Manville Personal Injury Settlement Trust

October 30, 2013

BY FEDERAL EXPRESS

Honorable Jack B. Weinstein
Senior Judge, U. S. District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Honorable Burton R. Lifland
U.S. Bankruptcy Court
Southern District of New York
Alexander Hamilton Custom House
One Bowling Green
New York, NY 10004-1208

Dear Judge Weinstein and Judge Lifland:

Enclosed are chambers' copies of the Financial Statements and Report of the Manville Personal Injury Settlement Trust ("the Trust") for the quarter ending September 30, 2013, filed pursuant to Sections 3.02(d)(ii) and (iii) of the Trust Agreement, which were electronically filed today with the Clerk of the United States Bankruptcy Court for the Southern District of New York.

OPERATIONS

During the third quarter of 2013, the Trust received approximately 4,900 new claim filings compared to 10,300 for the same period in 2012. For the nine months ended September 30, 2013 and 2012 the Trust received approximately 19,700 and 23,600, respectively. This represents a year to date decrease of 17% when compared to the same period in 2012. For the third quarter of 2013 the Trust settled approximately 3,900 claims for $28.1 million compared to 7,900 claim settlements for $37.4 million for the same period in 2012. For the nine months ended September 30, 2013 and 2012, the Trust has settled approximately 18,300 claim for $91.1 million compared to 20,700 claims for $109.1 million, respectively.

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Since inception in November 1988 and through September 30, 2013, the Trust has received approximately 935,000 personal injury claims, including 95,700 claims that have been subsequently withdrawn and has settled over 815,000. During that time the Trust has paid almost $4.5 billion in personal injury claims and $97 million in Co-defendant claims.

FINANCIAL SUMMARY

Net operating expenses for the three and nine months ended September 30, 2013 were $848,900 and $2,975,400, compared to $958,200 and $2,992,900 for the same periods in 2012, respectively. Other Income, which is reported as a reduction of operating expenses, was $232,000 and $382,000 for the three and nine months ended September 30, 2013 compared to $86,000 and $234,000 for the three and nine months ended September 30, 2012.

During the three and nine months ended September 30, 2013, the Trust made claim payments of approximately $24.3 million and $102.0 million, respectively. For the same periods in 2012, the Trust made claim payments of $35.3 million and $105.9 million. The Trust's Maximum Annual Payment provision for 2013 is $102 million and, accordingly, on September 6, 2013 the Trust has temporarily ceased making claim payments. As of September 30, 2013 the Trust has approximately 1,450 claimants owed $7.3 million in unpaid liquidated claims which will be carried over to the next year and placed at the front of the FIFO payment queue.

For the three and nine months ended September 30, 2013, net investment income, including realized and unrealized gains and net of the change in deferred income taxes, increased Net Claimants' Equity by approximately $33.4 million and $90.0 million as the equity markets remained significantly positive in 2013. As of September 30, 2013, Net Claimants' Equity was $812 million compared to $847 million at September 30, 2012.

ASSET MANAGEMENT

For the nine months ended September 30, 2013 and September 30, 2012, the Trust's total investment returns were +12% and +9.9%, respectively. During the first nine months of 2013, the total return on the Trust's U.S. equity investments was +21.3%, the total return on the Trust's non-U.S. equity investments was +17.6%, and the total return on the Trust's fixed income investments including cash equivalents was -0.4%.

As of September 30, 2013, the market value of the Trust's investments, including accrued interest and dividends, was approximately $873 million, of which approximately $544 million (62%) was in diversified domestic and foreign equities and $329 million (38%) in domestic fixed income securities.

