UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
METEX MFG. CORPORATION,	:	
(F/K/A KENTILE FLOORS, INC.),	:	Case No. 12-14554 (CGM)
	:	
Debtor.	:	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE METEX ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Charles A. Koppelman, as Trustee (the "***Trustee***") of the Metex Asbestos PI Trust (the "***Trust***"), respectfully files this Annual Report, Financial Statements and Results of Operations of the Metex Asbestos PI Trust For the Fiscal Year Ended December 31, 2019 (the "***Report***"), pursuant to the Plan of Reorganization of Metex Mfg. Corporation under Chapter 11 of the Bankruptcy Code (the "***Plan***") and the Metex Asbestos PI Trust Agreement (the "***Trust Agreement***").

I. General

Section 2.2(c) of the Trust Agreement requires the Trustee to file with the Bankruptcy Court an annual report containing financial statements of the Trust and a summary of the number and type of claims disposed of during the period covered by the financial statements.

II. Asbestos PI Claims

In November of 2014, the Trust entered into a Claims Processing Agreement with MFR Claims Processing, Inc. The Trustee, with consent of the Trust Advisory Committee ("***TAC***") and the Future Claimants' Representative ("***FCR***"), adopted claims materials as mandated by the Metex Asbestos PI Trust Distribution Procedures (the "***TDP***"). The Claim Form and Certification for the Metex Asbestos PI Trust (the "***Claim Form***") and related materials were available beginning on

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March 9, 2015. The Trust began accepting claims on March 9, 2015. The Initial Claims Filing Date under the TDP was September 9, 2015. The Trust accepts claims by mail, by fax and by electronic means, including email and other electronic methods.

The Claim Form and instructions are available at www.metexasbestospitrust.com.

Pursuant to the Plan and TDP, the Initial Payment Percentage was set at 18%. On February 26, 2018, the Trustee provided notice to claimants, in accordance with Section 4.3 of the TDP, that the Trustee had resolved to conduct an analysis to determine whether an adjustment to the Initial Payment Percentage would be proper in order to assure that the Trust would be in a financial position to pay holders of present and future Asbestos PI Claims in substantially the same manner. On June 1, 2018, the Trustee provided the TAC and FCR, in accordance with Section 2.2(f), Section 5.7(b) and Section 6.6(b) of the Trust Agreement and Section 4.3 of the TDP, notice that the Trust had determined an adjustment to the Initial Payment Percentage was required. In such notice, the Trustee sought the consent of the TAC and FCR to reduce the Initial Payment Percentage from 18% to 11.13%. On the same day, the Trust commenced paying Asbestos PI Claims using the 11.13% Payment Percentage in accordance with Section 4.3 of the TDP. After the Trust's June 1, 2018 solicitation for an adjustment of the Payment Percentage to the TAC and FCR, the Trust continued to monitor the Payment Percentage and continued to consult with its claims forecasting consultant. On June 20, 2019, the Trustee provided notice to claimants, in accordance with Section 4.3 of the TDP, that the Trustee had resolved to conduct further analysis to determine whether further adjustment to the Payment Percentage would be proper in order to assure that the Trust would be in a financial position to pay holders of present and future Asbestos PI Claims in substantially the same manner. After consultation with the TAC, FCR and their respective claims forecasting professionals, the Trust determine to adjust the Payment Percentage to 8.3%. The TAC and FCR consented to this adjustment. On August 9, 2019, the Trust provided notice to claimants

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that, effective as of August 9, 2019, the Payment Percentage would be decreased to 8.3%, subject to Section 4.3 and Section 5.1(c) of the TDP.

For 2019, the Trust applied a Maximum Annual Payment of $14,724,897. From January 1, 2019 to August 9, 2019, the Trust used a Payment Percentage of 11.13%. From August 9, 2019 to December 31, 2019, the Trust used a Payment Percentage of 8.3%.

In 2019, 5,222 Asbestos PI Claims were submitted to the Trust as follows:

Disease Level	**Claims in 2019**
Other Asbestos Disease (Level I)	22
Asbestosis/Pleural Disease (Level II)	847
Asbestosis/Pleural Disease (Level III)	334
Severe Asbestosis (Level IV)	48
Other Cancer (Level V)	388
Lung Cancer 2 (Level VI)	293
Lung Cancer 1 (Level VII)	1,972
Mesothelioma (Level III)	1,318

Of the 5,222 Asbestos PI Claims submitted to the Trust in 2019: (a) 439 have been withdrawn, (b) 534 have not passed initial review and have been issued a deficiency, (c) 1,509 have been deferred, (d) 438 have been approved for payment, and (e) 190 are claims noticed for insufficient documentation but still open as of 12/31/19. The Trust settled in 2019, 1,680 Asbestos PI Claims in an aggregate amount of $14,690,123.96. In addition, the Trust settled 277 claims totaling $2,267,002.13[1] which were accrued as of December 31, 2019 but were paid subsequent to year end, after application of the Payment Percentage.

