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ATTORNEYS FOR NGC BODILY INJURY TRUST

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	
ASBESTOS CLAIMS MANAGEMENT CORPORATION,	§	Chapter 11
	§	
	§	Case No. 02-37124-HDH-11
Reorganized Debtor	§	

AUDITED ANNUAL REPORT OF THE NGC BODILY INJURY TRUST

COME NOW Anne M. Foreman and Anne M. Ferazzi, the Trustees of the NGC Bodily Injury Trust (the "Trust"), to submit this 2021 Audited Annual Report (the "Report") as required by the NGC Bodily Injury Trust Agreement.[1] The Report is attached hereto as Exhibit "A".

The Report Covers the year ended December 31, 2021 (the "Reporting Period"). Pursuant to the Trust Agreement, the report contains financial statements of the Trust, including without limitation, a balance sheet of the Trust as of the end of the fiscal year and a statement of operations for the fiscal year, audited by a firm of independent public accounts selected by the Trustees.

[1] *See* NGC Bodily Injury Trust Agreement (the "Trust Agreement") Article III, Section 3.02(d)(i)

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WHEREFORE, the Trustees respectfully submit this Report for the Reporting Period covering the year ended December 31, 2021.

DATED: April 12, 2022.

Respectfully submitted,

HAYNES AND BOONE, LLP

By: */s/ Jarom J. Yates*

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ATTORNEYS FOR NGC BODILY INJURY TRUST

CERTIFICATE OF SERVICE

I hereby certify that on April 12, 2022, a true and correct copy of the foregoing *Audited Annual Report of the NGC Bodily Injury Trust* was served (i) via United States first class mail upon those persons named below, and (ii) via electronic transmission upon all parties who receive notices in this case through the court's CM/ECF system.

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Dallas, Texas 75219

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/s/ Jarom J. Yates
Jarom J. Yates

4872-9880-3739 v.1

EXHIBIT "A"

Attached

National Gypsum Asbestos Trust Annual Reports, 2021 annual report
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NGC BODILY INJURY TRUST

Consolidated Financial Statements
with
Report of Independent Auditors

Years Ended December 31, 2021 and 2020

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NGC BODILY INJURY TRUST

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REPORT OF INDEPENDENT AUDITORS

To the Trustees of NGC Bodily Injury Trust

Opinion

We have audited the accompanying financial statements of NGC Bodily Injury Trust (the "Trust"), which comprise the consolidated statements of fund deficit as of December 31, 2021 and 2020, and the related consolidated statements of changes in fund deficit and investments for the years then ended, and the related notes to the consolidated financial statements (collectively, the "Financial Statements").

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the consolidated fund deficit of the Trust as of December 31, 2021 and 2020, and the consolidated statements of changes in fund deficit and investments for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

As discussed in Notes 1 and 8, the Trust is intended to be self-liquidating. The current year fund deficit includes the Trustees' estimate (the methodology for which was accepted by the Bankruptcy Court) of the aggregate future liability to arise from asbestos disease claims to be filed with the Trust, resulting in a substantial deficit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error. Management is also

responsible for the design, implementation, and maintenance of internal 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 error or fraud.

In preparing the Financial Statements, management is required to evaluate where there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date the Financial Statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Trust's ability to continue as a going concern for a reasonable period of time.

Restriction on Use

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

BKM Sowan Horan, LLP

Dallas, Texas
March 24, 2022

NGC BODILY INJURY TRUST

Consolidated Statements of Fund Deficit

	December 31,	
	2021	2020
ASSETS		
Investments, at fair value	**$ 261,013,262**	$ 261,453,403
Investment income receivable	**1,608,995**	1,605,529
Prepaid expenses and other assets	**204,429**	282,328
Income tax receivable	**309,137**	-
Investment in Trust Services, Inc.	**27,785**	27,785
Total assets	**263,163,608**	263,369,045
LIABILITIES		
Accounts payable and accrued expenses	**290,273**	366,507
Accrued asbestos injury claims	**870,614,615**	898,095,376
Income tax payable	**-**	1,403,349
Deferred income taxes	**23,332,881**	19,296,336
Total liabilities	**894,237,769**	919,161,568
FUND DEFICIT	**$ (631,074,161)**	$ (655,792,523)

See accompanying notes to the consolidated financial statements.