Yours very truly,

Robert A. Falise
Chairman and Managing Trustee

Enclosure

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	) In Proceedings For A
	) Reorganization Under
JOHNS-MANVILLE CORPORATION, et al.,	) Chapter 11
	)
	) Case Nos. 82 B 11656 (BRL)
Debtors	) Through 82 B 11676 (BRL)
	) Inclusive

FINANCIAL STATEMENTS AND REPORT OF MANVILLE PERSONAL INJURY SETTLEMENT TRUST FOR THE PERIOD ENDING SEPTEMBER 30, 2013 PURSUANT TO SECTIONS 3.02(d)(ii) and (iii) OF THE TRUST AGREEMENT

Sections 3.02(d)(ii) and (iii) of the Trust Agreement provide that the Trustees shall prepare and file with the Court within 30 days following the end of each of the first three quarters of each Fiscal Year a quarterly report containing certified financial statements and a summary of certain additional information, including the number of Trust Claims Liquidated and the average amount per Trust Claim paid or payable, the amount of investment income earned by the Trust, and the amount of Trust Expenses incurred by the Trust. The attached Financial Statements for the Period July 1, 2013 through September 30, 2013 and the exhibits thereto are

Submitted in satisfaction of the requirements that the Trust file a quarterly report. Exhibits I, II and III of the Financial Statements set forth the specific items of information required by Sections 3.02(d)(iii)(A),(C) and (D) of the Trust Agreement.

Respectfully submitted,

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

By: _/s/ Jared S. Garelick_____
Jared S. Garelick
General Counsel
Manville Personal Injury Settlement Trust
3110 Fairview Park Dr. Ste. 200
P.O. Box 12003
Falls Church, Virginia 22031
(703) 205-0835

Dated: October 30, 2013
Falls Church, VA

CERTIFICATE OF SERVICE

I, Jared S. Garelick, hereby certify that on October 30, 2013, I caused a true and complete copy of the Financial Statements for the Period Ending September 30, 2013 pursuant to Sections 3.02(d)(ii) and (iii) of the Manville Personal Injury Settlement Trust Agreement to be served by first class mail, postage prepaid, to the entities named on the service list annexed hereto.

/s/ Jared S. Garelick
Jared S. Garelick

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SPECIAL-PURPOSE CONSOLIDATED
FINANCIAL STATEMENTS WITH
SUPPLEMENTAL INFORMATION

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

SEPTEMBER 30, 2013 AND 2012

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

The special purpose consolidated financial statements included herein are unaudited. In the opinion of the management of the Trust, the accompanying special purpose consolidated financial statements present fairly, subject to normal year-end adjustments, the consolidated net claimants' equity as of September 30, 2013 and 2012 and the consolidated changes in net claimants' equity and cash flows for the three and nine months ended September 30, 2013, presented on the special-purpose basis of accounting described in Note 2, which accounting methods have been applied on a consistent basis.

_/signed/__William L. Tomlinson
William L. Tomlinson
Chief Financial Officer

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED STATEMENTS OF NET CLAIMANTS' EQUITY
AS OF SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS:		
Cash equivalents and investments (Note 3)		
Restricted (Note 9)	$42,100,000	$51,800,000
Unrestricted	828,872,465	850,993,847
Total cash equivalents and investments	870,972,465	902,793,847
Accrued interest and dividend receivables	2,629,799	3,089,483
Deposits and other assets	637,183	339,815
Total assets	874,239,447	906,223,145
LIABILITIES:		
Accrued expenses	2,476,898	2,281,032
Deferred income taxes (Note 10)	38,861,000	30,441,000
Unpaid claims (Notes 5, 7 and Exh. III)		
Outstanding offers	13,008,944	18,279,935
Settled, not paid	7,272,675	6,902,022
Pro rata adjustment payable - personal injury	108,627	116,881
Lease commitment payable (Note 6)	639,871	945,915
Total liabilities	62,368,015	58,966,785
NET CLAIMANTS' EQUITY (Note 7)	$811,871,432	$847,256,360

The accompanying notes are an integral part of these special-purpose consolidated statements.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED STATEMENTS OF NET CLAIMANTS' EQUITY
AS OF SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS:		
Cash equivalents and investments (Note 3)		
Restricted (Note 9)	$42,100,000	$51,800,000
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Total liabilities	62,368,015	58,966,785
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The accompanying notes are an integral part of these special-purpose consolidated statements.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

