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Counsel for Quigley Asbestos PI Trust

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
QUIGLEY COMPANY, INC.,	:	Case No. 04-15739 (DSJ)
Debtors.	:	

NOTICE OF FILING ANNUAL REPORT AND ACCOUNT OF THE QUIGLEY ASBESTOS PI TRUST FOR YEAR ENDING DECEMBER 31, 2022

Pursuant to Article 13.1 of the Debtors' Fifth Amended and Restated Plan of Reorganization and Section 3.02(c) of the Amended and Restated Quigley Company, Inc. Asbestos Personal Injury Trust Agreement (as amended, the "**Trust Agreement**"), the Trustees of the Quigley Asbestos PI Trust (the "**Trust**"), Anne M. Ferazzi and Allen N. Schwartz (the "**Trustees**"), make the following Annual Report for the year ending December 31, 2022 (the "**Annual Report**"), a copy of which is attached hereto as Exhibit 1.

Consistent with Section 3.02(c), 4.01, and 5.05(c) of the Trust Agreement, the Annual Report includes a copy of the Trust's audited financial statements as of December 31, 2022; the opinion and report from the independent auditors for the Trust; a summary of claims disposed during the period covered by the financial statements, and a reporting of the total fees paid to the Trustees for the year ended December 31, 2022.

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In addition, as required by Section 3.02(c)(i) of the Trust Agreement, a copy of the Annual Report has been provided to the Trust Advisory Committee, the Future Demand Holders' Representative, and Reorganized Quigley. Further, pursuant to Section 3.02(c)(iii), this report is available for inspection by the public through the records of the Bankruptcy Court.

Dated: April 28, 2023

Respectfully submitted,

/s/ Rachael A. Rowe

Kevin E. Irwin (OH Bar # 0021811)
Rachael A. Rowe (OH Bar # 0066823, admitted *pro hac vice*)
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Exhibit 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
QUIGLEY COMPANY, INC.,	:	Case No. 04-15739 (DSJ)
Debtors.	:	

ANNUAL REPORT AND ACCOUNT OF THE QUIGLEY ASBESTOS PI TRUST FOR YEAR ENDING DECEMBER 31, 2022

Pursuant to Article 13.1 of the Debtors' Fifth Amended and Restated Plan of Reorganization (the "**Plan**")[1] and Section 3.02(c) of the Amended and Restated Quigley Company, Inc. Asbestos Personal Injury Trust Agreement (as amended, the "**Trust Agreement**"), the Trustees of the Quigley Asbestos PI Trust (the "**Trust**"), Anne M. Ferazzi and Allen N. Schwartz (the "**Trustees**"), make the following Annual Report for the year ending December 31, 2022 (the "**Annual Report**").[2] Charles A. Koppelman served as the third Trustee throughout most of the Reporting Period. Sadly, Trustee Koppelman passed away on November 25, 2022. The remaining Trustees, with the consent of the Trust Advisory Committee and the Future Demand Holders' Representative, agreed that a successor Trustee would not appointed and the number of Trustee positions was reduced to two (2) via an amendment to the Trust Agreement. Trustees Ferazzi and Schwartz continue to conduct the business of the Trust.

1. Financial Statements

Section 3.02(c)(i) of the Trust Agreement requires the Annual Report to include:

[1] All capitalized terms used herein but not otherwise defined shall have the respective meanings given to such terms in the Plan.
[2] This Annual Report covers the calendar year 2022 (the "**Reporting Period**").

> "financial statements of the Asbestos PI Trust (including, without limitation, a balance sheet of the Asbestos PI Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm that such financial statements present fairly in all material respects the financial portion of the Asbestos PI Trust as of such year end and the results of its operations as of the year then ended in conformity with GAAP."

Attached as Exhibit A is a copy of the Quigley Asbestos PI Trust Financial Statements with the Independent Auditors' Report for the year ending December 31, 2022 (the "**Audited Financial Statements**"). As required, the auditor for the Trust, BDO USA, LLP, has provided an opinion as to the fairness of the financial statements' presentation and of their conformity with generally accepted accounting principles.

2. Claims Summary

Section 3.02(c)(ii) of the Trust Agreement requires the Annual Report to include "a summary regarding the number and type of Asbestos PI Claims disposed of during the period covered by the financial statements." Attached as Exhibit B is a summary of claims activity during the Reporting Period.

