

# BAM

BUILD AMERICA MUTUAL

Quarterly Operating Supplement  
September 30, 2023

# Build America Mutual Assurance Company

Quarterly Operating Supplement

September 30, 2023

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## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

The information contained in this report may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this report which address activities, events or developments which Build America Mutual Assurance Company ("Build America" or the "Company") expects or anticipates will or may occur in the future are forward-looking statements. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward looking statements. These forward looking statements include, among others, statements with respect to Build America's:

- changes in U.S. statutory basis surplus or claims paying resources;
- business strategy;
- financial and operating targets or plans;
- incurred losses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance;
- projections of revenues, income (or loss), earnings (or loss), dividends, market share or other financial forecasts;
- expansion and growth of its business and operations; and
- future capital expenditures.

These statements are based on certain assumptions and analyses made by Build America in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform with its expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:

- claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;
- the continued availability of capital and financing;
- general economic, market or business conditions;
- business opportunities (or lack thereof) that may be presented to it and pursued;
- competitive forces, including the conduct of other property and casualty insurers and reinsurers;
- changes in domestic or foreign laws or regulations, or their interpretation, applicable to Build America, its competitors or its clients;
- an economic downturn or other economic conditions adversely affecting its financial position, including the impact of the COVID-19 pandemic;
- recorded loss reserves subsequently proving to have been inadequate;
- actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; and
- other factors, most of which are beyond Build America's control.

Consequently, all of the forward looking statements made in this report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Build America will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on Build America or its business or operations. Build America assumes no obligation to update publicly any such forward looking statements, whether as a result of new information, future events or otherwise.

# Build America Mutual Assurance Company

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## Company Profile

Build America Mutual Assurance Company ("Build America" or the "Company") is a New York domiciled mutual financial guaranty insurance company. The Company was capitalized on July 17, 2012 and received its license to write financial guaranty insurance from the New York State Department of Financial Services and commenced operations on July 20, 2012. Build America is also licensed in the District of Columbia and the remaining 49 states. Build America's financial strength and counterparty credit ratings of 'AA/Stable Outlook', from Standard & Poor's Ratings Services, were reaffirmed on June 16, 2023. Build America is not licensed to write financial guaranty insurance in Puerto Rico or any other territory or possession of the United States and it has no exposure to debt issued in Puerto Rico or any other territory or possession of the United States.

The first mutual bond insurance company, Build America is owned by and operated for the benefit of the cities, states and other municipal agencies—the municipal issuers—that use the Company's 'AA/Stable Outlook' rated financial guaranty to lower their cost of funding in the U.S. municipal market.

Build America benefits from both first loss and excess of loss reinsurance protection provided by HG Re, Ltd. ("HG Re"). The first loss reinsurance protection is provided via a reinsurance treaty (the "First Loss Reinsurance Treaty"), whereby HG Re assumes losses in an amount up to 15% of the par outstanding for each insurance policy. The excess of loss reinsurance treaty (the "Excess of Loss Reinsurance Treaty") provides last dollar protection for exposures on municipal bonds insured by the Company in excess of regulatory single issuer limits, subject to an aggregate limit equal to \$125 million. HG Re's obligations under both the First Loss Reinsurance Treaty and the Excess of Loss Reinsurance Treaty are secured by and limited to the assets held in trusts which include a beneficial interest in surplus notes issued by Build America, all of which are pledged for the benefit of Build America.

In addition to the reinsurance protection provided by HG Re, BAM benefits from collateralized excess of loss reinsurance agreements with Fidus Re, Ltd. ("Fidus"), a Bermuda based special purpose insurer created solely to provide reinsurance protection to BAM. The excess of loss reinsurance provides total protection of \$400,000,000 for 90% of aggregate losses exceeding attachment points ranging from \$110,000,000 to \$165,000,000 for the covered portions of BAM's financial guarantee portfolio and covers approximately 83% of the total gross par in force for BAM's portfolio of financial guaranty policies as of September 30, 2023. The Company uses deposit accounting for the excess of loss reinsurance protection provided by Fidus and HG Re.

The Company became a member of the Federal Home Loan Bank of New York on September 13, 2019.

# Build America Mutual Assurance Company

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## Statutory Statements of Assets, Liabilities and Capital and Surplus

(in millions)	<u>As of</u> <u>September 30, 2023</u>	<u>As of</u> <u>December 31, 2022</u>
<b>ADMITTED ASSETS</b>		
Bonds	\$ 454.7	\$ 457.6
Common Stock	0.1	0.1
Cash, Cash Equivalents and Short-term Investments	43.9	28.9
Total Cash and Invested Assets	\$ 498.7	\$ 486.6
Investment Income Due and Accrued	3.3	3.3
Other Assets	0.8	0.8
Total Admitted Assets	<u>\$ 502.8</u>	<u>\$ 490.7</u>
<b>LIABILITIES</b>		
Unearned Premiums	\$ 58.3	\$ 55.2
Ceded Reinsurance Premiums Payable	0.3	0.1
Contingency Reserve	131.5	118.2
Payable for Securities Purchased	-	0.3
Accounts Payable and Accrued Expenses	26.2	32.8
Deposit Liabilities	0.7	0.7
Total Liabilities	<u>\$ 217.0</u>	<u>\$ 207.3</u>
<b>CAPITAL AND SURPLUS</b>		
Surplus Notes	\$ 340.0	\$ 340.0
Member Surplus Contributions	518.7	472.4
Unassigned Funds - Deficit	( 572.9)	( 529.0)
Total Capital and Surplus	<u>\$ 285.8</u>	<u>\$ 283.4</u>
Total Liabilities, Capital and Surplus	<u>\$ 502.8</u>	<u>\$ 490.7</u>