	Three Months Ended 9/30/13	Nine Months Ended 9/30/13
NET CLAIMANTS' EQUITY, BEGINNING OF PERIOD	$806,809,255	$818,112,101
ADDITIONS TO NET CLAIMANTS' EQUITY:		
Investment income (Exhibit I)	33,367,179	89,964,856
Net decrease in outstanding claim offers	2,258,021	3,529,514
Decrease in lease commitments payable (Note 6)	76,511	229,533
Total additions	35,701,711	93,723,903
DEDUCTIONS FROM NET CLAIMANTS' EQUITY:		
Net operating expenses (Exhibit II)	848,929	2,975,375
Provision for income taxes	1,734,900	5,573,100
Claims settled for personal injury claims	28,055,705	91,068,064
Contribution and indemnity claims settled	0	348,033
Total deductions	30,639,534	99,964,572
NET CLAIMANTS' EQUITY, END OF PERIOD	$811,871,432	$811,871,432

The accompanying notes are an integral part of these special-purpose consolidated statements.

MANVILLE PERSONAL INJURY SETTELEMENT TRUST
NOTES TO SPECIAL-PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2013 AND 2012

(1) DESCRIPTION OF THE TRUST

The Manville Personal Injury Settlement Trust (the Trust), organized pursuant to the laws of the state of New York with its office in Pound Ridge, New York, was established pursuant to the Manville Corporation (Manville or JM) Second Amended and Restated Plan of Reorganization (the Plan). The Trust was formed to assume Manville's liabilities resulting from pending and potential litigation involving (i) individuals exposed to asbestos that have manifested asbestos-related diseases or conditions, (ii) individuals exposed to asbestos who have not yet manifested asbestos-related diseases or conditions and (iii) third-party asbestos-related claims against Manville for indemnification or contribution. Upon consummation of the Plan, the Trust assumed liability for existing and future asbestos health claims. The Trust's initial funding is described below under "Funding of the Trust." The Trust's funding is dedicated solely to the settlement of asbestos health claims and the related costs thereto, as defined in the Plan. The Trust was consummated on November 28, 1988.

In December 1998, the Trust formed a wholly-owned corporation, the Claims Resolution Management Corporation (CRMC), to provide the Trust with claim processing and settlement services. Prior to January 1, 1999, the Trust provided its own claim processing and settlement services. CRMC began operations on January 1, 1999 in Fairfax, Virginia and subsequently relocated to Falls Church, Virginia. The accounts of the Trust and CRMC have been consolidated for financial reporting purposes. All significant intercompany balances and transactions between the Trust and CRMC have been eliminated in consolidation.

The Trust was initially funded with cash, Manville securities and insurance settlement proceeds. Since consummation, the Trust has converted the Manville securities to cash and currently holds no Manville securities.

(2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States. The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. 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. These special-purpose accounting methods are as follows:

(1) The financial statements are prepared using the accrual basis of accounting.

(2) The funding received from JM and its liability insurers was recorded directly to net claimants' equity. These funds do not represent income of the Trust. Settlement offers for asbestos health claims are reported as deductions in net claimants' equity and do not represent expenses of the Trust.

(3) Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed as they are incurred. These costs include acquisition costs of computer hardware, software, software development, office furniture and leasehold improvements.

(4) Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net claimants' equity. Accordingly, the future minimum rental commitments outstanding at period end for non-cancelable operating leases, net of any sublease agreements, have been recorded as deductions to net claimants' equity.

(5) The liability for unpaid claims reflected in the special-purpose consolidated statements of net claimants' equity represents settled but unpaid claims and outstanding settlement offers. Post-Class Action complaint claims' liability is recorded once a settlement offer is made to the claimant (Note 5) at the amount equal to the expected pro rata payment. No liability is recorded for future claim filings and filed claims on which no settlement offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

(6) Investment securities are recorded at fair value. All interest and dividend income on investment securities, net of investment expenses are included in investment income on the special-purpose consolidated statements of changes in net claimants' equity. Realized and unrealized gains and losses on investment securities are combined and recorded on the special-purpose consolidated statements of changes in net claimants' equity.

Realized gains/losses on investment securities are recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the accompanying consolidated statements of changes in net claimants' equity.

(7) The Trust records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities.

(b) Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates. The most significant estimates with regard to these financial statements relate to unpaid claims, as discussed in Notes 5 and 7.

