



**QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2022
OF THE CONDITION AND AFFAIRS OF THE
SYNCORA GUARANTEE INC.**

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	20311	Employer's ID Number	13-3635895
Organized under the Laws of	New York		State of Domicile or Port of Entry	NY		
Country of Domicile	United States of America					
Incorporated/Organized	07/25/1991		Commenced Business	01/01/1992		
Statutory Home Office	485 Lexington Avenue - 15th Floor <small>(Street and Number)</small>			New York, NY, US 10017 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	New York, NY, US 10017 <small>(City or Town, State, Country and Zip Code)</small>		485 Lexington Avenue - 15th Floor <small>(Street and Number)</small>	(212)478-3400 <small>(Area Code) (Telephone Number)</small>		
Mail Address	485 Lexington Avenue - 15th Floor <small>(Street and Number or P.O. Box)</small>			New York, NY, US 10017 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	New York, NY, US 10017 <small>(City or Town, State, Country and Zip Code)</small>		485 Lexington Avenue - 15th Floor <small>(Street and Number)</small>	(212)478-3400 <small>(Area Code) (Telephone Number)</small>		
Internet Web Site Address						
Statutory Statement Contact	Anthony Corrado <small>(Name)</small>			(212)478-3400 <small>(Area Code)(Telephone Number)(Extension)</small>		
	anthony.corrado@scafg.com <small>(E-Mail Address)</small>			(212)478-3579 <small>(Fax Number)</small>		

OFFICERS

Name	Title
Christopher Bryan Hayward	Chief Executive Officer and President
George David Wilkinson	General Counsel and Secretary

OTHERS

DIRECTORS OR TRUSTEES

Christopher Bryan Hayward Joseph Ali Naggar Deeb Amin Salem

State of New York
County of New York ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Christopher Bryan Hayward	George David Wilkinson	Wei Zhong
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer and President	General Counsel and Secretary	Authorized Signatory
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2022

- a. Is this an original filing?
b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	180,495,208		180,495,208	243,506,430
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	9,675,976		9,675,976	30,776,508
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....9,291,526), cash equivalents (\$.....116,513,491) and short-term investments (\$.....73,974,799)	199,779,816		199,779,816	354,399,161
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives	3,216,086		3,216,086	58,148
8. Other invested assets	15,927		15,927	49,530
9. Receivables for securities	4,873,274		4,873,274	768,421
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	398,056,287		398,056,287	629,558,198
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,615,231		1,615,231	2,361,482
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	591,677		591,677	2,007,614
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	419,189	419,189		33,512
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	4,477,191	448,369	4,028,822	4,096,520
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	405,159,575	867,558	404,292,017	638,057,326
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	405,159,575	867,558	404,292,017	638,057,326
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Bank of NY/Mellon-Indemnification	3,737,900		3,737,900	3,732,127
2502. U.S. Bank-Escrow	182,822		182,822	182,521
2503. Account receivable	456,959	448,369	8,590	64,820
2598. Summary of remaining write-ins for Line 25 from overflow page	99,510		99,510	117,052
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,477,191	448,369	4,028,822	4,096,520

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....0)	(41,950,528)	(130,313,399)
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	1,876,147	2,905,922
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	2,374,909	3,409,813
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	53,145	58,627
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))	3,426,403	2,051,403
7.2 Net deferred tax liability		
8. Borrowed money \$.....0 and interest thereon \$.....0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....48,582,923 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	7,554,452	9,713,270
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	519,665	1,673,290
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$.....0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	998,058	1,562,011
20. Derivatives	257,308	431,828
21. Payable for securities	30,321,266	61,076
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$.....0 and interest thereon \$.....0		
25. Aggregate write-ins for liabilities	5,000,000	5,000,000
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	10,430,825	(103,446,159)
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	10,430,825	(103,446,159)
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock	200,000,000	200,000,000
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	263,841,692	611,483,985
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$.....0)		
36.21,658 shares preferred (value included in Line 31 \$.....165,804,000)	84,980,500	84,980,500
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	393,861,192	741,503,485
38. TOTALS (Page 2, Line 28, Col. 3)	404,292,017	638,057,326
DETAILS OF WRITE-INS		
2501. Mandatory contingency reserve for adverse losses	5,000,000	5,000,000
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,000,000	5,000,000
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned			
1.1 Direct (written \$.....8,069,998)	22,131,138	32,925,500	35,240,087
1.2 Assumed (written \$.....117,889)	552,553	110,189	389,702
1.3 Ceded (written \$.....7,648,065)	19,985,051	31,694,266	33,417,078
1.4 Net (written \$.....539,822)	2,698,640	1,341,423	2,212,711
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0)			
2.1 Direct	42,533,024	6,879,213	40,385,344
2.2 Assumed	6,889,257	(1,686,078)	(6,086,944)
2.3 Ceded	13,997,402	6,918,276	38,014,196
2.4 Net	35,424,879	(1,725,141)	(3,715,796)
3. Loss adjustment expenses incurred	101,913	3,027,431	3,482,480
4. Other underwriting expenses incurred	9,027,159	10,213,316	9,369,638
5. Aggregate write-ins for underwriting deductions			
6. TOTAL underwriting deductions (Lines 2 through 5)	44,553,951	11,515,606	9,136,322
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(41,855,311)	(10,174,183)	(6,923,611)
INVESTMENT INCOME			
9. Net investment income earned	14,528,158	17,103,269	21,125,801
10. Net realized capital gains (losses) less capital gains tax of \$.....0	(7,073,778)	36,088,230	41,810,715
11. Net investment gain (loss) (Lines 9 + 10)	7,454,380	53,191,499	62,936,516
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	91,183		
15. TOTAL other income (Lines 12 through 14)	91,183		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(34,309,748)	43,017,316	56,012,905
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(34,309,748)	43,017,316	56,012,905
19. Federal and foreign income taxes incurred		6,060,975	8,203,310
20. Net income (Line 18 minus Line 19) (to Line 22)	(34,309,748)	36,956,341	47,809,595
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	741,503,485	719,432,426	719,432,426
22. Net income (from Line 20)	(34,309,748)	36,956,341	47,809,595
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	(15,243,871)	(3,378,542)	(3,135,425)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(419,189)		
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	(301,001,943)		(22,325,820)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	3,332,458	2,684,922	(277,291)
38. Change in surplus as regards policyholders (Lines 22 through 37)	(347,642,293)	36,262,721	22,071,059
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	393,861,192	755,695,147	741,503,485
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Other income	91,183		
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	91,183		
3701. Net unrealized FX on derivatives	3,332,458	2,684,922	(277,291)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	3,332,458	2,684,922	(277,291)

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	802,134	748,015	798,554
2.	Net investment income	12,409,290	15,167,862	17,525,348
3.	Miscellaneous income	91,183		
4.	TOTAL (Lines 1 to 3)	13,302,607	15,915,877	18,323,902
5.	Benefit and loss related payments	(52,937,992)	(31,351,913)	(35,179,363)
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	11,889,654	12,964,145	13,458,855
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(1,375,000)	4,776,907	4,776,907
10.	TOTAL (Lines 5 through 9)	(42,423,338)	(13,610,861)	(16,943,601)
11.	Net cash from operations (Line 4 minus Line 10)	55,725,945	29,526,738	35,267,503
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	160,986,716	423,898,395	462,423,482
12.2	Stocks	28,950,143	31,121,023	36,019,201
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets	33,333	5,033,333	5,033,333
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	62,338	(53,254)	(53,254)
12.7	Miscellaneous proceeds			
12.8	TOTAL investment proceeds (Lines 12.1 to 12.7)	190,032,530	459,999,497	503,422,762
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	83,885,217	233,057,077	292,751,137
13.2	Stocks	15,563,263	12,138,648	15,754,559
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets			
13.6	Miscellaneous applications			
13.7	TOTAL investments acquired (Lines 13.1 to 13.6)	99,448,480	245,195,725	308,505,696
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	90,584,050	214,803,772	194,917,066
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders	301,001,943		22,325,820
16.6	Other cash provided (applied)	72,603	685,458	647,288
17.	Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(300,929,340)	685,458	(21,678,532)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(154,619,345)	245,015,968	208,506,037
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	354,399,161	145,893,124	145,893,124
19.2	End of period (Line 18 plus Line 19.1)	199,779,816	390,909,092	354,399,161
Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:				
20.0001	Change in net payable for securities	(30,260,190)	6,609,416	7,251,416
20.0002	Change in net receivable for securities	(4,104,853)	(417,801)	(181,712)

Notes to Financial Statements

1. Summary of Significant Accounting Policies and Going Concern:

A. Accounting Practices

Syncora Guarantee Inc. (the “Company” or “Syncora Guarantee”), a New York domiciled financial guarantee insurance company, prepares its statutory basis financial statements in accordance with accounting practices prescribed or permitted by the New York State Department of Financial Services (the “NYDFS”). The NYDFS recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of New York. The State of New York has adopted certain prescribed accounting practices that differ with those found in NAIC SAP. The NYDFS has the right to permit other specific practices which deviate from prescribed practices.

Reconciliations of net income (loss) and policyholders’ surplus (deficit) between the amounts reported in the financial statements (NY Basis) and NAIC SAP follow:

	<u>F/S</u>	<u>F/S</u>	<u>Nine Months</u>	<u>Year Ended</u>	
<u>SSAP#</u>	<u>Page</u>	<u>Line #</u>	<u>2022</u>	<u>2021</u>	
<u>NET INCOME (LOSS)</u>					
(1) Syncora Guarantee Inc. state basis (Page 4, Line 20, Columns 1 & 3)			\$ (34,309,748)	\$ 47,809,595	
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:			-	-	
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
(c)	60	4	1,2	(52,885,363)	(64,282,192)
(4) NAIC SAP			\$ (87,195,111)	\$ (16,472,597)	
			September 30,	December 31,	
			2022	2021	
<u>SURPLUS (DEFICIT)</u>					
(5) Syncora Guarantee Inc. state basis (Page 3, Line 37, Columns 1 & 2)			\$ 393,861,192	\$ 741,503,485	
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(a)	00	N/A	N/A	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
(b)	60	3	25	(921,560,918)	(921,560,918)
(c)	60	3	1,9,25	(211,065,231)	(158,179,868)
(d)				-	-
(8) NAIC SAP			\$ (738,764,957)	\$ (338,237,301)	

Permitted or Prescribed Practices

- (a) Pursuant to certain prescribed accounting practices under Articles 14 and 69 of the New York Insurance Law (“NYIL”) that differ with those found in NAIC SAP, the admissible carrying value of a share of an insurer is limited to a stipulated percentage of policyholders’ surplus, and investments in certain securities (including the Uninsured Cash Flow Certificates (see Note 21.G.) are also subject to limitations. In connection with the 2009 Master Transaction Agreement (“2009 MTA”), the NYDFS permitted the Company to admit these assets notwithstanding the otherwise applicable limitations, which resulted in no difference between NAIC SAP and NY basis.
- (b) In connection with the reinsurance agreement with Assured Guaranty Corp., which closed on June 1, 2018 (see Note 21), the NYDFS permitted the Company to set a fixed contingency reserve balance of \$5 million. This fixed reserve balance will not increase through accretion nor decrease through releases. Pursuant to prior approvals granted by the NYDFS in accordance with section 6903 of the NYIL, as of September 30, 2022 and December 31, 2021, the Company has de-recognized \$921.6 million and \$921.6 million, respectively, in the aggregate, of contingency reserves on terminated policies, and policies on which the Company has established case reserves, whereas under NAIC SAP the Company would still be required to carry such reserves. The Company previously applied the permitted practice described above to release contingency reserves on an obligation by obligation basis under policies insuring multiple obligations rather than on a policy by policy basis. In addition to the foregoing, the Company released contingency reserves based on a methodology pursuant to a permitted practice granted by the NYDFS.
- (c) The NYDFS granted the Company a permitted practice to de-recognize reserves for unpaid losses, unearned premium reserve and contingency reserves relating to, and expense payments (which are reflected in “Losses incurred” on the Statement of Income) made to effect, certain transactions executed in connection with its continued remediation efforts described in Note 21.G. which effectively defeased or, in-substance, commuted, in whole or in part, the policies relating thereto, whereas under NAIC SAP such reserves would continue to be carried until such time the underlying contracts were legally extinguished and the payments made to effect the transactions would have resulted in the recording of an asset, as such payments were made in exchange for the assignment to the Company or an affiliate of the Company of all rights under the aforementioned policies. As of September 30, 2022, such de-recognized reserves for unpaid losses, unearned premium reserve and contingency reserves (as of the date of the effective defeasance or, in-substance commutations) aggregated \$6.3 billion, \$17.4 million and \$4.9 million, respectively. As of December 31, 2021, such de-recognized reserves for unpaid losses, unearned premium reserve and contingency reserves (as of the date of the effective defeasance or, in-substance commutations) aggregated \$6.3 billion, \$17.4 million and \$4.9 million, respectively.
- (d) Pursuant to certain prescribed accounting practices under Article 14 of the New York Insurance Law that differ with those found in NAIC SAP, the admissible carrying value of investments in certain securities are subject to limitations.

Notes to Financial Statements

B. Use of Estimates

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from estimates and those differences may be material. These interim notes to financial statements do not include all disclosures required in connection with annual financial statements included in the Company's Annual Statement. In addition, the results of operations for the interim period ended September 30, 2022 are not necessarily indicative of the results that may be expected for the year ended December 31, 2022. These interim financial statements of the Company should be read in conjunction with the Company's Annual Statement for the year ended December 31, 2021.

C. Accounting Policies

There has been no significant change in the Company's accounting policies from that disclosed in the Company's 2021 Annual Statement.

Bonds and loan-backed securities with an NAIC designation of 1 or 2 (highest-quality and high-quality) are valued at cost, adjusted for amortization of premium and accretion of discount which is calculated using the constant yield method. Bonds and loan-backed securities with an NAIC designation of 3 through 6 (medium quality, low quality, lowest quality and in or near default) are valued at the lower of amortized cost, adjusted for amortization of premium and accretion of discount which is calculated using the constant yield method, or market value. The prospective method is used to value loan-backed securities. The Company employs Bank of New York Mellon Asset Servicing as its third party investment accounting service provider. Prepayment assumptions for loan-backed and structured securities are obtained from Bloomberg or determined using the Company's internal estimates.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors:

The Company has had no changes in accounting principles or corrections of errors as of and for the periods presented herein.

3. Business Combinations and Goodwill:

A. Statutory Purchase Method

There were no business combinations accounted for under the statutory purchase method as of and for the periods presented herein.

B. Statutory Merger

There was no statutory merger for the periods presented herein.

C. Impairment Loss

There was no impairment loss as a result of business combinations for the periods presented herein.

4. Discontinued Operations:

The Company had no discontinued operations as of or for the periods presented herein.

5. Investments:

Except as discussed below, there has been no change from that disclosed in the Company's 2021 Annual Statement.

D. Loan-Backed and Structured Securities

Notes to Financial Statements

The following table summarizes for the nine months ended September 30, 2022 other-than-temporary impairments for loan-backed and structured securities because the Company had either the intent to sell the securities or the inability, or lack of intent to retain the securities for a period of time sufficient to recover the amortized cost basis.

(1)	(2)	(3)
Amortized Cost before Other-Than Temporary Impairment	Other-Than Temporary Impairment	Fair Value (1)-(2)

None

The following table summarizes the nine months ended September 30, 2022 other-than-temporary impairments for loan-backed and structured securities recorded based on the present value of projected cash flows expected to be collected was less than the amortized cost of these securities and deemed that it was probable that the Company will be unable to collect all amounts due according to the contractual terms of the security.

CUSIP	Amortized Cost Before Other-Than- Temporary Impairment	Present Value of Projected Cash Flows	Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value at Time of Other- Than- Temporary Impairment	Date of Financial Statement Where Reported
-------	--	---	--	---	---	--

None

Loan-backed and structured securities in unrealized loss positions as of September 30, 2022, based on length of time continuously in these unrealized loss positions are as follows:

- a. Aggregate amount of unrealized loss
 1. Less than twelve months \$ -
 2. Twelve months or longer \$ 4,116,588

- b. Aggregate fair value of securities with unrealized loss
 1. Less than twelve months \$ -
 2. Twelve months or longer \$ 21,903,812

E. to I. Information about Repurchase Agreements and/or Lending Transactions

Not applicable.

L. Restricted Assets

As of September 30, 2022, the Company had, in the aggregate, approximately \$20.4 million on deposit to collateralize its contractual obligations under certain agreements, including reinsurance. Of such deposits, \$4.0 million and \$16.4 million are recorded on the Statement of Assets, Liabilities, Surplus and Other Funds in “Aggregate write-ins for other than invested assets” and “Cash, cash equivalents and short-term investments”, respectively.

In connection with the reinsurance agreement with Assured Guaranty, the Company agreed to maintain a minimum of \$15.6 million, based on aggregate fair value, on deposit through June 1, 2023, which reduces the Company’s share of loss reserves under this reinsurance agreement.

As of December 31, 2021, the Company had, in the aggregate, approximately \$20.6 million on deposit to collateralize its contractual obligations under certain agreements, including reinsurance. Of such deposits, \$16.5 million, \$4.0 million and \$0.1 million are recorded on the Statement of Assets, Liabilities, Surplus and Other Funds in “Bonds”, “Aggregate write-ins for other than invested assets” and “Cash, cash equivalents and short-term investments”, respectively.

- (1) Restricted assets (including pledged) summarized by restricted asset category

There has been no significant change from that disclosed in the Company’s 2021 Annual Statement.

Notes to Financial Statements

- (2) Detail of assets pledged as collateral not captured in other categories

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

- (3) Detail of other restricted assets

Not applicable.

- M. Working Capital Finance Investments

Not applicable.

- N. Offsetting and Netting of Assets and Liabilities

Not applicable.

- O. 5GI Securities

Not applicable.

- P. Short Sales

Not applicable.

- Q. Prepayment Penalty and Acceleration Fees

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

- R. Reporting Entity's Share of Cash Pool by Asset Type

Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies:

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

7. Investment Income:

The Company has not excluded from policyholders' surplus any investment income due and accrued as of September 30, 2022 and December 31, 2021.

