

**IN THE UNITED STATES BANKRUPTCY COURT
OF THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No. 05-21207
	§	
ASARCO LLC, et al.,	§	Chapter 11
	§	
Debtors	§	Jointly Administered
	§	

**ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS
OF THE ASARCO ASBESTOS PERSONAL INJURY SETTLEMENT TRUST
FOR FISCAL YEAR ENDED DECEMBER 31, 2010**

Hon. Alfred M. Wolin, Ret., David F. Levi, and Charles A. Koppelman (collectively, the “Trustees”), as Trustees of the ASARCO Asbestos Personal Injury Settlement Trust (the “Asbestos Trust”), respectfully file this Annual Report, Financial Statements and Results of Operations for Fiscal Year Ended December 31, 2010 (the “Report”), pursuant to Asarco Incorporated and Americas Mining Corporation’s Seventh Amended Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, as Modified on August 20, 2009, August 23, 2009, and August 27, 2009 (the “Parent Plan”) and the ASARCO Asbestos Personal Injury Settlement Trust Agreement (the “Trust Agreement”).

I. General

On August 9, 2005, ASARCO LLC (“ASARCO”) filed a petition for relief under Chapter 11 of the United States Bankruptcy Code. Various affiliates of ASARCO (together with ASARCO, the “Debtors”) filed bankruptcy petitions both before and after ASARCO’s bankruptcy filing. The Debtors’ respective bankruptcy cases are jointly administered under Case No. 05-21207. On September 11, 2009, the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) entered its amended recommendation in favor of confirmation of the Parent Plan. On November 13, 2009, the United States District Court for the

Southern District of Texas (the “District Court”) adopted the Bankruptcy Court’s recommendation and entered its Memorandum Opinion, Order of Confirmation, and Injunction (the “Confirmation Order”), confirming the Parent Plan. *See* Dkt. No. 79 in Case No. 2:09-CV-00177.

To address the substantial asbestos-related liabilities of the Debtors, the Parent Plan established the Asbestos Trust in accordance with the Trust Agreement. On December 9, 2009, the Effective Date¹ of the Parent Plan, the Asbestos Trust was created and funded with over \$900 million in assets, including more than \$650 million in cash plus a \$280 million secured note from Reorganized ASARCO (the “ASARCO Note”). In addition, the Asbestos Trust received \$27.5 million to fund the operating expenses of the Asbestos Trust. *See* Parent Plan, section 6.7. The Confirmation Order appointed Hon. Alfred M. Wolin, Ret., David F. Levi, and Ellen S. Pryor as Trustees of the Asbestos Trust. Ms. Pryor resigned as of March 9, 2010, and Charles A. Koppelman was appointed as her successor on March 10, 2010. *See* Notice of Appointment of Trustee of the ASARCO Asbestos Personal Injury Settlement Trust, filed on March 11, 2010 [Docket No. 14139]. As Trustee Koppelman was not in office until March 10, 2010, he does not join in the submission of this Report for any matter that occurred prior to his appointment.

Under the Trust Agreement, the Trust Advisory Committee (“TAC”) represents the holders of present Asbestos Personal Injury Claims, and the Future Claims Representative (“FCR”) represents the holders of future Asbestos Personal Injury Claims. *See* Trust Agreement, sections 5.2 and 6.1. Pursuant to the Confirmation Order, Steven Kazan, Steven T. Baron, Robert Phillips, Alan R. Brayton, and Bryan O. Blevins are the members of the TAC, and the Hon. Robert C. Pate is the FCR.

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

The Trust Agreement, at Section 2.2(g), requires that the Asbestos Trust meet with the TAC and FCR no less often than quarterly. The Asbestos Trust held quarterly meetings with the TAC and the FCR on March 10, 2010, June 22, 2010, September 14, 2010, and November 16, 2010.

The Trustees held weekly Trustees' meetings in 2010 by telephone, beginning on January 5, 2010.

The Trustees named Hon. Alfred M. Wolin, Ret., as the Managing Trustee.