(3) CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2013 and 2012, the Trust has recorded all of its investment securities at fair value, as follows:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Restricted				
Cash equivalents	$679,959	$ 679,959	$676,532	$ 676,532
U.S. Govt. obligations	8,922,988	8,933,972	8,269,748	8,359,969
Corporate and other debt	21,790,355	21,800,401	18,980,299	19,231,714
Equities - U.S.	4,625,167	10,685,668	11,845,532	23,531,785
Total	$36,018,469	$42,100,000	$39,772,111	$51,800,000

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Unrestricted				
Cash equivalents	$29,600,068	$29,600,068	$44,413,406	$44,413,406
U.S. Govt. obligations	108,102,281	108,455,140	125,998,276	130,899,219
Corporate and other debt	157,135,467	158,558,850	154,269,642	160,070,980
Equities - U.S.	225,906,890	439,933,040	270,550,775	428,990,753
Equities - International	55,135,513	92,325,367	64,849,791	86,619,489
Total	$575,880,219	$828,872,465	$660,081,890	$850,993,847

The Trust invests in two types of derivative financial instruments. Equity index futures are used as strategic substitutions to cost effectively replicate the underlying index of its domestic equity investment fund. At September 30, 2013, the fair value of these instrument was approximately $4.1 million and was included in investments on the special-purpose consolidated statements of net claimants' equity. Foreign currency forwards are utilized for both currency translation purposes and to economically hedge against some of the currency risk inherent in foreign equity issues and are generally for periods up to 90 days. At September 30, 2013, the Trust held $46.6 million in net foreign currency forward contracts. The unrealized loss on these outstanding currency forward contracts of approximately $0.2 million is offset by an equal unrealized gain due to currency exchange on the underlying international securities. These net amounts are recorded in the special-purpose consolidated statements of net claimants' equity at September 30, 2013.

The Trust invests in professionally managed portfolios that contain common shares of publicly traded companies, U.S. government obligations, U.S. and International equities, corporate and other debt, and money market funds. 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 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 in the future and the amounts reported in the special-purpose consolidated statements of net claimants' equity and special-purpose consolidated statements of changes in net claimants' equity.

(4) FIXED ASSETS

The cost of non-income producing assets that will be exhausted during the life of the Trust and are not available for satisfying claims are expensed as incurred. Since inception, the cost of fixed assets expensed, net of disposals, include:

Acquisition of furniture and equipment	$ 279,300
Acquisition of computer hardware and software	331,900
Computer software development (e-Claims)	2,361,100
Total	$2,972,300

These items have not been recorded as assets, but rather as direct deductions to net claimants' equity in the accompanying special-purpose consolidated financial statements.

(5) UNPAID CLAIMS

The Trust distinguishes between claims that were resolved prior to the filing of the class action complaint on November 19, 1990, and claims resolved after the filing of that complaint. Claims resolved prior to the complaint (Pre-Class Action Claims) were resolved under various payment plans, all of which called for 100% payment of the full liquidated amount without interest over some period of time. However, between July 1990 and February 1995, payments on all claims, except qualified exigent health and hardship claims, were stayed by the courts. By court order on July 22, 1993 (which became final on January 11, 1994), a plan submitted by the Trust was approved to immediately pay, subject to claimant approval, a discounted amount on settled, but unpaid Pre-Class Action Claims, in full satisfaction of these claims. The discount amount taken, based on the claimants who accepted the Trust's discounted offer, was approximately $135 million.

The unpaid liability for the Post-Class Action claims represents outstanding offers made in first-in, first-out (FIFO) order to claimants eligible for settlement after November 19, 1990. Under the Trust Distribution Process (TDP) (Note 7), claimants receive an initial pro rata payment equal to a percentage of the liquidated value of their claim. The Trust remains liable for the unpaid portion of the liquidated amount only to the extent that assets are available after paying all claimants the established pro rata share of their claims. The Trust makes these offers electronically for law firms that file their claims electronically (e-filers), or in the form of a check made payable to the claimant and/or claimant's counsel for claimants that file their proof of claim on paper. E-filers may accept their offers electronically and the Trust records a settled, but unpaid claim at the time of acceptance. Paper filers may accept their offer by depositing the check. An unpaid claim liability is recorded once an offer is made. The unpaid claim liability remains on the Trust's books until accepted or expiration of the offer after 360 days. Expired offers may be reinstated if the claimant accepts the original offer within two years of offer expiration.