8. Derivative Instruments:

As of September 30, 2022, the Company recorded derivative assets and liabilities of \$3.2 million and \$0.3 million, which are included in "Derivatives" on the accompanying Statement of Assets and Statement of Liabilities, Surplus and Other Funds.

9. Income Taxes:

The Company recorded zero current income taxes during the nine months ending September 30, 2022 compared to \$6.1 million current income taxes during the nine months ending September 30, 2021.

Management has concluded that future income forecasted to be generated is insufficient to support realization of Syncora Guarantee's net deferred tax assets, thus a full valuation allowance has been established against the deferred tax assets of Syncora Guarantee at September 30, 2022 and December 31, 2021 for \$495.1 million and \$483.0 million, respectively. Tax years 2018 through 2021 are potentially subject to examination by the IRS and state and local authorities.

Operating loss carryforwards

- (1) At September 30, 2022, the Company had Federal net operating loss carryforwards of \$2.29 billion available for Federal income tax purposes that will begin to expire from 2028 through 2042.
- (2) At September 30, 2022, the Company had capital loss carryforwards of \$23.6 million expiring from 2022 through 2023.
- (3) Federal income taxes of \$8.3 million are available for recoupment in the event of future net losses.

The Company is utilizing zero NOLs for the period ending September 30, 2022.

In connection with the sale of the Company to Syncora FinanceCo LLC., completed on December 30, 2019, the Company's NOLs will be limited under Section 382, as described below. Approximately \$2.29 billion of the Company's NOLs as of September 30, 2022 are subject to limitation under Section 382 of the Internal Revenue Code ("Section 382") as a result of an ownership change, as defined under that code section. An ownership change,

Notes to Financial Statements

as defined under Section 382 generally occurs if the percentage stock ownership of shareholders owning (or deemed under Section 382 to own) 5% or more in the aggregate, increases by more than 50 percentage points over the lowest percentage of stock owned by such shareholders during a defined period of time.

10. Information Concerning Parent, Subsidiaries and Affiliates:

Ownership of the Company

All outstanding shares of the Company are owned by Syncora FinanceCo LLC., a Delaware limited liability company.

Other Agreements with Affiliates

Agreements with or in respect of various New York trusts

The Company is a party to insurance and indemnity agreements with various New York trusts formed by Syncora CDS LLC and Syncora Admin LLC, both affiliates of the Company. The Company guarantees timely payment of each trust's obligations under structured CDS contracts issued by the related trust.

Agreements with GoldenTree Asset Management LP

- Effective January 1, 2020 the Company is a party to a Services Agreement, whereby GoldenTree Asset Management LP ("GTAM") provides the Company with general services, certain office overhead and expenses, information technology services, legal services, human resource service and other items. Under the terms of such agreement, the costs of the aforementioned services are charged to the Company. For the nine months ended September 30, 2022 and 2021, the Company incurred costs under this agreement in the amount of \$1.6 million and \$2.9 million, respectively.
- Effective January 1, 2020 the Company is a party to a Services Agreement, whereby the Company provides GTAM with surveillance services, risk management services, liability management services and other items. Under the terms of such agreement, the costs of the aforementioned services are charged to GTAM. For the nine months ended September 30, 2022 and 2021, the Company charged GTAM under this agreement in the amount of \$ 0.4 million and \$0.2 million, respectively.
- Effective January 1, 2020 the Company is a party to an Investment Management Agreement, whereby GTAM manages certain assets of the Company. Under the terms of such agreement, the Company will pay an annual management fee. For the nine months ended September 30, 2022 and 2021, the Company incurred costs under this agreement in the amount of \$1.1 million and \$1.1 million, respectively.

Tax Sharing Agreement

Syncora FinanceCo LLC. maintains a tax sharing agreement with its subsidiaries, whereby the consolidated tax liability is allocated among affiliates in the ratio that each affiliate's separate return liability bears to the sum of the separate return liabilities of all affiliates that are members of the consolidated group. In addition, a complementary method is used which results in reimbursement by profitable affiliates to loss affiliates for tax benefits generated by loss affiliates.

Amounts due from / (to) related parties as of September 30, 2022 and December 31, 2021 were:

Related Party	September 30, 2022	December 31, 2021
GoldenTree Asset Management LP	\$ 419,189	\$ 33,512
Less: Non Admitted Receivable	419,189	-
Total Admitted Related Party Receivable	\$ -	\$ 33,512
GoldenTree Asset Management LP	\$ (998,058)	\$ (1,562,011)
Net Receivable/(Payable)	\$ (998,058)	\$ (1,528,499)

11. Debt:

There has been no change from that discussed in the Company's 2021 Annual Statement.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:

There has been no change from that discussed in the Company's 2021 Annual Statement except as discussed below.

Notes to Financial Statements

Beginning April 1, 2020 employees of Syncora Guarantee could participate in a qualified defined contribution retirement plan for the benefit of all eligible employees. This plan is maintained by Syncora Guarantee. Employer contributions to the plan are based on a fixed percentage of employee contributions and compensation as defined by the plan. For the nine months ended September 30, 2022 and 2021, the Company incurred expenses of \$0.2 million and \$0.2 million, respectively, relating to employer contributions made to the aforementioned plan.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations:

There has been no change from that disclosed in the Company's 2021 Annual Statement with regard to disclosures 13.A, D, E, F, G, H, I, and L, in such Annual Statement. However, in regard to disclosures required by 13.B, 13.C, 13.J, and 13.K, see the updates below.

- B. The Company has 2,000 Series B Preferred shares authorized, all of which are issued. During 2019, the Company purchased from third parties \$100.3 million of aggregate face amount of Pass-Through Trust Preferred Securities issued by the Twin Reefs Pass-Through Trust, in which the Twin Reefs Securities purchased correspond to 1,003 shares of the Company's Series B Preferred shares. As a result of these purchases, the Company currently holds 1,658 shares of its Series B Preferred shares as treasury stock, which includes the 655 shares previously held by the Company. These shares have a par value of \$120 per share and a liquidation preference of \$100,000 per share. Holders of these preferred shares shall be entitled to receive, in preference to the holders of common shares, non-cumulative cash dividends at a variable rate equal to one-month LIBOR plus 2.00% per annum, calculated on an actual/360 day basis, when and if declared by the Board of Directors of the Company. On December 30, 2021, the Company paid a one-time dividend to holders of the Twin Reefs Pass-Through Certificates equal to one-year's interest. On May 20, 2022, the Company paid a one-time dividend to holders of the Twin Reefs Pass-Through Certificates equal to one-year's interest.

The holders of the preferred shares are not entitled to any voting rights and their consent is not required for taking any corporate action with certain limitations. Subject to certain requirements, the preferred shares may be redeemed, in whole or in part, at the option of Syncora Guarantee at any time or from time to time for cash at a redemption price equal to the liquidation preference per share plus any accrued and unpaid dividends thereon to the date of redemption without interest on such unpaid dividends.

- C. The ability of the Company to declare and pay a dividend to shareholders is governed by applicable New York law, including the NYIL. Under Section 4105 of the NYIL, the Company is permitted to pay dividends to shareholders in any 12-month period, without the prior approval of the NYDFS in an amount equal to the lesser of 10% of its policyholders' surplus as of the last financial statement filed with the NYDFS (annual or quarterly) or their adjusted net investment income for the 12-month period, as determined in accordance with Statutory Accounting Practices prescribed or permitted by the NYDFS. For a period of two years following the December 30, 2019 sale of the Company, the Company has agreed not to declare and pay any dividends without the prior approval of the NYDFS. The NYIL also provides that the Company may distribute dividends to shareholders in excess of the aforementioned amount only upon approval thereof by the NYDFS. Even if these tests are satisfied, New York Insurance Law provides a further test in that the Company may not declare or distribute any dividends to shareholders except out of "earned surplus" (an amount equal to "unassigned funds" as shown on its statutory balance sheet, which as of September 30, 2022 was \$263.8 million, less "unrealized appreciation of assets"). The NYDFS may disapprove such dividends to shareholders if it finds that the Company will retain insufficient surplus to support its obligations and writings. On December 22, 2021, the Company declared an ordinary dividend of \$21,607,259 and the dividend was paid on December 30, 2021. On May 16, 2022, the Company declared an extraordinary dividend of \$300,000,000 and the dividend was paid on May 20, 2022.

- J. As of September 30, 2022, the portion of unassigned funds (surplus) represented by or reduced by each item below is as follows:

a.	unrealized (gains) and losses:	\$ 6,769,169
b.	non-admitted asset values:	\$ 867,558

- K. As of September 30, 2022, the Company had no surplus notes outstanding.

- L. The Company has never been party to a quasi-reorganization.

14. Contingencies:

- A. Contingent Commitments

There has been no change from that discussed in the Company's 2021 Annual Statement.

- B. Assessments

There has been no change from that discussed in the Company's 2021 Annual Statement.

Notes to Financial Statements

C. Gain Contingencies

There has been no change from that discussed in the Company's 2021 Annual Statement.

D. Claims Related Extra-Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

There has been no change from that discussed in the Company's 2021 Annual Statement.

E. Product Warranties

There has been no change from that discussed in the Company's 2021 Annual Statement.

F. All Other Contingencies

All of the CDS contracts insured by the Company have mark-to-market termination payments following a failure by the Company to pay a claim related to the CDS contract or the occurrence of events that are outside the Company's control, such as the Company being placed into receivership or rehabilitation by the NYDFS or the NYDFS taking control of the Company. Mark-to-market termination payments for which the Company would have to pay a termination payment are generally calculated either based on "market quotation" or "loss" (each as defined in the ISDA Master Agreement). "Market quotation" is calculated as an amount (based on quotations received from dealers in the market) that the counterparty would have to pay another party (other than monoline financial guarantee insurance companies) to have such party takeover the Company's position in the CDS contract. "Loss" is an amount that a counterparty reasonably determines in good faith to be its total losses and costs in connection with the CDS contract, including any loss of bargain, cost of funding or, at the election of such counterparty, but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position. If the Company failed to pay claims related to all of its insured CDS contracts or were placed into receivership or rehabilitation by the NYDFS or the NYDFS took control of the Company, the aggregate termination payments that the Company would be required to pay would significantly and adversely affect the Company's financial liquidity and, accordingly, such events would have a material adverse effect on the Company's financial position and results of operations. The Company's reserves for unpaid losses and loss adjustment expenses do not consider the effect of mark-to-market termination payments. In connection with the Company's reinsurance agreement with Assured Guaranty, substantially all of the CDS contracts insured by the Company have been reinsured by Assured Guaranty. However, the reinsurance agreement does not generally cover any mark-to-market termination payments.

As described in Note 21.G, the Company entered into a Credit Agreement and related Security Agreement with Assured Guaranty, pursuant to which Assured Guaranty agreed to make loans to the Company to fund its claims payments on remediated RMBS. To secure its obligations thereunder, the Company pledged as collateral certain of its insurance cash flow certificates.

In the ordinary course of business, Syncora Guarantee is subject to litigation or other legal proceedings. See also Note 21.G. and H. for certain other contingencies.

15. Leases:

There has been no significant change from that discussed in the Company's 2021 Annual Statement.

16. Information About Financial Instruments with Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk:

While the Company establishes reserves for losses and loss adjustment expenses on obligations it has guaranteed or reinsured to the extent it determines that losses are probable and reasonably estimable, the risk of loss under the Company's guarantees extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed (see description of financial guarantee insurance and reinsurance in Note 21.H.). The tables below reflect certain information regarding the Company's in-force principal and interest exposure at September 30, 2022.

Notes to Financial Statements

The following table sets forth the Company's in-force guaranteed principal and interest exposure by bond sector as of September 30, 2022:

Bond Exposure
(U.S. dollars in millions)

	Retained business		Ceded business	
	PO ⁽¹⁾	IO ⁽¹⁾	PO ⁽¹⁾	IO ⁽¹⁾
Public Finance				
Utility	\$ 78	\$ 16	\$ 145	\$ -
Special Revenue	68	12	922	741
General Obligation	8	2	229	73
Non Ad Valorem	6	5	19	3
Other	1	-	-	-
Appropriation	-	-	22	4
Total Public Finance	<u>\$ 161</u>	<u>\$ 35</u>	<u>\$ 1,337</u>	<u>\$ 821</u>
Asset-Backed Securities				
RMBS	\$ -	\$ -	\$ 226	\$ 80
Total Asset-Backed Securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 80</u>
Collateralized Debt Obligations				
Cashflow CDO	\$ -	\$ -	\$ 2	\$ -
Total Collateralized Debt Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
Structured Single Risk				
Specialized Risk	\$ 100	\$ 1	\$ 50	\$ 2
Global Infrastructure	-	-	261	98
Power & Utilities	-	-	1,891	1,858
Total Structured Single Risk	<u>\$ 100</u>	<u>\$ 1</u>	<u>\$ 2,202</u>	<u>\$ 1,958</u>
Total Outstanding	<u>\$ 261</u>	<u>\$ 36</u>	<u>\$ 3,767</u>	<u>\$ 2,859</u>

⁽¹⁾PO and IO represent Principal Outstanding and Interest Outstanding, respectively.

Notes to Financial Statements

The following table sets forth the number of years to maturity of the Company's in-force guaranteed principal and interest exposure as of September 30, 2022:

Years to Maturity - Debt Service Amortization
(U.S. dollars in millions)

	Retained business		Ceded business	
	Scheduled Net Debt Service	Outstanding ⁽¹⁾	Scheduled Net Debt Service	Outstanding ⁽¹⁾
2022 Q3	\$ -	\$ 297	\$ -	\$ 6,626
2022 Q4	3	294	49	6,577
Total 2022	\$ 3		\$ 49	
2023	\$ 24	\$ 270	\$ 301	\$ 6,276
2024	24	246	246	6,030
2025	43	203	745	5,285
2026	49	154	223	5,062
Total 2023-2026	\$ 140		\$ 1,515	
2027-2031	\$ 106	\$ 48	\$ 1,011	\$ 4,051
2032-2036	41	7	1,051	3,000
2037-2041	7	-	1,171	1,829
2042 and thereafter	-	-	1,829	-
Total 2027-thereafter	\$ 154		\$ 5,062	
Total	\$ 297		\$ 6,626	

⁽¹⁾Outstanding represents principal and interest.

Notes to Financial Statements

The following table sets forth the Company's in-force guaranteed principal exposure by geographic concentration as of September 30, 2022:

Geographic Distribution - Par Exposure (U.S. dollars in millions)

	Retained business		Ceded business	
	Amount	%	Amount	%
United States				
Puerto Rico	\$ 92	35.1 %	\$ -	- %
New York	68	26.4	266	7.1
Michigan	1	0.3	11	0.3
California	-	-	1,059	28.1
Other ⁽²⁾	-	-	229	6.1
Multi-state ⁽¹⁾	-	-	228	6.0
Washington	-	-	182	4.8
Total United States	<u>\$ 161</u>	<u>61.8 %</u>	<u>\$ 1,975</u>	<u>52.4 %</u>
International				
Italy	\$ 100	38.2 %	\$ -	- %
United Kingdom	-	-	1,658	44.1
Chile	-	-	80	2.1
Mexico	-	-	50	1.3
Canada	-	-	4	0.1
Other	-	-	-	-
Total International	<u>\$ 100</u>	<u>38.2 %</u>	<u>\$ 1,792</u>	<u>47.6 %</u>
Total Par Outstanding	<u><u>\$ 261</u></u>	<u><u>100.0 %</u></u>	<u><u>\$ 3,767</u></u>	<u><u>100.0 %</u></u>

⁽¹⁾Deals with underlying securities in multiple states.

⁽²⁾Single state with par outstanding < 1% of the total exposure in the current period.

Notes to Financial Statements

Exposure to Residential Mortgage Market

The Company is exposed to residential mortgages directly through its insurance guarantees of RMBS.

The following table presents the principal outstanding for the Company's insured RMBS portfolio by type⁽¹⁾ of collateral as of September 30, 2022:

RMBS Exposure

(U.S. dollars in millions)

	Retained business		Ceded business	
	Amount	%	Amount	%
Prime (1st lien)	\$ -	- %	\$ 4	2.0 %
Prime (2nd lien)	-	-	-	0.2
Prime (HELOC)	-	-	12	5.3
Alt-A (1st lien)	-	-	11	4.7
Subprime (1st lien)	-	-	196	86.5
Subprime (2nd lien)	-	-	3	1.3
Total RMBS Outstanding	\$ -	- %	\$ 226	100.0 %

⁽¹⁾ Collateral type is defined as follows: Prime (1st lien) mortgage loans are secured by first liens on one-to-four family residential properties. The underwriting standards used to underwrite prime mortgage loans are the standards applied to the most creditworthy borrowers and are generally acceptable to Fannie Mae and Freddie Mac. Prime (2nd lien) mortgage loans are secured by 2nd liens on one-to-four family residential properties. The underwriting standards used to underwrite prime mortgage loans are the standards applied to the most creditworthy borrowers and are generally acceptable to Fannie Mae and Freddie Mac. This category also includes Alt-A (2nd lien) loans. HELOC is an adjustable rate line of credit secured by a second lien on residential properties. An Alt-A loan means a mortgage loan secured by first liens on residential properties, which is ineligible for purchase by Fannie Mae or Freddie Mac. Subprime (1st lien) mortgage loans are secured by first liens on residential properties to non-prime borrowers. The underwriting standards used to underwrite subprime mortgage loans are less stringent than the standards applied to the most creditworthy borrowers and less stringent than the standards generally acceptable to Fannie Mae and Freddie Mac with regard to the borrower's credit standing and repayment ability. Subprime (2nd lien) mortgage loans are secured by second liens on residential properties to non-prime borrowers. See Subprime (1st lien) for a description of the underwriting standards. Subprime (1st lien) – International mortgage loans are secured by first liens on residential properties to non-prime borrowers located outside the United States.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:

- A. There has been no change from that discussed in the Company's 2021 Annual Statement.
- B. There has been no change from that discussed in the Company's 2021 Annual Statement.
- C. There has been no change from that discussed in the Company's 2021 Annual Statement.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans:

- A. There has been no change from that discussed in the Company's 2021 Annual Statement.
- B. There has been no change from that discussed in the Company's 2021 Annual Statement.
- C. There has been no change from that discussed in the Company's 2021 Annual Statement.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:

There has been no change from that discussed in the Company's 2021 Annual Statement.

