UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	**:**	**Chapter 11**
T H AGRICULTURE & NUTRITION, L.L.C.,	**:**	**Case No. 08-14692 (REG)**
Debtor.	**:**	

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ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE T H AGRICULTURE & NUTRITION, L.L.C. ASBESTOS PERSONAL INJURY TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2023

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David F. Levi, as Trustee of the T H Agriculture & Nutrition, L.L.C. Asbestos Personal Injury Trust (the "**Trust**"), respectfully files this Annual Report, Financial Statements and Results of Operations for Fiscal Year Ended December 31, 2023 (the "**Report**"), pursuant to the First Amended Prepackaged Plan of Reorganization of T H Agriculture & Nutrition, L.L.C., Under Chapter 11 of the Bankruptcy Code (the "**Plan**") and the T H Agriculture & Nutrition, L.L.C. Asbestos Personal Injury Trust Agreement (the "**Trust Agreement**").

I. General

On November 24, 2008, T H Agriculture & Nutrition, L.L.C. ("**THAN**" or the "**Debtor**") filed a petition for relief under Chapter 11 of the United States Bankruptcy Code. THAN's bankruptcy case is being administered under Case No. 08-14692. On May 28, 2009, the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") confirmed the Plan, and on October 26, 2009, the United States District Court for the Southern District of New York affirmed the Bankruptcy Court's decision (the "**Confirmation Order**").

To address the substantial asbestos-related liabilities of the Debtor, the Plan established the Trust in accordance with the Trust Agreement. On November 30, 2009, the Effective Date[1] of the Plan, the Trust was created and funded with $900 million in assets. *See* Plan, § 9.4(f). David F. Levi is now the sole Trustee of the Trust.

Under the Trust Agreement, the Trust Advisory Committee ("**TAC**") represents all holders of present Asbestos PI Claims, and the Future Claimants' Representative ("**FCR**") represents the holders of future Asbestos PI Claims. *See* Trust Agreement, §§ 6.2 and 7.2. The TAC members in 2023 were Steven Kazan, Alan R. Brayton, Robert Cooney, Peter A. Kraus,

[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

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Matthew Bergman, Steven T. Baron, Perry Weitz, and Perry J. Browder. The FCR is Samuel Issacharoff.

The Trust Agreement, at section 2.2(g), requires that the Trustee meet with the TAC and FCR no less often than quarterly. During 2023, the Trustee held quarterly meetings with the TAC and the FCR on February 22, 2023, June 7, 2023, September 19, 2023, and November 14, 2023.

The Trustee generally held weekly Trust meetings throughout 2022 by telephone, beginning on January 2, 2023.

The principal office of the Trust is 1100 N. Market Street, Wilmington, DE 19890. The administrative office of the Trust is: Attention David F. Levi, Trustee, c/o Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation, 2323 Bryan Street, Suite 2200, Dallas, TX 75201.

In 2023, the Trust continued its retention of the following: Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation (general counsel); CBIZ (accountants, budget advisor and tax advisors); Verus Claims Services LLC ("**Verus**") (asbestos personal injury claims processing facility and claims administrator); Citi Private Bank and Bank of America Private Bank (financial consultants, money managers, custodian bank, and other banking functions), which in turn engages Blackrock for fixed income securities; BDO USA, LLP (independent auditor); AON Risk Services Central, Inc. (insurance broker); Ankura Consulting Group LLC (claims forecasting, consulting and analytic services); and Morgan Stanley (asset manager and advisor). The Trust retained local counsel and other consultants, as needed.

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The TAC continued its retention of FrankGecker LLP as its counsel and Legal Analysis Systems as its claims forecasting advisor. The FCR continued his retention of Sher Tremonte LLP as his counsel and Gnarus Advisors LLC as his claims forecasting advisor and consultant.