3. Compensation and Expenses of the Trustees

As noted above, the Trustees are Anne M. Ferazzi, Charles A. Koppelman, and Allen N. Schwartz. Section 5.05(c) of the Trust Agreement provides that the Annual Report shall include a description of the fees and expenses paid to the Trustees each year. For a detailed breakdown of the retainer fees, hourly fees, and expense reimbursements paid to the Trustees, please refer to the Supplementary Schedules of Operating Expenses contained in the Audited Financial Statements attached hereto. (*See* Audited Financial Statements attached as Exhibit A.)

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4. Additional Information

For additional information regarding the Trust's financials or operations, please contact its General Counsel, Keating Muething & Klekamp PLL, One East Fourth Street, Suite 1400, Cincinnati, Ohio 45202, attention: Philip A. Tracy. For information on how to file a claim against the Trust, please go to the Trust's website: www.quigleytrust.com.

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Exhibit A

Quigley Asbestos PI Trust and Subsidiary

Consolidated Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2022 and 2021

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.

Quigley Asbestos PI Trust and Subsidiary

Consolidated Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2022 and 2021

Quigley Asbestos PI Trust and Subsidiary

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Independent Auditor's Report

Trustees
Quigley Asbestos PI Trust
Roslyn, New York

Opinion

We have audited the consolidated special-purpose financial statements of Quigley Asbestos PI Trust and subsidiary (collectively, the Trust) (a qualified settlement fund originally created under the laws of New York), which comprise the consolidated special-purpose statements of assets, liabilities, and net assets as of December 31, 2022 and 2021, and the related consolidated special-purpose statements of changes in net assets and the consolidated special-purpose statements of cash flows for the years then ended, and the related notes to the consolidated special-purpose financial statements.

In our opinion, the accompanying consolidated special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2022 and 2021, and the changes in net assets and cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the consolidated special-purpose financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Special-Purpose 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 a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the consolidated special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying consolidated special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the consolidated special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the consolidated special-purpose financial statements. Management is also responsible for the

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design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated special-purpose financial statements, management is required to evaluate whether 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 that the consolidated special-purpose financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated special-purpose 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 consolidated special-purpose 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 consolidated special-purpose 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 consolidated special-purpose 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 consolidated special-purpose 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.

Other Matter - 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.

Other Matter - Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the year ended December 31, 2022 but does not include the consolidated special-purpose financial statements and our auditor's report thereon. Our opinion on the consolidated special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, LLP

McLean, Virginia
April 27, 2023

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Consolidated Special-Purpose Financial Statements

Quigley Asbestos PI Trust and Subsidiary

Consolidated Special-Purpose Statements of Net Assets

December 31,	**2022**	2021
Assets		
Cash and cash equivalents	**$ 8,772,072**	$ 17,525,931
Investments	**587,749,777**	744,658,716
Accrued interest and dividends receivable	**5,177,297**	5,359,142
Prepaid expenses	**229,888**	241,012
Prepaid federal income tax	**1,180,000**	2,858,131
Total assets	**603,109,034**	770,642,932
Liabilities		
Accrued expenses and accounts payable	**436,833**	1,197,184
Accrued claims	**4,908,614**	4,022,364
Income taxes payable	**-**	947,485
Total liabilities	**5,345,447**	6,167,033
Net assets	**$ 597,763,587**	$ 764,475,899

See accompanying notes to the consolidated special-purpose financial statements.

Quigley Asbestos PI Trust and Subsidiary

Consolidated Special-Purpose Statements of Changes in Net Assets

Years Ended December 31,	**2022**	2021
Additions		
Insurance recoveries	**$ -**	$ 2,300,000
Rental income	**-**	2,264,803
Net appreciation in fair value of investment securities	**-**	28,257,734
Interest income, net	**15,980,973**	14,940,838
Other income	**500**	77,522,731
Total additions	**15,981,473**	125,286,106
Deductions		
Net depreciation in fair value of investment securities	**74,700,319**	-
Operating expenses for Quigley Asbestos PI Trust	**4,045,602**	4,243,550
Operating expenses for Quigley Company, Inc.	**42,823**	734,416
Claims processing expense	**1,003,757**	1,470,914
Claims settled	**74,917,668**	42,522,310
Income tax expense	**27,983,616**	26,146,869
Total deductions	**182,693,785**	75,118,059
(Decrease) increase in net assets	**(166,712,312)**	50,168,047
Net assets		
Beginning of the year	**764,475,899**	714,307,852
End of the year	**$ 597,763,587**	$ 764,475,899

See accompanying notes to the consolidated special-purpose financial statements.