20. Fair Value Measurement:

- A. Inputs Used for Assets and Liabilities Measured at Fair Value

- (1) Assets and Liabilities measured at fair value

The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1- Quoted prices for identical instruments in active markets.

Level 2- Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and valuation drivers are observable in active markets.

Level 3- Model-derived valuations in which one or more significant inputs or significant value drivers are unobservable.

Notes to Financial Statements

The following fair value hierarchy table presents the Company's assets and liabilities measured at fair value at September 30, 2022.

September 30, 2022					
	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Common Stocks:					
Common Stocks	\$ 9,675,975	\$ -	\$ -	\$ -	\$ 9,675,975
Fixed Maturity Investments:					
Special Revenue	-	163,237	-	-	163,237
Industrial & Miscellaneous	-	80,793,956	46,148,592	-	126,942,548
Derivatives	-	-	3,216,086	-	3,216,086
Other Invested Assets	-	-	15,927	-	15,927
Total Assets at Fair Value	\$ 9,675,975	\$ 80,957,193	\$ 49,380,605	\$ -	\$ 140,013,773
Liabilities at Fair Value					
Derivatives	\$ -	\$ -	\$ 257,308	\$ -	\$ 257,308
Total Liabilities at Fair Value	\$ -	\$ -	\$ 257,308	\$ -	\$ 257,308

(2) The following table presents information about changes in assets and liabilities measured at fair value using significant unobservable inputs (Level 3) as of September 30, 2022.

	Balance at June 30, 2022	Transfers into Level 3	Transfers out of Level 3	Total Gains and (Losses) included in Net Income	Total Gains and (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at September 30, 2022
Assets:										
Fixed Maturity Investments	\$ 25,116,159	\$ -	\$ -	\$ -	\$ (588,632)	\$ 21,994,523	\$ -	\$ (373,458)	\$ -	\$ 46,148,592
Derivatives	869,039	-	-	-	2,347,047	-	-	-	-	3,216,086
Other Invested Assets	16,006	-	-	-	(79)	-	-	-	-	15,927
Total Assets	\$ 26,001,204	\$ -	\$ -	\$ -	\$ 1,758,336	\$ 21,994,523	\$ -	\$ (373,458)	\$ -	\$ 49,380,605
Liabilities:										
Derivatives	\$ 28,908	\$ -	\$ -	\$ -	\$ 228,400	\$ -	\$ -	\$ -	\$ -	\$ 257,308
Total Liabilities	\$ 28,908	\$ -	\$ -	\$ -	\$ 228,400	\$ -	\$ -	\$ -	\$ -	\$ 257,308

(3) The Company had no transfers into or out of Level 3 or any transfers between Level 1 and Level 2 of the fair value hierarchy for the nine months ended September 30, 2022.

B. Other Fair Value Disclosures

Not applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described above.

September 30, 2022							
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Financial Instruments - Assets							
Bonds	\$ 182,920,805	\$ 180,495,208	\$ 10,472,538	\$ 111,645,189	\$ 60,803,078	\$ -	\$ -
Cash, Cash Equivalents and Short-term Investments	199,779,816	199,779,816	199,779,816	-	-	-	-
Common Stocks	9,675,976	9,675,976	9,675,976	-	-	-	-
Derivatives	3,216,086	3,216,086	-	-	3,216,086	-	-
Other Invested Assets	15,927	15,927	-	-	15,927	-	-
Total Assets	\$ 395,608,610	\$ 393,183,013	\$ 219,928,330	\$ 111,645,189	\$ 64,035,091	\$ -	\$ -

D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not applicable.

Notes to Financial Statements

21. Other Items:

For a Description of Significant Risks and Uncertainties and Description of the Company's On-Going Strategic Plan, see item G. below.

A. There has been no change from that discussed in the Company's 2021 Annual Statement.

B. There has been no change from that discussed in the Company's 2021 Annual Statement.

C. Other disclosures

For Regulatory and Legal Matters, see item H. below.

D. There has been no change from that discussed in the Company's 2021 Annual Statement.

E. There has been no change from that discussed in the Company's 2021 Annual Statement.

F. Subprime Mortgage Related Risk Exposure

(1) Subprime Mortgage Exposures

The Company has exposure to the U.S. subprime mortgage market through its financial guarantee insurance policies and investments in RMBS. See below and refer to Notes 16 and 25 for additional information regarding the Company's insured portfolio.

(2) Direct Exposure - Mortgage Loans

There has been no change from that discussed in the Company's 2021 Annual Statement.

(3) Direct Exposure - Other Investment Classes

There has been no significant change from that discussed in the Company's 2021 Annual Statement.

(4) Underwriting Exposure to subprime mortgage risk through Financial Guaranty insurance coverage

Description	Losses			IBNR
	Losses Paid in the Current Year	Incurred in the Current Year	Case Reserves at the End of Current Period	Reserves at End of Current Period
Financial Guaranty Coverage	\$ (7,586,376)	\$ (6,818,601)	\$ (6,429,122)	\$ -

G. Description of Significant Risks and Uncertainties, and Description of the Company's On-Going Strategic Plan:

The Company is exposed to significant risks and uncertainties that may materially affect its operations, financial and liquidity position. These relate to, among other things, (i) the potential for future adverse loss and claims development on its insured obligations or salvage and (ii) the amount or timing of anticipated recoveries of salvage on Puerto Rico - related claims payments, and (iii) the performance of Assured Guaranty under the reinsurance and related agreements. These risks and uncertainties are discussed more fully below and could materially and adversely affect the Company's results of operations, financial condition and liquidity.

Description of Significant Risks and Uncertainties Related to Puerto Rico Exposures

- As of September 30, 2022, the Company has \$159.7 million Puerto Rico-related risk (excluding interest outstanding of \$22.6 million), which includes direct insurance and reinsurance of bond policies, direct investments by the Company solely as a result of remediation transactions and salvage and subrogation rights on the Puerto Rico related claims payments. The risk relates primarily to bonds issued by the Puerto Rico Electric Power Authority ("PREPA") of \$145.6 million (excluding interest outstanding of \$16.1 million) and \$14.1 million of risk related to other obligations of Puerto Rico (excluding interest outstanding of \$6.5 million). As of September 30, 2022, the Company paid approximately \$283.2 million in net claims, representing principal and interest due related to Commonwealth, PREPA and other obligation of Puerto Rico exposures. Given that the Puerto Rico proceedings under PROMESA (as detailed below) may continue for an extended period, the Company may be required to make further material claims payments and therefore further increase the proportion of its assets that are comprised of salvage and subrogation rights. Recoveries relating to these rights and interests could be long-dated, which could have a material adverse effect on the Company's short-term liquidity needs.

Notes to Financial Statements

On June 30, 2016, President Obama enacted the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), which provides Puerto Rico and its instrumentalities with both an in-court (Title III) and out-of-court (Title VI) process to restructure debts and bind holdouts. PROMESA provides for the establishment of an Oversight Board, which President Obama appointed on August 31, 2016, with the authority to approve adjustments of debt of Puerto Rico and its instrumentalities, including PREPA. In December 2020, President Trump appointed four new members to the Oversight Board and in January 2021, reappointed three of the prior members of the Oversight Board.

On May 3, 2017, the Oversight Board filed a petition under Title III on behalf of the Commonwealth. On July 2, 2017, the Oversight Board filed a petition under Title III on behalf of PREPA. The Commonwealth’s and PREPA’s Title III proceedings increase the risk and uncertainty relating to the ultimate recovery on the Commonwealth’s general obligations bonds and of PREPA’s power revenue bonds.

On June 14, 2017, the judge overseeing the Title III proceedings entered an order appointing a team of mediators to facilitate confidential settlement negotiations of any issues arising in those proceedings. The Company participated in the mediation process, which terminated on January 19, 2022.

The Oversight Board certified a revised fiscal plan for PREPA on June 28, 2022 and for the Commonwealth on January 27, 2022, which are intended to provide the bases for any plans of adjustment in the Title III cases of PREPA and the Commonwealth.

On February 15, 2019, the U.S. Court of Appeals for the First Circuit issued an opinion finding that the members of the Oversight Board were not appointed in compliance with the appointments clause of the U.S. Constitution, but declined to dismiss the Title III petitions previously filed by the Oversight Board and delayed the effectiveness of its ruling for 90 days so as to allow the President and the Senate to validate the current appointments or reconstitute the Oversight Board in accordance with the appointments clause. On June 20, 2019, the U.S. Supreme Court granted the Oversight Board’s petition to review the First Circuit’s decision. On July 2, 2019, the First Circuit granted the Oversight Board’s motion to stay the mandate pending final disposition of the case by the Supreme Court. Oral arguments before the U.S. Supreme Court were held on October 15, 2019. On June 1, 2020, the Supreme Court issued an opinion reversing the First Circuit and finding that the Oversight Board members are not “Officers of the United States” and therefore the appointments clause does not dictate how the Oversight Board’s members must be appointed.

On July 30, 2018, the Oversight Board announced that it entered into a preliminary restructuring support agreement with the ad hoc group of PREPA bondholders, PREPA and the Commonwealth. This agreement contemplates the exchange of outstanding uninsured PREPA bonds for two classes of new securitization bonds and does not address the treatment of insured PREPA bonds. On April 9, 2019, the Oversight Board, PREPA and the Commonwealth announced that they had reached an agreement in principle for a definitive restructuring support agreement (the “Definitive RSA”) with Assured Guaranty Corp., Assured Guaranty Municipal Corp. and the ad hoc group of PREPA bondholders, which supersedes the July 2018 preliminary restructuring support agreement. On September 9, 2019, the Company became a party to the Definitive RSA pursuant to an Amendment that governs the treatment of bonds held or insured by the Company. In light of the COVID-19 pandemic, the hearing to approve the Definitive RSA was adjourned to a date to be determined. On August 28, 2020, the Official Committee of Unsecured Creditors filed a motion to terminate the motion to approve the Definitive RSA. On November 4, 2020, the Court denied the motion to terminate the Definitive RSA and declined to disrupt the Definitive RSA which the parties have not yet terminated. The Official Committee of Unsecured Creditors appealed that decision to the U.S. Court of Appeals for the First Circuit. On May 21, 2021, the First Circuit dismissed the appeal. The Oversight Board announced on January 19, 2022, that it remains committed to pursuing the Definitive RSA, although it is also evaluating all alternatives. However, on March 8, 2022, the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) announced that it terminated the Definitive RSA stating that the Definitive RSA was “neither feasible nor in the best interests of Puerto Rico” in light of the significantly changed circumstances. Thereafter, the Court entered an order requiring the Oversight Board to (i) disclose by March 18, 2022, whether there is an agreement regarding mediation and (ii) file a plan of adjustment for PREPA, or a detailed plan term sheet, by May 2, 2022 (which was subsequently extended by the Court to June 1, 2022). On March 17, 2022, the Oversight Board disclosed that it has reached an agreement with AAFAF, the Company and certain other creditors regarding engaging in a mediation process to achieve a confirmable PREPA plan of adjustment. On April 8, 2022, the Court entered an order appointing a team of judicial mediators for the PREPA Title III case and directing that the mediation shall terminate on June 1, 2022. The Court subsequently entered several orders extending both of these June 1 deadlines to September 16, 2022 in order to allow the mediation to continue. On September 16, 2022, the Oversight Board disclosed that the parties were unable to reach a mediated agreement and it sought to resume litigation of certain disputes whose resolutions can help facilitate plan confirmation. On September 29, 2022, the Court entered an order establishing a litigation schedule for certain disputes focused on the scope of the PREPA bondholders’ liens as well as the bonds’ nonrecourse nature. The Court also directed the Oversight Board to file a plan of adjustment for PREPA by December 1, 2022, as well as a proposed confirmation schedule contemplating a June 2023 confirmation hearing. In addition, on September 29, 2022, the Court also entered an order amending the terms of the mediation and extending the PREPA mediation through December 31, 2022.

In accordance with the Court approved litigation schedule, on September 30, 2022, the Oversight Board filed an amended complaint objecting to and challenging, among other things, the validity,

Notes to Financial Statements

enforceability, and extent of the PREPA bondholders' prepetition security interests, including the PREPA bonds held or insured by the Company. On October 7, 2022, the Court entered an order allowing the Company, as well as certain other monoline insurers and bondholders, to intervene as defendants with full participation rights in the litigation. On October 17, 2022, the defendants, including the Company, collectively filed their answer, affirmative defenses and counterclaims to the amended complaint. In addition, on October 24, 2022, the defendants, including the Company, filed a motion for summary judgment seeking, among other things, declaratory judgment with respect to certain of the claims and counterclaims concerning the recourse, validity and perfection of the defendants' PREPA bonds. A hearing on the summary judgment motion has not been scheduled.

On February 23, 2021, the Oversight Board announced that it entered into a new Plan Support Agreement (the "New PSA") with certain bondholders and monoline insurers, including the Company, which will be incorporated into an amended plan of adjustment (the "Proposed Plan") for the Commonwealth, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") and the Puerto Rico Public Buildings Authority (the "PBA"). The New PSA has the support of holders more than \$13 billion of general obligation and PBA bonds, including the Company, Assured Guaranty and National Public Finance Guarantee Corp. The Governor of Puerto Rico is not currently a party to the New PSA. The New PSA provides for the treatment of Commonwealth and PBA bonds, including those held or insured by the Company. On March 9, 2021, the Oversight Board announced an agreement in principle with over 70% of ERS bondholders regarding the treatment of their claims. On May 11, 2021, the Oversight Board filed a third amended plan of adjustment for the Commonwealth, PBA and ERS, as well as an amended disclosure statement, which, among other things, incorporates the terms of the New PSA and the settlement with the ERS bondholders. On July 12, 2021, the Oversight Board announced a settlement with the Official Committee of Unsecured Creditors to obtain the Committee's support for the Commonwealth's plan of adjustment. On July 14, 2021, the Oversight Board announced an agreement in principle with Ambac Assurance Corp. and Financial Guaranty Insurance Company regarding the treatment of their insured bonds. On July 27, 2021, the Oversight Board filed a sixth amended plan of adjustment (as may be further amended, the "Plan") for the Commonwealth, PBA and ERS, as well as a further amended disclosure statement, which incorporated the recent settlements. On July 29, 2021, the Court approved the disclosure statement and commencement of solicitation of votes for the Plan, subject to certain modifications. On July 30, 2021, the Oversight Board filed a further amended Plan for the Commonwealth, PBA and ERS reflecting the revisions required by the Court. On October 26, 2021, the Commonwealth of Puerto Rico enacted legislation that authorized the issuance of new securities that are contemplated to be issued under the Plan. Hearings to confirm the Plan for the Commonwealth, PBA and ERS were held during November 2021. On January 18, 2022, the Court issued an order confirming the Plan (the "Confirmation Order"), which provides a combination of cash and new bonds in exchange for the bonds held or insured by the Company. Certain creditors have appealed the Confirmation Order to the United States Court of Appeals for the First Circuit, which appeals remain pending. On March 15, 2022, the Plan was substantially consummated and became effective.

On May 5, 2021, the Oversight Board, Assured Guaranty and National Public Finance Guarantee Corp. entered into another plan support agreement that provides a framework to restructure the debts of the Puerto Rico Highway and Transportation Authority ("HTA") and the Puerto Rico Convention Center District Authority ("CCDA"). On July 16, 2021, the Oversight Board announced that Ambac Assurance Corp. and Financial Guaranty Insurance Company have signed joinders to the HTA/CCDA plan support agreement. The Oversight Board filed HTA's plan of adjustment on May 2, 2022. On June 22, 2022, the Court entered an order approving the disclosure statement for the HTA plan of adjustment and the Oversight Board commenced solicitation of votes for the HTA plan shortly thereafter. On October 12, 2022, the Court entered an order confirming HTA's plan of adjustment. Certain creditors have appealed the HTA confirmation order to the United States Court of Appeals for the First Circuit and filed a motion seeking to stay the effectiveness of the confirmation order pending the appeal.

Due to the pending Title III cases, the Company may experience further losses on these insured obligations which could have a material adverse effect on the Company's surplus, liquidity and financial position.

- As of September 30, 2022, in respect of its Puerto Rico-related exposure, the Company has made substantial claim payments and anticipates that it may be requested to make further payments in the period 2022 to 2038 of at least approximately \$100.6 million, followed in later years (in some cases significantly later years) by recoveries of these claims payments. The amount and timing of this salvage and recoveries related to all of these payments are subject to greater uncertainty than the amount and timing of such future claims payments themselves. Pursuant to the Company's accounting policy and guidance under SSAP, the net present value of estimated claims and recoveries (including salvage and subrogation) are reflected in the Company's loss reserves (see the Company's accounting policy on reserves in Note 1.C. of the Company's 2021 Annual Statement). Because of the inherent uncertainty in estimating future claim payments and recoveries, no assurance can be given that the amount or timing of claims payments, related recoveries, or ultimate losses match the Company's estimates, and such differences could materially and adversely affect the Company's results of operations, financial condition and liquidity. The Company may also experience significant adverse development on its insured obligations that may place further demands on the Company's liquidity and financial position. See Note 36.B "*Schedule of Insured Financial Obligations with Credit Deterioration*" caption for further discussion.