In 2023, the Trust: (i) invested and managed its assets; (ii) continued paying approved Qualified Asbestos PI Claims, if any, as set forth in more detail in Article II below; (iii) paid Asbestos PI Claims with the Trustee providing directions to the claims facility for the liquidation of the Asbestos PI Claims; (iv) monitored the methodology for liquidating Asbestos PI Claims under the Individual Review procedures of the Trust Distribution Procedures ("**TDP**"); (v) maintained the Trust's website, www.thanasbestostrust.com, and posted notices to the website as appropriate; (vi) reviewed issues relating to the processing of claims in the queue and the payment percentage; (vii) conducted audits of certain claims under the Trust's claims audit program; (viii) conducted due diligence reviews of operations regarding Trust business at Verus, Bank of America Private Bank and Citi Private Bank; (ix) reviewed the maximum annual payment under the TDP; (x) worked on and adopted the budget for 2024; (xi) monitored Reorganized THAN's financial health and performance and monitored the T H Agriculture & Nutrition, L.L.C. Parent Trust and the receipt of funds from that trust; (xii) purchased liability insurance policies from Ironshore Indemnity Inc., XL Specialty Insurance Company, and Sompo International (Endurance Assurance Corporation), and renewed cyber security insurance; (xiii) oversaw any litigation affecting the Trust; (xiv) performed all functions required for Trust governance, including maintaining the Trust's books and records and responding to subpoenas for information and other processes; (xv) addressed any subpoenas and discovery requests to

produce information as appropriate; and (xvi) managed and oversaw any yearly audit conducted by AIG of certain Trust files.[2]

The process for reviewing and liquidating Asbestos PI Claims is governed by the TDP, a Plan Document adopted pursuant to the Confirmation Order. *See* T H Agriculture & Nutrition, L.L.C. Asbestos Personal Injury Trust Distribution Procedures, Docket No. 425. The TDP recognizes that estimates of liabilities and the value of assets fluctuate over time and, accordingly, applies a "Payment Percentage" to the liquidated value of allowed Asbestos PI Claims. *See* TDP, § 2.3. The TDP directs the Trustee to periodically "reconsider the then-applicable Payment Percentage to assure that it is based on accurate, current information," and to adjust the Payment Percentage upward or downward, if necessary, with the consent of the TAC and the FCR. *Id.* at § 4.2. In making this determination, the Trustee is directed to "base their determination of the Payment Percentage on current estimates of the number, types, and values of present and future Asbestos PI Claims, the value of the assets then available to the Asbestos PI Trust for their payment, all anticipated administrative and legal expenses, and any other material matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of full value to all present and future holders of Asbestos PI Claims." *Id.* The Trustee is further directed to "exercise common sense and flexibly evaluate all relevant factors." *Id.* The Trust, the TAC, and the FCR each retained their own experts to assist in the evaluation of the relevant factors relating to determination of the Payment Percentage, and each relied on their respective expert's analysis and advice. The Payment Percentage in 2023 was 15%.

The Trust designated its counsel, Stutzman, Bromberg, Esserman & Plifka, P.C., as the custodian of Trust records.

[2] AIG opted to not conduct an audit in 2023 but reserved its right to conduct audits in the future.

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II. Asbestos PI Claims

Pursuant to the Plan, the Trust is to pay Qualified Asbestos PI Claims, in the aggregate amount of $395,239,530, as soon as practicable. In prior years, the Trust paid $392,762,530 in Qualified Asbestos PI Claims. In 2023, pursuant to the Trust's review process for payment of remaining Qualified Asbestos PI Claims, the Trust paid 10 Qualified Asbestos PI Claims totaling $42,200.