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Quigley Asbestos PI Trust and Subsidiary

Consolidated Special-Purpose Statements of Cash Flows

Years Ended December 31,	**2022**	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	**$ (166,712,312)**	$ 50,168,047
Adjustments to reconcile the increase (decrease) in net assets to net cash used in operating activities:		
Gain on sale of real property	**-**	(77,522,702)
Depreciation expense	**-**	692,267
Amortization of premiums on bonds, net	**7,474,242**	7,482,037
Net appreciation in fair value of investment securities	**74,700,319**	(28,257,734)
Changes in operating assets and liabilities		
Accrued interest and dividends receivable	**181,845**	106,594
Prepaid expenses	**11,124**	(241,012)
Prepaid federal income tax	**1,678,131**	(2,858,131)
Other assets	**-**	219,593
Accrued expenses and accounts payable	**(760,351)**	565,876
Income taxes payable	**(947,485)**	897,409
Accrued claims	**886,250**	511,115
Tenant deposit	**-**	(174,560)
Total adjustments	**83,224,075**	(98,579,248)
Net cash used in operating activities	**(83,488,237)**	(48,411,201)
Cash flows from investing activities:		
Sales and maturities of investment securities held by Quigley Trust	**394,119,309**	161,458,728
Purchases of investment securities held by Quigley Trust	**(322,160,595)**	(135,695,655)
Sales of investment securities held by Quigley Company, Inc.	**41,233,253**	29,453,960
Purchases of investment securities held by Quigley Company, Inc.	**(38,457,589)**	(126,467,101)
Proceeds from sale of real property	**-**	114,338,422
Net cash provided by investing activities	**74,734,378**	43,088,354
Net decrease in cash and cash equivalents	**(8,753,859)**	(5,322,847)
Cash and cash equivalents at the beginning of the year	**17,525,931**	22,848,778
Cash and cash equivalents at the end of the year	**$ 8,772,072**	$ 17,525,931

See accompanying notes to the consolidated special-purpose financial statements.

Quigley Asbestos PI Trust and Subsidiary

Notes to the Consolidated Special-Purpose Financial Statements

1. Description of the Trust

On September 3, 2004, Quigley Company, Inc. (the Debtor), filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On July 2, 2013, the Bankruptcy Court entered an order (the Confirmation Order) confirming the Plan of Reorganization dated June 29, 2012, as amended through June 26, 2013 (the Confirmed Plan) proposed and filed by the Debtor. The Confirmed Plan became effective on November 4, 2013 (the Effective Date or the Effective Date of the Plan of Reorganization).

The essential elements of the Confirmed Plan include, among other things: the utilization of a qualified settlement fund, in the form of Quigley Asbestos PI Trust, to assume all liabilities and obligations of the Debtor, its predecessors and successors in interest, for all Asbestos PI Trust Claims, and to resolve, and provide for the payment in part or in full, of all Asbestos Claims in accordance with procedures established pursuant to the Confirmed Plan.

When formed, the Quigley Asbestos PI Trust was funded with or transferred (a) approximately $260 million in cash received from Pfizer Inc., the former parent company of the Debtor, (b) the rights to receive asbestos insurance recoveries (as described in Note 3) (c) approximately $448 million in cash from JPM Insurance Settlement Proceeds Trust Account, and (d) approximately $3 million from Quigley Company, Inc., all in consideration for the releases and injunctions described in the Confirmed Plan. These receipts were recorded as initial funding in the accompanying consolidated special-purpose statements of changes in net assets.

Additionally, on the Effective Date, in accordance with the Confirmed Plan, the Trust acquired 100% ownership in the reorganized Quigley Company, Inc. (Quigley). Quigley owned and operated a building located in California that was contributed to Quigley (from Pfizer) in accordance with the Confirmed Plan. In October 2021, Quigley sold the building.