Notes to Financial Statements

Description of Other Significant Risks and Uncertainties and Other Matters

- Effective June 1, 2018, the Company entered into with Assured Guaranty (i) a reinsurance agreement, pursuant to which the Company ceded \$12.1 billion of its insured exposure to Assured Guaranty, (ii) an administrative services agreement with Assured Guaranty pursuant to which Assured Guaranty provide certain administrative services with respect to the reinsured policies, including reporting and making claims payments, and (iii) a credit agreement and related security agreement, pursuant to which Assured Guaranty agreed to make loans to the Company to fund its claims payments on remediated RMBS. As a result of the reinsurance transaction, the Company is exposed to reinsurance counterparty credit risk that the reinsurer may default in its financial obligations with respect to the terms of reinsurance agreement. This credit risk could cause increased losses and loss reserves and a reduction in reinsurance recoverables. In addition, the failure of Assured Guaranty to perform under the administrative services agreement or the credit agreement could cause a disruption to the Company's insurance operations and could increase operational costs and the Company's liquidity needs. As of September 30, 2022, the insured exposure ceded to Assured Guaranty was approximately \$3.8 billion.
- The Company and its financial position will continue to be subject to risk of global financial and economic conditions, including the impact of the COVID-19 pandemic, that could materially and adversely affect the amount of potential losses (including the timing and amount of potential claims and subsequent recoveries) incurred on transactions it guarantees, the value of its investment portfolio, and otherwise materially and adversely affect the Company. With respect to the Company's investment portfolio, a prolonged period of low interest rates, along with declining investment balances, may adversely affect the Company's ability to generate sufficient investment income to fund its future obligations. Issuers or borrowers whose securities or loans the Company insures or holds as well as the Company's counterparties under swaps and other derivative contracts may default on their obligations to the Company due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. Additionally, the underlying assets supporting securities that the Company has guaranteed may deteriorate further, causing these securities to incur losses. At this time, it is not possible to determine the ultimate impact that the global pandemic, and any resulting economic issue, will have on the Company.
- The Company has direct insurance and reinsurance exposure to certain credits within European countries. Global economic conditions have been negatively affected with concerns about the continued sovereign debt crisis within the European region and the possibility that certain European Union member states will default on their debt obligations or leave the European Union, the effects of the COVID-19 pandemic, as well as the current military actions in Ukraine. The continued uncertainty over the outcome of the European Union governments' efforts to provide financial support for sovereigns and sub-sovereigns and the possibility of further deteriorating conditions in Europe could have a material adverse effect on the Company's financial and liquidity position. As of September 30, 2022, the Company's in-force guaranteed principal exposure to the European Union was approximately \$99.6 million which was specifically related to a credit in a higher risk country, such as Italy. The Company does not insure any obligations in Ukraine, but general global economic conditions may continue to be negatively impacted by the Russian invasion of Ukraine and the resulting sanctions and export controls targeting Russia.
- The Financial Conduct Authority of the United Kingdom plans to phase out the London Interbank Offered Rate ("LIBOR") (some tenors by the end of 2021 and other tenors in 2023). LIBOR is the benchmark rate that many banks and issuers use to set interest rates in loan documents. United States' authorities recognizing the need for a LIBOR replacement, convened the Alternative Reference Rate Committee ("ARRC") in 2014 to find a replacement. After three years of study the ARRC identified the Secured Overnight Financing Rate ("SOFR") – the broadest of three existing Repo rates, as its preferred alternative to LIBOR. As of September 30, 2022, the Company has LIBOR based gross and net par outstanding insured exposure of \$217.9 million and zero, respectively. An increase in interest rates, the potential phase out of LIBOR and the difference between LIBOR and SOFR could have a material adverse effect on the Company's surplus, liquidity and financial position. The Company has formed an internal working group to review its LIBOR exposure and the possible impact from the cessation of LIBOR as a means of understanding and managing this possible risk.
- The Company is materially exposed to foreign exchange risk as the Company's insured debt obligations are denominated in a number of foreign currencies and the U.S. dollar. The principal currency creating foreign exchange risk is the European Union euro. At September 30, 2022, approximately 38% of the Company's in-force guaranteed net par outstanding exposure of \$0.3 billion was denominated in such currency. The Company translates foreign currencies into U.S. dollars at the current market exchange rates. Changes in the exchange rates between foreign currencies and U.S. dollars may have an adverse effect on the settlement of potential claims or the value of salvage/recoveries and therefore could have a material adverse effect on the Company's liquidity and surplus position.
- Establishment of case basis reserves for unpaid losses and loss adjustment expenses on the Company's in-force business requires the use and exercise of significant judgment and is based on certain assumptions by management, including estimates regarding the likelihood of occurrence, timing and amount of a loss on a guaranteed obligation. Changes in such assumptions could materially adversely

Notes to Financial Statements

affect such reserve estimates, including the amount and timing of any claims. Under certain conditions, many of which are event-driven and outside the control of the Company, these exposures may result in significant increases in claims beyond those assumed in the Company's reserve estimate (that may or may not result in an increase in such loss reserves) in the near to medium term. A material portion of the Company's case basis reserves reflects certain assumptions that affect salvage and reimbursements in the remainder of its insured and reinsured portfolio. Actual experience may, and likely will, differ from those estimates and such difference may be material due to the fact that the ultimate dispositions of claims are subject to the outcome of events that have not yet occurred and, in certain cases, will occur over many years in the future. Examples of these events include changes in the level of interest rates, credit deterioration of guaranteed obligations, recoveries in bankruptcy proceedings, changes in the value of specific assets supporting guaranteed obligations, changes in the level of investment yield and the effects of the COVID-19 pandemic. Both qualitative and quantitative factors are used in making such estimates. From time to time the Company reevaluates all such estimates. Changes in these estimates may be material and may result in material changes in the Company's policyholders' surplus. Any estimate of future costs is subject to the inherent limitation on management's ability to predict the aggregate course of future events. It should, therefore, be expected that the actual emergence of losses and claims will vary, perhaps materially, from any estimate. The risk of loss under the Company's guarantees extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed.

- The Company has sought, and may in the future seek, the NYDFS's approval of permitted accounting practices and other regulatory relief which have, and if granted may have, a material effect on the Company's policyholders' surplus. Once granted, these permitted accounting practices have been subject to an annual approval or confirmation. No assurance can be given that the NYDFS will continue to grant approval of the Company's past or any future permitted accounting practices or requested regulatory relief. Failure to obtain continuing approval of the past or future permitted accounting practices or requested regulatory relief could have a material adverse effect on the Company's policyholders' surplus. See Note 1.A. for discussion of permitted accounting practices.
- The Company may request, from time to time, a payment of dividends on its common shares. The Company's ability to pay dividends on its preferred and common shares is subject to risks and uncertainties, including, without limitation, prior regulatory approval by the NYDFS. See Note 13.C for further discussion. No assurance can be given as to whether, when or in what amounts the Company may be able to pay any dividends on its preferred and/or common shares. As discussed in Note 13.C. the Company's ability to pay dividends is subject to regulatory constraints.
- The Company is involved in legal proceedings. Management cannot predict the outcomes of these legal proceedings with certainty. Prosecuting these legal proceedings involves expense and diversion of management's attention and resources from other matters.
- The Company relies upon information technology and systems, including those of third parties, to support a variety of its business processes and activities. In addition, the Company has collected and stored confidential information. The Company's data systems and those of third parties on which it relies may be vulnerable to security breaches from external and internal factors. Problems in, or security breaches of, these systems could result in, among other things, reputational harm, the disclosure or misuse of confidential or proprietary information, inaccurate loss projections, legal costs and regulatory penalties. As the Company's business operations rely on the continuous availability of its computer systems, as well as those of certain third parties, a failure to maintain business continuity in the wake of disruptive events could prevent the timely completion of critical processes across its operations, including, for example, claims processing and investment operations. These failures could result in additional costs, fines and litigation.
- The Company's success substantially depends upon its ability to retain qualified employees and upon the ability of its senior management and other key employees to implement its strategic plan. The Company relies substantially upon the services of its executive team and other key employees. The loss of the services of any of these individuals or other key members of the Company's management team or the inability to hire talented personnel could adversely affect the implementation of its strategic plan or business operations.
- The Company may be unable to execute any or all of the elements of its on-going strategic plan on a timely basis or at all as described below.

Risks related to Strategy

On December 30, 2019, Syncora Holdings Ltd. ("Syncora Holdings") and its subsidiary, Syncora Holdings US Inc. sold their entire ownership interest in Syncora Guarantee to Syncora FinanceCo LLC. ("Syncora FinanceCo"), an entity organized by GoldenTree Asset Management LP ("GoldenTree") on behalf of GoldenTree's managed funds and accounts. Upon sale, the Company retained certain of its employees in an effort to provide a smooth transition to its new ownership structure.

Syncora Guarantee's parent, Syncora FinanceCo, is a holding company with no independent operations or assets and is dependent on dividends from Syncora Guarantee, if any, to fund its liquidity needs. Syncora FinanceCo has advised Syncora Guarantee that it may request that Syncora Guarantee pay one or more dividends for this purpose in the future. Syncora Guarantee's ability to pay any dividend would be subject

Notes to Financial Statements

to compliance with applicable legal and other requirements, including any required approval of the NYDFS. On May 20, 2022, Syncora Guarantee paid an extraordinary dividend of \$300 million to Syncora FinanceCo.

Furthermore, Syncora Guarantee continues to pursue certain key strategic initiatives in order to continue to deliver enhanced value (including the potential to declare and pay dividends) to stakeholders. These initiatives include (i) actively and continuously focusing on reducing the Company's retained insured exposures (through their purchase on the open market or otherwise, commutation, defeasance, reinsurance or other restructuring) to minimize potential claim payments, maximize recoveries and mitigate potential losses, some of which may result in a material decrease in our retained exposure, if consummated, which further reduced the Company's net par outstanding significantly, (ii) seeking to realize the maximum value of its assets, and from any other rights and remedies the Company may have, (iii) seeking to novate or, itself or its affiliates, purchase with a view towards novating to Assured Guaranty, the policies reinsured to Assured Guaranty that have not yet been novated to Assured Guaranty as of September 30, 2022, which novation may lead to a change in the credit ratings of the related securities, (iv) further reducing operating expenses and improving operational efficiencies, and (v) the ongoing performance of Assured Guaranty of the services provided by it in respect of the reinsurance agreement and the administrative services agreement.

Any or all of these actions may be outside the ordinary course of the Company's operations or its control and may require consents, approvals or cooperation of third parties, including the NYDFS, and there can be no assurance that any such consents, approvals or cooperation will be obtained on a timely basis or at all. In addition, while the parties agreed to use commercially reasonable efforts to cooperate on novations for three years after the closing date of June 1, 2018, that period ended June 1, 2021.

Risks related to COVID-19

The COVID-19 pandemic continues to develop and still could have a material adverse impact on our results of operations and financial condition, which in turn could impact our ability to meet our obligations, including under our insurance policies. COVID-19 also continues to pose risks to the global economy, as well as to our vendors and our operations. The outbreak is causing severe economic disruptions globally. Continued or new restrictive measures in the jurisdictions where we operate may have a material adverse impact on our business operations or our financial position. The COVID-19 pandemic has been impacting the global economy and the Company for quite some time now and its ultimate impact and duration remain unknown, as do the governmental and private responses to the pandemic which continue to evolve. No assurance can be given at this time as to the ultimate impact of COVID-19 on the Company and its operations.

Reinsurance Transaction

On June 1, 2018, Syncora Guarantee closed the previously announced reinsurance transaction with Assured Guaranty Corp. ("Assured Guaranty") pursuant to which Assured Guaranty agreed to provide reinsurance, generally on a 100% quota share basis, to Syncora Guarantee of approximately \$12.1 billion of net par outstanding of Syncora Guarantee-insured financial guaranty insurance policies, representing approximately 92% of Syncora Guarantee's outstanding insured exposure. As consideration for the transaction, which also involved a commutation of a small book of business ceded to Syncora Guarantee by an Assured Guaranty affiliate which is included in the par outstanding numbers above, Syncora Guarantee paid approximately \$360 million (which amount includes ceded reserves) and assigned over future installment premium for the reinsured policies. In addition, Syncora Guarantee exercised its option to cede certain debt service reserve fund surety and interest rate swap policies for an additional premium payment of \$2.3 million. In addition, in connection with the reinsurance, Syncora Guarantee entered into an administrative services agreement with Assured Guaranty pursuant to which Assured Guaranty would provide certain administrative services with respect to the reinsured policies, including the obligation to administer and pay claims on behalf of the Company. The Company entered into with Assured Guaranty a credit agreement and related security agreement, pursuant to which Assured Guaranty agreed to make loans to the Company to fund its claims payments on remediated RMBS.

Effective Commutation or Defeasance of the Company's Exposure to Insured RMBS Securities

In connection with the 2009 MTA, the Company invested in a fund (the "RMBS Fund") that executed certain transactions designed to effectively defease or, in-substance, commute the Company's exposure on certain of its financial guarantee insurance policies written on RMBS. The RMBS Fund purchased certain of such RMBS in return for a trust certificate of an owner trust representing the uninsured cash flows of such RMBS ("Uninsured Cash Flow Certificate") plus a cash payment. In general, the RMBS Fund contributed any such purchased RMBS (and certain of the Company's reimbursement rights) to separate owner trusts in return for certificates representing the cash flows consisting of insurance payments made on the policies insuring such RMBS ("Insurance Cash Flow Certificates"). In return for such investments, the Insurance Cash Flow Certificates were distributed to the Company. The Company will, should the cash flows from the underlying RMBS transaction be sufficient, receive certain reimbursement payments in respect of insurance payments previously made by the Company on such RMBS. The Company also entered into several alternative transactions effectively replicating the economics of the RMBS Offer.

In addition to the RMBS Offer, as part of its on-going strategic plan, the Company directly purchased certain RMBS that it had insured. Such directly purchased RMBS were exchanged by the Company for Insurance Cash Flow Certificates and Uninsured Cash Flow Certificates using the mechanics described above. The Uninsured Cash Flow Certificate may either be held or resold by the Company.

Notes to Financial Statements

In connection with the reinsurance transaction as discussed above, the Company has substantially ceded all of its RMBS exposure to Assured.

See “(c)” to the table in Note 1.A. above for a description of the accounting for such effective defeasances or, in-substance, commutations.

H. Legal Matters:

In the ordinary course of business, the Company is subject to litigation or other legal proceedings as plaintiff and defendant. The Company intends to vigorously defend against any actions in which it is a defendant and vigorously prosecute any action in which it is a plaintiff, and the Company does not expect the outcome of any such matters to have a material adverse effect on the Company’s financial position, results of operations or liquidity. The Company can provide no assurance that the ultimate outcome of these actions will not cause a loss nor have a material adverse effect on the Company’s financial position, results of operations or liquidity.

Set forth below is a description of certain legal proceedings to which Syncora Guarantee is a party.

Puerto Rico

On July 18, 2017, certain creditors of PREPA, including the Company, filed a motion in PREPA’s Title III case seeking relief from the automatic stay in order to commence an action to enforce their statutory right to appoint a receiver. On September 14, 2017, this motion was denied by Judge Swain. On September 28, 2017, the Company and the other creditors appealed the decision to the United States Court of Appeals for the First Circuit. On August 8, 2018, the First Circuit issued an opinion vacating Judge Swain’s decision and holding that sections 305 and 306 of PROMESA do not preclude the court from granting the requested relief to appoint a receiver. The First Circuit remanded the case back to Judge Swain and allowed the creditors to file a renewed motion to seek relief from the automatic stay.

On October 3, 2018, certain monoline insurers, including the Company, filed a renewed motion in PREPA’s Title III case for relief from the automatic stay in order to commence an action to enforce their statutory right to appoint a receiver. On March 27, 2019, the Official Committee of Unsecured Creditors filed an objection to the renewed motion disputing, among other things, the collateral securing the PREPA bonds. The renewed motion is currently stayed in light of the pending PREPA mediation.

On September 19, 2022, certain creditors of PREPA, including the Company, filed a motion to dismiss PREPA’s Title III case, or in the alternative relief from the automatic stay to enforce their rights to appoint a receiver (the “Motion to Dismiss”). The Court entered an order staying the Motion to Dismiss.

On May 2, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed a complaint challenging numerous proofs of claims relating to general obligation bonds, including those filed by the Company. Among other things, the complaint disputes the existence, extent, and enforceability of the consensual and statutory liens asserted in the proofs of claim and is seeking to reclassify such claims as unsecured obligations of the Commonwealth. Upon the effectiveness of the Plan and the settlements contained therein, this complaint was deemed resolved and dismissed. May 9, 2022, the Court entered an order formally dismissing the complaint.

On May 20, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed a similar complaint challenging numerous proofs of claims relating to bonds issued by the HTA, including the proof of claim filed by the Company. This complaint is currently stayed by the Court pending the effectiveness of HTA’s plan of adjustment.

On September 30, 2019, certain Fuel Line Lenders of PREPA filed an amended complaint against several parties, including the Oversight Board, PREPA and the Company. Among other things, the complaint is seeking priority payment for the plaintiffs’ claims against PREPA prior to any payments to the PREPA bondholders and to limit the lien securing the PREPA power revenue bonds. On November 11, 2019, the Company, together with certain other defendants, filed a motion to dismiss the amended complaint. The hearing on the motion to dismiss has been adjourned to a date to be determined.

Rational Special Situations Income Fund v. The Bank of New York Mellon et al.

On May 26, 2022, Rational Special Situations Income Fund (“RSSIF”) sued The Bank of New York Mellon (“BNY”) in New York State Court alleging a breach of certain contractual duties as trustee under trust agreements relating to certain cash flow certificates and underlying securities. RSSIF also alleged that the Company was unjustly enriched by the trustee’s actions. On July 8, 2022, each of BNY and the Company filed its own motion to dismiss RSSIF’s claims. These motions are not yet fully briefed, but if decided in favor of BNY and the Company, would be dispositive of RSSIF’s claims.

Licenses

As of September 30, 2022, in 25 states or jurisdictions the Company’s license to conduct insurance business in such states or jurisdictions was suspended, revoked, had an order of impairment placed against it, expired, was voluntarily surrendered by the Company, or the Company agreed to cease writing business in such states or jurisdictions, or Syncora Guarantee opted not to renew its license in such states or

Notes to Financial Statements

jurisdictions. Management anticipates that Syncora Guarantee will be able to continue to collect premiums on existing business in such states or jurisdictions. Additional states or jurisdictions may suspend the Company's license, place an order of impairment against it or, in lieu of a suspension or order, Syncora Guarantee may voluntarily agree to cease writing business and let such licenses expire or opt not to renew its licenses in additional states or jurisdictions.

Description of Financial Guarantee Insurance

Financial guarantee insurance provides an unconditional and irrevocable guarantee to the holder of a debt obligation of full and timely payment of the guaranteed principal and interest thereon when due. Financial guarantee insurance adds another potential source of repayment of principal and interest for an investor, namely the credit quality of the financial guarantor.