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NGC BODILY INJURY TRUST

Consolidated Statements of Changes in Fund Deficit

	Years Ended December 31,	
	2021	2020
Additions		
Investment income, net:		
Interest and dividends	**$ 4,241,801**	$ 4,416,830
Realized gain on investments, net	**6,317,285**	22,250,634
Unrealized gain on investments, net	**8,960,962**	999,721
Total investment income	**19,520,048**	27,667,185
Adjustment to accrued asbestos injury claims	**14,069,606**	33,540,281
Total additions	**33,589,654**	61,207,466
Deductions		
Operating and legal expenses	**3,127,233**	3,364,565
Federal income tax expense	**5,744,059**	7,365,779
Total deductions	**8,871,292**	10,730,344
Change in fund deficit	**24,718,362**	50,477,122
Fund deficit, beginning of year	**(655,792,523)**	(706,269,645)
Fund deficit, end of year	**$ (631,074,161)**	$ (655,792,523)

See accompanying notes to the consolidated financial statements.

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NGC BODILY INJURY TRUST

Consolidated Statements of Changes in Investments

	Years Ended December 31,	
	2021	2020
Inflows		
Net earnings from investments	**$ 19,516,582**	$ 27,475,333
Proceeds from predecessor litigation (Note 10)	**2,065,412**	-
Total inflows	**21,581,994**	27,475,333
Outflows		
Income tax payments	**3,420,000**	6,537,391
Asbestos claim payments	**15,476,567**	9,067,741
Operating and legal expenses	**3,125,568**	3,436,305
Total outflows	**22,022,135**	19,041,437
Net change in investments	**(440,141)**	8,433,896
Investments, beginning of year	**261,453,403**	253,019,507
Investments, end of year	**$ 261,013,262**	$ 261,453,403

See accompanying notes to the consolidated financial statements.

Note 1 - Description of the Trust

General

NGC Bodily Injury Trust (the "Trust") was established on August 6, 2003, pursuant to the Order Confirming the Third Amended Plan of Reorganization (the "Plan") under chapter 11 of the United States Bankruptcy Code for Asbestos Claims Management Corporation. The Trust was formed to resolve, pursuant to the Plan and Plan documents, the liabilities of National Gypsum Company ("Old NGC"), now known as Asbestos Claims Management Corporation ("ACMC"), successor, by change of name only, to Old NGC, resulting from known and unknown asbestos disease claims ("Asbestos Claims") and the then pending litigation related to such claims. Pursuant to the Plan, upon the formation of the Trust, the assets and liabilities of the NGC settlement Trust (the "Old Trust") were transferred to the Trust.

The purpose of the Trust is to use all assets of the Trust to pay allowed Asbestos Claims and the operating costs of the Trust pursuant to the provisions of the Trust Agreement and the Plan. The Trust is mandated to provide substantially equivalent treatment to holders of allowed current and future Asbestos Claims. The Trustees of the Trust are responsible for administering the Asbestos Claims resolution process pursuant to the Trust's Claims Resolution Procedures (the "CRP") and managing the assets held by the Trust to fund its Asbestos Claim liabilities and operating costs.