The Trust, through Verus, its claims processing facility, accepted unliquidated Asbestos PI Claims throughout 2023. Specifically, 300,578 Asbestos PI Claims have been submitted to the Trust to date, including 7,781 Asbestos PI Claims submitted in 2023, as follows:

Disease Level	Claims to date	Claims in 2023
Other Asbestos Disease (Level I)	10,609	201
Asbestosis/Pleural Disease (Level II)	119,900	1,463
Asbestosis/Pleural Disease (Level III)	68,641	1,626
Severe Asbestosis (Level IV)	5,701	106
Other Cancer (Level V)	10,659	361
Lung Cancer 2 (Level VI)	7,593	268
Lung Cancer 1 (Level VII)	41,345	2,259
Mesothelioma (Level VIII)	26,599	1,267
Unknown	9,531	230
Total:	**300,578**	**7,781**

Of the 7,781 Asbestos PI Claims submitted to the Trust in 2023, 578 have been withdrawn, 5,543 have been deferred, and 241 have been approved for payment, with the remainder in process with the Trust. In 2023, the Trust paid 1,238 Asbestos PI Claims, totaling $16,006,418 after application of the Payment Percentage. From inception through December 31, 2023, the Trust has paid a total of $392,804,730 on account of Qualified Asbestos PI Claims pursuant to section 5.2 of the TDP, and $419,787,266 on account of Asbestos PI Claims liquidated pursuant to section 5.3 of the TDP.

Under section 4.3 of the Trust Agreement, the Trust reports payments for Asbestos PI Trust Expenses. The Trust's operating expenses are listed in the Supplemental Information to the attached audited financial statements as addressed below.

III. Compensation and Expenses of Trustee, TAC, and FCR

Under section 5.5(c) of the Trust Agreement, the Trust reports the amount of compensation and expenses paid to the Trustee. The Trustee has received, on an accrual basis, compensation and reimbursement for out-of-pocket costs and expenses from January 1, 2023, through the end of the fiscal year on December 31, 2023, as follows:

Trustee	$372,529.28
Delaware Trustee	$3,000.00

Under section 6.6 of the Trust Agreement, the Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the TAC. The TAC has received, on an accrual basis, compensation and reimbursement for fees and expenses, including counsel, during the fiscal year ending December 31, 2023, as follows:

TAC	$47,064.77

Under section 7.6 of the Trust Agreement, the Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the FCR. The FCR has received, on an accrual basis, compensation and reimbursement for fees and expenses, including counsel and consultants, during the fiscal year ending December 31, 2023, as follows:

FCR	$10,180.00

IV. Financial Statements

A copy of the Trust's audited financial statements for the year ending December 31, 2023, including a balance sheet as of December 31, 2023, and a statement of operations for 2023,

is attached hereto as Exhibit A. Exhibit A also includes BDO USA, LLP's opinion as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with special purpose accounting methods.

The Asbestos Trust provided copies of this Report to the TAC and FCR on April 26, 2024.

V. Certification

The Trustee certifies that he has performed pursuant to and in compliance with the Plan, the Trust Agreement, the Trust Distribution Procedures, the Confirmation Order, and such other Plan documents and Bankruptcy Court orders pertaining to the operation of the Trust during the fiscal year ended December 31, 2023.

TRUSTEE:

/s/ David F. Levi
DAVID F. LEVI

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Respectfully submitted this 30th day of April 2024,

STUTZMAN, BROMBERG, ESSERMAN & PLIFKA,

A PROFESSIONAL CORPORATION

By: *Peter D'Apice*
Sander L. Esserman (Admitted *pro hac vice*)
Texas Bar No. 06671500
Steven A. Felsenthal (Admitted *pro hac vice*)
Texas Bar No. 06889900
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ATTORNEYS FOR THE T H AGRICULTURE & NUTRITION, L.L.C. ASBESTOS PERSONAL INJURY TRUST

CERTIFICATE OF SERVICE

The undersigned certifies that on this 30th day of April 2024, the foregoing ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE T H AGRICULTURE & NUTRITION, L.L.C. ASBESTOS PERSONAL INJURY TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2023, was served via ECF on all those parties receiving such notice through the Court's CM/ECF system.

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

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

Special-Purpose Financial Statements

Years Ended December 31, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C. a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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T H Agriculture & Nutrition, LLC
Asbestos Personal Injury Trust

Special-Purpose Financial Statements
Years Ended December 31, 2023 and 2022

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T H Agriculture & Nutrition, LLC
Asbestos Personal Injury Trust

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Independent Auditor's Report

Trustee
T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust
Dallas, Texas

Opinion

We have audited the special-purpose financial statements of the T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust (the Trust), which comprise the special-purpose statements of assets, liabilities, and net claimants' equity as of December 31, 2023 and 2022, and the related special-purpose statements of changes in net claimants' equity and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2023 and 2022, and changes in net claimants' equity and its cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the 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 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 special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying 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 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 Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the 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 special-purpose financial statements are issued or available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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.