Generally, in the event of any default on an insured debt obligation, payments made pursuant to the applicable insurance policy may not be accelerated by the holder of the insured debt obligation without the approval of the insurer. While the holder of such an insured debt obligation continues to receive guaranteed payments of principal and interest on schedule, as if no default had occurred, and each subsequent purchaser of the obligation generally receives the benefit of such guarantee, the insurer normally retains the option to pay the debt obligation in full at any time. Also, the insurer generally has recourse against the issuer of the defaulted obligation and/or any related collateral for amounts paid under the terms of the insurance policy as well as pursuant to general rights of subrogation.

The issuer of an insured debt obligation generally pays the premium for financial guarantee insurance, either in full at the inception of the policy, as is the case in most public finance transactions, or in periodic installments funded by the cash flow generated by related pledged collateral, as is the case in most structured finance and international transactions. Typically, premium rates paid by an issuer are stated as a percentage of the total principal (in the case of structured finance and international transactions) or principal and interest (in the case of public finance transactions) of the insured obligation. Premiums are almost always non-refundable and are invested upon receipt. See Note 1.C.(1) of the Company's 2021 Annual Statement for a description of NAIC SAP for premium revenue recognition.

Description of Financial Guarantee Reinsurance

Reinsurance indemnifies a primary insurance company against part or all of the loss that it may sustain under a policy that it has issued. All of the reinsurance protection purchased or provided by the Company is quota share reinsurance. Quota share reinsurance involves one or more reinsurers taking a stated percent share of each policy that an insurer produces ("writes"). This means that the reinsurer will receive that stated percentage of each dollar of premiums and will pay that percentage of each dollar of losses. In addition, the reinsurer will allow a "ceding commission" to the insurer to compensate the insurer for the costs of writing and administering the business.

Reinsurance does not relieve a primary insurance company of its obligations under an insurance policy. While Assured Guaranty has a contractual obligation to the Company pursuant to the reinsurance agreement and administrative services agreement to administer and pay claims on the financial guaranty insurance policy, Assured Guaranty has no direct obligations to any beneficiary or holder of the financial guaranty insurance policy. Accordingly, Assured Guaranty's financial strength ratings will not be conferred on such policy.

I. Insurance-Linked Securities (ILS) Contracts

Not applicable.

22. Events Subsequent:

The Company has evaluated all subsequent events through November 14, 2022 the date the financial statements were available to be issued. There were no material events occurring subsequent to September 30, 2022 that required recognition or disclosure.

23. Reinsurance:

A. Unsecured Reinsurance Recoverables

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

B. Reinsurance Recoverable in Dispute

There has been no change from that disclosed in the Company's 2021 Annual Statement.

Notes to Financial Statements

C. Reinsurance Assumed and Ceded

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

D. Uncollectible Reinsurance

There has been no change from that disclosed in the Company's 2021 Annual Statement.

E. Commutation of Ceded Reinsurance

There has been no significant change from that disclosed in the Company's 2021 Annual Statement.

F. Retroactive Reinsurance

There has been no change from that disclosed in the Company's 2021 Annual Statement.

G. Reinsurance Accounted for as a Deposit

There has been no change from that disclosed in the Company's 2021 Annual Statement.

H. Run-off Agreements

In connection with the reinsurance agreement with Assured Guaranty Corp., as discussed in Note 21.G., the Company sought "run-off" accounting treatment from the NYDFS as required under Statements of Statutory Accounting Principles No. 62R, Property and Casualty Reinsurance ("SSAP No. 62R") "Accounting for the Transfer of Property and Casualty Run-off Agreements". SSAP No. 62R provides that property and casualty run-off agreements are those reinsurance or retrocession agreements that are intended to transfer essentially all the risks and benefits of a specific line of business or market segment that is no longer actively marketed by the transferring insurer or reinsurer. Under SSAP No. 62R, the accounting treatment for property and casualty run-off agreement must be approved by the domiciliary regulators of the transferring entity and the assuming entity. Assured Guaranty Corp. as assuming insurer, sought the same accounting treatment from its domiciliary regulator, the State of Maryland. Based on the NYDFS review of the reinsurance agreement and the analysis of the Company's request, in addition to the conditioned approval from the State of Maryland approving Assured Guaranty Corp.'s run-off accounting treatment, the NYDFS approved the Company's request for run-off accounting treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

There has been no change from that disclosed in the Company's 2021 Annual Statement.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses:

The Company's reserves for unpaid losses and loss adjustment expenses represent its best estimate of: (i) the net present value of claims to be paid subsequent to the balance sheet date, less (ii) the net present value of recoveries subsequent to the balance sheet date and the net present value of installment premiums due from the counterparties to such guarantees subsequent to the balance sheet date. The Company's best estimate of claims and recoveries was based on assumptions and estimates extending over many years into the future. Such assumptions and estimates are subject to the inherent limitation on the Company's ability to predict the aggregate course of future events and, as a result, differences between estimated and actual results may be material. Reference should be made to Note 21 for information regarding the effect on the Company's reserves for unpaid losses resulting from transactions which effectively defeased or, in-substance, commuted (in whole or in part) substantially all its guarantees on which it previously carried case reserves. Amounts disclosed below relating to the provision for losses for the nine months ended September 30, 2022 reflect the effect, as previously disclosed, of certain elements of the 2009 MTA.

The Company recorded a provision for losses and loss adjustment expenses of \$35.5 million and \$1.3 million for the nine months ended September 30, 2022 and 2021, respectively. The 2022 expense primarily reflected the expense for certain public finance transactions partially offset by positive development of certain RMBS transactions. Reserves for unpaid losses and loss adjustment expenses on such guarantees, after giving effect to reinsurance, were \$(40.1) million as of September 30, 2022 (\$63.5 million before giving effect to reinsurance).

The Company's estimates of reserves are determined based on an analysis of results of cash flow models. The models project expected cash flows from the underlying mortgage notes. The model output is dependent on, and sensitive to, key assumptions regarding default rates, draw rates, draw periods, recoveries and prepayment rates, among others. The cash flow from the mortgages is then run through the payment "waterfall" as set forth in the indenture for each transaction. Claims in respect of principal generally result when the outstanding principal balance of the mortgages is less than the outstanding principal balance of the insured notes, except when the principal balance is due for payment on the scheduled maturity date. Recoveries result when cash flow from the mortgages is available for repayment, typically after the insured notes are paid off in full.

Notes to Financial Statements

The Company bases its default assumptions for the second lien transactions (HELOCs and CESs) in large part on recent observed default rates and the current pipeline of delinquent loans. The losses for the second lien transactions (HELOCs and CESs) are estimated based on a model using a constant default rate curve. The Company's default assumptions for the first lien transactions are based on current delinquent loans and analysis of historical defaults for loans with similar characteristics.

26. Intercompany Pooling Arrangements:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

27. Structured Settlements:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

28. Health Care Receivables:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

29. Participating Policies:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

30. Premium Deficiency Reserves:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

31. High Deductibles:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses:

The Company's case basis reserves for unpaid losses are discounted on a non-tabular basis. The discount rate used at September 30, 2022 and December 31, 2021 was 2.05%. The discount rate is based on the book yield to maturity on the Company's invested assets. At September 30, 2022 and December 31, 2021, the Company's liability for unpaid losses and loss adjustment expenses was \$(40.1) million and \$(127.4) million, respectively. The amount of non-tabular discount at such dates was \$35.9 million and \$39.5 million, respectively.

A. Tabular Discount

Not applicable.

B. Non-tabular Discount

Schedule P Line of Business	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
21. Financial Guaranty	\$ 35,935,489	-	-	-

33. Asbestos/Environmental Reserves:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

34. Subscriber Savings Accounts:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

35. Multiple Peril Crop Insurance:

There has been no change from that disclosed in the Company's 2021 Annual Statement.

Notes to Financial Statements

36. Financial Guaranty Insurance:

Premiums charged in connection with the issuance of the Company's guarantees are received either upfront at the inception of an insurance contract or in installments (usually monthly or quarterly) over the life of the underlying insured obligation. Such premiums are only recognized as written when due. In accordance with prescribed statutory accounting practices, future installment premiums on in-force policies not yet due are not recorded on the Company's Statement of Assets, Liabilities, Surplus and Other Funds as premiums receivable.

A. (1) Installment Contracts

- a. As of September 30, 2022, the aggregate amount of installment premium to be collected in the future on the Company's in-force policies, determined based on the contractual maturity of the underlying insured obligations, was \$27.4 million (\$6.3 million net of ceded reinsurance). The aforementioned amount of installment premium to be collected in the future may differ from the ultimate actual amount of installment premiums collected in the future on such in-force obligations for the reasons discussed above, and such difference may be material.
- b. The following table presents, as of September 30, 2022, the Company's installment premiums on direct in-force business (on an undiscounted basis) expected to be collected in the future and the periods in which such collections are expected to occur. In addition to that presented in the table below, the Company had installment premiums of \$1.9 million relating to assumed reinsurance business at September 30, 2022:

			<u>Retained business</u>	<u>Ceded business</u>	<u>Total</u>
1.	(a)	4th Quarter 2022	\$ 136,523	\$ 402,313	\$ 538,836
	(b)	1st Quarter 2023	132,577	775,161	907,738
	(c)	2nd Quarter 2023	131,656	788,352	920,008
	(d)	3rd Quarter 2023	130,304	485,075	615,379
	(e)	4th Quarter 2023	129,321	346,315	475,636
	(f)	Year 2024	503,087	2,162,979	2,666,066
	(g)	Year 2025	485,021	1,974,102	2,459,123
	(h)	Year 2026	471,984	1,781,719	2,253,703
	(i)	Year 2027	459,430	1,582,536	2,041,966
2.	(a)	2028 through 2032	\$ 2,195,914	\$ 5,383,683	\$ 7,579,597
	(b)	2033 through 2037	1,565,149	3,164,773	4,729,922
	(c)	2038 through 2042	7,318	1,498,390	1,505,708
	(d)	2043 through 2047	-	660,479	660,479
	(e)	2048 through 2052	-	11,113	11,113
	(f)	2053 through 2057	-	-	-

- c. The following table presents a roll forward of the aggregate amount of gross installment premium to be collected in the future on the Company's in-force policies for the period from December 31, 2021 to September 30, 2022:

1. Expected future premiums - Beginning of Year	\$ 51,842,564
2. Less - Premium payments received for existing installment contracts	(9,568,457)
3. Add - Expected premium payments for new installment contracts	-
4. Adjustments to the expected future premium payments	(14,908,833)
5. Expected future premiums - End of Period	<u>\$ 27,365,274</u>

(2) Upfront Contracts

- a. The gross earned premium on upfront policies that was recognized on an accelerated basis was \$9.6 million for the nine months ended September 30, 2022. Such accelerations are recognized when an insured issue is retired early, is called by the issuer or is, in substance, paid in advance through a refunding accomplished by placing U.S. Government securities in escrow and/or as a result of the Company's remediation transactions.
- b. The following table presents the expected future premium earnings of the Company's direct in-force business (on an undiscounted basis) as of and for the periods presented. In addition to the premium earnings presented in the table below, the Company had unearned premium revenue of \$0.3 million primarily relating to assumed reinsurance business at September 30, 2022:

Notes to Financial Statements

	Retained business	Ceded business	Total
1. (a) 4th Quarter 2022	\$ 443,070	\$ 395,344	\$ 838,414
(b) 1st Quarter 2023	200,960	362,244	563,204
(c) 2nd Quarter 2023	79,133	372,495	451,628
(d) 3rd Quarter 2023	353,377	263,337	616,714
(e) 4th Quarter 2023	490,655	402,213	892,868
(f) Year 2024	1,200,939	1,380,028	2,580,967
(g) Year 2025	1,460,411	1,364,102	2,824,513
(h) Year 2026	1,510,205	1,342,911	2,853,116
(i) Year 2027	1,259,703	1,258,870	2,518,573
2. (a) 2028 through 2032	\$ 171,837	\$ 4,226,739	\$ 4,398,576
(b) 2033 through 2037	11,234	7,115,009	7,126,243
(c) 2038 through 2042	48,661	7,285,510	7,334,171
(d) 2043 through 2047	-	3,053,517	3,053,517
(e) 2048 through 2052	-	960,375	960,375
(f) 2053 through 2057	-	12,980,062	12,980,062
(g) 2058 through 2062	-	134,768	134,768

(3) Claim Liability

- a. The Company used a rate of 2.05% to discount the claim liability. The discount rate is based on the book yield to maturity on the Company's invested assets.
- b. Significant components of the change in the claim liability for the period:

Components	Amount
(1) Accretion of the discount	\$ (1,123,364)
(2) Changes in timing	676,321
(3) New reserves for defaults of insured contracts	-
(4) Change in deficiency reserves ⁽¹⁾	87,780,139
(5) Change in incurred but not reported claims	-
(6) Total	<u>\$ 87,333,096</u>

⁽¹⁾ Represents development in prior year reserves

(4) Risk Management Activities

The Company's surveillance department is responsible for monitoring the performance of its in-force portfolio. The surveillance department maintains a list of credits that it has determined need to be closely monitored and, for certain of those credits, the department undertakes remediation activities it determines to be appropriate in order to mitigate the likelihood and/or amount of any loss that could be incurred by the company with respect to such credits. The department also looks to maximize recoveries from claims that have already been paid.

The surveillance department focuses its review on monitoring lower rated bond sectors and potentially troubled sectors. In addition, the surveillance department is monitoring the impact on the in-force portfolio from the COVID-19 outbreak to evaluate potential risk to the Company.

The Company estimates claims based on its surveillance department's best estimate of net cash outflows under a contract, on a present value basis. In some cases, the surveillance department will engage an outside consultant with appropriate expertise in the underlying collateral assets and respective industries to assist management in examining the underlying collateral and determining the projected loss frequency and loss severity. In such cases, the surveillance department will use that information to run a cash flow model that includes enhancement levels and debt service to determine whether a claim is probable, possible or not likely.

The activities of the Company's surveillance department are integral to the identification of specific credits that have experienced deterioration in credit quality and the assessment of whether losses on such credits are probable, as well as any estimation of the amount of loss expected to be incurred with respect to such credits. Closely monitored credits are divided into four categories: (i) Loss List—credits where a loss is probable and reasonably estimable and a case reserve is established; (ii) Red Flag List—credits where a loss is possible but not probable or reasonably estimable, including credits where claims may have been paid or may be paid but full recovery is in doubt; (iii) Yellow Flag List—credits that the Company determines to be non-investment grade but a loss is unlikely, including credits where claims may have been paid or may be paid but reimbursement is likely; and (iv) Special Monitoring List—low investment grade credits where a material covenant or trigger may be breached and closer monitoring is warranted. Credits that are not closely monitored credits are considered to be fundamentally sound, normal risk.

Notes to Financial Statements

B. Schedule of Insured Financial Obligations with Credit Deterioration

The following table sets forth certain information in regard to the Company's closely monitored credits as of September 30, 2022. The number of policies, remaining weighted-average contract period, and insured contractual payments outstanding in the table below excludes exposures that were effectively defeased or, in substance, commuted through the acquisition of Insurance Cash Flow Certificates and related alternative structures.

	<u>Total</u>	<u>Loss List</u>	<u>Red Flag List</u>	<u>Yellow Flag List</u>	<u>Special Monitoring List</u>
Insured contractual payments outstanding:					
Principal	\$ 260,921,392	\$ 84,485,366	\$ 7,758,264	\$ 168,677,762	\$ -
Interest	36,226,081	20,796,974	1,869,951	13,559,156	-
Total	<u>\$ 297,147,473</u>	<u>\$ 105,282,340</u>	<u>\$ 9,628,215</u>	<u>\$ 182,236,918</u>	<u>\$ -</u>
Number of policies	28	25	1	2	-
Remaining weighted-average contract period (in years)	<u>5.5</u>	<u>4.9</u>	<u>7.8</u>	<u>5.7</u>	<u>-</u>
Loss and LAE liabilities reported in the balance sheet:					
Gross loss and LAE liability (nominal)	\$ 239,196,819	\$ 236,542,961	\$ -	\$ 2,653,858	\$ -
Gross potential recoveries and ceded reinsurance	243,335,711	243,335,711	-	-	-
Discount, net	35,935,489	35,935,489	-	-	-
Total	<u>\$ (40,074,381)</u>	<u>\$ (42,728,239)</u>	<u>\$ -</u>	<u>\$ 2,653,858</u>	<u>\$ -</u>
Unearned premium reserve, net	<u>\$ 7,554,382</u>	<u>\$ 938,605</u>	<u>\$ 133,125</u>	<u>\$ 6,482,652</u>	<u>\$ -</u>
Reinsurance recoverables on paid losses and LAE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes: Yes[] No[X]
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. Yes[] No[X]

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2020
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2020
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/29/2022
- 6.4 By what department or departments?
New York State Department of Financial Services
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[] N/A[]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[X] No[]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
The Company's policy is that confidential information is not to be e-mailed to personal or other such accounts because of relative lack of security on these e-mail accounts. Employees are required to use a third party software security package which permits direct access to the Company's network drive from employees' home computers. Occasionally, this third party software security package malfunctions and an exception needs to be made for urgent matters on a one-off basis.

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:

- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.3 Total payable for securities lending reported on the liability page \$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon Corporation	One Mellon Bank Center, Pittsburgh, PA 15258

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No
 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Wellington Management Company, LLP	U
Christopher Hayward, CEO & President of SGI	A
GoldenTree Asset Management LP	A

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes No
 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes No
 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
106595	Wellington Management Company, LLP	549300YHP12TEZNLX41	S.E.C.	NO
NA	Christopher Hayward, CEO & President of SGI		Not a registered investment advisor	NO
112753	GoldenTree Asset Management LP	PUBZ8X9O2VZN0WHEH824	S.E.C.	DS

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes No
 18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

GENERAL INTERROGATORIES (Continued)

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?