# Build America Mutual Assurance Company

## Quarterly Operating Supplement

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### Statutory Statement of Operations

(in millions)	<b>Nine Months Ended September 30, 2023</b>	<b>Nine Months Ended September 30, 2022</b>
Gross Risk Premiums Written	\$ 38.5	\$ 46.6
Ceded Risk Premiums Written	(32.7)	(39.8)
Net Risk Premiums Written	\$ 5.8	\$ 6.8
Premiums Earned, Net	\$ 2.7	\$ 3.0
Operating Expenses	\$ 43.0	\$ 44.6
Excise & Premium Taxes	1.4	1.3
Ceding Commission Income	( 9.7)	( 9.0)
Total Underwriting Expenses	\$ 34.7	\$ 36.9
Net Underwriting Loss	\$ (32.0)	\$ (33.9)
Net Investment Income	0.2	2.4
Net Realized Capital Gains	1.2	-
Net Investment Gain	\$ 1.4	\$ 2.4
Net Loss Before Federal Income Tax Expense	\$ (30.6)	\$ (31.5)
Federal Income Tax Expense Incurred	-	-
Net Loss	<u>\$ (30.6)</u>	<u>\$ (31.5)</u>

### Adjusted Statutory Operating Income <sup>(1)</sup>

(in millions)	<b>Nine Months Ended September 30, 2023</b>	<b>Nine Months Ended September 30, 2022</b>
Net Loss	\$ (30.6)	\$ (31.5)
Surplus Note Interest Expense	-	-
Member Surplus Contributions Collected	46.3	62.4
Adjusted Statutory Operating Income <sup>(1)</sup>	<u>\$ 15.7</u>	<u>\$ 30.9</u>

### Statutory Comprehensive Income <sup>(2)</sup>

(in millions)	<b>Nine Months Ended September 30, 2023</b>	<b>Nine Months Ended September 30, 2022</b>
Net Loss	\$ (30.6)	\$ (31.5)
Member Surplus Contributions Collected	46.3	62.4
Statutory Comprehensive Income <sup>(2)</sup>	<u>\$ 15.7</u>	<u>\$ 30.9</u>

(1) In addition to reporting Build America's financial results in accordance with the U.S. Statutory basis of accounting ("Statutory"), the Company reports Adjusted Statutory Operating Income, a non-Statutory financial measure. A non-Statutory financial measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with the U.S. Statutory basis of accounting. We are presenting this non-Statutory financial measure because it provides greater transparency and enhanced visibility into the underlying drivers of our business. Adjusted Statutory Operating Income is not a substitute for Build America's U.S. Statutory basis of accounting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-Statutory financial measures differently.

(2) In addition to reporting Build America's financial results in accordance with the U.S. Statutory basis of accounting ("Statutory"), the Company reports Statutory Comprehensive Income, a non-Statutory financial measure. A non-Statutory financial measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with the U.S. Statutory basis of accounting. We are presenting this non-Statutory financial measure because it provides greater transparency and enhanced visibility into the underlying drivers of our business. Statutory Comprehensive Income is not a substitute for Build America's U.S. Statutory basis of accounting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-Statutory financial measures differently.

# Build America Mutual Assurance Company

## Quarterly Operating Supplement

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### Claims Paying Resources

(in millions)	As of September 30, 2023	As of December 31, 2022
Member Surplus Contributions	\$ 518.7	\$ 472.4
Surplus Notes	340.0	340.0
Unassigned Funds <sup>(1)</sup>	(572.9)	(529.0)
<b>Policyholder's Surplus</b>	<b>\$ 285.8</b>	<b>\$ 283.4</b>
Contingency Reserve	131.5	118.2
<b>Qualified Statutory Capital</b>	<b>\$ 417.3</b>	<b>\$ 401.6</b>
HG Re, Ltd. Collateral Trusts <sup>(2)</sup>	587.5	553.1
Fidus Re, Ltd. Collateral Trusts	400.0	400.0
<b>Total Hard Capital</b>	<b>\$ 1,404.8</b>	<b>\$ 1,354.7</b>
Unearned Premiums, Net of Reinsurance	58.3	55.2
Loss and Loss Adjustment Expense Reserves	-	-
Present Value of Installment Gross Risk	-	-
Premiums and Member Surplus Contributions <sup>(3)</sup>	10.9	13.3
<b>Claims Paying Resources</b>	<b>\$ 1,474.0</b>	<b>\$ 1,423.2</b>

### Rollforward of Claims Paying Resources

	For the Nine Months Ended September 30, 2023	For the Year Ended December 31, 2022
<b>Claims Paying Resources, Beginning of Year</b>	<b>\$ 1,423.2</b>	<b>\$ 1,192.1</b>
Statutory Basis Net Loss	(30.6)	(55.0)
Member Surplus Contribution	46.3	81.5
Payments of Surplus Notes Principal	-	(24.6)
Increase in HG Re Collateral Trusts	34.4	74.2
Increase in Fidus Re, Ltd. Collateral Trusts	-	150.0
Increase in Unearned Premium Reserve, Net of Reinsurance	3.1	5.7
Decrease in Present Value of Installment Gross Risk	( 2.4)	( 0.5)
Contributions	-	( 0.2)
Other	-	( 0.2)
<b>Claims Paying Resources, End of Period</b>	<b>\$ 1,474.0</b>	<b>\$ 1,423.2</b>

(1) Represents the sum of inception to date Statutory Net (Loss) and direct charges relating to contributions to the Contingency Reserve and for the non-admission of certain assets.