Pursuant to the Plan and Trust Agreement, the Trust is to pay Pre-Petition Liquidated Claims (as that term is defined in the Trust Agreement) as soon as practicable. However, as of December 31, 2019, no Pre-Petition Liquidated Claims have been submitted that have not been withdrawn.

[1] This amount includes all applicable sequencing adjustments.

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III. Financial Statements

A copy of the Trust's audited financial statements for the calendar year ending December 31, 2019 (including a balance sheet as of December 31, 2019, and a statement of operations for 2019) is attached hereto as **Exhibit A**. The audited financials attached as Exhibit A include, on an accrual basis, the compensation and expenses paid to the: (i) Trustee and the Delaware Trustee (as required by Section 4.5(c) of the Trust Agreement), (ii) TAC (as required by Section 5.6 of the Trust Agreement), and (iii) FCR (as required by Section 6.5 of the Trust Agreement). The audited financials also include reports of accounts as required in Section 3.1(b) of the Trust Agreement and payments of operating expenses and claims as required in Section 3.3(b) of the Trust Agreement. Exhibit A also includes BDO USA, LLP's opinion as to the fairness of the financial statements' presentation of cash and investments available for the payment of claims and as to the conformity of the financial statements with special purpose accounting methods.

The Trust provided copies of the annual report to the TAC and FCR on April 27, 2020 via email.

TRUSTEE:

Charles A. Koppelman

Dated: April 27, 2020

Respectfully submitted,

STUTZMAN, BROMBERG, ESSERMAN & PLIFKA, A Professional Corporation

By: */s/ Peter C. D'Apice*
Sander L. Esserman (Admitted *pro hac vice*)
Texas Bar No. 06671500
Peter C. D'Apice (Admitted)
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ATTORNEYS FOR THE METEX ASBESTOS PI TRUST

CERTIFICATE OF SERVICE

The undersigned certifies that on this 27th day of April 20120, the foregoing ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE METEX ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2019 was served via ECF on all those parties receiving such notice through the Court's CM/ECF system.

/s/ Peter C. D'Apice
Peter C. D'Apice

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EXHIBIT A

Audited Financial Statements

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Metex Asbestos PI Trust

Audited Special-Purpose Financial Statements
For the 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.

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Metex Asbestos PI Trust

Audited Special-Purpose Financial Statements
For the Years Ended December 31, 2019 and 2018

Metex Asbestos Pl Trust

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Independent Auditor's Report

Trustee
Metex Asbestos PI Trust
New York, New York

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of Metex 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 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.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of Metex 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 is not intended to be 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 Southern District of New York, is a matter of public record.

BDO USA, LLP

April 22, 2020

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Special-Purpose Financial Statements

Metex Asbestos PI Trust

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

December 31,	**2019**	2018
Assets		
Cash and cash equivalents		
Bank of America	**$ 1,660**	$ 281,313
U.S. Trust	**2,214,458**	5,839,667
Morgan Stanley	**402,674**	14,135
PNC	**15,251**	16,200
Total cash and cash equivalents	**2,634,043**	6,151,315
Investments		
Morgan Stanley		
Investments	**23,977,517**	15,842,483
Income receivable	**111,175**	85,287
U.S. Trust		
Investments	**67,043,803**	71,520,027
Income receivable	**498,716**	577,082
Total investments	**91,631,211**	88,024,879
Other assets	**59,093**	36,972
Total assets	**94,324,347**	94,213,166
Liabilities		
Settled claims payable	**2,265,334**	1,429,347
Accounts payable and accrued expenses	**147,209**	193,243
Total liabilities	**2,412,543**	1,622,590
Net claimants' equity	**$ 91,911,804**	$ 92,590,576

See accompanying notes to the special-purpose financial statements.