Termination

The Trust Agreement (section 8.02(a)) provides that the Trust shall automatically terminate on the date (the "Termination Date") ninety (90) days after the first to occur of the following events:

- All Asbestos Claims duly filed with the Trust have been liquidated and settled or otherwise resolved, and twelve consecutive months have elapsed during which no new Asbestos Claim has been filed with the Trust, provided, that if the Trustees, in their reasonable discretion, determine during such 90-day period that it is likely that new Asbestos Claims will subsequently be filed, then the Trust shall not terminate;

- If the Trustees have procured and have in place irrevocable insurance policies or other appropriate arrangements and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements;

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Note 1 - Description of the Trust – (Continued)

Termination – continued

- If, in the judgment of at least two of the three Trustees, with the consent of the TAC and the Legal Representative (subject to section 6.08(b)), the continued administration of the Trust is uneconomic or inimical to the best interests of the Persons holding Asbestos Claims; or

- Twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all the descendants of George W. Bush living on the date hereof.

On the Termination Date, after payment of all of the Trust's liabilities have been provided for, all remaining assets of the Trust shall be applied to such charitable purposes as the Trustees in their reasonable discretion shall determine, which charitable purposes, if practicable, shall be related to the treatment of, research regarding, or payment of claims related to asbestos-caused disorders.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation and consolidation

The consolidated financial statements (the "Financial Statements") of the Trust are prepared under the accrual method of accounting and in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying Financial Statements include the Trust and its wholly-owned subsidiary, ACMC. All significant inter-company transactions and balances have been eliminated.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through March 24, 2022, the date on which the Financial Statements were available to be issued.

Cash and cash equivalents

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

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Note 2 - Summary of Significant Accounting Policies – (Continued)

Investments

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

Fair value of investments

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

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

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

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

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

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Note 2 - Summary of Significant Accounting Policies – (Continued)

Fair value of investments – continued

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

Fund balance (deficit)

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

Insurance proceeds and insurance settlements receivable

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

- The Trust has obtained an executed copy of the settlement agreement.
- Future payments due to the Trust are in settlement of policies that have been previously billed and exhausted by claims incurred by the Trust (a pro-rata allocation will be used for agreements involving multiple policies and policies not billed and exhausted).
- The future claims paying ability of the insurer is deemed to be collectable, and the insurer holds a Standard & Poor's rating of AA- or better.

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

Claims and claim expenses

Claims and claim expenses are recorded when they become estimable and probable.

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Note 2 - Summary of Significant Accounting Policies – (Continued)

Consolidated statements of changes in investments

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

Concentration of credit risk

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

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

Use of estimates

The preparation of the Financial Statements in conformity with GAAP requires the Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of additions and deductions to the fund deficit during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of accrued asbestos injury claims, the fair value of investments, and current and deferred taxes. Actual results could differ from those estimates.

In early 2020, the World Health Organization declared the rapidly spreading coronavirus disease ("COVID-19") outbreak a pandemic. This pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Trust considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on the Trust's financial condition, liquidity and operations at December 31, 2021. The Trust is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of the date of issuance of the Financial Statements. These estimates may change, as new events occur and additional information is obtained.

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Note 2 - Summary of Significant Accounting Policies – (Continued)

Income taxes

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

The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issues is subject to 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 position taken or expected to be taken in a tax return. To the extent that the Trust's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating expenses, respectively.

Reclassifications

Certain reclassifications have been made to the prior period to conform with the current year presentation.

Note 3 - Claims Resolution

The Trust reviews and determines Asbestos Claims in accordance with the CRP. The CRP provides for processing, allowing and disallowing, liquidating and paying all allowed Asbestos Claims as required by the Plan and the Trust Agreement.

Note 4 - Trustees' Advisory Committee and Legal Representative

Pursuant to the Plan and the Trust Agreement, the NGC Bodily Injury Trustees' Advisory Committee ("TAC") was formed. The TAC consists of two attorneys representing Asbestos Disease Claimants. The Legal Representative, appointed to represent unknown Future Asbestos Claimants, is an ex-officio member of the TAC. As required by the Plan and the Trust Agreement, the TAC and Legal Representative consult with the Trustees regarding specific issues affecting the Trust. The Plan documents provide for specific actions for which the Trustees must obtain the consent of the TAC and Legal Representative, subject to Bankruptcy Court approval in the event of a disagreement between the parties.