(2) See details of investments held in the HG Re, Ltd. Collateral Trusts on page 15.

(3) Represents the present value of future installment Gross Risk Premiums and Member Surplus Contributions, discounted at a risk-free rate.

# Build America Mutual Assurance Company

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### Leverage Statistics and Rating Distribution of Gross Par Outstanding <sup>(1)</sup>

(in millions)

#### Gross Par Outstanding

	As of September 30, 2023	As of December 31, 2022
Investment Grade <sup>(1)</sup>	\$ 104,213.2	\$ 97,856.8
Below Investment Grade ("BIG") <sup>(1)</sup>	-	-
<b>Total Gross Par Outstanding</b>	<b>\$ 104,213.2</b>	<b>\$ 97,856.8</b>

#### Gross Par Outstanding Leverage Statistics

Total Gross Par Outstanding ÷ Total Hard Capital	<b>74.2x</b>	<b>72.2x</b>
BIG Gross Par Outstanding ÷ Total Hard Capital	-	-
Total Gross Par Outstanding ÷ Claims Paying Resources	<b>70.7x</b>	<b>68.8x</b>
BIG Gross Par Outstanding ÷ Claims Paying Resources	-	-

#### Gross Total Debt Service ("TDS") Outstanding

Investment Grade <sup>(1)</sup>	\$ 155,802.8	\$ 145,066.6
Below Investment Grade ("BIG") <sup>(1)</sup>	-	-
<b>Total Gross TDS Outstanding</b>	<b>\$ 155,802.8</b>	<b>\$ 145,066.6</b>

#### Gross TDS Outstanding Leverage Statistics

Total Gross TDS Outstanding ÷ Total Hard Capital	<b>110.9x</b>	<b>107.1x</b>
BIG Gross TDS Outstanding ÷ Total Hard Capital	<b>0.0x</b>	<b>0.0x</b>
Total Gross TDS Outstanding ÷ Claims Paying Resources	<b>105.7x</b>	<b>101.9x</b>
BIG Gross TDS Outstanding ÷ Claims Paying Resources	<b>0.0x</b>	<b>0.0x</b>

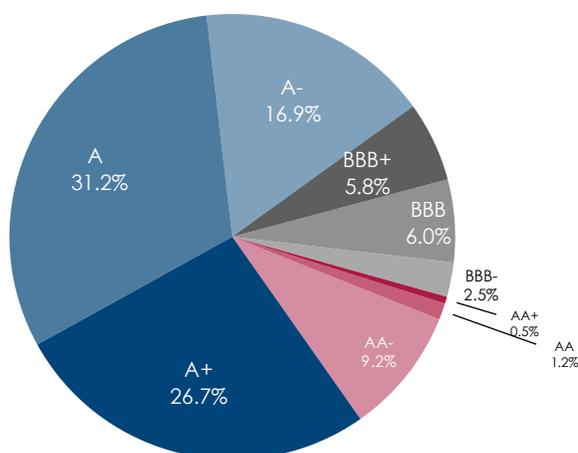
#### **Weighted Average Rating**

**A**

**A**

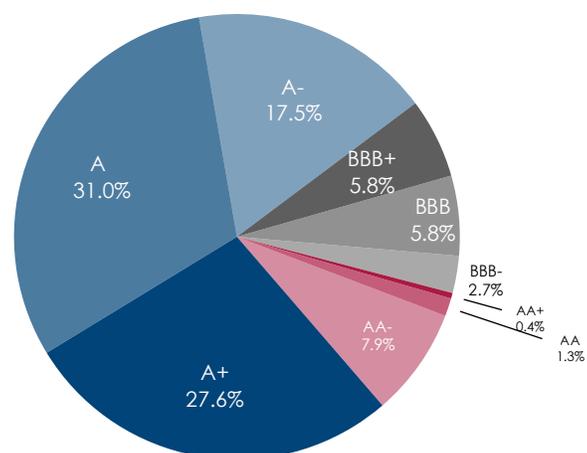
#### **Rating Distribution of Gross Par Outstanding<sup>(1)</sup>**

As of September 30, 2023



#### **Rating Distribution of Gross Par Outstanding<sup>(1)</sup>**

As of December 31, 2022



<sup>(1)</sup> Based on internal Build America ratings, which are provided in this Operating Supplement solely to indicate the underlying credit quality of guaranteed obligations, without the benefit of financial guaranty insurance, based on the view of the Company. Build America credit ratings are subject to revision at any time and do not constitute investment advice.