Metex Asbestos PI Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	**2019**	2018
Additions		
Insurance recoveries	**6,700,000**	6,700,000
Interest and dividend income, net	**2,273,085**	2,091,962
Realized gain on sale of investment securities	**807,956**	-
Unrealized gain on investments, net	**6,791,822**	-
Other income	**4,500**	2,700
Total additions	**16,577,363**	8,794,662
Deductions		
Claims settled	**15,511,093**	17,479,270
Unrealized loss on investments, net	**-**	2,933,578
Investment advisory fees	**238,663**	249,948
Realized loss on sale of investment securities	**-**	284,326
General and administrative expenses		
Trustee	**349,157**	347,127
Accounting	**189,241**	181,963
Claims processing fees	**209,082**	411,889
Claims consulting and forecasting fees	**67,389**	90,827
Insurance	**75,495**	55,000
Future claims representative fees and expenses	**14,440**	17,690
Professional services		
Trust general counsel	**466,715**	501,228
TAC attorney fees and expenses	**65,825**	65,595
FCR attorney fees and expenses	**66,035**	168,194
Statutory fees	**3,000**	3,000
Total deductions	**17,256,135**	22,789,635
Decrease in net claimants' equity	**(678,772)**	(13,994,973)
Net claimants' equity at the beginning of the year	**92,590,576**	106,585,549
Net claimants' equity at the end of the year	**$ 91,911,804**	$ 92,590,576

See accompanying notes to the special-purpose financial statements.

Metex Asbestos PI Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	**2019**	2018
Cash flows from operating activities:		
Decrease in net claimants' equity	**$ (678,772)**	$ (13,994,973)
Adjustments to reconcile net decrease in net claimants' equity to cash used in operating activities:		
Realized (gain)loss on sale of investment securities	**(807,956)**	284,326
Unrealized (gain)loss on investments, net	**(6,791,822)**	2,933,578
Amortization of bond premium	**938,288**	1,123,694
Changes in operating assets and liabilities:		
Other assets	**(22,121)**	360
Settled claims payable	**835,987**	105,275
Accounts payable and accrued expenses	**(46,034)**	79,133
Total adjustments	**(5,893,658)**	4,526,366
Net cash used in operating activities	**(6,572,430)**	(9,468,607)
Cash flows from investing activities:		
Change in income receivable	**52,478**	57,799
Proceeds from sales of investments	**49,534,620**	76,821,349
Purchases of investments	**(46,531,940)**	(76,182,188)
Net cash provided by investing activities	**3,055,158**	696,960
Net decrease in cash and cash equivalents	**(3,517,272)**	(8,771,647)
Cash and cash equivalents at the beginning of the year	**6,151,315**	14,922,962
Cash and cash equivalents at the end of the year	**$ 2,634,043**	$ 6,151,315

See accompanying notes to the special-purpose financial statements.

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Metex Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

The Metex Asbestos PI Trust (the Trust), organized pursuant to the laws of the State of Delaware, was established on August 25, 2014 and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code. The Trust was formed to assume all Asbestos PI Trust Claims (whether currently existing or arising at any time hereafter) and to use the Asbestos PI 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 Metex Asbestos PI Trust Agreement (Trust Agreement). The Trust's principal office is in Wilmington, Delaware, and its administrative office is located in New York, New York. Defined terms have the meaning that is defined in the Trust Agreement.

When formed, the Metex Asbestos PI Trust was funded with (a) approximately $1 million in cash received from Metex Mfg. Corporation, the former parent company of the Debtor, and (b) rights to receive asbestos insurance recoveries, all in consideration for the releases and injunctions described in the Confirmed Plan. These receipts are recorded in the accompanying special-purpose statements of changes in net claimants' equity.

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

2. Significant Accounting Policies

Basis of presentation

The Trust's special-purpose financial statements are prepared using special-purpose accounting methods adopted by the Trustee, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net 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. 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. Net realized and unrealized gains and (losses) on investment securities are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity.

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

c. Insurance recoveries are recorded when received. These recoveries come from various insurance settlements, which were obtained by entities which assigned the rights to such policies to the Trust or were negotiated by the Trust. Under GAAP, insurance recoveries are recorded when the related policies are settled and collectability is assured.

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.

e. The full amounts of claims are generally treated as deductions from net claimants' equity in the period in which the settled claims are approved for payment. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

f. 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 recorded based upon income reported for financial statement purposes, and federal and state income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities, such as unrealized gains and losses on investment securities.

Use of estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to 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.

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 Trustee. An unpaid claim is a claim that has been

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approved for payment by the Trustee but cannot be paid due to annual cap limitations or has been authorized by the Trustee and not paid. Unpaid claims that are a result of annual cap limitations are recorded when settled.

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

Operating expenses

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

Income taxes

The Trust is classified as a Qualified Settlement Fund under the Internal Revenue Code. As a result, the Trust is subject to federal income taxes based on modified gross income. In the opinion of Trust's management, the Trust is not subject to state income taxes, and therefore, special-purpose financial statements do not include any provision or liability for state income taxes.

The 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. Since the Trust was formed in 2015, all tax returns filed after tax years 2015 through 2018 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 Note 3). 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.

