TDP. The TDP provides for processing, and either withdrawing; disallowing; or allowing, liquidating, and paying all Asbestos Claims as required by the Plan and the TA. For the years ended December 31, 2022 and 2021, approximately $117,605,000 and $118,382,000, respectively, were expensed as Asbestos Claims payments. The Trust had approximately $3,653,000 and $3,537,000, respectively, in claims which were qualified for payment but were unpaid at December 31, 2022 and 2021.

During 2018, the Trustees, Trust Advisory Committee ("TAC"), and Legal Representative ("LR") approved an increase to the Payment Percentage from 50% to 60%. As a result of the change, claims paid at Payment Percentages lower than 60%, subject to certain limitations, were paid a supplemental payment by the Trust. During the years ended December 31, 2022 and 2021, the Trust paid approximately $2,170,000 and $3,350,000 in such supplemental claims payments, respectively.

The TDP requires the Trust to dedicate 60% of the Maximum Available Payment ("MAP"), as defined in the TDP, in any given year to the payment of claims involving severe asbestosis and malignancies and to dedicate 40% of the MAP to claims involving non-malignant asbestosis and pleural disease. In 2019, the Trust suspended the enforcement of these restrictions. During the years ended December 31, 2022 and 2021, the Trust did not exhaust the MAP.

Note 6 - Estimated asbestos claims (unaudited)

At inception, the Trust estimated that its ultimate claims liability would be $3,700,000,000. It last updated this forecast in 2021, resulting in an estimated remaining claims liability of approximately $2,214,171,000.

Note 7 - Trust advisory committee and legal representative

The TA sets forth the roles and responsibilities of the TAC and LR. The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims ("Current Claimants"). The TAC is comprised of eight attorneys who are engaged by Current Claimants.

The LR serves in a fiduciary capacity, representing the interests of the individuals who may file Asbestos Claims in the future, but who at this time are unknown to the Trust ("Future Claimants"). His role, in part, is to protect rights of the Future Claimants. The Trustees are required to consult with or obtain the consent of the TAC and LR on certain matters identified in the TA and the TDP.

Note 8 - Taxation

The Trust reports its income to the Internal Revenue Service as a Qualified Settlement Fund, which is taxed at the highest rate applicable to trusts under Section 1(e) of the Internal Revenue Code, which is 37% for the years ending December 31, 2022 and 2021.

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

	Years ended December 31,	
	2022	2021
Modified taxable income	$ 5,373,221	$ 17,673,535
Tax rate	37%	37%
Current federal income tax expense	1,988,092	6,539,208
Adjustment to prior year estimates	345,894	(192,897)
Deferred federal income tax expense (benefit)	(42,879,492)	17,233,935
Carry back of net capital loss	(1,345,138)	-
Income tax expense (benefit)	$ (41,890,644)	$ 23,580,246

The Trust's net deferred income tax liability is comprised of the federal income tax on the estimated net unrealized gains on investments of approximately $239,540,000 and $355,431,000 at December 31, 2022 and 2021, respectively.

Note 9 - Cash equivalents and investments

The TA provides general guidelines for the investments of the Trust. More specific policies and guidelines are set forth in the Statement of Investment Objectives and Policies, which were developed by the Trust's financial advisor and adopted by the Trustees. The Trust's financial advisor and Trustees routinely review the Trust's asset allocations and investment managers. The presentation of the Trust's 2021 investments was revised to conform with the 2022 Financial Statement presentation.

The estimated fair values of the Trust's investments are as follows:

	2022	2021
Cash and cash equivalents	$ 70,611,038	$ 109,844,929
Equity securities	339,985,469	428,313,601
Foregin equity fund	62,885,667	74,329,716
Debt securities	708,595,446	815,799,908
Hedge funds	129,990,684	158,766,992
	$ 1,312,068,304	$ 1,587,055,146

The Trust had a cumulative net unrealized gain on equity securities of approximately $242,195,000 and $324,962,000 at December 31, 2022 and 2021, respectively. The Trust had a cumulative net unrealized gain (loss) on debt securities of approximately $(13,700,000) and $6,324,000 at December 31, 2022 and 2021, respectively. Investment income is shown net of bond discount amortization of approximately $14,029,000 and $14,079,000 for the years ended December 31, 2022 and 2021, respectively.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy used by the Trust are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.
- Level 2: Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets;

- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following are descriptions of the valuation methodologies used for financial assets measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy. There were no changes in valuation techniques during the years ended December 31, 2022 and 2021.