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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, 2023 but does not include the special-purpose financial statements and our auditor's report thereon. Our opinion on the 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 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 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, P.C.

McLean, Virginia
April 22, 2024

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Special-Purpose Financial Statements

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

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

December 31,	**2023**	2022
Assets		
Cash and cash equivalents		
Citi	**$ 2,564,108**	$ 1,897,832
U.S. Trust	**989,172**	2,065,647
Morgan Stanley	**293,996**	146,763
Total cash and cash equivalents	**3,847,276**	4,110,242
Investments		
Citi		
Investment securities	**121,390,979**	120,228,987
Alternative investments	**4,604,349**	5,086,919
Income receivable	**1,124,456**	1,210,337
U.S. Trust		
Investment securities	**97,287,116**	95,511,961
Alternative investments	**4,172,935**	5,172,337
Income receivable	**845,811**	901,580
Morgan Stanley		
Investment securities	**4,050,834**	3,525,857
Alternative investments	**1,037,562**	1,332,585
Income receivable	**33,357**	22,233
Total investments	**234,547,399**	232,992,796
Other assets		
Prepaid federal income taxes	**1,522,000**	2,016,000
Other assets	**206,486**	202,059
Total other assets	**1,728,486**	2,218,059
Total assets	**240,123,161**	239,321,097
Liabilities		
Settled claims payable	**766,193**	171,999
Accounts payable	**123,736**	189,395
Total liabilities	**889,929**	361,394
Net claimants' equity	**$239,233,232**	**$238,959,703**

See accompanying notes to the special-purpose financial statements.

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	**2023**	2022
Additions		
Interest and dividend income, net	**$ 6,743,118**	$ 6,499,624
Realized gain on sale of investment securities	**1,745,936**	2,929,044
Net change in fair value of alternative investments	**1,055,438**	-
Cost adjustments	**9,470**	-
Unrealized gain on investments, net	**10,443,499**	-
Other income	**11,269**	-
Total additions	**20,008,730**	9,428,668
Deductions		
Claims settled	**16,642,812**	12,730,318
Investment advisory fees	**725,410**	790,281
Cost adjustments	**-**	15,157
Net change in fair value of alternative investments	**-**	674,635
Unrealized loss on investments, net	**-**	32,974,434
General and administrative expenses		
Trustee	**372,529**	752,405
Claims processing fees	**553,904**	526,384
Claims consulting and forecasting fees	**78,450**	9,339
Future claims representative fees and expenses	**10,180**	20,419
Insurance	**121,074**	134,022
Accounting	**241,162**	264,776
Others	**3,000**	3,000
Professional services		
Trust legal fees	**4,404**	-
Trust general counsel	**396,209**	452,964
TAC attorney fees	**45,098**	56,163
TAC expenses	**1,967**	1,215
Trust litigation counsel fees and expenses	**40,298**	25,756
Trust special counsel fees & expenses	**4,704**	-
Federal income tax	**494,000**	921,000
Total deductions	**19,735,201**	50,352,268
Increase (decrease) in net claimants' equity	**273,529**	(40,923,600)
Net claimants' equity at the beginning of the year	**238,959,703**	279,883,303
Net claimants' equity at the end of the year	**$239,233,232**	$ 238,959,703

See accompanying notes to the special-purpose financial statements.