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Note 5 - Investments and Fair Value Measurements

On January 5, 2004, Northern Bank & Trust Company became the Trust's custodian. Following the investment provision of the Trust Agreement and the Investment Policy Statement developed by the Trust's investment consultant and adopted by the Trustees, the assets of the Trust were deployed on January 6, 2004.

The Trust, taking advice from its investment consultants since inception, has continuously monitored and made changes in the allocation of its investments and the investment advisors that manage selected mandates. As of December 31, 2021, the Trust had (i) four fixed income managers, (ii) four equity managers and (iii) a custody bank holding cash.

The Trust had a cumulative net unrealized holding gain on investments of $63,061,838 and $54,100,876 at December 31, 2021 and 2020, respectively. The estimated fair values of the Trust's investments are as follows at December 31:

	2021		2020	
	Cost	**Fair Value**	Cost	Fair Value
Cash equivalents	$ **8,820,543**	**8,820,543**	$ 29,186,023	29,186,023
Debt securities	**150,091,701**	**154,654,999**	145,365,577	153,950,965
Equity securities	**39,039,180**	**97,537,720**	32,800,927	78,316,415
	$ **197,951,424**	**261,013,262**	$ 207,352,527	261,453,403

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

Cash equivalents

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

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Note 5 - Investments and Fair Value Measurements – (Continued)

Debt securities

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

Equity securities

The Trust's equity securities are classified as Level 1 because these securities are traded in active public markets such as the NYSE or NASDAQ.

Financial assets with changes in fair value that are measured on a recurring basis were as follows at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ **8,820,543**	$ **-**	$ **-**	$ **8,820,543**
Debt securities	**-**	**154,654,999**	**-**	**154,654,999**
Equity securities	**97,537,720**	**-**	**-**	**97,537,720**
Total	$ **106,358,263**	$ **154,654,999**	$ **-**	$ **261,013,262**

Financial assets with changes in fair value that are measured on a recurring basis were as follows at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 29,186,023	$ -	$ -	$ 29,186,023
Debt securities	-	153,950,965	-	153,950,965
Equity securities	78,316,415	-	-	78,316,415
Total	$ 107,502,438	$ 153,950,965	$ -	$ 261,453,403

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Note 6 - Insurance Settlements Receivable

ACMC executed settlement agreements with various insurers for payments of amounts previously exhausted and/or billed under certain insurance policies that cover the asbestos liabilities of ACMC. Accordingly, when these assets were transferred from the Old Trust to the Trust subsequent to December 31, 2003, the Trust recorded an insurance settlement receivable totaling $23,500,000. The final payment was received on January 18, 2006. One remaining settlement in the amount of $6,000,000 is contingent upon the total amount of claims allowed by the Trust. The timing and certainty of collection of the settlement amount is unknown and in accordance with the Trust's accounting policy is not recognized as an asset.

Note 7 - Investment in TSI

The Trust is an owner of Trust Services, Inc. (a Texas corporation) ("TSI"), along with the Fuller-Austin Asbestos Settlement Trust ("FAST"). Currently each owner trust, the Trust and FAST, has a one-half interest in TSI through the ownership of one share of TSI stock each.

The Trust also has a comprehensive services agreement with TSI that automatically renews each year. TSI provides administrative, financial, investment, and claims processing services to the Trust in exchange for a pro-rata reimbursement of TSI's expenses based on an agreed upon allocation methodology.

The Trust has recorded expenses of approximately $1,280,000 and $1,316,000 for the years ended December 31, 2021 and 2020, respectively, in connection with the management and services agreement with TSI, which are included in operating and legal expenses in the statements of changes in fund deficit. The Trust had prepaid expenses with TSI of approximately $188,000 and $168,000 at December 31, 2021 and 2020, respectively.

