Municipal Market Insight

Wealth Management

November 2021 | Portfolio Advisory Group – U.S. Fixed Income Strategies

What's inside:

For important disclosures and authors' contact information, see page 9.

Cracks appear in the municipal market

Treasury market performance in October was sharply divided based on maturity. Short-end bonds performed poorly, with 2-year yields nearly doubling from 0.28% to 0.50%; however, longer-maturity bonds rallied, with the 30-year yield declining 0.1% in October to end the month at 1.93%. The selloff in short-maturity government bonds was a global phenomenon, with 2-year bond yields rising in Australia, Canada, Germany, the UK, and other countries.

The October moves can be understood largely as a response to shifting monetary policy expectations. In particular, markets correctly anticipated that the Federal Reserve's November meeting on Nov. 2–3 would see the central bank announce an imminent reduction in the pace of its bond purchase program. The Fed ultimately decided to curtail purchases by $15 billion per month beginning in November, while reiterating its view that inflation was likely to prove transitory. This position largely mirrored the expectations of respondents to Bloomberg's pre-meeting market surveys.

U.S. Treasury rate forecasts (%), October 2021

	2021				2022			
	Q1	Q2	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
FF	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.38
2-yr	0.16	0.25	0.28	0.45	0.60	0.80	1.00	1.20
5-yr	0.92	0.87	0.98	1.20	1.30	1.45	1.60	1.80
10-yr	1.74	1.45	1.52	1.75	1.85	2.00	2.10	2.20
30-yr	2.41	2.06	2.08	2.30	2.40	2.50	2.55	2.55

Source - RBC Economics

Treasuries vs. municipals (%)

	5-yr TSY	5-yr Muni	10-yr TSY	10-yr AAA Muni	30-yr TSY	30-yr AAA Muni
Beginning of month (10/1/21)	0.93	0.51	1.46	1.14	2.03	1.67
Mid-month (10/15/21)	1.13	0.52	1.57	1.17	2.04	1.68
End of month (10/31/21)	1.19	0.64	1.56	1.21	1.93	1.69

Source - Bloomberg (Treasuries), Thomson Reuters TM3 (Municipals)

Looking ahead, we think bond market performance will likely continue to bifurcate by maturity. Yields on the short end will likely be driven mainly by expectations for the timing of the first interest rate hike, while longer-maturity bonds will probably be influenced more by the market's view of terminal policy rates, long-term growth, and underlying inflation.

Market investment strategy & market commentary

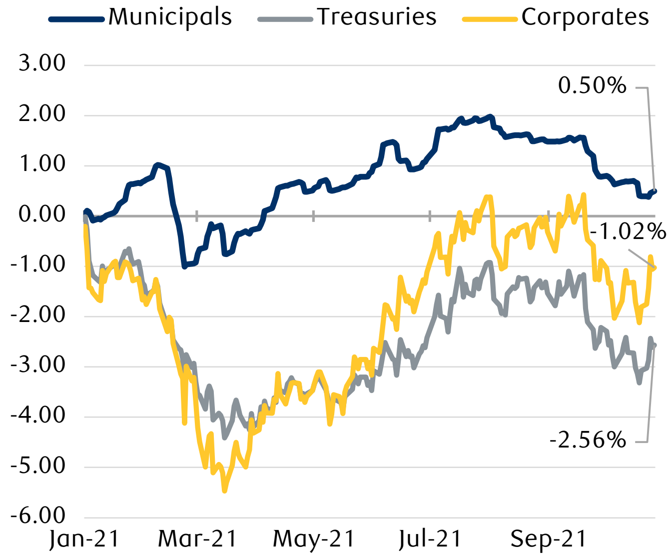
October proves challenging for munis

The muni market continued to face challenges in October, with municipals posting negative returns for a second consecutive month, according to Bloomberg data. Municipals returned -0.29% for the month of October and are returning 0.50% year to date. Municipals were outperformed by both Treasuries (-0.07%) and corporates (0.25%) for the month, but on a year-to-date basis munis are still outperforming both Treasuries (-2.56%) and corporates (-1.02%). As of Aug. 31, municipals were returning 1.90% and had erased almost two-thirds of the gains they made earlier in the year.

Will the trend continue into November?