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	**2023**	2022
Cash flows from operating activities:		
Increase (decrease) in net claimants' equity	**$ 273,529**	$ (40,923,600)
Adjustments to reconcile net increase (decrease) in net claimants' equity to net cash used in operating activities:		
Realized gain on sale of investment securities	**(1,745,936)**	(2,929,044)
Net change in fair value of alternative investments	**(1,055,438)**	674,635
Change in unrealized (gain) loss on investments, net	**(10,443,499)**	32,974,434
Cost adjustments	**(9,470)**	15,157
Amortization of bond premium	**2,321,087**	2,509,609
Changes in operating assets and liabilities:		
Income receivable	**130,526**	(196,805)
Prepaid federal income taxes	**494,000**	(2,016,000)
Other assets	**(4,427)**	82,251
Settled claims payable	**594,194**	(3,551,099)
Accounts payable	**(65,659)**	24,917
Federal income taxes payable	**-**	(73,000)
Net cash used in operating activities	**(9,511,093)**	(13,408,545)
Cash flows from investing activities:		
Proceeds from sales of investments	**83,255,871**	105,696,132
Purchases of investments	**(74,007,744)**	(97,328,203)
Net cash provided by investing activities	**9,248,127**	8,367,929
Net decrease in cash and cash equivalents	**(262,966)**	(5,040,616)
Cash and cash equivalents at the beginning of the year	**4,110,242**	9,150,858
Cash and cash equivalents at the end of the year	**$ 3,847,276**	$ 4,110,242

See accompanying notes to the special-purpose financial statements.

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

The T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust (the Trust), organized pursuant to the laws of the State of Delaware, was established on November 30, 2009 and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code. The Trust was formed to assume all Asbestos PI Trust Claims (whether now existing or arising at any time hereafter) and to use the Asbestos PI Trust assets to pay holders of claims in accordance with the Asbestos PI Trust Agreement. The Trust's funding is dedicated solely to the settlement of Asbestos Personal Injury Trust Claims and the related costs thereto, as defined in the T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust Agreement (Trust Agreement). The Trust's principal office is in Wilmington, Delaware and effective November 26, 2022, the Trust's administrative office was changed from New York, New York to Dallas, Texas. Defined terms have the meaning that is defined in the Trust Agreement.

2. Significant Accounting Policies

Basis of presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustee, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity and related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

a. Investment securities are recorded at fair value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains and (losses) on investment securities are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity.

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

c. 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.

d. 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.

e. 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. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP,

deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.

Use of estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash equivalents

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

Investment securities

Investment securities are stated at fair value with changes in unrealized gains and losses recorded in the current period. Investment income is recognized when earned. Any unearned interest and dividend income is recorded as income receivable. Realized gains and losses on sales are determined using the specific identification method.

Settled claims payable and accounts 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.

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

Operating expenses

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

Income taxes

The Trust is classified as a Qualified Settlement Fund 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 Trustee 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.

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

The Trust is generally no longer subject to income tax examinations by the Internal Revenue Service for the years ended December 31, 2019 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 never experienced any losses related to these balances. There are no amounts on deposit in excess of federally insured limits at December 31, 2023.

The Trust invests in a professionally managed investment portfolio that contains common shares of publicly traded companies, corporate and government obligations, commodities, 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 such changes could materially affect the Trust's account balances and the amounts reported in the special-purpose statements of assets, liabilities and net claimants' equity.

3. Cash, Cash Equivalents and Investment Securities

Cash, cash equivalents and investment securities consist of the following at December 31, 2023:

	Cost	Fair Value	Unrealized Gains
Cash and cash equivalents	$ 3,847,276	$ 3,847,276	$ -
Equities	26,146,243	47,404,155	21,257,912
Bonds	173,098,638	175,324,774	2,226,136
Total cash, cash equivalents and investment securities	$ 203,092,157	$ 226,576,205	$ 23,484,048

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Notes to the Special-Purpose Financial Statements

Cash, cash equivalents and investment securities consist of the following at December 31, 2022:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash and cash equivalents	$ 4,110,242	$ 4,110,242	$ -
Equities	32,959,531	48,568,753	15,609,222
Bonds	173,266,726	170,698,053	(2,568,673)
Total cash, cash equivalents and investment securities	$ 210,336,499	$ 223,377,048	$ 13,040,549

The maturities of the Trust's investment in bonds are as follows as of December 31, 2023:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 10,387,071	$ 51,393,072	$ 41,075,875	$ 72,468,756	$ 175,324,774

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

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 25,319,968	$ 56,081,613	$ 52,978,341	$ 36,318,131	$ 170,698,053

4. Fair Value Measurements

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

The Trust's assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- **Level 1 -** Inputs that are based upon quoted prices for identical instruments traded in active markets.

