

Credit rating report



C-Stores

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|---------------------|--------------------------|---------|------|-------------|---------|-----------------|
| 76 | ConocoPhillips | COP | A- | Stable | A2 | Stable |
| 7-Eleven | 7-Eleven, Inc. | SVNDF | A | Stable | Baa2 | Stable |
| Circle K / Kangaroo | Alimentation Couche-Tard | ANCUF | BBB | Stable | Baa1 | Stable |
| Shell Oil | Shell Oil Company | SHEL | A+ | Stable | Aa3 | Stable |
| Pilot Flying J | Pilot Travel Centers LLC | N/A | BBB+ | Stable | Ba1 | Stable |

Automotive

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-------------------------|---------------------------|---------|------|-------------|---------|-----------------|
| Advance Auto Parts | Advance Auto Parts, Inc. | AAP | BBB- | Negative | Baa2 | Negative |
| AutoZone | AutoZone, Inc. | AZO | BBB | Stable | Baa1 | Stable |
| Bridgestone / Firestone | Bridgestone Corporation | BRDCY | A | Stable | A2 | Stable |
| O'Reilly Automotive | O'Reilly Automotive, Inc. | ORLY | BBB | Stable | Baa1 | Stable |
| Pep Boys | Icahn Enterprises L.P. | IEP | BB | Stable | Ba3 | Stable |

Banks

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|------------------|-------------------------------|---------|------|-------------|---------|-----------------|
| Bank of America | Bank of America N.A. | BAC | A+ | Stable | Aa1 | Stable |
| BankUnited | BankUnited N.A. | BKU | NR | NR | Baa2 | Negative |
| Truist | Truist Financial Corporation | BBT | A- | Stable | A3 | Stable |
| BMO Harris Bank | BMO Harris Bank, N.A. | BMO | A+ | Stable | A3 | Stable |
| Chase Bank | JPMorgan Chase Bank U.S. N.A. | JPM | A+ | Stable | Aa2 | Stable |
| PNC Bank | PNC Bank N.A. | PNC | A | Stable | A2 | Stable |
| TD Bank | TD Bank N.A. | TD | AA- | Stable | A1 | Stable |
| Capital One Bank | Capital One N.A. | COF | BBB+ | Stable | A3 | Stable |
| M&T Bank | M&T Bank Corporation | MTB | BBB+ | Stable | A3 | Stable |

Casual Dining

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|--------------------|--------------------------|---------|------|-------------|---------|-----------------|
| Carrabba's | Bloomin' Brands | BLMN | BB- | Stable | Ba3 | Stable |
| Chili's | Brinker International | EAT | BB- | Negative | Ba3 | Negative |
| Darden Restaurants | Darden Restaurants, Inc. | DRI | BBB | Stable | Baa2 | Stable |
| Bonefish Grill | OSI Restaurant Partners | N/A | BB- | Stable | NR | NR |

QSR

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|--------------------------|---------------------------------------|---------|------|-------------|---------|-----------------|
| Arby's / Dunkin / Sonic | IRB Holding Corporation | N/A | B+ | Stable | B2 | Negative |
| Burger King | Restaurant Brands International, Inc. | QSR | BB | Stable | NR | NR |
| Dairy Queen | Berkshire Hathaway | BRK.A | AA | Stable | Aa2 | Stable |
| McDonald's | McDonald's Corporation | MCD | BBB+ | Stable | Baa1 | Stable |
| Starbucks | Starbucks Corporation | SBUX | BBB+ | Stable | Baa1 | Stable |
| Taco Bell /KFC Pizza Hut | Yum! Brands, Inc. | YUM | BB+ | Stable | Ba2 | Stable |
| Wendy's | The Wendy's Company | WEN | B+ | Stable | B3 | Stable |

Big Box

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-----------------------|------------------------------------|---------|------|-------------|---------|-----------------|
| Bed Bath & Beyond | Bed Bath & Beyond, Inc. | CCC- | NR | NR | NR | NR |
| Best Buy | Best Buy Co, Inc. | BBY | BBB+ | Stable | A3 | Stable |
| BJ's | BJ's Wholesale Club, Inc. | N/A | BB+ | Stable | Ba1 | Stable |
| Costco | Costco Wholesale Corporation | COST | A+ | Stable | Aa3 | Stable |
| Kohl's | Kohl's Corporation | KSS | BB | Negative | Ba2 | Negative |
| Lowe's | Lowe's Companies, Inc. | LOW | BBB+ | Stable | Baa1 | Stable |
| Walmart | Walmart Inc. | WMT | AA | Stable | Aa2 | Stable |
| Petco Animal Supplies | Petco Health and Wellness Co. Inc. | WOOF | B+ | Stable | B2 | Stable |
| TJ Maxx | TJX Companies | TJX | A | Stable | A2 | Stable |
| The Home Depot | The Home Depot, Inc. | HD | A | Stable | A2 | Stable |
| Nordstrom Rack | Nordstrom Inc. | JWN | BB+ | Negative | Ba1 | Negative |
| Ross | Ross Stores Inc. | ROST | BBB+ | Stable | A2 | Stable |
| Burlington | Burlington Stores Inc. | BURL | BB+ | Stable | NR | NR |
| Target | Target Corporation | TGT | A | Stable | A2 | Stable |
| PetSmart | PetSmart LLC | PETM | B+ | Stable | B1 | Stable |

Grocery

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-------------------|----------------------------|---------|------|--------------|---------|-----------------|
| Acme / Albertsons | Albertsons Companies Inc. | N/A | BB | Under Review | Ba2 | Under Review |
| Delhaize | Delhaize America LLC | DEG | NR | NR | Baa1 | Stable |
| Kroger | The Kroger Company | KR | BBB | Negative | Baa1 | Negative |
| Wegmans | Wegmans Food Markets, Inc. | N/A | BBB+ | Stable | NR | NR |
| Whole Foods | Whole Foods Market, Inc. | AMZN | AA- | Stable | A1 | Stable |