Yes[] No[X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes[] No[X]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes[] No[X]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation. Yes[] No[] N/A[X]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation. Yes[] No[X]
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes[] No[X]
- 3.2 If yes, give full and complete information thereto
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes[X] No[]
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
Financial Guaranty		2.050	35,935,489			35,935,489	(2,658,777)			(2,658,777)
04.2999 Total			35,935,489			35,935,489	(2,658,777)			(2,658,777)

5. Operating Percentages:
- 5.1 A&H loss percent 0.000%
- 5.2 A&H cost containment percent 0.000%
- 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[] No[X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes[] No[X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0
7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[X] No[]
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes[] No[X]

SCHEDULE F - CEDED REINSURANCE
Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
			NONE			

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
States, etc.							
1. Alabama (AL)	L						
2. Alaska (AK)	N						
3. Arizona (AZ)	L						
4. Arkansas (AR)	L						
5. California (CA)	L	814,609	887,182	(1,779,935)	(1,084,924)	40,658,233	18,369,920
6. Colorado (CO)	L						
7. Connecticut (CT)	L						
8. Delaware (DE)	L	14,332	40,085				
9. District of Columbia (DC)	L						
10. Florida (FL)	N						
11. Georgia (GA)	L						
12. Hawaii (HI)	L						
13. Idaho (ID)	L						
14. Illinois (IL)	L						
15. Indiana (IN)	L						
16. Iowa (IA)	L						
17. Kansas (KS)	L						
18. Kentucky (KY)	L						
19. Louisiana (LA)	L						
20. Maine (ME)	L						
21. Maryland (MD)	L						
22. Massachusetts (MA)	L			(313,190)	(465,321)	(688,476)	(846,693)
23. Michigan (MI)	L			663,040	646,970	685,537	1,313,674
24. Minnesota (MN)	L						
25. Mississippi (MS)	N						
26. Missouri (MO)	L						
27. Montana (MT)	L						
28. Nebraska (NE)	L						
29. Nevada (NV)	L						
30. New Hampshire (NH)	L						
31. New Jersey (NJ)	L						
32. New Mexico (NM)	L						
33. New York (NY)	L	1,682,305	2,522,243	(13,176,935)	(42,287,303)	30,056,699	(17,096,897)
34. North Carolina (NC)	L						
35. North Dakota (ND)	L						
36. Ohio (OH)	N						
37. Oklahoma (OK)	L						
38. Oregon (OR)	L						
39. Pennsylvania (PA)	L						
40. Rhode Island (RI)	L						
41. South Carolina (SC)	L						
42. South Dakota (SD)	L						
43. Tennessee (TN)	N						
44. Texas (TX)	L						
45. Utah (UT)	L						
46. Vermont (VT)	L						
47. Virginia (VA)	L						
48. Washington (WA)	L						
49. West Virginia (WV)	L						
50. Wisconsin (WI)	L						
51. Wyoming (WY)	L						
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N			3,342,971	3,342,950	(1,702,015)	(32,682,674)
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X	5,558,752	1,560,980	(504,940)		(8,847,748)	
59. Totals	X X X	8,069,998	5,010,490	(11,768,989)	(39,847,628)	60,162,230	(30,942,670)
DETAILS OF WRITE-INS							
58001GBR United Kingdom	X X X	5,558,752	1,560,980	(504,940)		(8,847,748)	
58002	X X X						
58003	X X X						
58998Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	5,558,752	1,560,980	(504,940)		(8,847,748)	

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.

46

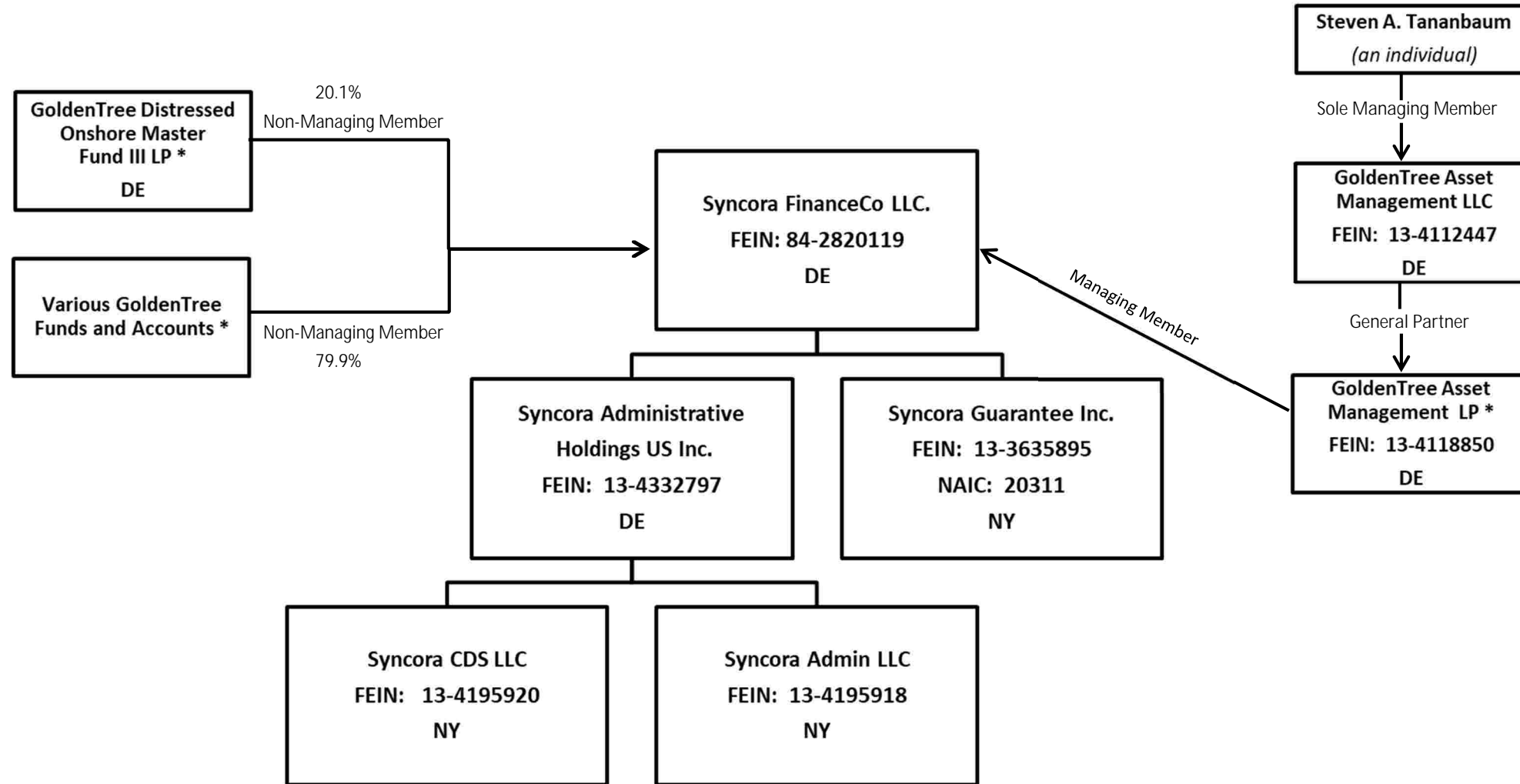
R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

N - None of the above - Not allowed to write business in the state

11

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



* All non-managing members of Syncora FinanceCo LLC. are funds and accounts managed by GoldenTree Asset Management LP. With the exception of GoldenTree Distressed Onshore Master Fund III LP, each such fund and account owns less than 10% of the equity securities of Syncora FinanceCo LLC.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Yes/No)	*
		00000	84-2820119				Syncora FinanceCo LLC	DE	UIP	GoldenTree Asset Management LP	Board of Directors		Shareholders	No	
		20311	13-3635895				Syncora Guarantee Inc.	NY	RE	Syncora FinanceCo LLC	Ownership	100.0	Syncora FinanceCo LLC	No	
		00000	13-4332797				Syncora Admin Holdings US Inc.	DE	NIA	Syncora FinanceCo LLC	Ownership	100.0	Syncora FinanceCo LLC	No	
		00000	13-4195920				Syncora CDS LLC	NY	NIA	Syncora FinanceCo LLC	Ownership	100.0	Syncora FinanceCo LLC	No	
		00000	13-4195918				Syncora Admin LLC	NY	NIA	Syncora FinanceCo LLC	Ownership	100.0	Syncora FinanceCo LLC	No	
		00000	00-0000000				Steven A. Tananbaum							No	0000001
		00000	13-4112447				GoldenTree Asset Management LLC	DE		Steven A. Tananbaum	Other		Steven A. Tananbaum	No	0000002
		00000	13-4118850				GoldenTree Asset Management LP	DE		GoldenTree Asset Management LLC	Management		Steven A. Tananbaum	No	0000003
		00000	00-0000000				GoldenTree Distressed Onshore Master Fund III LP	DE		GoldenTree Asset Management LP	Other	20.1	Steven A. Tananbaum	No	0000004
		00000	00-0000000				Various Golden Tree Funds and Accounts			GoldenTree Asset Management LP	Other	79.9	Steven A. Tananbaum	No	0000005

Asterisk	Explanation
0000001	An individual - Sole Managing Member of GoldenTree Asset Mgmt LLC
0000002	General Partner of GoldenTree Asset Mgmt LP
0000003	Managing Member of Syncora FinanceCo LLC
0000004	Non-Managing Member of Syncora FinanceCo LLC. (20.1%)
0000005	Non-Managing Member of Syncora FinanceCo LLC. (79.9%)

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2.1 Allied lines				
2.2 Multiple peril crop				
2.3 Federal flood				
2.4 Private crop				
2.5 Private flood				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty	22,131,138	42,533,024	192.186	20.893
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims made				
12. Earthquake				
13.1 Comprehensive (hospital and medical) individual				
13.2 Comprehensive (hospital and medical) group				
14. Credit accident and health				
15.1 Vision only				
15.2 Dental only				
15.3 Disability income				
15.4 Medicare supplement				
15.5 Medicaid Title XIX				
15.6 Medicare Title XVIII				
15.7 Long-term care				
15.8 Federal employees health benefits plan				
15.9 Other health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 Private passenger auto no-fault (personal injury protection)				
19.2 Other private passenger auto liability				
19.3 Commercial auto no-fault (personal injury protection)				
19.4 Other Commercial auto liability				
21.1 Private passenger auto physical damage				
21.2 Commercial auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	22,131,138	42,533,024	192.186	20.893
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire			
2.1	Allied lines			
2.2	Multiple peril crop			
2.3	Federal flood			
2.4	Private crop			
2.5	Private flood			
3.	Farmowners multiple peril			
4.	Homeowners multiple peril			
5.	Commercial multiple peril			
6.	Mortgage guaranty			
8.	Ocean marine			
9.	Inland marine			
10.	Financial guaranty	598,781	8,069,998	5,010,490
11.1	Medical professional liability - occurrence			
11.2	Medical professional liability - claims made			
12.	Earthquake			
13.1	Comprehensive (hospital and medical) individual			
13.2	Comprehensive (hospital and medical) group			
14.	Credit accident and health			
15.1	Vision only			
15.2	Dental only			
15.3	Disability income			
15.4	Medicare supplement			
15.5	Medicaid Title XIX			
15.6	Medicare Title XVIII			
15.7	Long-term care			
15.8	Federal employees health benefits plan			
15.9	Other health			
16.	Workers' compensation			
17.1	Other liability - occurrence			
17.2	Other liability - claims made			
17.3	Excess Workers' Compensation			
18.1	Products liability - occurrence			
18.2	Products liability - claims made			
19.1	Private passenger auto no-fault (personal injury protection)			
19.2	Other private passenger auto liability			
19.3	Commercial auto no-fault (personal injury protection)			
19.4	Other Commercial auto liability			
21.1	Private passenger auto physical damage			
21.2	Commercial auto physical damage			
22.	Aircraft (all perils)			
23.	Fidelity			
24.	Surety			
26.	Burglary and theft			
27.	Boiler and machinery			
28.	Credit			
29.	International			
30.	Warranty			
31.	Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
32.	Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33.	Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34.	Aggregate write-ins for other lines of business			
35.	TOTALS	598,781	8,069,998	5,010,490
DETAILS OF WRITE-INS				
3401.			
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page			
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

PART 3 (000 omitted)
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2022 Loss and LAE Payments on Claims Reported as of Prior Year-End	2022 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2022 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2019 + Prior	(127,407)		(127,407)	(51,806)		(51,806)	(40,074)			(40,074)	35,527		35,527
2. 2020													
3. Subtotals 2020 + Prior	(127,407)		(127,407)	(51,806)		(51,806)	(40,074)			(40,074)	35,527		35,527
4. 2021													
5. Subtotals 2021 + Prior	(127,407)		(127,407)	(51,806)		(51,806)	(40,074)			(40,074)	35,527		35,527
6. 2022	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals	(127,407)		(127,407)	(51,806)		(51,806)	(40,074)			(40,074)	35,527		35,527
8. Prior Year-End Surplus As Regards Policyholders	741,503										Col. 11, Line 7 As % of Col. 1 Line 7 1..... (27.885)	Col. 12, Line 7 As % of Col. 2 Line 7 2.....	Col. 13, Line 7 As % of Col. 3 Line 7 3..... (27.885)
													Col. 13, Line 7 Line 8 4..... 4.791

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<u>RESPONSES</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	No
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	No
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

AUGUST FILING

5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	N/A
---	-----

Explanations:

Bar Codes:

Trusteed Surplus Statement



20311202249000003

2022

Document Code: 490

Supplement A to Schedule T



20311202245500003

2022

Document Code: 455

Medicare Part D Coverage Supplement



20311202236500003

2022

Document Code: 365

Director and Officer Supplement



20311202250500003

2022

Document Code: 505

OVERFLOW PAGE FOR WRITE-INS**ASSETS**

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196)				
2504. Premium tax refund	49,510		49,510	67,052
2505. Bank of NY/Mellon-Reserve Deposit	50,000		50,000	50,000
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	99,510		99,510	117,052

STATEMENT AS OF **September 30, 2022** OF THE **SYNCORA GUARANTEE INC.**
SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points		
9. Total foreign exchange change in book value/recorded investment		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	49,530	5,081,047
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals	(270)	1,816
7. Deduct amounts received on disposals	33,333	5,033,333
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	15,927	49,530
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	15,927	49,530

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	274,282,938	427,533,026
2. Cost of bonds and stocks acquired	129,708,670	301,254,280
3. Accrual of discount	3,642,883	8,425,505
4. Unrealized valuation increase (decrease)	(15,248,725)	(2,983,703)
5. Total gain (loss) on disposals	(7,135,897)	42,007,134
6. Deduct consideration for bonds and stocks disposed of	194,260,627	499,170,533
7. Deduct amortization of premium	1,036,974	3,034,143
8. Total foreign exchange change in book/adjusted carrying value		(151,079)
9. Deduct current year's other-than-temporary impairment recognized		143,687
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	218,916	546,138
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	190,171,184	274,282,938
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	190,171,184	274,282,938

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	87,631,140	73,638,950	73,983,418	424,244	92,198,440	87,631,140	87,710,916	93,951,786
2. NAIC 2 (a)	5,218,113	603,155		(116,018)	786,073	5,218,113	5,705,250	783,157
3. NAIC 3 (a)	26,361,861	12,824,237	6,975,989	(1,798,601)	32,684,706	26,361,861	30,411,508	30,042,257
4. NAIC 4 (a)	22,592,344	33,006,979	5,914,134	2,888,010	43,017,599	22,592,344	52,573,199	47,381,262
5. NAIC 5 (a)	14,044,983	4,491,590	2,143,110	(2,881,330)	12,042,522	14,044,983	13,512,133	14,466,320
6. NAIC 6 (a)	55,265,549	9,226,165	650,197	715,484	57,915,483	55,265,549	64,557,001	56,881,648
7. Total Bonds	211,113,990	133,791,076	89,666,848	(768,211)	238,644,823	211,113,990	254,470,007	243,506,430
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	211,113,990	133,791,076	89,666,848	(768,211)	238,644,823	211,113,990	254,470,007	243,506,430

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....73,974,799; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1**Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
7709999999. Totals	73,974,799	X X X	73,638,950		

SCHEDULE DA - Verification**Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		40,964
2. Cost of short-term investments acquired	147,372,695	1,216,461
3. Accrual of discount	502,105	3,496
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	62,338	3,114
6. Deduct consideration received on disposals	73,962,339	1,261,369
7. Deduct amortization of premium		2,666
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	73,974,799	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	73,974,799	

SCHEDULE DB - PART A - VERIFICATION**Options, Caps, Floors, Collars, Swaps and Forwards**

1.	Book Adjusted Carrying Value, December 31, prior year (Line 10, prior year)	(409,310)
2.	Cost Paid/(Consideration Received) on additions	
3.	Unrealized Valuation increase/(decrease)	462,506
4.	SSAP No. 108 adjustments	
5.	Total gain (loss) on termination recognized	3,621,994
6.	Considerations received/(paid) on terminations	3,621,994
7.	Amortization	
8.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
9.	Total foreign exchange change in Book/Adjusted Carrying Value	2,905,582
10.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 + 5 - 6 + 7 + 8 + 9)	2,958,778
11.	Deduct nonadmitted assets	
12.	Statement value at end of current period (Line 10 minus Line 11)	2,958,778

SCHEDULE DB - PART B - VERIFICATION**Futures Contracts**

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)				35,631
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)				(35,631)
3.1	Add: Change in variation margin on open contracts - Highly Effective Hedges				
	3.11 Section 1, Column 15, current year to date minus				
	3.12 Section 1, Column 15, prior year				
	Change in variation margin on open contracts - All Other				
	3.13 Section 1, Column 18, current year to date minus				
	3.14 Section 1, Column 18, prior year	(1,937)	1,937	1,937	
3.2	Add: Change in adjustment to basis of hedged item				
	3.21 Section 1, Column 17, current year to date minus				
	3.22 Section 1, Column 17, prior year				
	Change in amount recognized				
	3.23 Section 1, Column 19, current year to date minus				
	3.24 Section 1, Column 19, prior year plus	(1,937)			
	3.25 SSAP No. 108 adjustments	(1,937)			
3.3	Subtotal (Line 3.1 minus Line 3.2)				1,937
4.1	Cumulative variation margin on terminated contracts during the year		96,755		
4.2	Less:				
	4.21 Amount used to adjust basis of hedged item				
	4.22 Amount recognized	96,755			
	4.23 SSAP No. 108 adjustments		96,755		
4.3	Subtotal (Line 4.1 minus Line 4.2)				
5.	Dispositions gains (losses) on contracts terminated in prior year:				
	5.1 Total gain (loss) recognized for terminations in prior year				
	5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				1,937
7.	Deduct total nonadmitted amounts				
8.	Statement value at end of current period (Line 6 minus Line 7)				1,937