Risk and uncertainties

The Trust's assets that are exposed to credit risk consist primarily of cash and cash equivalents and investment securities. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has not experienced any losses related to these balances. The Trust has no amounts on deposit in excess of federally insured limits at December 31, 2019.

The Trust invests in a professionally managed investment portfolio that contains common shares of publicly traded companies, corporate and government obligations and, public real estate investment trusts. Such investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net claimants' equity.

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Metex 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:

	Cost	Fair Value	Unrealized Gain
Cash and cash equivalents	**$ 2,634,043**	**$ 2,634,043**	**$ -**
Equities	**23,903,271**	**30,953,987**	**7,050,716**
Bonds	**57,989,099**	**60,067,333**	**2,078,234**
Total cash, cash equivalents and investment securities	**$ 84,526,413**	**$ 93,655,363**	**$ 9,128,950**

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

	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 6,151,315	$ 6,151,315	$ -
Equities	21,698,976	24,229,685	2,530,709
Bonds	63,326,406	63,132,825	(193,581)
Total cash, cash equivalents and investment securities	$ 91,176,697	$ 93,513,825	$ 2,337,128

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	**$ 7,259,140**	**$ 20,141,532**	**$ 19,736,830**	**$ 12,929,829**	**$ 60,067,331**

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	$ 3,968,482	$ 32,047,152	$ 20,538,232	$ 6,578,959	$ 63,132,825

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4. Fair Value Measurements

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

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:

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

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

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Metex 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	**$ 2,634,043**	**$ 2,634,043**	**$ -**	**$ -**
Equities	**30,953,987**	**30,953,987**	**-**	**-**
Bonds:				
Government	**3,337,208**	**2,932,830**	**404,378**	**-**
Corporate	**8,338,303**	**-**	**8,338,303**	**-**
Municipal	**48,391,641**	**-**	**48,391,641**	**-**
Total bonds	**60,067,152**	**2,932,830**	**57,134,322**	**-**
Total assets at fair value	**$ 93,655,182**	**$ 36,520,860**	**$ 57,133,322**	**$ -**

	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	$ 6,151,315	$ 6,151,315	$ -	$ -
Equities	24,229,685	24,229,685	-	-
Bonds:				
Government	6,455,784	5,294,859	1,160,925	-
Corporate	7,008,859	-	7,008,859	-
International	445,395	-	445,395	-
Municipal	49,222,787	-	49,222,787	-
Total bonds	63,132,825	5,294,859	57,837,966	-
Total assets at fair value	$ 93,513,825	$ 35,675,859	$ 57,837,966	$ -

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5. Insurance Recoveries

As of December 31, 2018, under the terms of settlement agreements with various insurance carriers, the Trust is due approximately $35 million in future insurance recoveries, scheduled to be paid at various dates through September 2023. As described in Note 2, the Trust records such insurance recoveries when the cash proceeds are received and available for the payment of claims.

6. Income Taxes

During the years ended December 31, 2019 and 2018, the Trust did not make any estimated tax payments.

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. Under the 2017 Tax Act, the Trust's net operating losses of $2,899,589 generated prior to January 1, 2018, are available to offset future taxable income and will expire, if not utilized, on various dates through 2037. During 2019, the Trust generated approximately $144,000 in net operating loss carryforwards. Under the 2017 Tax Act, if net operating loss carryforwards are generated after January 1, 2018, they do not expire but can only be used to offset up to 80% of taxable income in future years. In addition, there are no net operating loss carryback provisions under the 2017 Tax Act.

As of December 31, 2019, the Trust has approximately $4,106,000 of net capital loss carryforwards available to offset future capital gains. Capital loss carryforwards created after January 1, 2018, may be carried back for three years and carried forward for five years. Under the new rules enacted on March 27, 2020 under the Coronavirus Aid, Relief and Economic Security (CARES) Act, 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. Capital loss carrybacks and carryforwards cannot create a net operating loss.

7. Claims Settled

For the years ended December 31, 2019 and 2018, the Trust paid 1,680 and 1,111 claims totaling $14,690,124 and $17,373,980, respectively. In addition, the Trust settled 277 and 1,145 claims totaling $2,265,334 and $1,429,347 which were accrued as of December 31, 2019 and 2018, respectively, and were paid subsequent to year end. For the years ended December 31, 2019 and 2018, the Trust received 5,222 and 48,478 new claim filings, respectively.

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 claims payable. These amounts have been included in deductions 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 December 31, 2018.

The Trust considers settled claims as claims that were approved through the claims review process for which the claimant has returned a signed release to the Trust.

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The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2019 and 2018 represents funding available for all Asbestos Claims for which no fixed liability has yet been established.

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.

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 Trustee, Trust advisors, and management of the Trust are actively 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 Trustee, 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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