Cash and cash equivalents
Cash equivalents are carried at cost, which approximates fair value. Cash and cash equivalents include cash balances and money market funds, which are classified as Level 1 investments.

Equity securities
All of the Trust's investments in equity securities are publicly traded. These securities are classified as Level I, as quoted prices are available for these securities in an active market.

Debt securities
The Trust's investments in debt securities do not have quoted market prices. Their 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; agency mortgage-backed securities; obligations of states and political subdivisions; and certain corporate, asset-backed, and other securities.

Foreign equity fund
The Trust's investment in foreign equity fund are based on the net asset value provided by the fund, which is subject to independent financial statement audit. The foreign equity fund is valued at net asset value (“NAV”). The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment in an amount different than the reported NAV.

Hedge funds
The fair values for hedge funds are based on the net asset values provided by the funds, which are subject to independent financial statement audits. The Trust invests in hedge funds that pursue multiple strategies to diversify risk and reduce volatility. The Trust's independent financial advisors monitor, regularly meet with, and review each fund manager. Additionally, the Trustees and Trust management regularly review manager performance reports and meet directly with the fund managers annually. As of December 31, 2022 and 2021, there were no unfunded commitments to hedge funds. Hedge funds are also valued at NAV. The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment in an amount different than the reported NAV.

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DII Industries, LLC Asbestos PI Trust

Notes to Special-Purpose Financial Statements
December 31, 2022 and 2021

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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 70,611,038	$ -	$ -	$ 70,611,038
Equity securities	339,985,469	-	-	339,985,469
Debt securities	-	708,595,446	-	708,595,446
	$ 410,596,507	$ 708,595,446	$ -	
Foreign equity fund measured at net asset value (a)				62,885,667
Hedge funds measured at net asset value (a)				129,990,684
Investments at fair value				$ 1,312,068,304

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 109,844,929	$ -	$ -	$ 109,844,929
Equity securities	428,313,601	-	-	428,313,601
Debt securities	-	815,799,908	-	815,799,908
	$ 538,158,530	$ 815,799,908	$ -	
Foreign equity fund measured at net asset value (a)				74,329,716
Hedge funds measured at net asset value (a)				158,766,992
Investments at fair value				$ 1,587,055,146

(a)Hedge funds and the foreign equity fund that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the special-purpose statements of net assets available for benefits.

DII Industries, LLC Asbestos PI Trust

Notes to Special-Purpose Financial Statements
December 31, 2022 and 2021

Maturities of the Trust's debt securities at December 31, 2022 are as follows:

	Fair value	Cost	Unrealized losses, net
Due in one year or less	$ 17,539,250	$ 17,707,865	$ (168,615)
Due after one year through five years	186,988,502	191,117,408	(4,128,906)
Due after five years through 10 years	198,623,453	202,255,864	(3,632,411)
Due after 10 years through 20 years	246,891,510	251,338,060	(4,446,550)
Due after 20 years	58,552,731	59,893,005	(1,340,274)
	$ 708,595,446	$ 722,312,202	$ (13,716,756)

The Trust's hedge funds are subject to various restrictions or lock-up provisions, which could prevent the Trust from realizing the current fair value estimate. Additionally, the Trust's hedge funds may be subject to certain fees and expenses upon liquidation before various dates. The table below sets forth a summary of changes in the fair value of the Trust's hedge funds and foreign equity fund for the years ended December 31:

	Hedge Funds		Foreign Equity Fund	
	2022	2021	2022	2021
Balance, beginning of the year	$ 158,766,992	$ 174,880,299	$ 74,329,716	$ 69,042,643
Liquidations	(14,163,374)	(13,939,922)	-	-
Net change in fair value	(14,612,934)	(2,173,385)	(11,444,050)	5,287,073
Balance, end of the year	$ 129,990,684	$ 158,766,992	$ 62,885,666	$ 74,329,716

Note 10 - Leases

The Trust leases office space used in its operations. Any contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

The Trust has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Trust remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term or a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Trust determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Trust estimates its risk-free rates based on US government securities as the discount rate. The Trust's risk-free rates based on US

government securities, which are determined at either lease commencement or when a lease liability is remeasured, are estimates of the interest rates it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term and in a similar economic environment.