In 2010, the Asbestos Trust kept its principal office at 1105 North Market Street, Suite 1300, Wilmington, DE 19801, and its administrative office at c/o Saiber, LLC, Attention: Hon. Alfred M. Wolin, Ret., Managing Trustee, 18 Columbia Turnpike, Suite 200, Florham Park, NJ 07932-2266.

The Asbestos Trust continued its retention of the following: Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation (general counsel); Bederson & Company, LLP (auditor and tax advisor); and AON Risk Services Central, Inc. (insurance agent). The Asbestos Trust also retained the following: Legal Analysis Systems (consultant regarding asbestos personal injury claims); Verus Claims Services, LLC (claims processor); U.S. Trust/Bank of America Private Wealth Management (financial consultant, money manager, and banking services); Citi Private Bank (banking, brokerage, custody and investment management services); Anderson Kill & Olick, LLP (insurance coverage counsel); Porzio Bromberg & Newman P.C. (consultant); and Charter Oak Financial Consultants LLC (consultant and database management). The Asbestos Trust terminated its custodian agreement with Northern Trust Global Investments (financial consultant and money manager).

The TAC retained Caplin & Drysdale as its counsel. The FCR retained Oppenheimer, Blend, Harrison & Tate, Inc., as his counsel.

The Asbestos Trust's general counsel, Stutzman, Bromberg, Esserman & Plifka, serves as the custodian of Trust records.

The Asbestos Trust obtained liability insurance for the Trustees, the members of the TAC and the FCR.

In 2010, the Asbestos Trust (i) invested and managed its assets; (ii) negotiated and reached an agreement in principle with Fireman's Fund Insurance Company, one of the asbestos insurance companies that had issued a pre-petition asbestos insurance policy to ASARCO; (iii) developed the procedures for accepting, processing and paying Pre-Petition Liquidated Asbestos Personal Injury Claims (as defined in the ASARCO Asbestos Personal Injury Settlement Trust Distribution Procedures ("TDP")), and began accepting and paying such claims; (iv) conducted an in-depth investigation and document review project into ASARCO's, LAQ's, and CAPCO's asbestos sales records; (v) set up the Asbestos Trust's website, www.asarcotrust.com; and (vi) drafted and made available the Claim Form and other claims submission materials for unliquidated Asbestos Personal Injury Claims, and began accepting such claims.

In 2010, Reorganized ASARCO paid off the entire outstanding balance under the \$280 million ASARCO Note.

II. Asbestos Personal Injury Claims

The Asbestos Trust came into existence on December 9, 2009. In 2010, the Trustees accepted and processed 450 Pre-Petition Liquidated Asbestos Personal Injury Claims, ultimately paying, after application of the Payment Percentage, \$15,039,624 on account of such Pre-Petition Liquidated Asbestos Personal Injury Claims.

In addition, in 2010 the Trustees developed the Claim Form and other claims submission materials by which the holder of an unliquidated Asbestos Personal Injury Claim may submit his or her claim to the Asbestos Trust for processing and payment. The Asbestos Trust, through its claims processing facility—Verus Claims Services, LLC—began accepting unliquidated Asbestos Personal Injury Claims in July 2010 but, with the consent of the TAC and the FCR, deferred the processing and payment of such claims until the Asbestos Trust completes its investigation and analysis into the CAPCO and LAQ sales records. Specifically, 70,145 unliquidated Asbestos Personal Injury Claims were filed with the Asbestos Trust in 2010, as follows:

Disease Level	Claims
Other Asbestos Disease (Level I)	795
Nonmalignant Asbestos Disease (Level II)	32,040
Nonmalignant Asbestos Disease (Level III)	21,269
Severe Asbestosis (Level IV)	541
Other Cancer (Level V)	2,650
Lung Cancer 2 (Level VI)	2,405
Lung Cancer 1 (Level VII)	6,216
Mesothelioma (Level VIII)	4,064
Unknown	165
Grand Total:	70,145

The Trustees' estimate that the future liability of the Asbestos Trust for Asbestos Personal Injury Claims is approximately \$3.716 billion, in 2011 dollars using a 4% discount rate. During 2010, the value of the Trust corpus increased by \$13,042,513, from \$945,918,443 as of

January 1, 2010, to \$958,960,956 as of December 31, 2010. As of December 31, 2010, the Asbestos Trust has not made any payments on account of unliquidated Asbestos Personal Injury Claims, nor has the Asbestos Trust resolved any Asbestos Personal Injury Claims by individual review, by alternative dispute resolution procedures, or by trial.