- **Level 2 -** Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

- **Level 3 -** Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value.

Equities and commodities: 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 using the Trust's proportionate share of each fund's net assets, as reported as of the date of the special-purpose financial statements.

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

	As of December 31, 2023			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 3,847,726	$ 3,847,726	$ -	$ -
Equities	47,404,155	47,404,155	-	-
Bonds:				
Government	8,826,493	8,826,493	-	-
Corporate	7,063,337	-	7,063,337	-
International	523,571	-	523,571	-
Municipal	158,911,373	-	158,911,373	-
Total bonds	175,324,774	8,826,493	166,498,281	-
Alternative investments	9,814,846	-	-	9,814,846
Total assets at fair value	$ 236,391,051	$ 60,077,374	$ 166,498,281	$ 9,814,846

T H Agriculture & Nutrition, LLC Asbestos Personal Injury Trust

Notes to the Special-Purpose Financial Statements

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

	As of December 31, 2022			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,110,242	$ 4,110,242	$ -	$ -
Equities	48,568,753	48,568,753	-	-
Bonds:				
Government	1,869,116	1,869,116	-	-
Corporate	4,266,475	-	4,266,475	-
International	131,238	-	131,238	-
Municipal	164,431,224	-	164,431,224	-
Total bonds	170,698,053	1,869,116	168,828,937	-
Alternative investments	11,591,841	-	-	11,591,841
Total assets at fair value	$ 234,968,889	$ 54,548,111	$ 168,828,937	$ 11,591,841

Level 3 gains and losses

The following table sets forth a summary of changes in the fair value of the Trust's alternative investments (Level 3) assets for the years ended December 31, 2023 and 2022:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	2023	2022
Balances, at the beginning of the year	**$ 11,591,841**	$ 11,953,164
Purchases	**3,209,067**	859,136
Liquidations / distributions	**(6,041,500)**	(545,824)
Net change in fair value	**1,055,438**	(674,635)
Balances, at the end of the year	**$ 9,814,846**	$ 11,591,841

Alternative investments generally employ long, short and multi-trading strategies in various markets. These funds have semi-annual and quarterly redemption periods with notice periods of between 30 to 95 days.

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5. Income Taxes

For the years ended December 31, 2023 and 2022, the Trust's provision for federal income taxes is approximately, $494,000 and $921,000, respectively. During the year ended December 31, 2023 the Trust made no estimated income tax payments. During the year ended December 31, 2022, the Trust made estimated income tax payments totaling $2,540,000.

As disclosed in Note 2 to the 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.

6. Claims Settled

For the year ended December 31, 2023, the Trust settled 1,289 claims totaling $16,642,812 including 57 claims totaling $766,193 that were settled but not paid as of December 31, 2023. The Trust paid 1,248 claims totaling $16,048,618 during the year ended December 31, 2023. For the year ended December 31, 2022, the Trust settled 1,182 claims totaling $12,730,318 including 16 claims totaling $171,999 that were settled but not paid as of December 31, 2022. The Trust paid 1,646 claims totaling $16,281,417 during the year ended December 31, 2022.

7. Contingent Liabilities

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

8. Liability for Asbestos Claims

Personal injury claims that were settled, but unpaid as of December 31, 2023 and 2022 have been accrued and included in settled claims payable. These amounts have been included in deductions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the years ended December 31, 2023 and 2022.

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

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, 2023 and 2022 represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

9. Subsequent Events

The Trust has evaluated its December 31, 2023 special-purpose financial statements for subsequent events through April 22, 2024, the date the 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 special-purpose financial statements.