For accounting purposes, the Trust's leases commence on the earlier of (i) the date upon which the Trust obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Trust's leases coincides with the contractual effective date. The Trust's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Trust and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Trust determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Trust includes variable rental payments based on a rate or an index such as the Consumer Price index in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

The Trust's office space has a lease term through June 2026, which has been incorporated into our measurement of the related right of use assets and lease liabilities. Although the Trust’s office lease includes one or more options to renew that can extend the contractual terms, those renewal options are exercisable solely at the Trust's discretion and have been excluded from lease term measurements. Rental payments on the Trust’s office lease provides for fixed minimum payments that increase over the lease term at predetermined amounts.

The components of the Trust's lease cost of approximately $205,000 and $99,000 for the years ended December 31, 2022 and 2021, respectively, are included in operating and legal expenses on the special-purpose statement of changes in net claimants' equity. The remaining term (in years) on the Trust's lease as of December 31, 2022, was 3.5 years. The discount rate for the Trust's lease as of December 31, 2022, was 1.37%. The Trust has elected to use risk-free rates based on US government securities for periods comparable with lease terms as the discount rate for its lease.

For the year ended December 31, 2022, the cash paid for the amounts included in the measurements of lease liabilities was approximately $199,000.

Annual maturity analysis of the Trust's lease liabilities as of December 31, 2022:

Years ending December 31,		
2023	$	202,374
2024		206,634
2025		210,895
2026		106,512
		726,415
Less interest on lease liability		16,926
	$	709,489

Note 11 - Commitments and contingencies

Retirement plan

The Trust maintains a safe-harbor 401(k) benefit plan (the "Plan"), which, in the years ended December 31, 2022 and 2021, covered all employees who attained age nineteen and completed one year of service consisting of at least 1,000 hours. The Trust makes matching contributions to the Plan up to 4% of eligible and enrolled employees' annual compensation. The Trust also typically contributes 3% of every eligible employee's annual salary, regardless of whether the employee contributes to the Plan. The Trust's contributions were approximately $181,000 and $177,000 for the years ended December 31, 2022 and 2021, respectively.



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Exhibit B

Claims Disposed Of In 2022

CLAIMS DISPOSED OF IN 2022

	HAL Claims	HAL Payments	HW Claims	HW Payments
Claims Paid in 2022	**4,762**	**$53,616,653.48**	**2,615**	**$61,755,657.89**
Level I. Other Asbestos Disease	30	$3,154.45	20	$6,340.84
Level II. Asbestosis/Pleural Disease	1,287	$899,254.04	821	$1,982,265.26
Level III. Asbestosis/Pleural Disease	838	$1,278,343.14	507	$2,319,816.70
Level IV. Severe Asbestosis	89	$552,833.68	72	$1,440,432.22
Level V. Other Cancer	249	$1,397,941.73	142	$2,309,320.31
Level VI. Lung Cancer 2	435	$945,552.46	211	$1,774,102.76
Level VII. Lung Cancer 1	855	$5,835,152.99	441	$13,472,678.59
Level VIII. Mesothelioma	979	$42,704,420.99	401	$38,450,701.21
Claims Withdrawn and Deemed Withdrawn in 2022	**6,525**		**6,800**	
Claims Disallowed in 2022	**323**		**193**	

These figures do not include supplemental payments made to claimants whose claims were disposed of before 2022.

