



NYSE · BERMUDA · FINANCIAL GUARANTY

# AGO

The guarantor priced for  
catastrophe.

PRICE AGAINST ADJUSTED BOOK VALUE, PER SHARE



RATIO 0.37×      MARKET CAP \$3.10B      NET PAR INSURED \$281.4B      ASSURED GUARANTY LTD.

0.37x

PRICE TO ADJUSTED BOOK VALUE  
Q2 2026 · NYSE: AGO

# The market prices the catastrophe case as the base case.

Assured Guaranty trades at 0.37 times adjusted book value. Our corrected stress work says you only lose money from \$69.62 if a AAA-grade catastrophe lands, the residual muni book breaks with it, and the tax shield fails at the same time. In every other state of the world, the stock is worth one and a half to two and three-quarter times the price.

|                                   |          |                  |
|-----------------------------------|----------|------------------|
| Base case value per share         | \$189.70 | +172%            |
| Great Recession repeat            | ~\$152   | +118%            |
| S&P AA severe case                | ~\$108   | +55%             |
| S&P AAA extreme, a 30 to 70 range | ~\$59    | at / below price |

VARIANT PERCEPTION

# What the market thinks. What the filings show.

THE MARKET THINKS

- Monoline means 2008. The label alone deserves a discount.
- Book value is an accounting construct, not money.
- It is a runoff: a melting ice cube with no growth story.
- Brightline and PREPA are the next blowups waiting to surface.
- Almost nobody covers it, so there is nothing to miss.

THE FILINGS SHOW

- The book is growing, not melting: net par of \$281.4B, up from \$277.1B at year end 2025.
- Reserves are documented to the dollar: \$192M of present-valued expected losses sits inside adjusted book.
- The problem credits are controlled workouts, run by the guarantor, not surprises (slide 8).
- Four brokers cover a \$3.1B market cap. The discount is an attention discount.

THE BUSINESS

# A legally advantaged duopoly with 40-year cash flow visibility.

Two scaled financial guarantors came out of 2008 standing: Assured Guaranty and National. The moat is not a product. It is ratings, regulatory capital, licensing in every state, and an installed book of long-dated municipal premiums, most of them collected upfront and recognized over decades.

|                                      |          |
|--------------------------------------|----------|
| Net par insured, net of reinsurance  | \$281.4B |
| Claims-paying resources              | ~\$10B   |
| Net debt service outstanding         | \$446.6B |
| Scaled writers of US muni guaranties | 2        |

THE DISCOUNT

\$69.62 against \$189.72 of adjusted book.

PER SHARE, Q2 2026 · BARS DRAWN TO SCALE



And the discount is itself the return engine: a \$1B repurchase at \$70 retires about 14.3M shares and lifts adjusted book per share to roughly \$247. No acquisition, no new product, no heroics. Just the company buying its own book at 37 cents on the dollar.

THE CORRECTED STRESS GRID

# Stress it honestly. It still clears.

STRESSED ADJUSTED BOOK VALUE PER SHARE · THE MARKER ON EACH BAR IS THE PRICE, \$69.62



WHAT THE OCTOBER 2026 CORRECTION CHANGED

The reserve offset is now the documented \$192M of expected losses embedded in adjusted book, not the unsourced \$321M used before. The asset side is stressed too: \$928M of alternatives, mostly first-loss CLO equity, plus \$428M of salvage recoverables. The AAA figure carries a full 21% tax shield worth about \$33 a share; halve the shield and the case is about \$43, zero it and it is about \$27. We publish the range, not the point.

# The 2008 book is gone. What remains is muni par.

NET PAR OUTSTANDING BY SECTOR · \$281.4B TOTAL · SEGMENTS DRAWN TO SCALE



US public finance \$216.4B      Non-US public finance \$49.5B      Structured finance \$12.7B      Other ~\$2.8B

Structured finance share of the book

4.5%

US RMBS: now a net expected **recovery** position

+\$40M

Below-investment-grade par, of \$281.4B

\$8.5B 3%

Named credits surveilled, CUSIP by CUSIP

140 \$94.7B of par

The residual \$186.7B is overwhelmingly diversified, investment-grade municipal par, the asset class whose ultimate losses stayed negligible even in the financial crisis. The losses that broke the monolines lived in structured finance. That book has run off to a rounding error. Every named credit is tracked on the companion credit monitor: [ago-credit-monitor.pages.dev](#).

# Watch a monoline run a workout.

This is what the surveillance model is for: arrive early, sit senior, hold the votes. It is the opposite of the 2008 experience, and the market has not priced the difference.

