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, 2024**

Hon. James N. O'Hara (Ret.), as Trustee (the "***Trustee***")[1] 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, 2024 (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.

[1] Note that the originally appointed Trustee, Charles A. Koppelman, passed away on November 25, 2022. The Trust Advisory Committee and the Future Claimants' Representative appointed the Hon. James N. O'Hara (Ret.) as the successor Trustee, effective as of January 18, 2023, pursuant to Section 4.3(a) of the Metex Asbestos PI Trust Agreement.



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## II. Asbestos PI Claims

In November of 2014, the Trust entered into a Claims Processing Agreement with MFR Claims Processing, Inc. ("***MFR***"). 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 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.

MFR was acquired by Verus Claims Services, L.L.C. ("***Verus***") on or about September 28, 2023. As part of such acquisition, and after obtaining consent from the Trust, the Trust's Claims Processing Agreement with MFR was assigned to Verus by agreement dated September 28, 2023.

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

For 2024, the Trust used a Payment Percentage of 7.25% and had an original Maximum Annual Payment of $7,258,138.

From January 1, 2024 through the period ending December 31, 2024, 3,211 Asbestos PI Claims have been submitted to the Trust as follows:

| Disease Level | Claims in 2024 |
|---|---|
| Other Asbestos Disease (Level I) | 8 |
| Asbestosis/Pleural Disease (Level II) | 125 |
| Asbestosis/Pleural Disease (Level III) | 106 |
| Severe Asbestosis (Level IV) | 22 |
| Other Cancer (Level V) | 72 |
| Lung Cancer 2 (Level VI) | 179 |
| Lung Cancer 1 (Level VII) | 1,765 |
| Mesothelioma (Level III) | 934 |

Of the 3,211 Asbestos PI Claims submitted to the Trust, the Trust has not approved 2,647 claims, consisting of rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims. In 2024, the Trust paid 395 Asbestos PI Claims, totaling $3,047,411[2] 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, 2024, no Pre-Petition Liquidated Claims have been submitted that have not been withdrawn.

## III. Financial Statements

A copy of the Trust's audited financial statements for the calendar year ending December 31, 2024 (including a balance sheet as of December 31, 2024, and a statement of operations for 2024) 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 CohnReznick 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 22, 2025 via email.

[2] Claims information reported herein may differ slightly from the audited financial statements due to the timing of payments, application of refunded claims, rounding of figures, etc.



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Dated: April 22, 2025

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)
Texas Bar No. 05377783

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**ATTORNEYS FOR THE METEX ASBESTOS PI TRUST**

**CERTIFICATE OF SERVICE**

The undersigned certifies that on this 22nd day of April 2025, the foregoing ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE METEX ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2024 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

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

## December 31, 2024 and 2023

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**Metex Asbestos PI Trust**

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CohnReznick LLP
cohnreznick.com

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Independent Auditor's Report

To the Trustee
Metex Asbestos PI Trust

*Opinion*

We have audited the special-purpose financial statements of Metex Asbestos PI Trust (the "Trust"), which comprise the special-purpose statement of assets, liabilities and net claimants' equity as of December 31, 2024, and the related special-purpose statements of changes in net claimants' equity and cash flows for the year then ended, and the related notes to the special-purpose financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the assets, liabilities and net claimants' equity of the Trust as of December 31, 2024, and the changes in net claimants' equity and its cash flows 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 audit 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 than accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been adopted by the Trustee to communicate the amount of net claimants' equity 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.

*Other Matter - Prior Year Financial Statements*

The Financial Statements of the Trust for the year ended December 31, 2023, were audited by another auditor whose report dated April 22, 2024, included an emphasis of matter paragraph 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 claimants' equity presently available to fund current and future claims, and expressed an unmodified opinion on those statements.

*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 control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

*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 the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.


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*Restriction of Use*

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust and the United States Bankruptcy Court for the South District of New York ("Bankruptcy Court") and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the list of specified users.