We expect the headwinds that began in September to continue through November, driven in part by a potential supply/demand imbalance as issuance looks set to outpace redemptions and maturities. A recent slowdown in cash flowing into municipal bond funds could signal investor caution amid rising yields, and possibly investor fatigue setting in as we approach the end of a pandemic-plagued year that presented many challenges. After averaging more than $1.5 billion of weekly inflows, bond

Bloomberg index returns



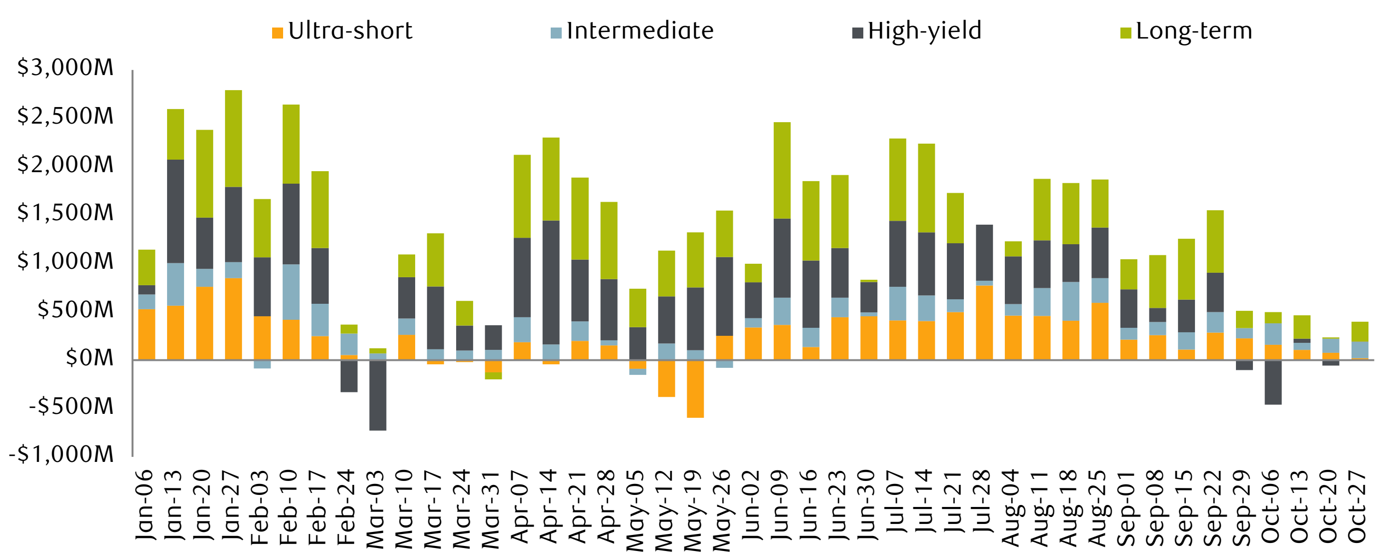
Source - RBC Wealth Management, Bloomberg; data through 10/29/21

funds have seen a slowdown over the past few weeks, which we expect will continue into November.

Yearly issuance through Oct. 31 is 7.7%, or $28 billion, below the tally at the same time last year. We believe the recent trend of rising yields combined with our expectations of further market weakness present near-term opportunities for investors who have remained on the sidelines awaiting a higher-yield environment. As of Nov. 2, municipal/Treasury ratios in the 10-year and 30-year maturities had widened to 78.6% and 85.9%, respectively—levels not seen for the better part of 2021.