(6) COMMITMENT

In September 2009, the CRMC executed an early termination of its Falls Church, Virginia office space lease effective September 30, 2010. Subsequently, CRMC signed a new 5-year office lease effective

October 1, 2010 at its same location for approximately one-half of the existing space. CRMC has a 5-year option at expiration of its current lease in September 2015.

Future minimum rental commitments under this operating lease, as of September 30, 2013, are as follows:

Calendar Year	Amount
2013	78,797
2014	317,561
2015	243,513
	$639,871

This obligation has been recorded as a liability in the accompanying special-purpose consolidated statement of net claimants' equity.

(7) NET CLAIMANTS' EQUITY

A class action complaint was filed on behalf of all Trust beneficiaries on November 19, 1990, seeking to restructure the methods by which the Trust administers and pays claims. On July 25, 1994, the parties signed a Stipulation of Settlement that included a revised the TDP. The TDP prescribes certain procedures for distributing the Trust's limited assets, including pro rata payments and initial determination of claim value based on scheduled diseases and values. The Court approved the settlement in an order dated January 19, 1995 and the Trust implemented the TDP payment procedures effective February 21, 1995.

Prior to the commencement of the class action in 1990, the Trust filed a motion for a determination that its assets constitute a "limited fund" for purposes of Federal Rules of Civil Procedure 23(b)(1)(B). The Courts adopted the findings of the Special Master that the Trust is a "limited fund". In part, the limited fund finding concludes that there is a substantial probability that estimated future assets of the Trust are and will be insufficient to pay in full all claims that have been and will be asserted against the Trust.

The TDP contains certain procedures for the distribution of the Trust's limited assets. Under the TDP, the Trust forecasts its anticipated annual sources and uses of cash until the last projected future claim has been paid. A pro rata payment percentage is calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives his/her pro rata share.

Prior to the implementation of the TDP, the Trust conducted its own research and monitored studies prepared by the Courts' appointee regarding the valuation of Trust assets and liabilities. Based on this valuation, the TDP provided for an initial 10% payment of the liquidated value of then current and estimated future claims (pro rata payment percentage). As required by the TDP, the Trust has periodically reviewed the values of its projected assets and liabilities to determine whether a revised pro rata payment percentage should be applied. In June 2001 the pro rata percentage was reduced from 10% to 5%.

During the second and third quarters of 2002, the Selected Counsel for the Beneficiaries (SCB) and Legal Representative of Future Claimants (Legal Representative) and the Trust met to discuss amending the TDP. As a result of these meetings, in late August 2002, the parties agreed to TDP

amendments that are now contained in what is referred to as the "2002 TDP". The 2002 TDP principally changes the categorization criteria and scheduled values for the scheduled diseases.
In January 2008, the Trust completed its most recent review of the Trust's projected assets and liabilities. Based upon this review, the Trustees approved an increase in the pro rata percentage from 5% to 7.5%. This proposed change received the required concurrence of the SCB and the Legal Representative in early March 2008. Under the TDP, any claimant who received less than the current pro rata percentage is entitled to receive a retroactive payment sufficient to increase their previous payment percentage to the current pro rata percentage. Accordingly, the Trust recorded a liability of $365.7 million for approximately 282,000 personal injury claimants eligible to receive a retro active payment. As of September 30, 2013, the Trust has paid all but approximately 3,500 eligible claimants. It is expected that most of these claimants will not be located. During the year ended December 31, 2010, the Trust reduced the liability for the pro rata adjustment by $7.4 million and added the amount back to Net Claimants' Equity.

The Trust completed its most recent calculation of the pro rata percentage based upon new claim forecasts and asset projections as of the end of 2010. Since that time the Trustees elected to keep the current pro rata percentage at 7.5 %, subject to monitoring of both claim filings and the Trust Corpus.