CohnReznick LLP

Dallas, Texas
April 18, 2025

**Metex Asbestos PI Trust**

**Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity**
**December 31, 2024 and 2023**

Assets

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | $ 6,045,279 | $ 3,289,048 |
| Investments, at fair value | 90,661,756 | 90,045,166 |
| Alternative investments, at fair value | 2,359,481 | 2,448,173 |
| Investment income receivable | 679,090 | 724,564 |
| Other assets | 25,397 | 40,378 |
| Total assets | $ 99,771,003 | $ 96,547,329 |

Liabilities and Net Claimants' Equity

| | | |
|---|---|---|
| Settled claims payable | $ 603,548 | $ 62,561 |
| Accounts payable and accrued expenses | 145,458 | 125,867 |
| Total liabilities | 749,006 | 188,428 |
| Net claimants' equity | $ 99,021,997 | $ 96,358,901 |

See Notes to Special-Purpose Financial Statements.



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**Metex Asbestos PI Trust**

**Special-Purpose Statements of Changes in Net Claimants' Equity**
**Years Ended December 31, 2024 and 2023**

| | 2024 | 2023 |
|---|---|---|
| Additions | | |
| Insurance recoveries | $ 1,453,186 | $ 7,700,000 |
| Interest and dividend income, net | 3,658,777 | 2,968,784 |
| Realized gain on sale of investments, net | 615,300 | - |
| Unrealized gain on investments, net | 2,078,008 | 5,560,167 |
| Cost adjustments on investments | - | 6,590 |
| Net change in fair value of alternative investments | 208,478 | 2,778 |
| Other income | - | 1,000 |
| Total additions | 8,013,749 | 16,239,319 |
| Deductions | | |
| Claims settled | 3,589,738 | 5,022,609 |
| Investment advisory fees | 266,804 | 234,126 |
| Cost adjustments on investments | 1,929 | - |
| Realized loss on sale of investments, net | - | 506,716 |
| General and administrative expenses: | | |
| Trustee | 335,171 | 353,198 |
| Accounting | 235,449 | 225,687 |
| Claims processing fees | 107,722 | 121,554 |
| Insurance | 63,845 | 72,318 |
| Claims consulting and forecasting fees | 40,884 | 92,783 |
| Future claims representative fees and expenses | 4,686 | 14,784 |
| Bank charges | - | 103 |
| Professional services: | | |
| Trust general counsel | 563,323 | 534,278 |
| FCR attorney fees and expenses | 82,056 | 36,291 |
| TAC attorney fees and expenses | 53,126 | 28,708 |
| Statutory fees | 3,000 | 3,000 |
| Trust legal fees | 2,920 | - |
| Total deductions | 5,350,653 | 7,246,155 |
| Net increase in net claimants' equity | 2,663,096 | 8,993,164 |
| Net claimants' equity, beginning of year | 96,358,901 | 87,365,737 |
| Net claimants' equity, end of year | $ 99,021,997 | $ 96,358,901 |

See Notes to Special-Purpose Financial Statements.