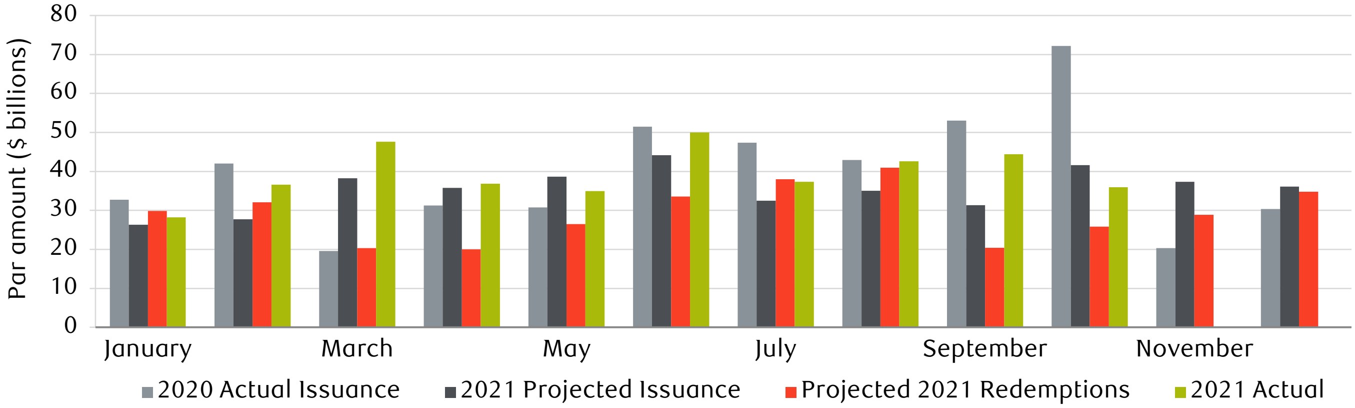
In early January, RBC Capital Markets projected issuance would come in near $425 billion, while the market is now

2021 municipal fund flows



Source - Refinitiv Lipper U.S. Fund Flows, RBC Wealth Management; weekly data through 10/27/21

2021 issuance actual/projected



Source - RBC Capital Markets, The Bond Buyer

on track to issue $468 billion with two months remaining in the year. We are expecting issuance of $37 billion in November and $36 billion in December, which would be in line with redemptions and maturities over the same period.

The end (of the year) is nigh

With Dec. 31 rapidly approaching, we update readers on tax loss harvesting and portfolio rebalancing in the focus article below. In our view, investors should harvest losses to offset any gains accumulated in light of this year's very strong equity market performance. The end of the year also presents investors with a good opportunity to rebalance their portfolios. We think traditional buy-and-hold investors should invest in longer-dated maturities to maximize cash flow, as muni/Treasury ratios have widened to 86%, a span not seen in some time.

This month's focus: Tax loss harvesting and rebalancing

No one likes paying taxes, or losing money on investments. Luckily, investors can still benefit from these unfortunate circumstances—the metaphorical lemonade from lemons—by selling investments that have lost value to reduce tax liability on realized investment gains or ordinary income. The investment vernacular for this is tax loss harvesting.

Tax loss harvesting is a strategy whereby depreciated investments are sold at a loss to offset a tax liability on realized capital gains. Advantageously, if the investor has not realized sufficient investment gains, the investment losses can also be used to offset ordinary income by up to $3,000 annually; furthermore, any remaining losses can be carried forward to future years.

Investors receive the same tax benefits from selling losses on stocks, bonds, mutual funds, and exchange-traded funds (ETFs). However, fixed income securities with predetermined maturities tend to be the most efficient assets for tax loss harvesting because, unlike losses on other security types that defer tax payments to future years, fixed income tax losses can permanently eliminate tax liabilities. To illustrate in somewhat oversimplified terms, when an investor harvests a loss on a bond, then purchases a new bond and holds it to maturity, the tax loss is permanently realized. When the same technique is applied to other security types without a final maturity, the initial tax loss effectively becomes a gain when the new asset is finally sold, relative to an alternate scenario where the tax loss was never harvested and the original holding was sold. In essence, the use of the tax loss is simply accelerated. Of course, all forms of tax loss harvesting are potentially beneficial because of the time value of money—a dollar today is worth more than a dollar in the future. In addition, tax loss harvesting can serve as an important part of a comprehensive tax mitigation strategy.

Avoid wash sales

A "wash sale," which invalidates any immediate tax benefit, occurs when an investment is sold at a loss and a "substantially identical" investment is purchased within 30 days before or after the sale. A wash sale also results if an individual sells a security, and the individual's spouse or a company controlled by the individual buys a "substantially identical" security. Inside the 30-day window, investors can avoid running afoul of the wash sale rule by purchasing a sufficiently different security. Typically, investors can avoid wash sales on individual equities, equity ETFs, and equity mutual funds by purchasing a different issuer, but bonds are sometimes more nuanced. Investors can avoid a wash sale on debt instruments by ensuring that the bonds have different issuers, or that there are differences in maturity and interest rates.