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SCHEDULE DB - VERIFICATION**Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts**

		Book/Adjusted Carrying Value Check	
1.	Part A, Section 1, Column 14	2,958,778	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance		
3.	Total (Line 1 plus Line 2)		2,958,778
4.	Part D, Section 1, Column 6	3,216,086	
5.	Part D, Section 1, Column 7	(257,308)	
6.	Total (Line 3 minus Line 4 minus Line 5)		

		Fair Value Check	
7.	Part A, Section 1, Column 16	2,958,778	
8.	Part B, Section 1, Column 13		
9.	Total (Line 7 plus Line 8)		2,958,778
10.	Part D, Section 1, Column 9	3,216,086	
11.	Part D, Section 1, Column 10	(257,308)	
12.	Total (Line 9 minus Line 10 minus Line 11)		

		Potential Exposure Check	
13.	Part A, Section 1, Column 21	203,433	
14.	Part B, Section 1, Column 20		
15.	Part D, Section 1, Column 12	203,432	
16.	Total (Line 13 plus Line 14 minus Line 15)		1

SCHEDULE E - PART 2 - VERIFICATION**(Cash Equivalents)**

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	287,225,704	121,893,624
2.	Cost of cash equivalents acquired	223,771,827	481,882,992
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		301,368
5.	Total gain (loss) on disposals		(56,368)
6.	Deduct consideration received on disposals	394,484,040	316,795,912
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other-than-temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	116,513,491	287,225,704
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	116,513,491	287,225,704

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol
Bonds - Industrial and Miscellaneous (Unaffiliated)									
00401YAA8	ACADEMY LTD		09/13/2022	BANC/AMERICA SECUR.L	X X X	841,058	883,000	17,660	3.C FE
12008RAR8	BUILDERS FIRSTSOURCE INC		09/19/2022	VARIOUS	X X X	1,035,048	1,128,000	18,862	3.C FE
1248EPC1	CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL		09/27/2022	BANC/AMERICA SECUR.L	X X X	298,620	378,000	2,079	3.C FE
1248EPC7	CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL		09/29/2022	VARIOUS	X X X	857,150	1,114,000	7,692	3.C FE
13057QAH0	CALIFORNIA RESOURCES CORP		08/04/2022	BARCLAYS CAPITAL FIX	X X X	155,388	155,000	215	4.B FE
161175BA1	CHARTER COMMUNICATIONS OPERATING LLC / C		09/28/2022	BANC/AMERICA SECUR.L	X X X	67,471	77,000	2,177	2.C FE
161175BV5	CHARTER COMMUNICATIONS OPERATING LLC / C		09/29/2022	CITIGROUP GLOBAL MKT	X X X	93,564	155,000	32	2.C FE
161175BY9	CHARTER COMMUNICATIONS OPERATING LLC / C		09/29/2022	CITIGROUP GLOBAL MKT	X X X	90,127	155,000	1,491	2.C FE
161175CC6	CHARTER COMMUNICATIONS OPERATING LLC / C		09/28/2022	VARIOUS	X X X	63,743	100,000	1,454	2.C FE
161175CG7	CHARTER COMMUNICATIONS OPERATING LLC / C		09/28/2022	CITIGROUP GLOBAL MKT	X X X	27,370	46,000	454	2.C FE
161175CL6	CHARTER COMMUNICATIONS OPERATING LLC / C		09/28/2022	VARIOUS	X X X	260,880	343,000	10,219	2.C FE
163851AF5	CHEMOURS CO/THE		09/27/2022	VARIOUS	X X X	996,295	1,202,000	25,726	4.A FE
237266AJ0	DARLING INGREDIENTS INC		08/15/2022	BANC/AMERICA SECUR.L	X X X	473,280	464,000	5,259	3.A FE
25470XBE4	DISH DBS CORP		09/22/2022	VARIOUS	X X X	2,346,144	2,822,000	41,332	4.A FE
27034RAA1	EARTHSTONE ENERGY HOLDINGS LLC		09/19/2022	VARIOUS	X X X	2,430,854	2,502,000	90,668	4.A FE
35906ABG2	FRONTIER COMMUNICATIONS HOLDINGS LLC		09/26/2022	VARIOUS	X X X	350,523	425,000	11,657	5.A FE
55616XAM9	MACY'S RETAIL HOLDINGS LLC		09/14/2022	VARIOUS	X X X	2,318,303	3,329,000	37,543	3.B FE
62929RAC2	NMG HOLDING CO INC / NEIMAN MARCUS GROUP		09/26/2022	VARIOUS	X X X	2,954,603	3,150,000	95,978	5.A FE
71677KAB4	PETSMART INC / PETSMART FINANCE CORP		09/13/2022	GOLDMAN SACHS & CO	X X X	1,186,465	1,244,000	8,034	5.A FE
747262AW3	QVC INC		07/22/2022	STIFEL NICHOLAUS & C	X X X	68,760	96,000	2,340	3.A FE
747262AZ6	QVC INC		09/22/2022	BANC/AMERICA SECUR.L	X X X	197,380	278,000	845	3.B FE
81282UAG7	SEAWORLD PARKS & ENTERTAINMENT INC		09/30/2022	VARIOUS	X X X	920,065	1,094,000	7,010	4.C FE
853496AD9	STANDARD INDUSTRIES INC/NJ		09/14/2022	MORGAN STANLEY & CO	X X X	1,159,178	1,321,000	10,632	3.B FE
90138FAD4	TWILIO INC		09/27/2022	VARIOUS	X X X	585,913	752,000	1,025	3.C FE
92943GAA9	WR GRACE HOLDINGS LLC		09/21/2022	VARIOUS	X X X	321,520	410,000	2,314	4.C FE
071734AC1	BAUSCH HEALTH COS INC	A	09/06/2022	VARIOUS	X X X	923,243	1,286,000	4,724	4.B FE
02156LAC5	ALTICE FRANCE SA/FRANCE	D	09/23/2022	JPM SECURITIES-FIXED	X X X	198,125	250,000	6,188	4.B FE
02156LAF8	ALTICE FRANCE SA/FRANCE	D	09/22/2022	DEUTSCHE BANC/ALEX B	X X X	83,325	110,000	2,521	4.B FE
02156LAH4	ALTICE FRANCE SA/FRANCE	D	09/22/2022	WELLS FARGO SECS LLC	X X X	161,650	212,000	5,215	4.B FE
50201DAA1	LCPR SENIOR SECURED FINANCING DAC	D	09/30/2022	GOLDMAN SACHS & CO	X X X	747,585	898,000	28,455	4.A FE
50201DAD5	LCPR SENIOR SECURED FINANCING DAC	D	09/23/2022	MORGAN STANLEY & CO	X X X	1,623,960	2,082,000	21,341	4.A FE
780153BR2	ROYAL CARIBBEAN CRUISES LTD	D	09/22/2022	MORGAN STANLEY & CO	X X X	1,182,000	1,182,000		4.C FE
822541AA6	SHELF DRILLING NORTH SEA HOLDINGS LTD	D	09/16/2022	NON-BROKER TRADE, BO	X X X	1,124,230	1,159,000		6*
91832VAA2	VOC ESCROW LTD	D	09/22/2022	VARIOUS	X X X	714,086	852,000	4,399	4.B FE
BS1759429	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	B	09/13/2022	VARIOUS	X X X	831,861	984,492	14,950	3.C FE
BZ0460817	LOTTOMATICA SPA	B	09/15/2022	BARCLAYS CAPITAL SEC	X X X	1,184,467	1,184,467		4.B FE
F0265PBQ0	ALTICE FRANCE SA/FRANCE	B	09/23/2022	JEFFERIES INTL LONDO	X X X	76,188	97,055	1,474	4.B FE
F0265PCE6	ALTICE FRANCE SA/FRANCE	B	09/22/2022	VARIOUS	X X X	155,025	198,273	250	4.B FE
G9444PAB8	VMED O2 UK FINANCING I PLC	B	09/13/2022	JEFFERIES INTL LONDO	X X X	824,119	1,006,558	5,452	3.C FE
1109999999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	29,929,566	35,124,845	497,667	X X X
Bonds - Unaffiliated Bank Loans									
00130MAJ3	AHP HEALTH PARTNERS INC		09/13/2022	NON-BROKER/ *TRADE*	X X X	1,188,561	1,226,902		4.B FE
00187GAC3	AP CORE HOLDINGS II LLC		08/24/2022	NON-BROKER/ *TRADE*	X X X	507,609	534,325		3.A FE
00187GAD1	AP CORE HOLDINGS II LLC		09/27/2022	NON-BROKER/ *TRADE*	X X X	670,655	715,675		3.A FE
00217XAB2	HEXION INC		09/13/2022	NON-BROKER/ *TRADE*	X X X	2,646,911	2,869,280		4.B FE
44157YAE4	HOUGHTON MIFFLIN HARCOURT CO		09/14/2022	NON-BROKER/ *TRADE*	X X X	2,379,094	2,475,000		4.B FE
76133MAC5	RH		09/26/2022	NON-BROKER/ *TRADE*	X X X	2,155,305	2,318,550		3.C FE
99AAG2305	ASCENA RETAIL 9/20 0.0000% DUE 12/31/23		09/01/2022	NON-BROKER TRADE, BO	X X X	2,333,000	2,333,000		6*
99AAK5832	LHS BORROWER/LEAF HOME 2/22 CO 0.000% 0		09/27/2022	NON-BROKER/ *TRADE*	X X X	2,429,082	2,817,023		4.B FE
99AAN3040	GENTIVA HEALTH/KINDRED AT HOME 0.000% 0		08/03/2022	NON-BROKER/ *TRADE*	X X X	2,348,250	2,525,000		4.B FE
99AAN3206	DISCOVERY PURCHASER 0.0000% DUE 08/04/2		08/04/2022	NON-BROKER/ *TRADE*	X X X	1,761,800	1,915,000		4.C FE
99AAN6688	AVALARA 1L TL 0.0000% DUE 08/12/2		08/04/2022	NON-BROKER TRADE, BO	X X X	3,088,850	3,168,051		6*

QE04

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation, Modifier and SVO Administrative Symbol
99AAN6696	AVALARA 1L REVOLVER 0.0000% DUE 08/12/2		08/04/2022	NON-BROKER TRADE, BO	X X X	308,885	316,805		6*
99AAN7090	CORGI BIDCO/COVETRU 0.0000% DUE 09/20/2		09/20/2022	NON-BROKER/ *TRADE*	X X X	1,659,100	1,765,000		4.C FE
99AAN7140	TIBCO SOFTWARE/CITR 0.0000% DUE 03/20/2		09/20/2022	NON-BROKER/ *TRADE*	X X X	2,370,550	2,605,000		4.B FE
99AAG9144	THRYV INC		09/13/2022	NON-BROKER/ *TRADE*	X X X	1,165,399	1,180,151		4.C FE
C9413PBD4	BAUSCH HEALTH COS INC	A	09/06/2022	NON-BROKER/ *TRADE*	X X X	838,313	1,064,525		4.B FE
99AAH3385	ROYAL CARIBBEAN CRU 0.0000% DUE 04/05/24	C	09/16/2022	NON-BROKER/ *TRADE*	X X X	2,371,200	2,560,000		6*
1909999999	Subtotal - Bonds - Unaffiliated Bank Loans				X X X	30,222,564	32,389,288		X X X
2509999997	Subtotal - Bonds - Part 3				X X X	60,152,130	67,514,132	497,667	X X X
2509999998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
2509999999	Subtotal - Bonds				X X X	60,152,130	67,514,132	497,667	X X X
4509999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
4509999999	Subtotal - Preferred Stocks				X X X		X X X		X X X
Common Stocks - Industrial and Miscellaneous (Unaffiliated) - Publicly Traded									
071734107	BAUSCH HEALTH COS INC		09/23/2022	VARIOUS	55,783.000	404,090	X X X		
A0997C107	BAWAG GROUP AG	B	07/05/2022	RBC EUROPE LIMITED	55,000.000	2,292,998	X X X		
G65431127	NOBLE CORP PLC	C	09/30/2022	MERGER	2,118.000	28,301	X X X		
G6610J209	NOBLE CORP	C	08/02/2022	NON-BROKER TRADE, BO	2,118.000	28,301	X X X		
5019999999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) - Publicly Traded				X X X	2,753,690	X X X		X X X
5989999997	Subtotal - Common Stocks - Part 3				X X X	2,753,690	X X X		X X X
5989999998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
5989999999	Subtotal - Common Stocks				X X X	2,753,690	X X X		X X X
5999999999	Subtotal - Preferred and Common Stocks				X X X	2,753,690	X X X		X X X
6009999999	Total - Bonds, Preferred and Common Stocks				X X X	62,905,820	X X X	497,667	X X X

QE04.1

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stocks Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation, NAIC Designation Modifier and SVO Admini- strative Symbol																	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.																								
Bonds - U.S. Special Revenue, Special Assessment																																					
69319WAA8	PRPBA CUSTODIAL TRUST	07/01/2022	CALL 100	X X X	10,659	10,659	11,608						(949)		(949)	10,659			290	07/01/2025	6*																
0909999999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment																			X X X	10,659	10,659	11,608			(949)		(949)	10,659			290	07/01/2025	6*			
Bonds - Industrial and Miscellaneous (Unaffiliated)																																					
22944PAH0	CSMC TRUST 2013-TH1	09/01/2022	PAYDOWN	X X X			(6)	9											4	02/01/2043	6*																
237266AJ0	DARLING INGREDIENTS INC	08/15/2022	BANC/AMERICA SECURL	X X X	475,600	464,000	473,280									473,280		2,320	5,259	06/15/2030	3.A FE																
25461LAA0	DIRECTV FINANCING LLC /	08/17/2022	VARIOUS	X X X	3,107,245	3,345,000	3,202,838									3,212,218		(103,973)	91,156	08/15/2027	3.B FE																
27034RAA1	EARTHSTONE ENERGY HOLDINGS	09/30/2022	BARCLAYS CAPITAL FIX	X X X	40,528	43,000	41,925									41,938		(1,411)	1,644	04/15/2027	4.A FE																
40390DAC9	HLF FINANCING SARL LLC /	07/21/2022	VARIOUS	X X X	917,285	1,276,000	1,237,780									1,240,369		(323,084)	39,107	06/01/2029	4.A FE																
52524PAH5	LEHMAN XS TRUST 2007-6	09/01/2022	PAYDOWN	X X X	11,758	11,758	9,987									11,758			329	05/01/2037	1.A FM																
52524PAK8	LEHMAN XS TRUST 2007-6	08/01/2022	PAYDOWN	X X X	1,645	1,645	896									1,645			49	05/01/2037	1.A FM																
52524PAY8	LEHMAN XS TRUST 2007-6	08/01/2022	PAYDOWN	X X X	1,241	1,241	823									1,241			37	05/01/2037	1.A FM																
52524PAZ5	LEHMAN XS TRUST 2007-6	08/25/2022	PAYDOWN	X X X	1,367	1,367	761									1,367			12	05/25/2037	1.A FM																
52525LAS9	LEHMAN XS TRUST 2007-14H	09/26/2022	PAYDOWN	X X X	5,345	5,345	4,278									5,345			61	07/25/2047	1.A FM																
61764GAK8	MORGAN STANLEY																																				
63902MAE8	RESECURITIZATION TRUST 20	02/01/2022	PAYDOWN	X X X															207	01/02/2051	6*																
	NATURAL RESOURCE PARTNERS																																				
674599DF9	LP / NRP FINAN	08/03/2022	PERSHING & COMPANY	X X X	1,808,100	1,764,000	1,552,320									1,619,913		188,187	93,733	06/30/2025	5.A FE																
674599DL6	OCCIDENTAL PETROLEUM CORP	08/24/2022	VARIOUS	X X X	39,750	36,000	34,470									34,588		5,162	2,194	09/15/2036	3.A FE																
674599ED3	OCCIDENTAL PETROLEUM CORP	09/26/2022	VARIOUS	X X X	235,594	209,000	271,958									270,820		(35,227)	13,083	03/15/2046	3.A FE																
68403BAA3	OCCIDENTAL PETROLEUM CORP	08/22/2022	GOLDMAN SACHS & CO	X X X	94,385	86,000	86,000									86,000		8,385	5,587	09/01/2030	3.A FE																
	OPTION ONE MORTGAGE LOAN																																				
747262AZ6	TRUST 2007-FXD2	09/01/2022	PAYDOWN	X X X	62,063	62,063	49,030									62,063			1,451	03/01/2037	1.A FM																
808625AA5	QVC INC	07/22/2022	JEFFERIES & COMPANY,	X X X	81,506	105,000	86,888									87,207		(5,700)	1,850	09/01/2028	3.A FE																
	SCIENCE APPLICATIONS																																				
25381YAD3	INTERNATIONAL CORP	08/04/2022	STIFEL NICHOLAUS & C	X X X	1,516,980	1,572,000	1,572,000									1,572,000		(55,020)	65,353	04/01/2028	4.A FE																
42704MAA0	DIGICEL GROUP HOLDINGS LTD	07/25/2022	CALL 100	X X X	515,833	515,833	386,393									515,833			36,763	04/01/2024	5.C FE																
	HERBALIFE NUTRITION LTD / HLF																																				
71654QDJ8	FINANCING	07/14/2022	BANC/AMERICA SECURL	X X X	699,995	764,000	764,000									764,000		(64,005)	52,856	09/01/2025	3.C FE																
822541AA6	PETROLEOS MEXICANOS	07/19/2022	JEFFERIES & COMPANY,	X X X	1,566,656	1,773,000	1,727,029									1,727,282		(160,626)	20,920	06/02/2029	3.C FE																
	SHELF DRILLING NORTH SEA																																				
G1956B100	HOLDINGS LTD	09/16/2022	MORGAN STANLEY & CO	X X X	134,325	135,000	130,950									130,950		3,375		10/31/2025	6*																
G6160KAK7	CATALYST HEALTHCARE	09/30/2022	CALL 171.14337568	X X X	5,937	3,469	8,703									8,319		(4,850)	91	09/30/2040	3.A FE																
G6160KAL5	MANCHESTER FINANCING	09/28/2022	UBS AG	X X X	1,394,568	1,562,540	2,296,030									2,262,667		(868,099)	90,311	09/15/2030	4.A FE																
	MITCHELLS & BUTLERS FINANCE																																				
G8812RAA2	PLC	09/15/2022	SINKING PAYMENT	X X X	3,391	3,391	4,608									4,245		(854)	168	12/15/2028	3.B FE																
G8812RAJ3	UNIQUE PUB FINANCE CO PLC/THE	09/30/2022	SINKING PAYMENT	X X X	31,090	31,090	41,479									39,088		(7,998)	1,879	03/28/2024	4.B FE																
G9460GAA9	UNIQUE PUB FINANCE CO PLC/THE	09/30/2022	VARIOUS	X X X	219,969	221,795	298,939									285,151		(65,182)	10,369	06/30/2027	3.A FE																
	VALARIS LTD	09/30/2022	PERSHING & COMPANY	X X X	426,505	433,000	434,083									434,010		(7,505)	17,455	04/30/2028	4.B FE																
1109999999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)																			X X X	13,398,661	14,426,537	14,716,331														
Bonds - Unaffiliated Bank Loans																																					
00187GAC3	AP CORE HOLDINGS II LLC	09/30/2022	NON-BROKER/ *TRADE*	X X X	6,939	6,939	6,592									6,596		343	41	09/01/2027	3.A FE																
25460HAB8	DIRECTV FINANCING LLC	09/30/2022	NON-BROKER/ *TRADE*	X X X	11,780	11,780	11,309									11,332		448	257	08/02/2027	3.B FE																
53226GAK7	LIGHTSTONE HOLDCO LLC	09/30/2022	NON-BROKER/ *TRADE*	X X X	11,429	11,429	10,584									10,625		804	255	01/30/2027	4.C FE																
53226GAL5	LIGHTSTONE HOLDCO LLC	09/30/2022	NON-BROKER/ *TRADE*	X X X	305	305	282									285		20	11	01/30/2027	4.C FE																
92531HAD9	VERSCEND HOLDING CORP	09/30/2022	NON-BROKER/ *TRADE*	X X X	7,762	7,762	7,762									7,762			174	08/27/2025	4.B FE																
000000000	LHS BORROWER/LEAF HOME 2/22																																				
000000000	CO 0.000% 0																																				
000000000	BAUSCH & LOMB 5/22 0.0000%	09/30/2022	NON-BROKER/ *TRADE*	X X X	4,091	4,091	3,600									3,603		488		02/17/2029	4.B FE																
000000000	DUE 05/05/2																																				
000000000	THRYV INC	09/30/2022	NON-BROKER/ *TRADE*	X X X	6,075	6,075	5,903									5,914		161	70	05/05/2027	4.A FE																
000000000	SVF II FINCO 12/21 TL	09/28/2022	NON-BROKER/ *TRADE*	X X X	293,316	293,316	296,616									295,874		(2,558)	18,003	03/01/2026	4.C FE																
P3562BAD4	DIGICEL INTERNATIONAL	09/28/2022	NON-BROKER/ *TRADE*	X X X	28,352	28,352	28,352									28,352			1,004	12/22/2023	6*																
000000000	FINANCE LTD	09/30/2022	NON-BROKER/ *TRADE*	X X X	7,749	7,749	6,993									7,363		385		05/10/2024	5.A FE																
000000000	CARNIVAL CORP	09/30/2022	NON-BROKER/ *TRADE*	X X X	6,165	6,165	5,942									5,951		214	98	10/18/2028	3.C FE																
1909999999	Subtotal - Bonds - Unaffiliated Bank Loans																			X X X	383,963	383,963	383,935														