**Metex Asbestos PI Trust**

**Special-Purpose Statements of Cash Flows**
**Years Ended December 31, 2024 and 2023**

| | 2024 | 2023 |
|---|---|---|
| Cash flows from operating activities | | |
| Net increase in net claimants' equity | $ 2,663,096 | $ 8,993,164 |
| Adjustments to reconcile net increase in net claimants' equity to net cash provided by operating activities | | |
| Realized (gain) loss on sale of investments, net | (615,300) | 506,716 |
| Unrealized gain on investments, net | (2,078,008) | (5,560,167) |
| Cost adjustments on investments | 1,929 | (6,590) |
| Net change in fair value of alternative investments | (208,478) | (2,778) |
| Amortization of bond premium | 485,559 | 630,776 |
| Changes in operating assets and liabilities: | | |
| Investment income receivable | 45,474 | (161,821) |
| Other assets | 14,981 | 459 |
| Settled claims payable | 540,987 | (372,802) |
| Accounts payable and accrued expenses | 19,591 | (109,001) |
| Net cash provided by operating activities | 869,831 | 3,917,956 |
| Cash flows from investing activities | | |
| Purchases of investments | (32,681,794) | (44,957,358) |
| Proceeds from sales of investments | 34,271,024 | 36,608,237 |
| Proceeds from sales of alternative investments | 297,170 | 164,730 |
| Net cash provided by (used in) investing activities | 1,886,400 | (8,184,391) |
| Net increase (decrease) in cash and cash equivalents | 2,756,231 | (4,266,435) |
| Cash and cash equivalents, beginning of year | 3,289,048 | 7,555,483 |
| Cash and cash equivalents, end of year | $ 6,045,279 | $ 3,289,048 |

See Notes to Special-Purpose Financial Statements.

**Metex Asbestos PI Trust**

**Notes to Special-Purpose Financial Statements**
**December 31, 2024 and 2023**

## Note 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 ("QSF") pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code ("Code"). The Trust was formed to assume all Asbestos PI Trust Claims (whether currently existing or arising at any time hereafter). 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"). Defined terms have the meaning that is defined in the Trust Agreement.

When formed, the 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 Plan of Reorganization of Metex Mfg. Corporation under Chapter 11 of the Bankruptcy Code (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 Trust. The Trustee uses the Trust's assets to pay the holders of all Asbestos PI Trust Claims in accordance with the Trust Agreement and the Metex Asbestos PI Trust Distribution Procedures ("TDP") 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.

## Note 2 - Summary of significant accounting policies

### Basis of presentation

The Trust's special-purpose financial statements ("Financial Statements") are prepared using special-purpose accounting methods adopted by the Trust and 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 available for the payment of claims and the related operating expenses of the Trust. Since the 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:

- Investments are recorded at fair value. All interest and dividend income, net of investment expenses, are included in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains and (losses) on investments are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity. Cost of alternative investments is calculated on a tax basis. Under GAAP, cost of alternative investments is typically determined using a specific identification or average cost basis. In addition, under GAAP, the Financial Statements would require additional disclosures related to fair value.

- Amortization and accretion of bond premiums or discounts is included in interest and dividend income, net. Under GAAP, it would be shown gross as a component of interest expense or interest income.


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- Insurance recoveries are not recorded until the funds are received from the insurance carriers. 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 would be recorded upon settlement and assurance of collectability.

- 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.

- 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.

- Income tax expense (benefit) is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is recorded based upon income (loss) reported for special-purpose financial statement purposes, which includes federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Additionally, GAAP requires all tax positions to be reviewed using a more likely than not threshold for financial statement recognition of tax assets and a liability to be recorded for an uncertain tax position taken or expected to be taken beyond this threshold.

**Use of estimates**
The preparation of Financial Statements requires the management of 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 Financial Statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting periods. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

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

**Investments**
Investments are stated at fair value. See Note 4. Changes in unrealized gains and losses are recorded as increases and decreases to net claimants' equity. Realized gains and losses on sales of investments other than alternative investments, are determined using the specific identification method. The Trust records transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as investment income receivable.

**Settled claims payable**
Settled claims payable consist of certain claims that are settled but unpaid at year-end. 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 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.

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, 2024 and 2023 represents funding available for all Asbestos Claims for which no fixed liability has yet been established.

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

**Income taxes**
The Trust is classified as a QSF pursuant to the Code in the United States of America federal jurisdiction. As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustee and advisors, the Trust is not subject to state income taxes and, therefore, the Financial Statements do not include any provision or liability for state income taxes. The funding received at the inception of the Trust as well as any subsequent funding received from insurers does not represent taxable income to the Trust. In addition, payments to claimants do not represent tax deductions of the Trust. The Trust reports tax-related interest and penalties as a component of income tax expense.