Excluding legal and certain other professional fees (which are detailed in Section III of this Report), the Asbestos Trust paid \$3,103,695 on account of Section 524(g) Trust Expenses in 2010, as follows:

\$359,347 for Asbestos Personal Injury Claims processing fees
\$164,614 for insurance
\$19,031 for accounting services
\$19,991 in other expenses (which includes \$4,500 paid to the Delaware Trustee, as set forth in Section III below)
\$2,540,712 in federal income tax

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

Under Section 4.5(c) of the Trust Agreement, the Asbestos Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the Trustees. The Trustees have received compensation and reimbursement for out-of-pocket expenses during the fiscal year ending December 31, 2010, as follows:

Trustees (3)	\$687,745
Delaware Trustee	\$4,500

Under Section 3.3 of the Trust Agreement, the Asbestos Trust reports to the Bankruptcy Court the amount of compensation and expenses paid on account of legal and other professional services rendered by Trust professionals. In 2010, the Asbestos Trust paid the following:

Trust General Counsel	\$1,055,676
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Trust Litigation Counsel	\$372,948
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Trust Consultant Fees	\$251,383
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Under Section 5.6 of the Trust Agreement, the Asbestos Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the TAC and the TAC Professionals. The TAC and certain TAC Professionals have received compensation and reimbursement for out-of-pocket expenses during the fiscal year ending December 31, 2010, as follows:

TAC	\$340
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TAC Professionals	\$104,465
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Under Section 6.5 of the Trust Agreement, the Asbestos Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the FCR and any FCR Professional. The FCR and certain FCR Professionals have received compensation and reimbursement for out-of-pocket expenses during the fiscal year ending December 31, 2010, as follows:

FCR	\$50,311
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FCR Professionals	\$52,541
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IV. Financial Statements

A copy of the Asbestos Trust's audited financial statements for the year ending December 31, 2010, including a balance sheet as of December 31, 2010, and a statement of operations for 2010, is attached hereto as Exhibit A. Exhibit A also includes Bederson & Company 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 to the TAC and FCR on April 27, 2011.

V. Certification

The Trustees certify that they have performed pursuant to and in compliance with the Parent Plan, the Trust Agreement, the TDP, the Confirmation Order, and such other Parent Plan documents and Bankruptcy Court orders pertaining to the operation of the Asbestos Trust during the fiscal year ended December 31, 2010.

This Certification may be signed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute one and the same Certification.

TRUSTEES:

/s/ Alfred M. Wolin
HON. ALFRED M. WOLIN, RET.

/s/ David F. Levi
DAVID F. LEVI

/s/ Charles A. Koppelman
CHARLES A. KOPPELMAN

**ASARCO ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**

SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2010



**ASARCO ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**

DECEMBER 31, 2010

CONTENTS

	Page
Independent Auditors' Report	1
Special-Purpose Financial Statements:	
Balance Sheet	2
Statement of Changes in Assets and Liabilities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8





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INDEPENDENT AUDITORS' REPORT

To the Trustees of
Asarco Asbestos Personal Injury Settlement Trust

We have audited the special-purpose balance sheet of Asarco Asbestos Personal Injury Settlement Trust (the "Trust") as of December 31, 2010, and the related special-purpose statements of changes in assets and liabilities, and cash flows for the year then ended. These financial statements are the responsibility of the Asarco Asbestos Personal Injury Settlement Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the accompanying financial statements were prepared on a special-purpose basis of accounting in order to communicate the amount of net assets presently available for current and future claimants and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and trust equity of the Asarco Asbestos Personal Injury Settlement Trust as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with the special-purpose basis of accounting described in Note 2.