The Trustees are responsible for supervising and administering the Quigley Asbestos PI Trust and managing Quigley. The Trustees will use the Trust's assets and income to pay the holders of all Asbestos Claims in accordance with the Trust Agreement and the Quigley Asbestos PI Trust Distribution Procedures in such a way that holders of Asbestos 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 Bankruptcy Code.

2. Significant Accounting Policies

Principles of consolidation

The consolidated special-purpose financial statements include the accounts of Quigley Asbestos PI Trust and its wholly-owned subsidiary, Quigley (collectively, the Trust). All significant intercompany balances and transactions are eliminated in consolidation.

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Quigley Asbestos PI Trust and Subsidiary

Notes to the Consolidated Special-Purpose Financial Statements

Basis of presentation

The Trust's consolidated special-purpose financial statements are prepared using special-purpose accounting methods adopted by the Trustees, 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 assets and related operating expenses of the Trust. Since the accompanying consolidated 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. 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.

b. The full amounts of claims are expensed in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant, with an approved release. 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.

c. 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. In instances where the Trust has made estimated payment in excess of taxes due in the current period, and applies those payments to future periods, the expense is recorded when paid. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is calculated based upon book income reported for financial statement purposes, the current federal and state income tax rates, and changes in deferred taxes due to the permanent and timing differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes also include a provision for taxes attributable to changes in unrealized gains and losses on investments.

Use of estimates

The preparation of consolidated 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 consolidated special-purpose financial statements, as well as the reported amounts of additions and deductions to net assets during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net assets.

Cash equivalents

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

Investments

Investment securities are stated at fair value. The net appreciation or depreciation in fair value of investments in the accompanying consolidated special-purpose statements of changes in net assets consists of realized gains or losses on sales of investments and the changes in unrealized gains or losses on investments held. Interest income is recognized when earned. All interest and dividend income, net of amortization of premiums on bonds, are included in interest income in the accompanying consolidated special-purpose statements of changes in net assets. Gains and losses on sales of investment securities are determined using the specific identification method.

Accrued expenses and accounts payable

Accrued expenses and accounts payable consist of outstanding invoices associated with managing the Trust.

Accrued claims

Accrued claims consist of claims that have an approved release, but have not yet been paid as of the end of the year.

Insurance recoveries

Asbestos insurance recoveries are recorded upon settlement and assurance of collectability. These recoveries come from various insurance settlements, which were obtained by the Debtor and related entities and assigned to the Trust. The insurance policies cover, among other things, products and general liability claims. Any future rights or proceeds for which there is no receivable recorded will be recorded directly as an addition to the change in net assets when received.

Rental income

Aggregate rent receipts due over the life of the lease are recognized as rental income when received. Rental income is presented net of operating costs incurred to maintain the building.

Operating expenses

Operating expenses of the Trust are recorded as deductions on the consolidated special-purpose statement of changes in net assets in the period in which the expense is incurred.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). 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 Trustees and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Quigley is classified as a C Corporation.

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Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

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 4). The income taxes associated with gains on investments will be recorded in the Trust's consolidated special-purpose financial statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable.

Risks 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 never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2022 are approximately $1.3 million.

The Trust invests in a professionally managed portfolio that contains common shares of publicly traded companies, government obligations, money market funds, 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 securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the consolidated special-purpose statements of assets, liabilities and net assets.

3. Insurance Recoveries

Under the terms of settlement agreements with certain insurance companies, the Trust is entitled to future insurance recoveries that are to be paid ratably over an extended period of time. In accordance with the Trust's accounting policies, such insurance recoveries are recorded as an addition to the change in net assets when the amounts are settled, and collectability is reasonably assured.

During the years ended December 31, 2022 and 2021, pursuant to the existing insurance settlement agreements that were transferred to the Trust as part of the Confirmed Plan, the Trust received insurance settlement payments in an aggregate amounts of $0 and $2,300,000, respectively.