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 unrealized gains and losses on investments. The income taxes associated with gains on investments will be recorded in the Trust's Financial Statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable. In addition, there is no provision for deferred taxes associated with any future benefit from the potential use of net operating or capital loss carryforwards to reduce taxable income in future years.

The Trust's federal income tax returns are generally subject to income tax examination by the Internal Revenue Service ("IRS") for a period of three years from the date the tax returns are filed. The Trust is generally no longer subject to income tax examinations by the IRS for the years ended December 31, 2020 and prior.

**Risk and uncertainties**
Certain of the Trust's assets are exposed to credit risk. 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 not experienced any losses in such accounts, and it does not believe it is exposed to any significant credit risk.

The Trust invests in a professionally managed investment portfolio that contains common shares of publicly traded companies, corporate and government obligations, and alternative investments. 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, it is at least reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the Trust's portfolio and the amounts reported in the Financial Statements.

**Metex Asbestos PI Trust**

**Notes to Special-Purpose Financial Statements**
**December 31, 2024 and 2023**

**Reclassifications**
Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the prior year reported net increase in net claimants' equity.

**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 April 18, 2025, the date which the Financial Statements were available to be issued.

## Note 3 - Investments, at fair value

Investments, at fair value, consist of the following at December 31:

| | 2024 | | |
|---|---|---|---|
| | Cost | Fair value | Unrealized gains (losses), net |
| Equities | $ 17,957,481 | $ 27,483,838 | $ 9,526,357 |
| Bonds | 63,227,997 | 63,177,918 | (50,079) |
| Total | $ 81,185,478 | $ 90,661,756 | $ 9,476,278 |

| | 2023 | | |
|---|---|---|---|
| | Cost | Fair Value | Unrealized gains (losses), net |
| Equities | $ 17,720,184 | $ 25,030,260 | $ 7,310,076 |
| Bonds | 64,926,715 | 65,014,906 | 88,191 |
| Total | $ 82,646,899 | $ 90,045,166 | $ 7,398,267 |

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

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | After 1 Year Through 5 Years | After 5 Years Through 10 Years | After 10 Years | Total |
| Bonds | $ 2,485,559 | $ 18,163,062 | $ 14,956,892 | $ 27,572,405 | $ 63,177,918 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | After 1 Year Through 5 Years | After 5 Years Through 10 Years | After 10 Years | Total |
| Bonds | $ 5,938,328 | $ 13,047,988 | $ 16,312,920 | $ 29,715,670 | $ 65,014,906 |

**Metex Asbestos PI Trust**

**Notes to Special-Purpose Financial Statements**
**December 31, 2024 and 2023**

## Note 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.

Alternative investments measured using net asset value ("NAV") as a practical expedient are not categorized within the fair value hierarchy.

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.

*Alternative investments:* Valued based on the NAV provided using the Trust's proportionate share of each fund's net assets. The NAV is used as a practical expedient to estimate fair value.


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**Metex Asbestos PI Trust**

**Notes to Special-Purpose Financial Statements**
**December 31, 2024 and 2023**

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

| | As of December 31, 2024 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | $ 6,045,279 | $ 6,045,279 | $ - | $ - |
| Equities | 27,483,838 | 27,483,838 | - | - |
| Bonds | | | | |
| Government | 4,822,233 | 4,512,993 | 309,240 | - |
| Corporate | 15,492,510 | - | 15,492,510 | - |
| International | 751,815 | - | 751,815 | - |
| Municipal | 42,111,361 | - | 42,111,361 | - |
| Total Bonds | 63,177,919 | 4,512,993 | 58,664,926 | - |
| Alternative Investments at NAV | 2,359,481 | | | |
| Total assets at fair value | $ 99,066,517 | $ 38,042,110 | $ 58,664,926 | $ - |