Exhibit C

2022 Documented Site List Changes

2022 DOCUMENTED SITE LIST - UPDATES

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
3103024	Monsanto Chemical Company	Chocolate Bayou	TX	USA	HAL	1/1/1978	12/31/1982	1/15/2022
3103047	Monongahela Power Co.	Albright	WV	USA	HAL	1/1/1951	12/31/1982	1/15/2022
1000656	U.S.S. Hank DD-702	Maritime	Maritime	USA	HW	2/8/1967	2/28/1968	1/15/2022
3104577	U.S. Steel Corporation	Vandergrift	PA	USA	HAL	5/1/1954	12/31/1982	1/15/2022
1000058	U.S.S. Delta AK-29/AR-9	Maritime	Maritime	Maritime	HAL	2/11/1952	10/1/1970	1/15/2022
3102685	Linde Air Products Co. (Union Carbide & Carbon Corp.) - 951 S Conception St.	Mobile	AL	USA	HAL	6/1/1945	12/31/1982	4/15/2022
3102286	IMC Chemicals Corporation - New Wales Plant	Mulberry	FL	USA	HAL	1/1/1976	12/31/1982	4/15/2022
3103164	New Wales Chemicals, Inc. – Phosphate Complex	Mulberry	FL	USA	HAL	1/1/1976	12/31/1982	4/15/2022
3102270	IBM - Systems Manufacturing Division	Boulder	CO	USA	HAL	1/1/1981	12/31/1982	4/15/2022
1000369	Dow Chemical Co. – Plant A	Freeport	TX	USA	HAL	1/1/1940	12/31/1982	4/15/2022
1000370	Dow Chemical Co. – Plant B	Freeport	TX	USA	HAL	1/1/1943	12/31/1982	4/15/2022
35010535	Camp Manufacturing Co. - Paper Mill	Franklin	VA	USA	HAL	1/1/1954	12/31/1982	4/15/2022
3102123	Hercules Cement Corp.	Stockertown	PA	USA	HAL	1/1/1935	12/31/1982	4/15/2022
3104535	Naval Station, San Diego	San Diego	CA	USA	HAL	10/1/1942	12/31/1982	4/15/2022
3102028	General Motors - Guide Lamp Division	Anderson	IN	USA	HAL	8/20/1936	12/31/1982	4/15/2022
3103862	Joseph Schlitz Brewing	Baldwinsville	NY	USA	HAL	1/1/1976	12/31/1982	7/15/2022
3101893	General Electric Company	Murfreesboro	TN	USA	HAL	6/1/1958	12/31/1982	7/15/2022
1000748	Groveton Paper Board, Inc.	Groveton	NH	USA	HW	10/23/1968	10/23/1969	7/15/2022
3103080	National Accelerator Lab	Batavia	IL	USA	HAL	1/1/1972	12/31/1982	7/15/2022
3100307	Armco Steel Corporation - Research Center	Middletown	OH	USA	HAL	1/1/1975	12/31/1982	7/15/2022
3100092	Alcoa (F/K/A Reynolds Metals)	Troutdale	OR	USA	HAL	10/8/1941	12/31/1982	7/15/2022
3104557	U.S. Plywood-Champion Paper	Hamilton	OH	USA	HAL	1/1/1973	12/31/1982	7/15/2022
1000997	Bath Iron Works – Hardings Plant	Brunswick	ME	USA	HW	10/30/1970	10/30/1971	10/15/2022
3104272	Tennessee Eastman Company	Kingsport	TN	USA	HAL	4/30/1946	12/31/1982	10/15/2022
3104273	Tennessee Eastman Company	Kingsport	TN	USA	HAL	4/30/1946	12/31/1982	10/15/2022
3101468	Delco Brake Div. of GMC	Dayton	OH	USA	HAL	5/1/1937	12/31/1982	10/15/2022
1000623	The Stroh Brewery Company	Detroit	MI	USA	HW	12/22/1966	11/24/1970	10/15/2022
3104572	U.S. Steel -- Gary Works	Gary	IN	USA	HAL	1/1/1937	12/31/1982	10/15/2022
35010102	Hyperion Sewage Treatment Plant – Sludge Plant	Los Angeles	CA	USA	HAL	9/1/1948	12/31/1982	10/15/2022
3100800	Chevrolet Motor Division (GMC) - North Tarrytown Assembly	North Tarrytown	NY	USA	HAL	11/1/1948	12/31/1982	10/15/2022
3100802	Chevrolet Motor Division (GMC) - Tonawanda Engine	Tonawanda	NY	USA	HAL	1/1/1944	12/31/1982	10/15/2022

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2022 DOCUMENTED SITE LIST - ADDITIONS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
35010660	Chevrolet Motor Division (GMC) - Buffalo Assembly	Buffalo	NY	USA	HAL	3/16/1965	12/31/1982	10/15/2022

2022 DOCUMENTED SITE LIST - REMOVALS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
3103163	New Wales Chemicals, Inc.	Hulberry	FL	USA	HAL	~~1/1/1977~~	~~12/31/1982~~	4/15/2022
3100310	Armour & Company	Chicago	IL	USA	HAL	~~7/16/1937~~	~~12/31/1959~~	7/15/2022
3100204	American Rolling Mill Company	Middletown	OH	USA	HAL	~~1/1/1937~~	~~12/31/1982~~	10/15/2022