The intent of the wash sale rule is to prevent taxpayers from claiming artificially manufactured losses. If a loss is disallowed by the IRS because of the wash sale rule, the taxpayer must add the loss to the cost of the new security, which then becomes the new cost basis. To illustrate, if 100 shares of an individual security were originally purchased at $25, then sold at $20, and subsequently purchased again within 30 days at $22, the $500 loss would be disallowed. However, the $500 loss could be added to the new purchase price ($2,200) to make the new cost basis $2,700, or $27 per share.

Rebalancing

Investors should be mindful that it is generally a poor investment decision to sell a security solely for tax reasons. Instead, tax loss harvesting should be thought of more as a tool to rebalance portfolios. In this context, tax loss harvesting, in concert with taxable gains, can help realign target asset allocations that may have been skewed over time by uneven investment returns on various asset classes. Tax loss harvesting thus helps control portfolio risk by preventing asset classes from drifting too far from their target allocations.

Make lemonade

The financial markets, at some point, are unkind to almost all investors. The impact of these unfortunate circumstances is often made worse by investors' tendency to hold onto losing positions for too long, telling themselves the depressed investment will ultimately generate a positive return. Instead, we think investors should consider making lemonade out of lemons by harvesting tax losses and rebalancing their portfolios to keep their investment goals on track.

Municipal news

General commentary

Bond insurance – A value proposition

Municipal bond issuance in 2021 has topped $379 billion through October, and of that total, $31.5 billion of new issuance has been insured. The bond insurance penetration rate of 8.29% is the highest since 2009, when it reached 9.04%. While we view this as a positive, the current proportion of insured deals remains well below the almost 50% seen before the Great Recession, when many of the legacy bond insurers were rated AAA. Bond insurance penetration reached its lowest point in 2012, when only 3.6% of new issuance was insured.

Hospitals – Pandemic pressuring ratings lower

Nationwide nursing shortages, staff burnout, and rising costs including payroll pressure are cutting into many hospitals' bottom lines and pressuring ratings lower. Moody's anticipates operating costs will continue rising through next year, further pressuring ratings. Many hospitals facing nursing shortages have opted to use very expensive nursing contract labor to fill vacancies.

A recent survey of 70 hospitals by Kaufman Hall & Associates found that staff burnout was being felt across all of them. In addition to staff burnout, hospitals are struggling to fill vacancies and finding it difficult to keep turnover rates down. Wage inflation is also pressuring hospital operating margins, which we expect could prompt additional downgrades through the end of this year and well into next year as hospitals continue battling the impact of the pandemic on their operations.

State sales tax revenue – A boost in August

The U.S. Census Bureau said sales tax revenue increased 16% m/m to $20.7 billion in August, based on data from 29 states. Sales tax revenue rose in general sales and gross tax receipts, motor fuel tax receipts, tobacco tax receipts, alcoholic beverages tax receipts, and lodging tax receipts. Nevada sales tax collections rose the most, while Alaska experienced a year-over-year decline.

Taxable municipal sales plummet

Rising Treasury yields have significantly impacted the issuance of taxable municipal bonds this year. Through Oct. 15, taxable municipal issuance had dropped to $106.5 billion, a 28% decrease from last year's record $148.5 billion issued during the same period. We expect this trend to continue through the end of the year. The elimination of advance refundings in the tax-exempt market, part of the prior administration's 2017 tax law, helped boost taxable issuance to record levels in 2020. Last year's low yield environment presented an opportunity for some municipal issuers to refund tax-exempt debt with taxable debt to effectuate interest rate savings.

Municipal market news

Chicago, IL – City council passes budget

Chicago's city council passed Mayor Lori Lightfoot's $16.7 billion FY 2022 budget late in October. The budget depends heavily on federal aid and higher property tax revenue, as well as other revenue sources. Lightfoot's budget includes plans to use revenue to help fund higher city pension and labor costs. The city plans to increase pension fund payments for FY 2022 to $2.3 billion, a $460 million increase from the prior year. The mayor closed the city's FY 2021 deficit of $733 million by tapping the $4.9 billion corporate operating fund that covers the city's operations and services.

In addition, the mayor's budget includes one of the biggest guaranteed basic income programs in the country, and increased spending on affordable housing. The mayor's guaranteed basic income program, funded by federal aid provided under the American Rescue Plan Act, will provide $500 a month to 5,000 selected families.