# Build America Mutual Assurance Company

## Quarterly Operating Supplement

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### Business Production

(in millions)

#### Gross Par Insured

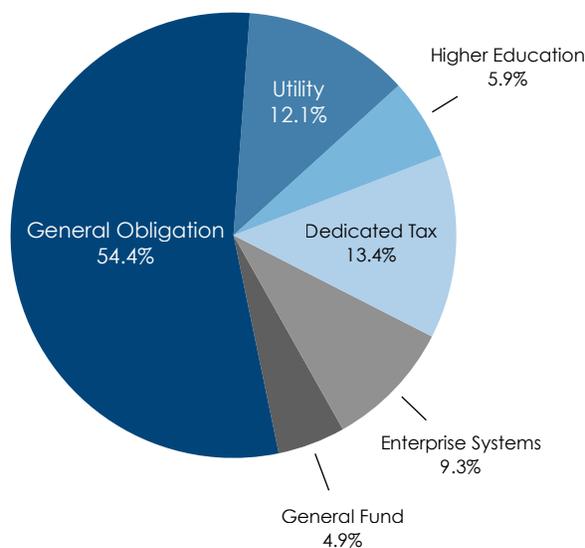
	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
General Obligation	\$ 5,705.4	\$ 7,133.4
Dedicated Tax	1,400.5	1,472.7
Utility	1,268.7	2,131.7
Enterprise Systems	976.7	1,147.4
Higher Education	616.5	652.2
General Fund	514.6	965.1
<b>Total Gross Par Insured</b>	<b>\$ 10,482.4</b>	<b>\$ 13,502.5</b>

#### Gross Risk Premiums Written and Member Surplus Contributions Collected

Gross Risk Premiums Written	\$ 38.5	\$ 46.6
Member Surplus Contributions Collected	46.3	62.4
<b>Total Gross Risk Premiums and Member Surplus Contributions Collected</b>	<b>\$ 84.8</b>	<b>\$ 109.0</b>

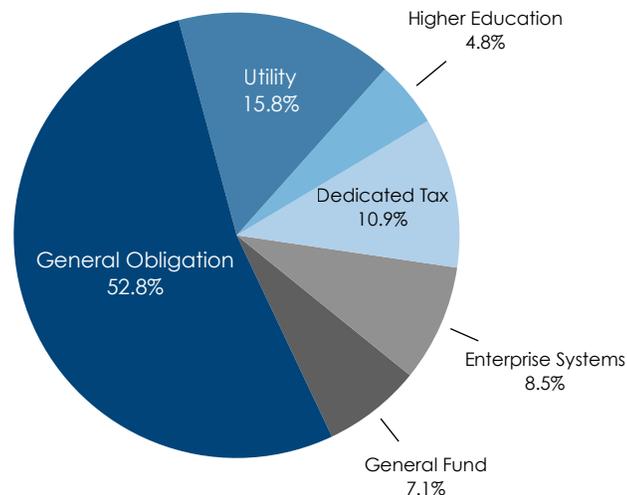
#### Gross Par Insured

For the Nine Months Ended September 30, 2023



#### Gross Par Insured

For the Nine Months Ended September 30, 2022



# Build America Mutual Assurance Company

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### Gross Par Outstanding by Sector

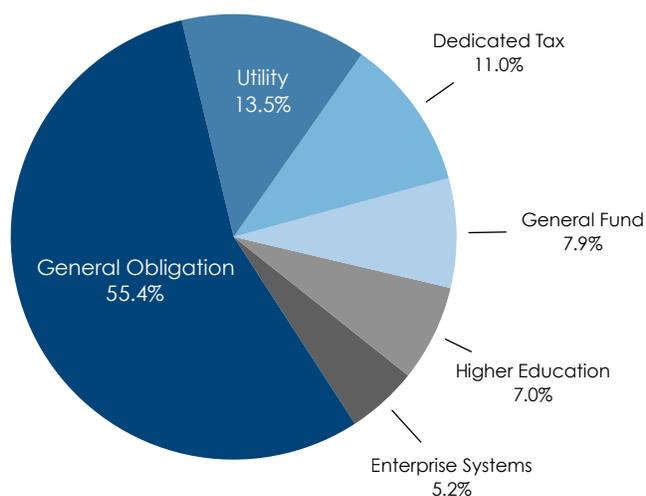
(in millions)

#### U.S. Public Finance

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
General Obligation	\$ 57,738.4	\$ 54,479.0
Utility	14,048.0	13,305.6
Dedicated Tax	11,480.3	10,649.4
General Fund	8,277.3	8,022.2
Higher Education	7,299.8	6,924.6
Enterprise Systems	5,369.5	4,476.0
<b>Total Gross Par Outstanding</b>	<b>\$ 104,213.3</b>	<b>\$ 97,856.8</b>