This report is intended solely for the information and use of the management of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Southern District of Texas, and should not be used for any other purpose.

BEDERSON & COMPANY LLP

A handwritten signature in cursive script that reads "Bederson & Company LLP".

West Orange, New Jersey
March 31, 2011

ASARCO ASBESTOS**PERSONAL INJURY SETTLEMENT TRUST**

SPECIAL-PURPOSE BALANCE SHEET

DECEMBER 31, 2010

ASSETS**ASSETS:**

Cash and cash equivalents:

CitiBank	\$ 55,945,554
U.S. Trust	<u>19,019,107</u>

Total cash and cash equivalents	<u>74,964,661</u>
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Investments:

CitiBank:	
Investments	418,620,742
Accrued income	3,364,957
U.S. Trust:	
Investments	460,124,856
Accrued income	<u>4,128,128</u>

Total investments	<u>886,238,683</u>
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Other Assets:

Prepaid assets	<u>145,328</u>
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TOTAL ASSETS	<u>\$ 961,348,672</u>
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LIABILITIES AND NET CLAIMANTS' EQUITY**LIABILITIES:**

Accounts payable	\$ 172,004
Federal income tax payable	<u>2,215,712</u>

TOTAL LIABILITIES	2,387,716
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NET CLAIMANTS' EQUITY:

Trust corpus	<u>958,960,956</u>
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TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	<u>\$ 961,348,672</u>
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The accompanying notes are an integral part of these financial statements



ASARCO ASBESTOS**PERSONAL INJURY SETTLEMENT TRUST**SPECIAL-PURPOSE STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2010**ADDITIONS:**

Contributions:

Insurance and settlements	\$ 399,563
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Investment income, net

Interest and dividends income	19,391,620
Investment advisory fees	(1,437,618)
Realized gain on sale of securities, net	847,868
Unrealized gain on sale of securities, net	<u>14,559,808</u>

Total investment income, net	<u>33,361,678</u>
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TOTAL ADDITIONS	<u>33,761,241</u>
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DEDUCTIONS:

Claims settled	15,039,624
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General and administrative:

Trustees	687,745
Claims processing fees	359,347
Insurance	164,614
Accounting	19,031
Other	20,469

Professional fees:

Trust professional fees	
Trust general counsel	1,055,676
Trust insurance, special and local counsel	372,948
Trust consultant fees	251,383
Future claims representative fees	50,311
Future claims representative's professional fees and expenses	52,063
TAC attorney fees and expenses	104,805
Federal income tax	<u>2,540,712</u>

TOTAL DEDUCTIONS	<u>20,718,728</u>
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NET INCREASE IN TRUST CORPUS	13,042,513
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TRUST CORPUS - beginning	<u>945,918,443</u>
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TRUST CORPUS - ending	<u>\$ 958,960,956</u>
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The accompanying notes are an integral part of these financial statements



ASARCO ASBESTOS**PERSONAL INJURY SETTLEMENT TRUST**

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Net increase in trust corpus	\$ 13,042,513
Adjustments to reconcile net increase to net trust corpus from operating activities:	
Realized gain on sale of securities, net	(847,868)
Unrealized gain on investments, net	(14,559,808)
Decrease in:	
Prepaid assets	10,414
Increase in:	
Accounts payable	49,504
Federal income taxes payable	<u>1,889,712</u>

NET CASH USED BY OPERATING ACTIVITIES (415,533)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	172,474,715
Purchases of investments	(1,035,812,637)
Increase in interest receivable on investments	(7,493,085)
Repayment of note receivable	<u>280,000,000</u>

NET CASH USED BY INVESTING ACTIVITIES (590,831,007)

NET DECREASE IN CASH AND CASH EQUIVALENTS (591,246,540)

CASH AND CASH EQUIVALENTS - beginning 666,211,201

CASH AND CASH EQUIVALENTS - ending \$ 74,964,661

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Federal income taxes paid \$ 651,000