In January 2012, the Trustees amended the 2002 TDP to include a provision requiring the Trust to determine the Maximum Annual Payment (MAP) amount, which limits the amount of claim payments in any one year based upon its projections of assets and liabilities at the current pro rata percentage. Once the claim payments in any one year reach the annual MAP amount, the Trust ceases claim payments and any unpaid claims are carried over to the next year and placed at the front of the FIFO payment queue. For 2013 the MAP amount is $102 million. During the nine months of 2013, the Trust has made approximately $102 million in claim payments and, accordingly, stop making claim payments. As of September 30, 2013, the Trust has approximately 1,450 unpaid claimants which are owed $7.3 million. These claimants are to be paid in January 2014.

(8) EMPLOYEE BENEFIT PLAN

The Trust established a tax-deferred employee savings plan under Section 401(k) of the Internal Revenue Code, with an effective date of January 1, 1988. The plan allows employees to defer a percentage of their salaries within limits set by the Internal Revenue Code with the Trust matching contributions by employees of up to 6% of their salaries. The total employer contributions and expenses under the plan were approximately $30,100 and $104,600 for the three and nine months ended September 30, 2013, respectively.

The Trust and CRMC (collectively, the Employer) established a nonqualified, unfunded deferred compensation plan in accordance with Section 409A of the Internal Revenue Code, with an effective date of November 1, 1995. The plan was most recently amended and restated effective January 1, 2005 and is maintained primarily for the purpose of providing deferred compensation to senior management. The plan allows participants to defer up to 100% of any bonuses and any other incentive compensation paid during the year, as well as up to 25% of their base salaries. Participant accounts are credited monthly with a hypothetical rate of return based on the investment option offered by the Employer and chosen by the participant. However, the Employer is not obligated to purchase any investments selected. Any and all payments made to participants pursuant to the plan shall be made from the general assets of the Employer. All participant accounts under the plan shall be for bookkeeping purposes only and do not represent claims against specific assets of the Employer. The plan does create a trust of any kind or a fiduciary relationship. Other than calculating and applying hypothetical rates of return to participant accounts, no other Employer contributions shall be made.

For the three and nine months ended September 30, 2013, deferred compensation expense (credit) due to participant-elected investment loss totaled approximately $(8,300) and $(5,700), respectively. As of September 30, 2013 and 2012, deferred compensation liabilities totaled $1,173,000 and $1,162,000, respectively. There were no employee contributions to the plan for the three and nine months ended September 30, 2013.

(9) RESTRICTED CASH EQUIVALENTS AND INVESTMENTS

In order to avoid the high costs of director and officer liability insurance (approximately $2.5 million in 1990), the Trust ceased purchasing such insurance in 1991 and, with the approval of the United States Bankruptcy Court for the Southern District of New York, the Trust established a segregated security fund of $30 million and, with the additional approval of the United States District Court for the Southern and Eastern Districts of New York, an additional escrow fund of $3 million from the assets of the Trust, which are devoted exclusively to securing the obligations of the Trust to indemnify the former and current Trustees and officers, employees, agents and representatives of the Trust and CRMC. Also, a $15 million escrow and security fund was established to secure the obligations of the Trust to exclusively indemnify the current Trustees, whose access to the other security funds is subordinated to the former Trustees. Upon the final order in the Class Action litigation (Note 5), the $15 million escrow and security fund was reduced by $5 million. Pursuant to Section 5.07 of the Plan, Trustees are entitled to a lien on the segregated security and escrow funds to secure the payment of any amounts payable to them through such indemnification. As of December 31, 2012, in total, $43 million had been transferred from the Trust's bank accounts to separate escrow accounts and pledge and security agreements have been executed perfecting those interests. The investment earnings on these escrow accounts accrue to the benefit of the Trust.

These three segregated funds totaling $43 million expired on December 31, 2012. In their place, an agreement has been executed to establish a single escrow and security fund of $30 million for the purpose of securing the obligations of the Trust to indemnify the Trustees. As before, the investment earnings on this fund will accrue to the benefit of the Trust.

Additionally, as a condition of the tax agreement between JM and the Trust discussed in Note 10, the Trust was required to transfer $30 million in cash to an escrow account to secure the payment of its future income tax obligations post settlement of the transaction. The escrow account balance may be increased or decreased over time. As of September 30, 2013, securities with a market value of $55.6 million were held by an escrow agent, of which $12.1 million is reported as restricted in accordance with the agreement.