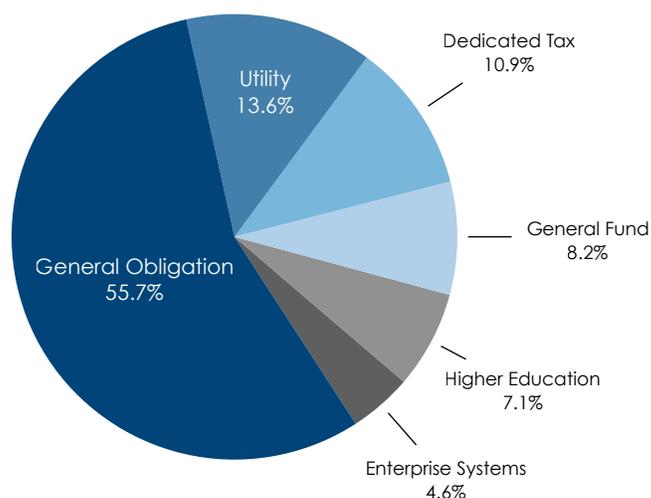
#### Gross Par Outstanding

As of September 30, 2023



#### Gross Par Outstanding

As of December 31, 2022



# Build America Mutual Assurance Company

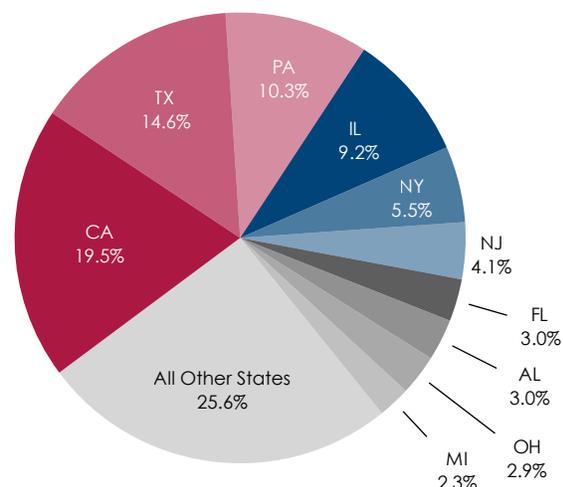
## Quarterly Operating Supplement

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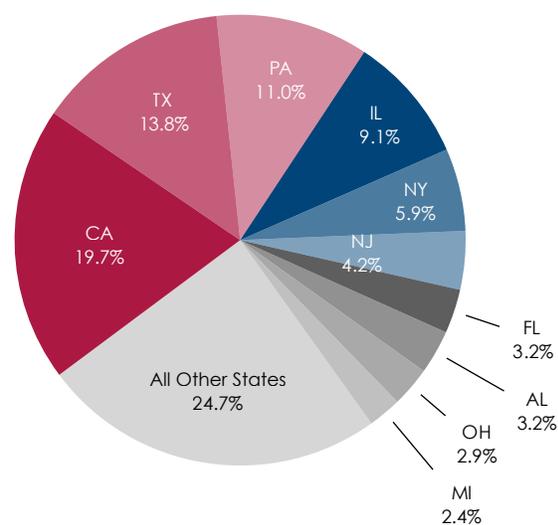
### Gross Par Outstanding by State

(in millions)	As of September 30, 2023	% of Total	As of December 31, 2022	% of Total
California	\$ 20,363.0	19.5%	\$ 19,306.2	21.5%
Texas	15,233.1	14.6%	13,494.3	13.0%
Pennsylvania	10,732.1	10.3%	10,722.0	12.3%
Illinois	9,549.1	9.2%	8,944.6	9.3%
New York	5,688.6	5.5%	5,799.3	5.5%
New Jersey	4,242.9	4.1%	4,107.4	4.7%
Florida	3,161.1	3.0%	3,094.2	2.4%
Alabama	3,111.5	3.0%	3,088.4	3.1%
Ohio	3,020.6	2.9%	2,804.8	2.8%
Michigan	2,404.3	2.3%	2,330.6	2.1%
Louisiana	2,302.1	2.2%	2,269.6	2.0%
Indiana	2,096.5	2.0%	2,035.6	1.7%
Connecticut	2,037.6	2.0%	1,719.3	2.0%
Kansas	1,947.3	1.9%	1,754.4	1.6%
Arizona	1,935.5	1.9%	1,948.7	2.0%
Colorado	1,615.9	1.6%	1,414.0	1.4%
Arkansas	1,562.8	1.5%	1,371.5	1.5%
Wisconsin	1,506.4	1.4%	1,226.4	1.0%
Iowa	1,393.6	1.3%	1,256.6	1.3%
Kentucky	1,183.5	1.1%	1,158.3	0.9%
South Carolina	999.5	1.0%	901.4	0.7%
Georgia	987.3	0.9%	726.9	0.3%
Missouri	852.3	0.8%	697.0	0.5%
Nevada	794.4	0.8%	653.7	0.7%
Mississippi	697.7	0.7%	685.4	0.9%
Oregon	681.9	0.7%	666.3	0.7%
Utah	487.8	0.5%	436.2	0.4%
Washington	429.3	0.4%	365.3	0.5%
West Virginia	366.4	0.4%	380.5	0.3%
Tennessee	355.6	0.3%	361.0	0.5%
Massachusetts	352.5	0.3%	366.6	0.4%
Oklahoma	250.6	0.2%	234.5	0.3%
New Mexico	243.4	0.2%	237.2	0.3%
Maryland	197.8	0.2%	185.5	0.1%
Rhode Island	179.5	0.2%	192.6	0.1%
Montana	175.3	0.2%	96.3	0.0%
North Carolina	172.5	0.2%	158.8	0.2%
New Hampshire	152.2	0.1%	6.6	0.0%
Minnesota	146.0	0.1%	81.1	0.1%
Idaho	127.5	0.1%	124.1	0.2%
North Dakota	101.7	0.1%	103.2	0.2%
South Dakota	89.9	0.1%	82.9	0.1%
Maine	79.2	0.2%	76.4	0.1%
Delaware	63.9	0.1%	50.5	0.0%
Hawaii	42.2	0.0%	42.2	0.0%
Vermont	39.0	0.1%	39.0	0.1%
District of Columbia	28.0	0.0%	27.9	0.0%
Virginia	13.7	0.0%	13.7	0.0%
Nebraska	13.4	0.0%	12.5	0.0%
Wyoming	5.3	0.0%	5.3	0.1%
<b>Total Gross Par Outstanding</b>	<b>\$ 104,213.3</b>	<b>100%</b>	<b>\$ 97,856.8</b>	<b>100%</b>