4. Investments

Investment securities consist of the following at December 31:

	2022		
	Cost	**Fair Value**	**Unrealized Gain**
Equities	**$ 64,726,682**	**$ 116,035,389**	**$ 51,308,707**
Bonds	**453,951,535**	**445,874,941**	**(8,076,594)**
Alternative investments	**26,006,655**	**25,839,447**	**(167,208)**
Total investments	**$ 544,684,872**	**$ 587,749,777**	**$ 43,064,905**

	2021		
	Cost	**Fair Value**	**Unrealized Gain**
Equities	$ 162,056,765	$ 253,863,986	$ 91,807,221
Bonds	449,083,992	470,822,764	21,738,772
Alternative investments	17,130,000	19,971,966	2,841,966
Total investments	$ 628,270,757	$ 744,658,716	$ 116,387,959

The maturities of the Trust's investments in bonds are as follows at December 31, 2022:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	**$ 14,501,366**	**$ 159,422,212**	**$ 133,961,072**	**$ 137,990,291**	**$ 445,874,941**

Summary of changes in alternative investments

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:

	2022	2021
Balance at the beginning of the year	**$ 19,971,966**	$ 1,066,156
Purchases of alternative investments	**26,006,655**	18,967,244
Liquidations / distributions of alternative investments	**(19,971,966)**	(540,480)
Net appreciation in fair value	**(167,208)**	479,046
Balance at the end of the year	**$ 25,839,447**	$ 19,971,966

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Alternative investments categories

The major categories of the Trust's alternative investments, including general information related to each category, are as follows:

(a)	Fair Value **2022**	Fair Value 2021	Redemption Frequency (if Currently Eligible)	First/Next Redemption	Notice Period (days)	Gate
Long/short fund	**$ -**	$ 2,236,160	N/A	N/A	N/A	N/A
(b)						
Real estate investment trust	**25,839,447**	17,735,806	N/A	N/A	N/A	N/A
	$ 25,839,447	$ 19,971,966				

(a) Alternative investments in this category seek to achieve its goal primarily by taking long and short positions in the global securities markets. It uses long or short positions in common and preferred equity securities, exchange traded funds. The fund may invest in securities of, and derivative contracts on, U.S. and non-U.S. companies. Futures, swaps, forwards or options may be used in an attempt to increase returns and/or reduce risks.

(b) Alternative investments in this category are companies that own or finance high-quality, stabilized, income-producing real estate across a range of property sectors, including offices, apartment buildings, warehouses, retail centers, medical facilities, data centers, cell towers, infrastructure and hotels.

5. 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:

- **Level 1**: Equities are valued at the closing price reported on the active market on which the individual securities are traded.

- **Level 2**: Bonds are valued using a metrics system provided by the pricing vendors.

- **Level 3**: Alternative investments are valued based on the Trust's proportionate share of each funds' net assets, as reported as of the date of the consolidated special-purpose financial statements. Real estate is valued using significant unobservable inputs including information from fund managers or general partners based on quoted market prices, if available, or other valuation methods.

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

	As of December 31, 2022			
	Assets Measured	Fair Value Hierarchy Level		
Description	At Fair Value	Level 1	Level 2	Level 3
Equities:				
Common stock	$ 116,035,389	$ 116,035,389	$ -	$ -
Total equities	116,035,389	116,035,389	-	-
Bonds:				
State government	392,933,370	-	392,933,370	-
Government	2,788,062	2,788,062	-	-
Corporate	48,535,642	-	48,535,642	-
International	1,617,867	-	1,617,867	-
Total bonds	445,874,941	2,788,062	443,086,879	-
Alternative investments	25,839,447	-	-	25,839,447
Total assets at fair value	$ 587,749,777	$ 118,823,451	$ 443,086,879	$ 25,839,447

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	As of December 31, 2021			
	Assets Measured	Fair Value Hierarchy Level		
Description	At Fair Value	Level 1	Level 2	Level 3
Equities:				
Common stock	$ 253,863,986	$ 253,863,986	$ -	$ -
Total equities	253,863,986	253,863,986	-	-
Bonds:				
State government	434,484,381	-	434,484,381	-
Government	13,223,466	13,223,466	-	-
Corporate	20,777,368	-	20,777,368	-
International	2,337,549	-	2,337,549	-
Total bonds	470,822,764	13,223,466	457,599,298	-
Alternative investments	19,971,966	-	-	19,971,966
Total assets at fair value	$ 744,658,716	$ 267,087,452	$ 457,599,298	$ 19,971,966

6. Income Taxes

The Trust made $25,650,000, and $6,480,000 in income tax payments during the years ended December 31, 2022 and 2021, respectively. The Trust recorded income tax expense of $27,328,131 and $3,621,869 for the years ended December 31, 2022 and 2021, respectively.