(10) INCOME TAXES

For federal income tax purposes, JM had elected for the qualified assets of the Trust to be taxed as a Designated Settlement Fund (DSF). Income and expenses associated with the DSF are taxed in accordance with Section 468B of the Internal Revenue Code, which obligates JM to pay for any federal income tax liability imposed upon the DSF. In addition, pursuant to an agreement between JM and the Trust, JM is obligated to pay for any income tax liability of the Trust. In a subsequent separate agreement between the Trust and JM to facilitate the sale of JM to a third party, JM paid the Trust $90 million to settle the JM obligation to the Trust. In return, the Trust terminated JM's contractual liability for income taxes of the DSF and agreed to indemnify JM in respect for all future income taxes of the Trust and established an escrow fund to secure such indemnification. The statutory income tax rate for the DSF is 15%. As a New York domiciled trust, the Trust is not subject to state income taxes. CRMC files separate federal and state corporate income taxes returns.

As of September 30, 2013, the Trust has recorded a net deferred tax liability of approximately $38.9 million from net unrealized gains on investment securities. As of September 30, 2013 and 2012, the Trust recorded net deferred tax assets of $159,000 and $159,000, representing temporary differences primarily due to expensing asset acquisitions for financial reporting purposes, accrued vacation and deferred compensation. The deferred tax assets are included in other assets in the accompanying consolidated statement of net claimants' equity. As of September 30, 2013 and 2012, the Trust has income taxes receivable of $0.2 million and $0.1 million, respectively. These amounts are included with deposits and other assets as of September 30, 2013 and 2012 on the consolidated statements of net claimants' equity.

(11) PROOF OF CLAIM FORMS FILED

Proof of claim forms filed as September 30, 2013 and 2012 with the Trust are as follows:

	2013	2012
Claims filed	935,049	907,924
Withdrawn (1)	(95,718)	(94,344)
Expired offers (2)	(3,885)	(3,815)
Active claims	835,446	809,765
Settled claims	(815,288)	(789,852)
Claims currently eligible for settlement	20,158	19,913

(1) Principally claims that have received a denial notification and the claim is in an expired status for more than two years. These claims must be refiled to receive a new offer.

(2) Claims that received a Trust offer or denial, but failed to respond within the specified response period, usually 360 days. As of September 30, 2013 and 2012, approximately 1,100 and 730 respectively, of the claims with expired offers are still eligible to accept their original offer with a payment value of $3.1 million and $1.8 million, respectively. All claims with expired offers may be reactivated upon written request by the claimant and will be eligible for a new offer at the end of the FIFO queue.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

SUPPLEMENTAL INFORMATION

The following exhibits are provided in accordance with Article 3.02 (d)(iii) of the Manville Personal Injury Settlement Trust Agreement.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

	Three Months Ended 9/30/13	Nine Months Ended 9/30/13
CASH INFLOWS:		
Investment income receipts	$4,613,596	$14,088,228
Net realized gains on investment securities	7,909,286	25,835,268
Total cash inflows	12,522,882	39,923,496
CASH OUTFLOWS:		
Claim payments made	24,278,431	101,514,882
Co-defendant claim payments	0	348,033
Total claim payments	24,278,431	101,862,915
Disbursements for Trust operating expenses and income taxes paid	2,789,505	8,693,549
Increase in deposits and other assets	71,241	109,264
Total cash outflows	27,139,177	110,665,728
NET CASH (OUTFLOWS)	(14,616,295)	(70,742,232)
NON-CASH CHANGES:		
Net unrealized gains on investment securities	24,733,083	58,835,359
NET INCREASE (DECREASE) IN CASH EQUIVALENTS AND INVESTMENTS	10,116,788	(11,906,873)
CASH EQUIVALENTS AND INVESTMENTS BEGINNING OF PERIOD	860,855,677	882,879,338
CASH EQUIVALENTS AND INVESTMENTS END OF PERIOD	$870,972,465	$870,972,465

The accompanying notes are an integral part of these special-purpose consolidated statements.