**Gross Par Outstanding by State**  
As of September 30, 2023



**Gross Par Outstanding by State**  
As of December 31, 2022



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## Contractual Amortization of Gross Par Outstanding

(in millions)	<u>Contractual Par Amortization</u>		<u>Ending Gross Par Outstanding</u>
As of September 30, 2023			\$ 104,213.3
Oct. 1, 2023 to Dec. 31, 2023	\$	1,043.8	103,169.5
2024		4,361.1	98,808.5
2025		4,674.2	94,134.3
2026		4,585.9	89,548.4
2027		4,889.8	84,658.6
Subtotal	\$	19,554.7	
2028-2032		24,938.9	59,719.7
2033-2037		22,087.0	37,632.8
2038-2042		17,482.2	20,150.5
2043-2047		11,122.4	9,028.2
2048-2052		6,882.7	2,145.5
2053-2057		1,668.1	477.4
2058-2062		407.0	70.4
2063-2067		70.4	-
2068-2072		-	-
<b>Total</b>	<b>\$</b>	<b>104,213.3</b>	

# Build America Mutual Assurance Company

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### Top 50 U.S. Public Finance Exposures

(in millions)

Obligor	As of September 30, 2023			
	S&P Rating <sup>(1)(3)</sup>	Moody's Rating <sup>(2)(3)</sup>	Gross Par Outstanding	% of Total Gross Par Outstanding
Chicago, City of, IL (Cook County), Sales Tax - Local	AA-	NR	477.4	0.5%
Pennsylvania Turnpike Commission, PA, Toll Roads	A+	A2	434.4	0.4%
South Carolina Public Service Authority	A-	A3	421.5	0.4%
Port Authority of NY and NJ	AA-	Aa3	417.7	0.4%
Connecticut, State of, CT (Lottery Revenues)	AA-	Aa3	380.9	0.4%
Clark County SD, NV (Clark County)	AA-	A1	375.7	0.4%
Miami-Dade County School Board, FL (Miami-Dade County)	A+	Aa3	364.2	0.3%
Metropolitan Transportation Authority (MTA), NY, Mass Transit - Farebox	BBB+	A3	345.1	0.3%
Chicago Transit Authority, IL	AA-	A2	341.2	0.3%
Wichita, City of, KS (Sedgwick County), Water & Sewer	AA-	NR	340.4	0.3%
Illinois [State of] Build Illinois Bonds (Sales Tax Revenue Bonds)	A	A3	340.1	0.3%
Chicago Park District, IL (Cook County)	AA-	NR	334.7	0.3%
Illinois, State of	A-	A3	333.8	0.3%
Pennsylvania, Commonwealth of	A+	A1	332.6	0.3%
Yonkers, City of, NY (Westchester County)	A+	Aa3	326.3	0.3%
Sacramento City USD, CA (Sacramento County)	BBB	A3	323.9	0.3%
Oregon State University, OR, Public Higher Education - Gross Revenue	NR	Aa3	320.7	0.3%
Municipal Authority of Westmoreland County, PA (Westmoreland County) Water	A+	NR	317.6	0.3%
Springdale, City of, AR (Washington County), Sales Tax - Local (2023 Tax)	A+	NR	314.9	0.3%
Bridgeport, City of, CT (Fairfield County)	A	A3	308.1	0.3%
Chicago, City of, IL (Cook County)	BBB+	Baa3	302.7	0.3%
Kansas, State Of	A+	Aa3	301.2	0.3%
New Jersey Transportation Trust Fund Authority, System & Program Bonds, NJ, Gas Tax - State	A-	A2	300.4	0.3%
Pennsylvania State System of Higher Education, PA, General Revenue	NR	Aa3	297.4	0.3%
New Jersey, State Of	A	A2	295.7	0.3%
Oakland USD, CA (Alameda County)	A-	A1	293.0	0.3%
Oxnard SD, CA (Ventura County)	A+	NR	292.0	0.3%
Suffolk County, NY (Suffolk County)	A+	NR	278.1	0.3%
CHF-Davis II, L.L.C. - Orchard Park Student Housing Project, CA (Yolo County), P3 Student Housing Revenue	NR	Baa3	277.4	0.3%
Chicago Board of Education, IL (Cook County)	BB+	Ba2	276.8	0.3%
Hayward USD, CA (Alameda County)	A+	NR	274.9	0.3%
Metropolitan Pier & Exposition Authority, IL (Cook County)	A	Baa1	265.5	0.3%
New Jersey Turnpike, NJ (State-Wide), Toll Roads	AA-	A2	261.2	0.3%
Northern Illinois University, IL (De Kalb County)	NR	Baa3	251.6	0.2%
Compton USD, CA (Los Angeles County)	A	Aa3	241.8	0.2%
O'Hare Airport, IL (Cook County) GARB	A+	NR	234.1	0.2%
Sherman, City of, TX, (Grayson County), Combined Water & Sewer	A	NR	232.9	0.2%
Eastern Michigan University, MI (Washtenaw County), General Revenue	NR	A3	232.2	0.2%
Hamden, Town of, CT (New Haven County)	BBB+	Baa3	231.4	0.2%
Shreveport, City of, LA (Caddo Parish), Water & Sewer	A-	Baa1	230.2	0.2%
Centinela Valley Union High School District, CA (Los Angeles County)	A+	NR	229.3	0.2%
Tampa-Hillsborough County Expressway Authority	A+	A2	227.6	0.2%
Lancaster, City of, PA (Lancaster County)	NR	A3	225.3	0.2%
Municipal Electric Authority of Georgia (MEAG) Project J	A	A3	223.0	0.2%
West Harris County Regional Water Authority, TX (Harris County), Water	AA-	A1	217.1	0.2%
Eastern Michigan University, MI (Washtenaw County), Housing and General Revenue	NR	Baa2	212.2	0.2%
Connecticut, State of	AA-	Aa3	206.4	0.2%
CHF-Davis I, L.L.C. - West Village Student Housing Project, CA (Yolo County), Public Higher Education - Auxilliary	NR	Baa3	202.6	0.2%
Los Angeles USD, CA (Los Angeles County)	NR	Aa3	197.8	0.2%
Kentucky, Commonwealth of	A	A2	196.2	0.2%
<b>Total - Top 50 U.S. Public Finance Exposures</b>			<b>\$ 14,659.4</b>	<b>14.1%</b>