Quigley made $0, and $21,448,151 in income tax payments during the years ended December 31, 2022 and 2021, respectively. Quigley recorded income tax expense of $655,485 and $22,525,000 for the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2022, the estimated deferred tax liability associated with unrealized gains on investments is approximately $16,000,000. As disclosed in Note 2 to the consolidated special-purpose 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 cumulative unrealized gains and losses on investments.

7. Liability for Asbestos Claims

The net assets at December 31, 2022 represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

For the years ended December 31, 2022 and 2021, the Trust received 19,285 and 13,809 new claim filings, respectively. For the years ended December 31, 2022 and 2021, the Trust settled and paid $73,951,337 and $42,011,194, respectively. As of December 31, 2022 and 2021, the Trust had settled $4,908,614 and $4,022,364 of claims, respectively, that were not paid as of year end.

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8. 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 consolidated special-purpose financial statements. Such claims, if any, are not expected to be material.

9. Subsequent Events

The Trust has evaluated its December 31, 2022 consolidated special-purpose financial statements for subsequent events through April 27, 2023, the date the consolidated special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the consolidated special-purpose financial statements.

Supplementary Information

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8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report on Supplementary Information

Trustees
Quigley Asbestos PI Trust
Roslyn, New York

Our audit of the consolidated special-purpose financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated special-purpose financial statements or to the consolidated special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated special-purpose financial statements as a whole.

BDO USA, LLP

April 27, 2023

Quigley Asbestos PI Trust and Subsidiary

Supplementary Schedules of Operating Expenses for Quigley Asbestos PI Trust

Years Ended December 31,	**2022**	2021
Trustee hourly fees	**$ 415,398**	$ 418,753
Trustee retainer fees	**206,966**	224,785
Trustee expenses	**9,708**	1,055
Total trustee fees and expenses	**632,072**	644,593
Bank fees	**1,616,474**	1,897,492
Trust legal fees and expenses	**555,990**	580,676
Claims medical audit	**-**	479,531
Accounting fees	**159,012**	110,491
Claims audit program	**254,768**	104,659
Audit and tax fees	**97,373**	96,237
MMSEA reporting fees	**76,200**	76,200
Future claims representative fees and expenses	**82,050**	60,324
Future claims representative legal fees and expenses	**151,985**	50,294
Insurance	**282,392**	42,886
TAC Attorney fees and expenses	**85,914**	32,208
Claims consulting and forecasting fees and expenses	**-**	28,302
Other legal fees	**23,247**	20,000
Other consulting fees	**28,125**	13,909
Insurance billings	**-**	5,748
Foreign investment taxes and fees	**-**	-
TAC legal fees and expenses	**-**	-
Total operating expenses	**$ 4,045,602**	$ 4,243,550

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Supplementary Schedules of Operating Expenses for Quigley Company, Inc.

Years Ended December 31,	**2022**	2021
Depreciation expense	**$ -**	$ 692,267
Accounting services	**42,856**	40,184
General and administration	**(33)**	1,965
Total operating expenses	**$ 42,823**	$ 734,416

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Net Assets

As of December 31, 2022	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Assets				
Cash and cash equivalents	$ 7,226,625	$ 1,545,447	$ -	$ 8,772,072
Investments	587,749,777	-	-	587,749,777
Interest in Quigley Company, Inc.	1,532,157	-	(1,532,157)	-
Accrued interest and dividends receivable	5,177,297	-	-	5,177,297
Prepaid expenses	229,888	-	-	229,888
Prepaid federal income tax	1,180,000	-	-	1,180,000
Total assets	603,095,744	1,545,447	(1,532,157)	603,109,034
Liabilities				
Accrued expenses and accounts payable	423,543	13,290	-	436,833
Accrued claims	4,908,614	-	-	4,908,614
Total liabilities	5,332,157	13,290	-	5,345,447
Net assets	$ 597,763,587	$ 1,532,157	$ (1,532,157)	$ 597,763,587