EXHIBIT I

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED INVESTMENT INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

	Three Months Ended 9/30/13	Nine Months Ended 9/30/13
INVESTMENT INCOME		
Interest	$ 1,790,287	$ 5,678,191
Dividends	2,922,616	9,277,372
Total interest and dividends	4,712,903	14,955,563
Net realized gains	7,909,286	25,835,268
Net unrealized gains, net of the change in deferred income taxes (Note 10)	21,022,083	50,010,359
Investment expenses	(277,093)	(836,334)
TOTAL INVESTMENT INCOME	$ 33,367,179	$ 89,964,856

The accompanying notes are an integral part of this exhibit.

EXHIBIT II

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SPECIAL-PURPOSE CONSOLIDATED NET OPERATING EXPENSES
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

	Three Months Ended 9/30/13	Nine Months Ended 9/30/13
NET OPERATING EXPENSES:		
Personnel costs	$ 720,085	$ 2,159,138
Office general and administrative	95,662	311,403
Travel and meetings	17,035	59,616
Board of Trustees	106,518	386,812
Professional fees	19,531	211,797
Net fixed asset purchases	105,199	142,864
Web hosting and other EDP costs	17,347	85,452
Other income	(232,448)	(381,707)
TOTAL NET OPERATING EXPENSES	$ 848,929	$ 2,975,375

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SUPPLEMENTAL SCHEDULE OF LIQUIDATED CLAIMS
SINCE CONSUMMATION (NOVEMBER 28, 1988)
THROUGH SEPTEMBER 30, 2013

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Pre-Class Action Complaint November 19, 1990 and Before-			
Full Liquidated Claim Value	27,590	$1,187,852,399	
Present Value Discount (1)		(135,306,535)	
Net Settlements	27,590	1,052,545,864	
Payments	(27,590)	(1,052,545,864)	$38,150
Unpaid Balance	0	$0	
Post-Class Action Complaint After November 19, 1990-			
Offers Made at Full Liquidated Amount	791,059	$40,248,563,050	
Reduction in Claim Value (2)		(36,787,899,238)	
Net Offer Amount	791,059	3,460,663,812	
Offers Accepted	(787,698)	(3,447,654,868)	$4,377
Outstanding Offers	3,361	13,008,944	
Offers Accepted, Not Paid	1,457	7,272,675	
Unpaid Balance	4,818	20,281,619	
Total Trust Liquidated Claims	815,288	4,500,200,732	$5,520
Manville Liquidated Claims Paid (3)	158	$24,946,620	
Co-Defendant Liquidated Claims (4)			
Settlement Claim Value		$94,630,946	
Investment Receipts (5)		2,624,732	
Payments		(97,255,678)	
Payable		$0	

(1) The unpaid liability for Pre-Class Action Complaint claims has been reduced based upon a plan approved by the Courts in January, 1994 which requires the Trust to offer to pay a discounted amount in full satisfaction of the unpaid claim amount.

(2) Under the TDP, Post Class Action Complaint claims have been reported at a pro rata percentage of their liquidated value.

(3) Manville Liquidated Claims refers to Liquidated AH Claims (as defined in the Plan) which the Trust has paid pursuant to an order of the United States Bankruptcy Court for the Southern District of New York dated January 27, 1987.

(4) Number of personal injury claimants not identifiable.

(5) Investment receipts of separate investment escrow account established for the sub-class beneficiaries per the Stipulation of Settlement, net of income taxes.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SUPPLEMENTAL SCHEDULE OF LIQUIDATED CLAIMS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Post-Class Action Complaint After November 19, 1990 (1)			
Offers Outstanding as of June30, 2013	4,241	$15,266,965	
Net Offers Made (2)	3,059	25,797,684	
Offers Accepted	(3,939)	(28,055,705)	$7,123
Offers Outstanding as of September 30, 2013	3,361	13,008,944	
Offers Accepted, Not Paid as of Sept. 30, 2013	1,457	7,272,675	
Payable as of September 30, 2013	4,818	$20,281,619	

Co-Defendant Liquidated Claims	
Payable as of June 30, 2013	$0
Settled	0
Paid	0
Payable as of September 30, 2013	$0

(1) Under the TDP, Post Class Action Complaint claims have been reported at a pro rata percentage of their liquidated value.

(2) Represents payment offers made during the period net of rejected and expired offers.

The accompanying notes are an integral part of this exhibit.