## The exposure

**\$1.1B of insured net par** on Brightline Trains Florida, underlying rating CCC.

## Sep 25, 2026

A restructuring support agreement is signed. **OpCo, the obligor on the insured bonds, does not file Chapter 11.**

## The new money

AG commits **\$248M**: \$70M of new senior debt and up to \$178M of post-petition funding, senior and pari passu, repaid at exit.

## The control

AG insures **over 50% of OpCo's senior bonds**, holds the majority voting position, and emerges as majority owner post-exit. The sponsor's equity is wiped out; creditors take about 95% of the equity.

## Oct 29, 2026

**Creditors' meeting.** The next date in the workout.

CAPITAL ALLOCATION

# The best investment AGO can make is AGO.

THE HURDLE, AT TODAY'S PRICES

|                                                       |           |
|-------------------------------------------------------|-----------|
| Buyback at \$69.62: one dollar retires \$2.70 of book | ~27%      |
| Buyback at \$105: one dollar retires \$1.80 of book   | ~18%      |
| Annuity reinsurance (Assured Life Re), guided         | 10 to 12% |

Life Re earned \$2M in Q2 2026 and carries zero statutory surplus; part of recent ABV growth there was a bargain-purchase accounting gain.

**The constraint is plumbing, not willingness.** AG Inc.'s ordinary dividend capacity is about \$245M for 2026 under the Maryland formula, and only \$121M remained on the buyback authorization at August 5, 2026. The tell: 2026 repurchases were executed at an average of \$83.70, a fifth above today's price. The company was a willing buyer at \$84. At \$69.62 the authorization, not the economics, is the bottleneck.

WHAT \$1B OF REPURCHASE DOES TO ADJUSTED BOOK PER SHARE



Same billion, same book. The price it is spent at decides whether it adds roughly \$57 a share or roughly \$23.

## THE ACTIVIST AGENDA

# Six asks, all arithmetic.

- 01 **Repurchase at full speed while the discount lasts.** Expand the authorization, seek extraordinary-dividend approvals to lift the upstream ceiling, and publish the price discipline.
- 02 **Adopt a published capital-allocation hurdle.** No new line gets capital unless it beats the buyback's implied return at the current price, about 27% today. Report Assured Life Re against its 10 to 12% guide every quarter.
- 03 **Publish the GAAP to adjusted book bridge, and per-name expected losses, quarterly.** The \$192M versus \$306M reserve gap should not need reverse engineering.
- 04 **Cap the alternatives book.** \$928M of first-loss CLO equity loses value in exactly the scenarios the guaranty book is stressed by. KBRA flagged it in August 2026.
- 05 **Give Sound Point a number.** Independent valuation or strategic review: roughly \$40B of third-party AUM is carried at book value, with no franchise value credited.
- 06 **Build a new buyer base.** An investor day, coverage beyond four brokers, the surveillance data productized as a credit-intelligence offering, and a disclosed succession framework.

The full shareholder letter, written for any holder to send as their own, sits at the top of the wiki page: [activistwiki.triangulatedreality.com/ago](https://activistwiki.triangulatedreality.com/ago).

CATALYSTS

# Dated, checkable, near.

|                   |                                                                                                                                                                 |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Oct 29, 2026      | <b>Brightline creditors' meeting.</b> The workout that tests the control thesis gets its next ruling.                                                           |
| Early Nov 2026    | <b>Q3 earnings.</b> The first print to judge buyback pace at a \$69 handle against an authorization running dry.                                                |
| The authorization | <b>Buyback reauthorization.</b> With \$121M left at August 5, the board faces a forced, public decision on the single highest-return use of capital.            |
| PREPA             | <b>Nine years in Title III.</b> AGO's net par is \$464M. Any settlement path retires the last Puerto Rico overhang and a decade of duration.                    |
| Coverage          | <b>Roth Capital moved to Buy (\$85 target)</b> the day the Brightline RSA was announced. The covering set is four brokers; one initiation moves the buyer base. |

# The tail is real. It is also the whole discount.

None of that rescues the price. At \$69.62 the market charges full price for the catastrophe and nothing for the \$152 to \$190 of value in the worlds that actually happen. The filings price the catastrophe as a tail. The market prices it as the base case. 0.37 times adjusted book is the distance between those two statements, and it is the pitch.

## RISKS, HONESTLY —

The AAA-extreme case is 30 to 70 a share, and the low end is below the price: the tax shield inside it may not be realizable when needed, and the residual book is, by construction, the assumption that matters most.

Dividend capacity sets a slow clock, roughly \$245M a year on the ordinary path, so accretion compounds over years rather than repricing in an event.

There is no disclosed succession plan for the chief executive who built the book, and PREPA has already consumed nine years.