Connecticut – Revenue windfall

Connecticut's Secretary of Office and Policy Management said the state revised its surplus projections upward after

State and territory general obligation (GO) ratings

State/territory	Fitch	Moody's	Kroll
Alabama	AA+	—	Aa1
Alaska	A+	—	Aa3
Arizona	—	—	—
Arkansas	—	—	Aa1
California	AA	—	Aa2
Colorado	—	—	—
Connecticut	A+	AA	Aa3
Dist. of Columbia	AA+	—	Aaa
Delaware	AAA+	AAA	Aaa
Florida	AAA	—	Aaa
Georgia	AAA	—	Aaa
Guam	—	—	—
Hawaii	AA	—	Aa2
Idaho*	**AAA**	—	—
Illinois	BBB-	—	Baa2
Indiana	—	—	—
Iowa	—	—	—
Kansas	—	—	—
Kentucky	—	—	—
Lousiana	AA-	—	Aa3
Maine	—	—	Aa2
Maryland	AAA	—	Aaa
Massachusetts	AA+	—	Aa1
Michigan	AA	—	Aa1
Minnesota	AAA	—	Aa1
Mississippi	AA	—	Aa2
Missouri	AAA	—	Aaa
Montana	AA+	—	Aa1
Nebraska	—	—	—
Nevada	AA+	—	Aa1
New Hampshire	AA+	—	Aa1
New Jersey	A-	A	A3
New Mexico	—	—	Aa2
New York	AA+	AA+	Aa2
North Carolina	AAA	—	Aaa
North Dakota	—	—	—
Ohio	AA+	—	Aa1
Oklahoma	—	—	Aa2
Oregon	AA+	—	Aa1
Pennsylvania	AA-	—	Aa3
Puerto Rico	D	—	Ca
Rhode Island	AA+	—	Aa2
South Carolina	AAA	—	AAA
South Dakota	—	—	—
Tennessee	AAA	—	Aaa
Texas	AAA	AAA	Aaa
Utah	AAA	—	Aaa
Vermont	AA+	—	Aa1
Virgin Islands	—	—	—
Virginia	AAA	—	Aaa
Washington	AA+	—	Aaa
West Virginia	AA	—	Aa2
Wisconsin	AA+	AAA	Aa1
Wyoming	—	—	—

* On November 4, Fitch upgraded Idaho to AAA from A+; the outlook is stable. The upgrade was driven by a sustained trend of building reserves and balanced finances.

Note: Many states do not have ratings because they do not have GO debt outstanding; for example, if the state has issued annual appropriation or some other form of non-GO debt.

Source - Fitch Ratings, Moody's Investors Service, Kroll Bond Ratings Agency; as of 11/8/21

sales tax collections came in higher than expected, and is now projecting a fiscal year surplus of $482.3 million. The state was able to balance its budget with expected federal stimulus aid of $559.9 million. It is also expecting a larger federal aid subsidy in FY 2023.

New Jersey – Moving forward to lower borrowing costs

Governor Phil Murphy is aiming to reduce higher interest rate debt, targeting $3 billion of debt relief by seeking defeasance borrowing over the coming months. The state is planning to retire some general obligation debt with yields above 3% to realize net present value savings. New Jersey has the second-lowest credit rating among the 50 U.S. states, with only Illinois below it. The low rating has been primarily driven by a high debt burden and elevated pension and OPEB liabilities.

New Jersey Transit (NJT) – Awards contract

New Jersey's transit agency awarded a $1.6 billion contract to Skanska/Traylor Bros. to replace the Portal Bridge, which NJT trains cross to get passengers into New York City. The project is part of the $12.3 billion Gateway Project, which will build a new tunnel under the Hudson River and renovate existing tunnels that cross the river. The Portal Bridge project is expected to take five and a half years to complete, with funding coming from U.S. Department of Transportation, Amtrak, and NJT.

New York City – Sales tax takes a hit

The city expects to lose up to $111 million of sales tax revenue annually as more people work from home, according to City Comptroller Scott Stringer. Stringer expects FY 2022 sales tax collections to top $7 billion, with the $111 million decline accounting for a small 1.6% of the total.

Pacific Gas & Electric (PG&E), CA – Facing federal probe

The utility company, which was driven into bankruptcy in 2019 following a summer of wildfires, some of which were caused by PG&E's equipment, said it expects to incur a $1.15 billion loss for its role in the fires that hit California very hard, including causing many deaths.