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Net Assets

As of December 31, 2021	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Assets				
Cash and cash equivalents	$ 16,371,058	$ 1,154,873	$ -	$ 17,525,931
Investments	625,061,296	119,597,420	-	744,658,716
Interest in Quigley Company, Inc.	119,987,641	-	(119,987,641)	-
Accrued interest and dividends receivable	5,172,806	186,336	-	5,359,142
Prepaid expenses	241,012	-	-	241,012
Prepaid federal income tax	2,858,131	-	-	2,858,131
Total assets	769,691,944	120,938,629	(119,987,641)	770,642,932
Liabilities				
Accrued expenses and accounts payable	1,193,681	3,503	-	1,197,184
Accrued claims	4,022,364	-	-	4,022,364
Income taxes payable	-	947,485	-	947,485
Total liabilities	5,216,045	950,988	-	6,167,033
Net assets	$ 764,475,899	$ 119,987,641	$ (119,987,641)	$ 764,475,899

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Changes in Net Assets

As of December 31, 2022	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Assets				
Interest income, net	$ 15,980,973	$ -	$ -	$ 15,980,973
Other income	-	500	-	500
Total additions	15,980,973	500	-	15,981,473
Deductions				
Net depreciation of fair value of securities	67,502,667	7,197,652	-	74,700,319
Operating expenses for Quigley Asbestos PI Trust	4,045,602	-	-	4,045,602
Operating expenses for Quigley Company, Inc.	-	42,823	-	42,823
Claims processing expense	1,003,757	-	-	1,003,757
Claims settled	74,917,668	-	-	74,917,668
Income tax expense	27,328,131	655,485	-	27,983,616
Loss from Quigley Company, Inc.	7,895,460	-	(7,895,460)	-
Total deductions	182,693,285	7,895,960	(7,895,460)	182,693,785
Decrease in net assets	(166,712,312)	(7,895,460)	(7,895,460)	(166,712,312)
Net assets				
Beginning of the year	764,475,899	119,987,641	(119,987,641)	764,475,899
Transfer of investments to Quigley Trust	-	(110,560,024)	110,560,024	-
End of the year	$ 597,763,587	$ 1,532,157	$ (1,532,157)	$ 597,763,587

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Changes in Net Assets

As of December 31, 2021	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Assets				
Insurance recoveries	$ 2,300,000	$ -	$ -	$ 2,300,000
Rental income	-	2,264,803	-	2,264,803
Net appreciation of fair value of securities	27,164,757	1,092,977	-	28,257,734
Interest income, net	14,593,708	347,130	-	14,940,838
Other income	28	77,522,703	-	77,522,731
Income from Quigley Company, Inc.	57,968,197	-	(57,968,197)	-
Total additions	102,026,690	81,227,613	(57,968,197)	125,286,106
Deductions				
Operating expenses for Quigley Asbestos PI Trust	4,243,550	-	-	4,243,550
Operating expenses for Quigley Company, Inc.	-	734,416	-	734,416
Claims processing expense	1,470,914	-	-	1,470,914
Claims settled	42,522,310	-	-	42,522,310
Income tax expense	3,621,869	22,525,000	-	26,146,869
Total deductions	51,858,643	23,259,416	-	75,118,059
Increase in net assets	50,168,047	57,968,197	(57,968,197)	50,168,047
Net assets				
Beginning of the year	714,307,852	62,019,444	(62,019,444)	714,307,852
End of the year	$ 764,475,899	$ 119,987,641	$ (119,987,641)	$ 764,475,899

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Cash Flows

Year Ended December 31, 2022	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Cash flows from operating activities:				
Decrease in net assets	$ (166,712,312)	$ (7,895,460)	$ 7,895,460	$ (166,712,312)
Adjustments to reconcile the increase in net assets to net cash used in operating activities				
Amortization of premiums on bonds, net	7,474,242	-	-	7,474,242
Net depreciation in fair value of investment securities	67,502,667	7,197,652	-	74,700,319
Loss from Quigley Company, Inc.	7,895,460	-	(7,895,460)	-
Changes in operating assets and liabilities:				
Accrued interest and dividends receivable	(4,491)	186,336	-	181,845
Prepaid expenses	11,124	-	-	11,124
Prepaid federal income tax	1,678,131	-	-	1,678,131
Other assets	-	-	-	-
Accrued expenses and accounts payable	(770,138)	9,787	-	(760,351)
Income taxes payable	-	(947,485)	-	(947,485)
Accrued claims	886,250	-	-	886,250
Total adjustments	84,673,245	6,446,290	(7,895,460)	83,224,075
Net cash used in operating activities	(82,039,067)	(1,449,170)	-	(83,488,237)
Cash flows from investing activities:				
Sales and maturities of investment securities held by Quigley Trust	394,119,309	-	-	394,119,309
Purchases of investment securities held by Quigley Trust	(322,160,595)	-	-	(322,160,595)
Sales of investment securities held by Quigley Company, Inc.	-	41,233,253	-	41,233,253
Purchases of investments securities held by Quigley Company, Inc.	-	(38,457,589)	-	(38,457,589)
Quigley Company, Inc. distributions	935,920	(935,920)	-	-
Net cash provided by investment activities	72,894,634	1,839,744	-	74,734,378
Net decrease in cash and cash equivalents	(9,144,433)	390,574	-	(8,753,859)
Cash and cash equivalents at the beginning of the year	16,371,058	1,154,873	-	17,525,931
Cash and cash equivalents at the end of the year	$ 7,226,625	$ 1,545,447	$ -	$ 8,772,072