QE05

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation, NAIC Designation Modifier and SVO Admini- strative Symbol	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
2509999997	Subtotal - Bonds - Part 4			X X X	13,793,283	14,821,159	15,111,874	8,885,688	38,461	105,135	4	143,592	66,154	15,286,613		(1,495,800)	(1,495,800)	572,131	X X X	X X X	
2509999998	Summary Item from Part 5 for Bonds (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
2509999999	Subtotal - Bonds			X X X	13,793,283	14,821,159	15,111,874	8,885,688	38,461	105,135	4	143,592	66,154	15,286,613		(1,495,800)	(1,495,800)	572,131	X X X	X X X	
4509999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
4509999999	Subtotal - Preferred Stocks			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
Common Stocks - Industrial and Miscellaneous (Unaffiliated) - Publicly Traded																					
934423104	WARNER BROS DISCOVERY INC	08/08/2022	NATL FINANCIAL SERVI	11,000	154	X X X	197							197		(43)	(43)		X X X		
000000000	SUPERIOR ENERGY EQUITY NEW	05/31/2022	NON-BROKER/ *TRADE*	31,000,000	1,937,500	X X X	479,837	1,345,917	(866,080)			(866,080)		479,837		1,457,663	1,457,663		X X X		
071734107	BAUSCH HEALTH COS INC	09/09/2022	VARIOUS	54,678,000	344,653	X X X	937,986							937,986		(593,333)	(593,333)		X X X		
92857W308	VODAFONE GROUP PLC	06/16/2022	VARIOUS			X X X												25,316	X X X		
A0997C107	BAWAG GROUP AG	09/15/2022	UBS AG LONDON EQUITI	1,483,000	72,112	X X X	62,209							62,209		9,903	9,903		X X X		
G6610J209	NOBLE CORP	09/30/2022	MERGER	2,118,000	28,301	X X X	28,301							28,301					X X X		
G93882192	VODAFONE GROUP PLC	06/17/2022	VARIOUS			X X X												4,418	X X X		
N7163R103	PROSUS NV	07/01/2022	VARIOUS	14,251,000	931,140	X X X	670,104							670,104		261,036	261,036		X X X		
5019999999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) - Publicly Traded			X X X	3,313,860	X X X	2,178,634	1,345,917	(866,080)			(866,080)		2,178,634		1,135,226	1,135,226	29,734	X X X	X X X	
5989999997	Subtotal - Common Stocks - Part 4			X X X	3,313,860	X X X	2,178,634	1,345,917	(866,080)			(866,080)		2,178,634		1,135,226	1,135,226	29,734	X X X	X X X	
5989999998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
5989999999	Subtotal - Common Stocks			X X X	3,313,860	X X X	2,178,634	1,345,917	(866,080)			(866,080)		2,178,634		1,135,226	1,135,226	29,734	X X X	X X X	
5999999999	Subtotal - Preferred and Common Stocks			X X X	3,313,860	X X X	2,178,634	1,345,917	(866,080)			(866,080)		2,178,634		1,135,226	1,135,226	29,734	X X X	X X X	
6009999999	Total - Bonds, Preferred and Common Stocks			X X X	17,107,143	X X X	17,290,508	10,231,605	(827,619)	105,135	4	(722,488)	66,154	17,465,247		(360,574)	(360,574)	601,865	X X X	X X X	

QE05.1

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Undiscounted Premium (Received) Paid	Current Year Initial Cost of Undiscounted Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (b)
Swaps - Hedging Other - Interest Rate																						
IRS_EUR_REC_1.9025_PAY_EUR ESTR			LCH	F226TOH6YD6XJB17KS62	08/25/2022	02/28/2033	1,172,826	1.903 / ()				(1,198)								18,931		
12M_02/28/2023_02/28/2030_LCH IRS_GBP_REC_2.102_PAY_GBP SONIA			LCH	F226TOH6YD6XJB17KS62	04/08/2022	04/08/2024	2,076,157	2.102 / ()				7,370	82,121		82,121	82,121				12,812		
1D_4/8/2022_4/8/2024_LCH IRS_GBP_REC_3.885_PAY_GBP SONIA			LCH	F226TOH6YD6XJB17KS62	09/21/2022	12/21/2027	2,686,699	3.885 / ()				998	153,869		153,869	153,869				30,714		
1D_12/21/2022_12/21/2027_LCH IRS_USD_PAY_3_PAY_USD SOFR			LCH	F226TOH6YD6XJB17KS62	09/28/2022	09/30/2052	131,000	/(3.000)												3,589		
1D_9/30/2022_9/30/2052_LCH IRS_USD_REC_1.6782_PAY_USD LIBOR			LCH	F226TOH6YD6XJB17KS62	11/19/2021	05/23/2032	762,000	1.678 / ()				(825)	132,514		132,514	135,007				11,837		
3M_5/23/2022_5/23/2032_LCH IRS_USD_REC_2.875_PAY_USD LIBOR			LCH	F226TOH6YD6XJB17KS62	08/24/2022	02/27/2029	1,540,000	2.875 / ()				523	70,636		70,636	70,636				19,505		
3M_2/27/2023_2/27/2030_LCH IRS_USD_REC_2.9_PAY_USD SOFR			LCH	F226TOH6YD6XJB17KS62	08/25/2022	02/28/2033	470,000	2.900 / ()				147	24,559		24,559	24,559				7,587		
3M_2/28/2023_2/28/2033_LCH IRS_USD_REC_3.013_PAY_USD SOFR			LCH	F226TOH6YD6XJB17KS62	09/29/2022	10/03/2052	40,000	3.013 / ()					388		388	388				1,096		
1119999999 Subtotal - Swaps - Hedging Other - Interest Rate												7,015	464,087	X X X	464,087	466,580				106,071	X X X	X X X
1169999999 Subtotal - Swaps - Hedging Other												7,015	464,087	X X X	464,087	466,580				106,071	X X X	X X X
1359999999 Subtotal - Swaps - Interest Rate												7,015	464,087	X X X	464,087	466,580				106,071	X X X	X X X
1409999999 Subtotal - Swaps												7,015	464,087	X X X	464,087	466,580				106,071	X X X	X X X
Forwards - Hedging Other																						
CAD/USD FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/16/2022	12/21/2022	12,000	9.301	1.290				(564)		(564)	(564)				22		
CAD/USD FWD 20221221 XIY				FX- GOLDMAN SACHS, N	07/20/2022	12/21/2022	11,000	8.533	1.289				(524)		(524)	(524)				20		
EUR/USD FWD 20221221 M4165594				BNYM FX FXALL RFQ AS	07/27/2022	12/21/2022	3,412,000	3,490,561	0.977				(125,377)		(125,377)	(125,377)				8,272		
GBP/USD FWD 20221221 M4165594				BNYM FX FXALL RFQ AS	08/03/2022	12/21/2022	569,000	693,004	0.821				(57,037)		(57,037)	(57,037)				1,642		
GBP/USD FWD 20221221 M4165594				BNYM FX FXALL RFQ AS	07/13/2022	12/21/2022	2,984,000	3,575,799	0.834				(240,603)		(240,603)	(240,603)				8,474		
GBP/USD FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/14/2022	12/21/2022	254,000	305,797	0.831				(21,903)		(21,903)	(21,903)				725		
GBP/USD FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/17/2022	12/21/2022	444,000	544,203	0.816				(47,947)		(47,947)	(47,947)				1,290		
USD/CAD FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/06/2022	12/21/2022	188,290	188,290	1.259				15,732		15,732	15,732				446		
USD/EUR FWD 20221221 M0775126				FXALL NONHEDGE NYC	06/06/2022	12/21/2022	2,513,254	2,513,254	0.924				222,127		222,127	222,127				5,956		
USD/EUR FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/06/2022	12/21/2022	12,273,859	12,273,859	0.924				1,087,480		1,087,480	1,087,480				29,088		
USD/EUR FWD 20221221 XIY				FX- GOLDMAN SACHS, N	09/14/2022	12/21/2022	2,804,142	2,804,142	0.994				56,368		56,368	56,368				6,646		
USD/GBP FWD 20221221 M4165594				BNYM FX FXALL RFQ AS	06/07/2022	12/21/2022	1,512,529	1,512,529	0.797				165,709		165,709	165,709				3,585		
USD/GBP FWD 20221221 XIY				FX- GOLDMAN SACHS, N	06/07/2022	12/21/2022	13,163,594	13,163,594	0.797				1,441,230		1,441,230	1,441,230				31,196		
1439999999 Subtotal - Forwards - Hedging Other													2,494,691	X X X	2,494,691	2,494,691				97,362	X X X	X X X
1479999999 Subtotal - Forwards													2,494,691	X X X	2,494,691	2,494,691				97,362	X X X	X X X
1709999999 Subtotal - Hedging Other												7,015	2,958,778	X X X	2,958,778	466,580	2,494,691			203,433	X X X	X X X
1719999999 Subtotal - Replication														X X X							X X X	X X X
1729999999 Subtotal - Income Generation														X X X							X X X	X X X
1739999999 Subtotal - Other														X X X							X X X	X X X
1749999999 Subtotal - Adjustments for SSAP No. 108 Derivatives														X X X							X X X	X X X
1759999999 Totals												7,015	2,958,778	X X X	2,958,778	466,580	2,494,691			203,433	X X X	X X X

QE06

(a)

1	2
Code	Description of Hedged Risk(s)
.....

(b)

1	2
Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
.....

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Item(s) Hedged, Used for Income Generation or Replicated	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s) (a)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Reporting Date Price	13 Fair Value	14 Book/ Adjusted Carrying Value	Highly Effective Hedges			18 Cumulative Variation Margin for All Other Hedges	19 Change in Variation Margin Gain (Loss) Recognized in Current Year	20 Potential Exposure	21 Hedge Effectiveness at Inception and at Quarter-end (b)	22 Value of One (1) Point
														15 Cumulative Variation Margin	16 Deferred Variation Margin	17 Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item					
1759999999 Totals (Sum of Lines 1689999999, 1699999999, 1709999999, 1719999999, 1729999999, 1739999999 and 1749999999)																					

1 Broker Name	2 Beginning Cash Balance	3 Cumulative Cash Change	4 Ending Cash Balance
GOLDMAN SACHS & CO,	35,631	(35,631)	
9999999999 Total - Net Cash Deposits	35,631	(35,631)	

(a)

1 Code	2 Description of Hedged Risk(s)
.....

(b)

1 Code	2 Financial or Economic Impact of the Hedge at the End of the Reporting Period
.....

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description of Exchange, Counterparty or Central Clearinghouse	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	Counterparty Offset		Book/Adjusted Carrying Value			Fair Value			12 Potential Exposure	13 Off-Balance Sheet Exposure
			4 Fair Value of Acceptable Collateral	5 Present Value of Financing Premiums	6 Contracts With Book/Adjusted Carrying Value > 0	7 Contracts With Book/Adjusted Carrying Value < 0	8 Exposure Net of Collateral	9 Contracts With Fair Value > 0	10 Contracts With Fair Value < 0	11 Exposure Net of Collateral		
0199999999 Aggregate Sum of Exchange Traded Derivatives												
NAIC 1 Designation												
BNYM FX FXALL RFQ AS	N	N				(257,308)			(257,308)		21,973	21,973
FX- GOLDMAN SACHS, N	N	N			2,529,872		2,529,872	2,529,872		2,529,872	69,433	69,433
FXALL NONHEDGE NYC	N	N			222,127		222,127	222,127		222,127	5,956	5,956
0299999999 Subtotal - NAIC 1 Designation												
0399999999 Subtotal - NAIC 2 Designation												
0499999999 Subtotal - NAIC 3 Designation												
0599999999 Subtotal - NAIC 4 Designation												
0699999999 Subtotal - NAIC 5 Designation												
0799999999 Subtotal - NAIC 6 Designation												
0899999999 Aggregate Sum of Central Clearinghouses (Excluding Exchange-Traded)												
			487,586		464,087			464,087			106,070	82,571
0999999999 Gross Total												
			487,586		3,216,086	(257,308)	2,751,999	3,216,086	(257,308)	2,751,999	203,432	179,933
1. Offset per SSAP No. 64												
2. Net after right of offset per SSAP No. 64												
					3,216,086	(257,308)						

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
LCH	F226TOH6YD6XJB17KS62	CASH	000000000 . CASHUSD	267,786	267,786	267,786		I
0199999999 Total				267,786	267,786	267,786	X X X	X X X

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
LCH	F226TOH6YD6XJB17KS62	CASH	000000000 . CASHUSD	487,586	487,586	X X X		V
0299999999 Total				487,586	487,586	X X X	X X X	X X X

E10 Schedule DB Part E NONE

E11 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E12 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
Bank of NY Mellon	New York, NY					2,594,194	2,649,284	2,796,986	X X X
U.S. Bank N.A.	Portland, OR	SD				300,457	300,457	300,457	X X X
Bank of NY Mellon Corp	Pittsburgh, PA					5,555,933	5,191,487	6,194,083	X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X			8,450,584	8,141,228	9,291,526	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X			8,450,584	8,141,228	9,291,526	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash		X X X	X X X			8,450,584	8,141,228	9,291,526	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Exempt Money Market Mutual Funds - as Identified by SVO								
. 261941108	DREYFUS TREASURY SECURITIES CASH MANAGEM		09/26/2022	2.466	X X X	3,164,542	5,803	12,322
. 262006208	DREYFUS GOVT CASH MGMT-I		09/23/2022	0.000	X X X	16,833,709		108,708
8209999999 Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO						19,998,251	5,803	121,030
All Other Money Market Mutual Funds								
. 09248U700	BLCKRCK LIQ FDFND-INST		09/02/2022	0.000	X X X	12,204,907		67,362
. 38141W273	GLDMN SCHS FIN SQ GV-FST		09/02/2022	0.000	X X X	14,308,871		97,261
. 61747C707	MSILF GOVERNMENT-INST		09/23/2022	0.000	X X X	16,762,744		108,244
. 825252885	INVESCO GVT & AGNCY-INST		09/23/2022	0.000	X X X	16,833,709		111,228
. 999G51662	JP MORGAN US GOVT MM FUND 3164		09/30/2022	0.000	X X X	17,404,444		
. 316175108	FIDELITY INV MMTT GOVT-I		09/30/2022	0.000	X X X	19,000,565		
8309999999 Subtotal - All Other Money Market Mutual Funds						96,515,240		384,095
8609999999 Total Cash Equivalents						116,513,491	5,803	505,125