(1) Represents the rating assigned by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") on the underlying obligation, excluding BAM's credit enhancement.

(2) Represents the rating assigned by Moody's Investor Service, Inc. ("Moody's") on the underlying obligation, excluding BAM's credit enhancement.

(3) For single risks with multiple obligations, the rating shown represents a weighted average of the ratings on the underlying obligations, excluding BAM's credit enhancement.

# Build America Mutual Assurance Company

## Quarterly Operating Supplement

September 30, 2023

### Build America Mutual Assurance Company Fixed Income Investment Portfolio

(in millions)

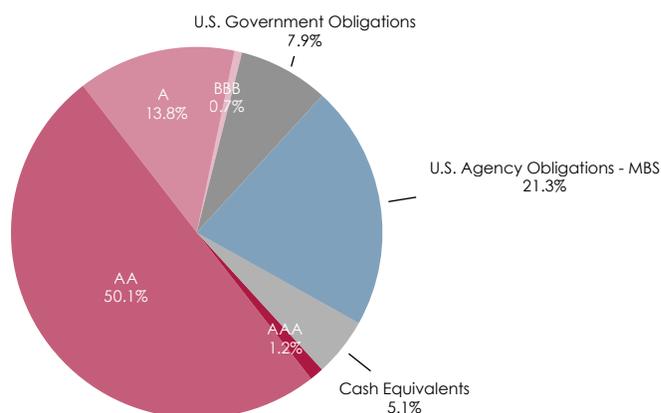
Investment Category	As of September 30, 2023		
	Fair Value	Amortized Cost	Book Yield <sup>(1)</sup>
Long-term Investments			
Municipal Obligations	\$ 238.2	\$ 264.6	3.09%
U.S. Agency Obligations - MBS	86.6	101.9	3.18%
U.S. Government Obligations	32.2	32.8	3.36%
Corporate Obligations	35.4	36.6	4.17%
Asset-backed Securities	18.1	18.8	2.97%
Subtotal Long-term Investments	\$ 410.5	\$ 454.7	3.21%
Short-term Investments and Cash Equivalents	40.1	40.1	4.35%
<b>Total</b>	<b>\$ 450.6</b>	<b>\$ 494.8</b>	<b>3.30%</b>
Common Stock	\$ 0.1	\$ 0.1	
Cash	3.8	3.8	
Investment Income Due and Accrued	3.3	3.3	
<b>Total Cash and Investments</b>	<b>\$ 457.8</b>	<b>\$ 502.0</b>	

### Rating Distribution of Fixed Income Investment Portfolio

Rating <sup>(2)</sup>	As of September 30, 2023	
	Fair Value	As a % of Investment Portfolio
U.S. Government Obligations	\$ 32.2	7.1%
U.S. Agency Obligations - MBS	86.6	19.2%
Cash Equivalents	20.6	4.6%
AAA	49.4	11.0%
AA	203.0	45.1%
A	56.0	12.4%
BBB	2.8	0.6%
Below Investment Grade	-	-
Not Rated	-	-
<b>Total</b>	<b>\$ 450.6</b>	<b>100.0%</b>
Weighted Average Rating		AA
Duration		4.2 years

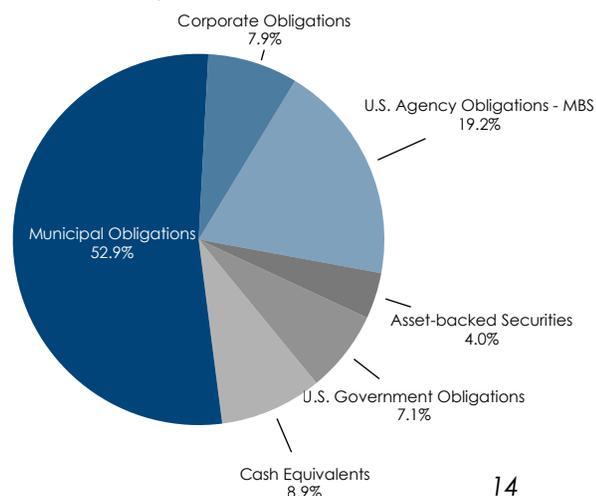
### Ratings Distribution of Fixed Income Investment Portfolio <sup>(2)</sup>

As of September 30, 2023



### Fixed Income Investment Portfolio <sup>(3)</sup>

As of September 30, 2023



(1) Represents the yield to worst of invested assets at September 30, 2023.