See independent auditor's report on supplementary information.

Quigley Asbestos PI Trust and Subsidiary

Consolidating Special-Purpose Statement of Cash Flows

Year Ended December 31, 2021	Quigley Asbestos PI Trust	Quigley Company, Inc.	Elimination	Consolidated Total
Cash flows from operating activities				
Increase in net assets	$ 50,168,047	$ 57,968,197	$ (57,968,197)	$ 50,168,047
Adjustments to reconcile the increase in net assets to net cash used in operating activities				
Depreciation expense	-	692,267	-	692,267
Gain on sale of real property	-	(77,522,702)	-	(77,522,702)
Amortization of premiums on bonds, net	7,225,952	256,085	-	7,482,037
Net appreciation in fair value of investment securities	(27,164,757)	(1,092,977)	-	(28,257,734)
Loss from Quigley Company, Inc.	(57,968,197)	-	57,968,197	-
Changes in operating assets and liabilities:				
Accrued interest and dividends receivable	133,750	(27,156)	-	106,594
Prepaid expenses	(241,012)	-	-	(241,012)
Prepaid federal income tax	(2,858,131)	-	-	(2,858,131)
Other assets	-	219,593	-	219,593
Accrued expenses and accounts payable	699,526	(133,650)	-	565,876
Income taxes payable	-	897,409	-	897,409
Accrued claims	511,115	-	-	511,115
Tenant deposit	-	(174,560)	-	(174,560)
Total adjustments	(79,661,754)	(76,885,691)	57,968,197	(98,579,248)
Net cash used in operating activities	(29,493,707)	(18,917,494)	-	(48,411,201)
Cash flows from investing activities:				
Sales and maturities of investment securities held by Quigley Trust	161,458,728	-	-	161,458,728
Purchases of investment securities held by Quigley Trust	(135,695,655)	-	-	(135,695,655)
Sales of investment securities held by Quigley Company, Inc.	-	29,453,960	-	29,453,960
Purchases of investments securities held by Quigley Company, Inc.	-	(126,467,101)	-	(126,467,101)
Proceeds from sale of real property	-	114,338,422	-	114,338,422
Net cash provided by investment activities	25,763,073	17,325,281	-	43,088,354
Net decrease in cash and cash equivalents	(3,730,634)	(1,592,213)	-	(5,322,847)
Cash and cash equivalents at the beginning of the year	20,101,692	2,747,086	-	22,848,778
Cash and cash equivalents at the end of the year	$ 16,371,058	$ 1,154,873	$ -	$ 17,525,931

See independent auditor's report on supplementary information.

Exhibit B

Quigley Asbestos Trust

Report of Asbestos Claim Activity and Disposition during Period from January 1, 2022 through December 31, 2022

Type of Claim	Number of Claims Filed	Number of Claims Approved for Payment	Number of Claims Withdrawn or Rejected	Liquidated Value of Approved Claims	Number of Approved Claims Paid	Amount Paid on Approved Claims after Application of Payment Percentage
Category A Claims (Disease Levels III – VII)	7,152	7,290	4,367	$ 569,303,648	6,116	$ 68,489,260
Category B Claims (Disease Levels I and II)	10,143	13,916	12,728	$ 42,776,000	13,170	$ 5,540,609
Unspecified Disease Level Claims	0	0	479	0	0	0
Total	17,295	21,206	17,574	$ 612,079,648	19,286	$ 74,029,869