Note 8 - Accrued Asbestos Claims

The Trusts estimates it ultimate liability for Asbestos Claims each year with the advice of experts. For the years ended December 31, 2021 and 2020, the Accrued Asbestos Claim Liability was decreased by approximately $14,070,000 and $33,540,000, respectively, to reflect changes in the forecast based on actual claims activity as well as the payment of claims.

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Note 8 - Accrued Asbestos Claims – (Continued)

The total amount of accrued Asbestos Claims is comprised of the following at December 31:

	2021	2020
Liability for unresolved Asbestos Claims	$ **294,396,185**	$ 345,750,532
Liability for resolved unpaid Asbestos Claims	**576,218,430**	552,344,844
	$ **870,614,615**	$ 898,095,376

During the years ended December 31, 2021 and 2020, the Trust made claim payments of approximately $15,477,000 and $9,068,000, respectively.

Note 9 - Taxation

The Trust reports its income to the Internal Revenue Service as a designated settlement fund which is taxed at the highest rate applicable to trusts under Section 1(e) of the IRC, which is 37% for the years ending December 31, 2021 and 2020, respectively.

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

	Years Ended December 31,	
	2021	2020
Modified taxable income	$ **4,259,792**	$ 20,414,457
Tax rate	**37%**	37%
Tax expense generated on modified taxable income	**1,576,123**	7,553,349
True up prior year estimates	**131,391**	172,924
Deferred income tax expense (benefit)	**4,036,545**	(360,494)
Net federal tax expense	$ **5,744,059**	$ 7,365,779

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Note 9 - Taxation – (Continued)

The tax effects of temporary differences were as follows:

	December 31,	
	2021	2020
Deferred tax liability:		
Unrealized gain on investments	**$ (23,332,881)**	$ (19,296,336)

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

Note 10 - Predecessor Litigation

Until June 16, 2000, ACMC, as Old NGC, participated as a member of the Center for Claims Resolution (the "CCR"), a third party administrator, for the processing, defense, and settlement of asbestos disease claims. CCR billed and collected funds from the insurance carriers of ACMC for reimbursement of asbestos disease claim payments based on trial results and negotiated settlements, as well as for expenses incurred by CCR for processing such claims. ACMC withdrew as a member of the CCR because the Trust could no longer be certain that it could fund additional commitments that might be made by the CCR, on behalf of ACMC, to resolve additional asbestos disease claims.

CCR asserted a claim against ACMC for up to $197,000,000 in settled but unpaid liabilities, most of which ACMC contended was nullified by the CCR Reimbursement Agreement. The CCR and its remaining solvent members agreed to settle all issues with ACMC as part of the Plan, pending mutual release agreements between ACMC and each of the former members of CCR in bankruptcy proceedings at the time of the settlement.

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Note 10 - Predecessor Litigation – (Continued)

The benefits of the settlement for ACMC accrued to the Trust in the form of credits totaling approximately $10,436,000 against payments due in satisfaction of BI Settlement Claims (as defined in the Plan) expected to be filed by solvent CCR members who claimed to have paid ACMC asbestos disease liabilities and have releases in favor of ACMC and other Protected Parties. As a result of extended negotiations, ACMC and the Trust settled with the remaining solvent CCR members for approximately $19,680,000, net of the approximate credit of $10,436,000. On April 4, 2011, the proceeds of approximately $19,680,000 was paid to the settling solvent members of the CCR and approximately $3,938,000 was placed in an escrow account pending satisfaction of certain terms of settlement. This resolved all issues with the solvent CCR members related to ACMC's membership in CCR and allowed the Trust to release all excess reserves held to pay the demands of the solvent CCR members.

In April 2021, the original Escrow Account Agreement was amended by the First Amendment to the Escrow Account Agreement. In accordance with the First Amendment, the Trust agreed to split the funds and accumulated earnings 50% between the Trust and CCR. In connection with the First Amendment, the Trust received proceeds of approximately $2,065,000, which is included in the adjustment to accrued asbestos injury claims in the consolidated statements of changes in fund deficit.

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