The accompanying notes are an integral part of these financial statements



ASARCO ASBESTOS PERSONAL INJURY**SETTLEMENT TRUST****NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

DECEMBER 31, 2010

NOTE 1 - ORGANIZATION

The Asarco Asbestos Personal Injury Settlement Trust (the "Trust") was established on December 9, 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 assumed all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) of Asarco LLC and its subsidiaries and affiliates, and will use the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asarco Asbestos Personal Injury Settlement Trust Agreement and the Asbestos Settlement Trust Distribution.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The Trust's 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. The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying 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:

Trust Equity

Trust equity represents funds available to pay asbestos related claims that have been submitted but not processed or not yet submitted. Trust expenses are also paid from trust equity. Under GAAP, trust equity would be reduced for estimates of amounts to be paid for claims that have been submitted, but not processed or not yet submitted.

Claim Expense

Claims are expensed in the period in which the confirmed claims are settled. 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.

Payments for Services

Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

Cash Equivalents

The Trust considers all short-term investments with a maturity of three (3) months, or less to be cash equivalents.

The Trust maintains its cash and cash equivalents, which at times may exceed federally insured limits, with financial institutions. The Trust has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.



**ASARCO ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are classified as available for sale and stated at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In accordance with FASB ASC 820-10-50, *Fair Value Measurements* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. Government and agency mortgage-backed debt securities, corporate-debt securities and alternative investments.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.



ASARCO ASBESTOS PERSONAL INJURY**SETTLEMENT TRUST****NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Income Taxes**

The Trust has elected to be treated as a Qualified Settlement Fund under the Internal Revenue Code and Regulations. As a result, the Trust is subject to federal income taxes based on modified gross income. In the opinion of management, the Trust is not subject to state income taxes, and, therefore, the financial statements do not include any provision or liability for state income taxes. However, federal income tax expense for the year ended December 31, 2010 was \$2,540,712.

Since the Trust was formed during 2009, no U.S. federal income tax returns are closed under statute of limitations.

Estimates

The preparation of financial statements 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 Trust Corpus during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Trust has evaluated subsequent events through March 31, 2011, which is the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments consist of the following at December 31, 2010:

U.S. Treasury obligations	\$ 48,368,895
Common stock and other equities	149,497,856
Corporate debentures	87,456,713
Municipal bonds	433,471,608
Federal agency obligations	114,629,094
International developed bonds	13,688,563
Public real estate investment trusts	2,497,191
Hedge funds	25,070,854
Commodities	<u>11,557,909</u>
	886,238,683
Less: Interest receivable	<u>(7,493,085)</u>
	<u>\$ 878,745,598</u>



**ASARCO ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 3 - INVESTMENTS (Continued)

Future maturities of investments as of December 31, 2010 were as follows:

Within 1 year	\$ 26,375,609
1 to 4.99 years	249,993,385
5 to 9.99 years	220,495,906
10 to 14.99 years	62,989,857
15 to 19.99 years	17,093,671
Thereafter	<u>120,666,445</u>
	697,614,873
Investments with no stated maturity	<u>188,623,810</u>
	<u>\$ 886,238,683</u>

Fair value of common stock is determined based on quoted prices in active markets for identical assets (Level 1). Fair values of public real estate investment trusts, hedge funds and commodities are determined based on unobservable inputs (Level 3). Fair values of the remaining investments are determined based on quoted prices for similar assets or liabilities (Level 2).

The table below sets forth a summary of changes in the fair value of the Trust's Level 3 assets for the year ended December 31, 2010:

Beginning balance	\$ -
Unrealized gains	4,364,941
Purchases	<u>34,761,013</u>
Ending balance	<u>\$39,125,954</u>

NOTE 4 - CONTINGENCIES

The Trust is a plaintiff in litigation with insurers seeking to establish insurance coverage. The suit could result in a settlement in favor of the Trust. At this time, no estimate can be made as to the amount of ultimate recovery.