Ratings corner

Notable state and local issuer rating updates

Assured Guaranty – Upgraded

On Oct. 20, Kroll Bond Ratings Agency (KBRA) upgraded Assured Guaranty's insurance financial strength rating to AA+ from AA; the outlook remains stable. The upgrade reflects KBRA's view that Assured Guaranty's capital position has improved relative to the ratings agency's stress scenario losses. Assured's portfolio has shrunk substantially since the credit crisis and continues declining from its historically high levels. The company's claims-paying resources have remained unchanged as its leverage has decreased, reducing overall portfolio risk.

Catholic Health System (CHS) – Multi-notch downgrade

On Oct. 12, Moody's downgraded CHS's rating multiple notches to Ba2 from Baa2; the system's outlook remains negative. The downgrade was prompted by significant operating losses generated by increases in labor costs resulting from a nursing strike and the need for increased contract nursing labor. Furthermore, Moody's noted a high risk of a covenant breach, a decline in an already modest liquidity level, and the ongoing severe impact of the pandemic.

Chicago, IL – Outlook revision

On Oct. 25, Fitch Ratings revised Chicago's outlook to stable from negative, a sign that the risk of a downgrade has been reduced. "The Outlook revision to Stable reflects the ongoing revenue recovery across the city and the significant infusion of federal fiscal aid that ease pressure on the city's investment graded standing," according to Fitch.

Hudson Yards Infrastructure Corp., NY – Upgraded

On Oct. 6, Moody's upgraded Hudson Yards Infrastructure Corporation to Aa2 from Aa3; the outlook is stable. "The upgrade to Aa2 reflects steady growth in the portion of recurring revenue used to pay debt service that does not require city appropriation, and the expectation that the city will not have to appropriate any interest support payments for the remaining life of the bonds."

On Oct. 8, Fitch Ratings upgraded Hudson Yards' rating to A+ from A; the outlook is stable. The upgrade was driven in part by the project area's continued strong growth and the pledged recurring revenues generated within it.

Idaho – Upgraded to AAA

On November 4, Fitch Ratings upgraded Idaho to AAA from AA+; the outlook is stable. Fitch noted that the upgrade "reflects a sustained trend of balanced finances and rebuilding and maintenance of strong reserves that strengthen the state's financial resilience, and strong revenue trends benefiting from population growth and economic expansion and diversification."

Suffolk County, NY – Outlook revision

On Oct. 25, Moody's revised the county's outlook to positive from negative while affirming the county's Baa2 rating. The revision was based on Moody's expectation that "although the county will face material challenges in an uncertain global and national economy, it is well positioned to continue its new regime of conservative budgeting which, in turn, would allow it to continue to strengthening its finances."

Territorial Update

Commonwealth of Puerto Rico

Legislature passes bond authorization act

Puerto Rico's legislature approved a law allowing the commonwealth to sell new municipal bonds to replace existing commonwealth general obligation and government guaranteed debt. The legislation had been held up because Governor Pedro Pierluisi pressed for no cuts to public pensions. The commonwealth's oversight board signaled it was on board with the legislation after acceding to the governor's demand. The legislation clears the way for the commonwealth to exit bankrutpcy either later this year or in early 2022.

COFINA debt service payment

The commonwealth has set aside around $473 million to cover debt servicce for its restructued sales tax bonds (COFINA). The set-aside covers debt service thorugh June 30, 2022. This marks the third straight year the commonwealth has met its debt serivce obligations on outstanding COFINA debt.

RBC Wealth Management retail trading (10/1/21 – 10/31/21)

Top 10 CUSIPs selling volume to retail customers

CUSIP	Description	Maturity	Coupon	Volume
91412HHD8	UNIV OF CALIFORNIA-BE	05/15/2041	5.00	4,561
650028XN8	NY ST-A-1-REF	03/15/2052	4.00	4,382
083775GL4	BERGEN CO IMPT AUTH	02/15/2044	4.00	3,494
71783MBZ7	PHILADELPHIA-A-REV	08/01/2050	5.00	2,851
544532CP7	LA DEPT OF WTR-B-REF	07/01/2051	5.00	2,457
64966QAS9	NEW YORK-D-SUBSER D1	12/01/2037	5.00	2,446
57604THJ8	MASSACHUSETTS TRAN	06/01/2049	5.00	2,220
79765R5J4	SAN FRANCISCO CITY &	11/01/2050	5.00	2,180
64966QXW5	NEW YORK -A-1	08/01/2047	5.00	2,044
650028XS7	NY ST-A-1-REF	03/15/2056	4.00	2,039