(2) Ratings are based on the lower of S&P's or Moody's rating. Rating distribution is calculated based on fair value.

(3) Based on fair value.

# Build America Mutual Assurance Company

## Quarterly Operating Supplement

September 30, 2023

### HG Re Ltd. Fixed Income Investment Portfolio

(in millions)

As of September 30, 2023

Investment Category	As of September 30, 2023	
	Fair Value	Amortized Cost <sup>(1)</sup>
Long-term Investments		
U.S. Agency Obligations - MBS	\$ 203.4	\$ 229.9
U.S. Government Obligations	41.4	46.1
Corporate Obligations	279.8	309.7
Subtotal Long-term Investments	\$ 524.6	\$ 585.7
Cash Equivalents, net of payable for securities purchased	1.8	1.8
Total Fixed Income Investment Portfolio	\$ 526.4	\$ 587.5

### Rating Distribution of Fixed Income Investment Portfolio

As of September 30, 2023

Rating <sup>(2)</sup>	As of September 30, 2023	
	Fair Value	As a % of Investment Portfolio
U.S. Government Obligations	\$ 41.4	7.9%
U.S. Agency Obligations	203.4	38.6%
Cash Equivalents, net of payable for securities purchased	1.8	0.3%
AAA	11.3	2.1%
AA	35.9	6.8%
A	232.6	44.2%
BBB	-	-
Below Investment Grade	-	-
Not Rated	-	-
Total	\$ 526.4	100.0%

Weighted Average Rating

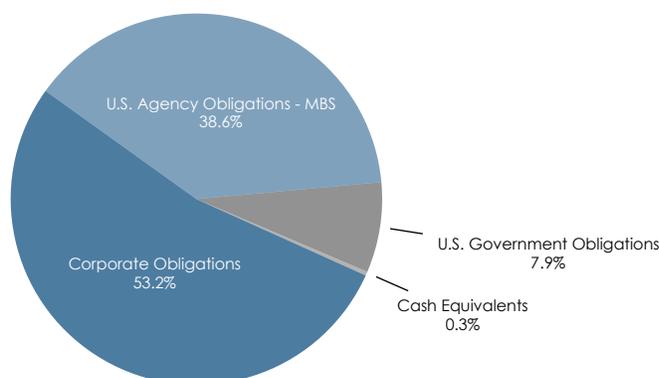
AA-

Duration

4.3 years

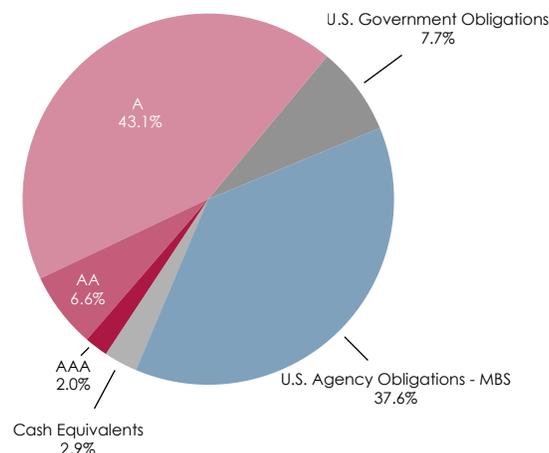
#### Fixed Income Investment Portfolio <sup>(3)</sup>

As of September 30, 2023



#### Ratings Distribution of Fixed Income Investment Portfolio <sup>(2)</sup>

As of September 30, 2023



(1) Amortized cost includes the accrued investment income.

(2) Ratings are based on the lower of Standard & Poor's or Moody's rating. Rating distribution is calculated based on fair value.

(3) Based on fair value.

# Build America Mutual Assurance Company

Quarterly Operating Supplement

September 30, 2023

## Glossary

**Adjusted Statutory Operating Income** – Statutory net income (loss) less Surplus Note Interest Expense, plus Member Surplus Contributions collected during the period

**Contingency Reserve** – a mandatory liability, required by New York State Insurance Law and the insurance laws of the other states in which Build America is licensed, established to protect policyholders against the effect of adverse economic developments or cycles or other unforeseen circumstances

**Fidus Re Ltd. Collateral Trusts** - trusts established by Fidus for the sole benefit of Build America to fund Fidus' obligations to the Company

**Gross Par Outstanding** – amount of remaining future contractual bond principal insured by Build America, net of reductions for legal and economic defeasances of the underlying insured obligations by the issuers

**Gross Par Written** – the principal amount of obligations insured during the period, excluding the effect of the first loss reinsurance treaty with HG Re

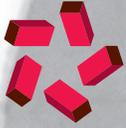
**Gross Risk Premiums Written** – a fee charged by Build America to insure the contractual principal and interest of a bond

**Gross Total Debt Service Outstanding** – amount of remaining future contractual bond principal and interest insured by Build America, net of reductions for legal and economic defeasances of the underlying insured obligations by the issuers

**HG Re Ltd. Collateral Trusts** – trusts established by HG Re for the sole benefit of Build America to fund HG Re's first loss and excess of loss reinsurance claim obligations to the Company

**Member Surplus Contribution** – a fee charged by Build America for the bond issuer to become a member of the Company

**Statutory Comprehensive Income** – Statutory net income plus Member Surplus Contributions collected during the period



**BAM**<sup>SM</sup>

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