| | As of December 31, 2023 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | $ 3,289,048 | $ 3,289,048 | $ - | $ - |
| Equities | 25,030,260 | 25,030,260 | - | - |
| Bonds | | | | |
| Government | 4,045,011 | 3,465,514 | 579,497 | - |
| Corporate | 14,386,566 | - | 14,386,566 | - |
| International | 570,970 | - | 570,970 | - |
| Municipal | 46,012,359 | - | 46,012,359 | - |
| Total Bonds | 65,014,906 | 3,465,514 | 61,549,392 | - |
| Alternative Investments at NAV | 2,448,173 | | | |
| Total assets at fair value | $ 95,782,387 | $ 31,784,822 | $ 61,549,392 | $ - |

The Trust's alternative investments consist of real estate investment trusts ("REITs") which have investments in properties located within the United States in a variety of real estate markets such as Multifamily, Single-Family Rental, Hospitality, Industrial, Office, Self-Storage, Medical Office, and Real Estate Debt. The REITs' investment strategy is primarily to acquire stabilized, income-oriented commercial real estate. The REITs are principally comprised of properties, located in the United States but may also be diversified on a global basis through investments in properties, outside of the United States, with a focus on Europe. To a lesser extent, the REITs may invest in debt secured by commercial real estate and real estate-related securities. Redemptions may be requested on a monthly basis, subject to certain conditions. As the vast majority of the REITs' assets consist of properties that cannot be readily liquidated without impacting the ability to realize full value upon disposition, the redemption may be limited.

The table below sets forth a summary of changes in the fair value of the Trust's alternative investments for the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| Balance at the beginning of the year | $ 2,448,173 | $ 2,610,125 |
| Liquidations / distributions | (297,170) | (164,730) |
| Net change in fair value | 208,478 | 2,778 |
| Balance at the end of the year | $ 2,359,481 | $ 2,448,173 |

## Note 5 - Insurance recoveries

As of December 31, 2024, the Trust is not due any future insurance recoveries. As described in Note 2, the Trust records such insurance recoveries when the cash proceeds are received and available for the payment of claims. During the years ended December 31, 2024 and 2023, the Trust received insurance recoveries of approximately $1,453,000 and $7,700,000, respectively.

## Note 6 - Income taxes

During the years ended December 31, 2024 and 2023, the Trust paid no income taxes and recorded no income tax expense.

The Trust has estimated net operating loss carryforwards of approximately $1,775,000 available for use for the year ended December 31, 2024. Net operating losses carryforwards of approximately $101,000, which were generated prior to January 1, 2018, can be used to offset 100% of future taxable income and are scheduled to expire in 2037. Estimated net operating loss carryforwards of approximately 1,674,000, which were generated after January 1, 2018, can be used to offset 80% of future taxable income and have no expiration date. The Trust also has estimated capital loss carryforwards of approximately $1,380,000 available for use for the year ended December 31, 2024, which have no expiration and can be used to offset future capital gains.

As disclosed in Note 2 to the Financial Statements, the Trust does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with net operating loss carryforwards, net capital loss carryforwards, or unrealized gains and losses on investments.

## Note 7 - Claims settled

For the year ended December 31, 2024, the Trust settled 463 claims, totaling $3,589,738, including 79 claims totaling $603,548 that were settled but not paid as of December 31, 2024. The Trust paid 395 claims totaling $3,047,411 during the year ended December 31, 2024.

For the year ended December 31, 2023, the Trust settled 687 claims, totaling $5,022,609, including 11 claims totaling $62,561 that were settled but not paid as of December 31, 2023. The Trust paid 731 claims totaling $5,395,411 during the year ended December 31, 2023.


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**Metex Asbestos PI Trust**

**Notes to Special-Purpose Financial Statements**
**December 31, 2024 and 2023**

## Note 8 - Contingent liabilities

The Confirmed Plan subjects 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.

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