Top 10 CUSIPs buying volume from retail customers

CUSIP	Description	Maturity	Coupon	Volume
44244CA80	HOUSTON UTL SYS-C-REF	11/15/2045	5.00	2,311
64327TDY1	NEW CASTLE CNTY-REF	10/01/2045	5.00	2,276
726736GW5	PLAINVIEW ISD -A	02/15/2046	5.00	2,132
155498DV7	CENTRL TX REGL AUTH-A	01/01/2045	5.00	1,962
64990ECL9	NY DORM INC TAX-A	12/15/2029	5.00	1,916
65821DXK2	NORTH CAROLINA ST MED	07/01/2049	4.00	1,761
812670DR5	SEATTLE MUSEUM-REF	04/01/2031	5.00	1,710
23542JBA2	DALLAS WTRWRKS-A-REF	10/01/2041	5.00	1,467
649519BR5	NY LIBERTY-TRD CTR	11/15/2044	5.00	1,458
76912KCE0	RIVERSIDE CNTY CA PUB	11/01/2040	4.13	1,313

Source - RBC Wealth Management

RBC Capital Markets institutional trading (10/1/21 – 10/31/21)

Top 10 CUSIPs selling volume to institutional customers

CUSIP	Description	Maturity	Coupon	Volume
97381YAT7	WINDY GAP FIRMING	07/15/2051	5.00	21,903
81728XAA6	SENTARA HEALTHCARE	11/01/2051	2.93	20,198
873519PZ9	TACOMA ELEC SYS REV	01/01/2051	4.00	19,977
45528UT27	INDIANAPOLIS LOC IMPT	06/01/2036	4.00	18,887
60412AWJ8	MN -A -BID GROUP 1	09/01/2029	5.00	18,462
64971XE61	NYC TFA FUTURE TAX	08/01/2045	4.00	17,493
64990GWW8	NY ST DORM AUTH REV-B	07/01/2043	3.14	16,326
6473103V1	NEW MEXICO ST -A- REV	07/01/2031	5.00	15,506
57419TTP6	MD CMNTY DEPT ADMIN-B	09/01/2051	3.00	15,503
594654NX9	MI ST HSG DEV AUTH-A	06/01/2052	3.00	15,495

Top 10 CUSIPs buying volume from institutional customers

CUSIP	Description	Maturity	Coupon	Volume
81728XAA6	SENTARA HEALTHCARE	11/01/2051	2.93	34,773
34153QUZ7	FL ST BOE PECO-B-REF	06/01/2030	5.00	23,633
97381YAT7	WINDY GAP FIRMING	07/15/2051	5.00	21,881
650028XK4	NY ST THRUWAY-A-1	03/15/2049	3.00	20,646
60412AWJ8	MN -A -BID GROUP 1	09/01/2029	5.00	18,438
646039ZH3	NEW JERSEY ST	06/01/2036	2.00	16,820
873519PZ9	TACOMA ELEC SYS REV	01/01/2051	4.00	15,884
6473103V1	NEW MEXICO ST -A- REV	07/01/2031	5.00	15,584
57419TTP6	MD CMNTY DEPT ADMIN-B	09/01/2051	3.00	15,489
594654NX9	MI ST HSG DEV AUTH-A	06/01/2052	3.00	15,481

Source - RBC Capital Markets

Bond Buyer indexes

Weekly	Current 10/28/21	Previous 10/21/21	2021 high	Date	2021 low	Date
Bond Buyer Revenue Bond Index	2.61%	2.64%	2.80%	(2/25)	2.39%	(7/22)
Bond Buyer 20-Bond Index	2.25%	2.28%	2.44%	(2/25)	2.03%	(7/22)
Bond Buyer 11-Bond Index	1.78%	1.81%	1.97%	(2/25)	1.56%	(7/22)

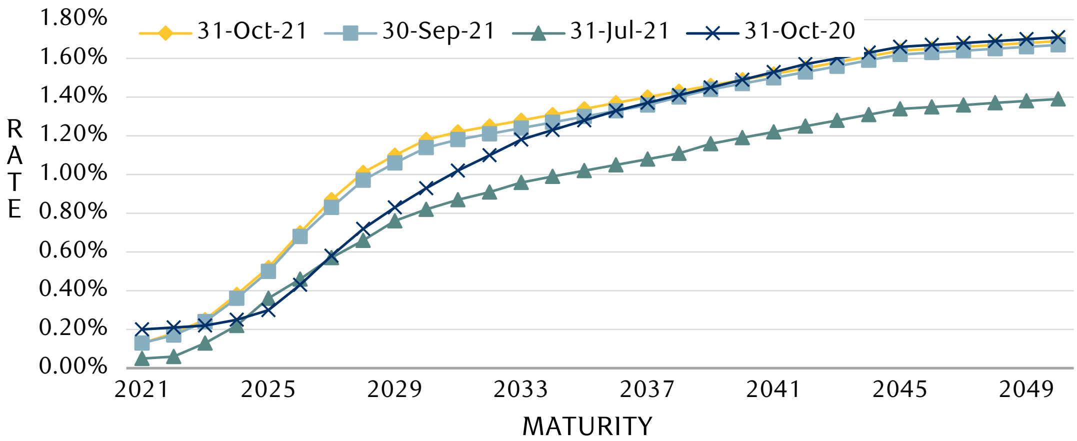
Source - The Bond Buyer

Bloomberg Municipal Index returns

	Index								
	1-month	5-year (4–6)	10-year (8–12)	15-year (12–17)	Long bond (22+)	AAA	AA	A	BAA
Month-to-date total return	-0.29%	-0.29%	-0.39%	-0.34%	-0.29%	-0.18%	-0.24%	-0.39%	-0.51%
Year-to-date total return	0.50%	0.01%	0.02%	0.55%	1.28%	-0.53%	-0.01%	1.16%	3.49%

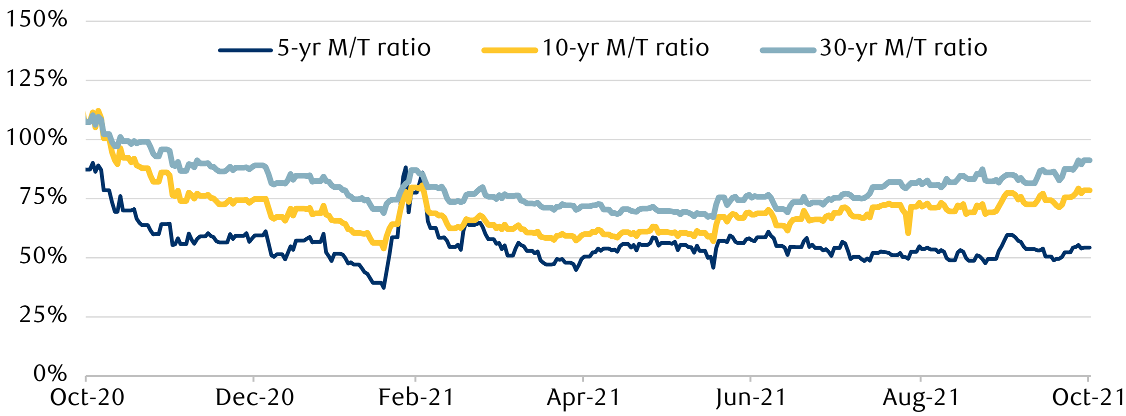
Source - Bloomberg; data through 10/31/21

Muni market data AAA yield curve



Source - RBC Wealth Management, Thomson One Refinitiv; data through 10/31/21

Muni/Treasury ratio comparison



Source - RBC Wealth Management, Bloomberg; data through 10/31/21

Municipal bond insurers

Insurer	Moody's	Kroll Ratings
ACA	Not rated	Not rated
AMBAC	Not rated	Not rated
Assured Guaranty (AGC)	A3 (stable outlook)	AA+ (stable outlook)
Assured Guaranty Municipal Corp. (AGM)	A2 (stable outlook)	AA+ (stable outlook)
Berkshire Hathaway (BHAC)	Aa1 (stable outlook)	Not rated
Build America Mutual (BAM)	Not rated	Not rated
FGIC	Not rated	Not rated
National Public Finance (MBIA)	Baa2 (negative outlook)	Not rated
Syncora	Not rated	Not rated

Source - RBC Wealth Management; data through 10/31/21

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