Dollar Store

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|----------------------|----------------------------|---------|------|-------------|---------|-----------------|
| Dollar General | Dollar General Corporation | DG | BBB | Stable | Baa2 | Stable |
| Dollar Tree / Family | Dollar Tree, Inc. | DLTR | BBB | Stable | Baa2 | Stable |

Pharmacy

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-----------|--------------------------------|---------|------|-------------|---------|-----------------|
| CVS | CVS Health Corporation | CVS | BBB | Stable | Baa2 | Stable |
| Rite Aid | Rite Aid Corporation | RAD | CCC+ | Negative | Caa2 | Stable |
| Walgreens | Walgreens Boots Alliance, Inc. | WBA | BBB | Negative | Baa3 | Negative |

Medical

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-------------------|--------------------------------------|---------|------|-------------|---------|-----------------|
| DaVita Dialysis | DaVita Inc. | DVA | BB | Negative | Ba3 | Stable |
| Fresenius Medical | Fresenius Medical Care AG & Co. KGaA | FME | BBB- | Negative | Baa3 | Negative |

Fitness

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|-----------------|---------------------------------|---------|------|-------------|---------|-----------------|
| 24 Hour Fitness | 24 Hour Fitness Worldwide, Inc. | N/A | CCC- | Negative | NR | NR |
| LA Fitness | Fitness International, LLC | N/A | B- | Positive | B3 | Stable |
| Equinox | Equinox Holdings, Inc. | N/A | CCC- | Negative | Caa3 | Negative |

General

| Tenant | Parent Company | Ticker1 | S&P2 | S&P Outlook | Moody's | Moody's Outlook |
|----------------------|---|---------|------|-------------|---------|-----------------|
| AT&T | AT&T Inc. | T | BBB | Stable | Baa2 | Stable |
| Builders FirstSource | Builders FirstSource Inc. & Formerly ProBuild | BLDR | BB | Stable | Ba1 | Stable |
| FedEx | FedEx Corporation | FDX | BBB | Stable | Baa2 | Stable |
| Sherwin-Williams | The Sherwin-Williams Company | SHW | BBB | Stable | Baa2 | Stable |
| Verizon | Verizon Communications, Inc. | VZ | BBB+ | Stable | Baa1 | Stable |



Listed Unrated Tenants

The unrated tenants on this list are private companies whose shares are listed on the stock exchange.



| Tenant | Ticker | Locations | Founded | Net Income | Market Cap | Comments |
|---|--------|-----------|---------|------------------|------------------|--|
| Aaron's | AAN | 1,233 | 1955 | \$610.40 million | \$450.65 million | Aaron's beats earnings expectations for second quarter of 2023 reporting total revenue of \$933.9 million. |
| Applebee's / IHOP / Fuzzy's Taco Shop (owned by Dine Brands Global) | DIN | 3,628 | 2008 | \$89.55 million | \$915.79 million | Total revenues for the first nine months of 2022 were \$701.4 million. The company displayed commendable profitability during the quarter with a net margin of 9.37% despite a negative return on equity of 35.04%, indicating room for improvement in efficiently utilizing shareholder funds. |
| Chipotle | CMG | 3,182 | 1993 | \$.90 billion | \$54.26 billion | Chipotle reported Q2 net income of \$341.8 million, or \$12.32 per share, up from \$259.9 million, or \$9.25 per share, a year earlier. The company earned \$12.65 per share excluding restructuring costs and closure expenses and is on track to open 255 new stores by end of year. |
| Cracker Barrel | CBRL | 660 | 1969 | \$131.90 million | \$2.05 billion | The company generated \$832.70 million for the quarter, slightly below market expectations set at \$845.71 million. Research analysts predict that Cracker Barrel will likely post earnings per share of \$5.38 for the current fiscal year. |
| Napa Auto Parts (owned by Genuine Parts) | GPC | 5,405 | 1925 | \$898.79 million | \$21.87 billion | Net income of \$344 million compares to adjusted net income of \$313 million for the same three-month period of the prior year, an increase of 10.0%. On a per share diluted basis, net income was \$2.44, an increase of 10.9% compared to adjusted diluted earnings per share of \$2.20 last year. |
| Tractor Supply Co. | TSCO | 2,181 | 1938 | \$997.10 million | \$24.60 billion | Analysts surveyed by Zacks Investment Research reported estimated earnings of \$3.91 per share and expected revenue of \$4.27 billion. Both estimations fell short with posted revenue of \$4.18 billion in the period. Tractor Supply expects full-year earnings to be \$10.20 to \$10.40 per share, with revenue in the range of \$14.8 billion to \$14.9 billion. |

Unlisted Unrated Tenants

The unrated tenants on this list are private companies whose shares are not listed on the stock exchange.



| Tenant | Locations | Founded | Comments |
|----------------------|-----------|---------|---|
| ALDI | 2,300 | 1948 | Owned by a German company who also owns Trader Joe's |
| Ashley Furniture | 775 | 1970 | No. 1 furniture retailer in the U.S. |
| Aspen Dental | 1,000 | 1964 | Owned by PE companies, American Securities, Leonard Green & Partners, and Ares Capital |
| Bass Pro Shops | 177 | 1972 | Merged with Cabela's in 2017 |
| Bojangles' | 816 | 1977 | Acquired by Durational Capital Management and the Jordan Company |
| Captain D's | 544 | 1969 | Privately owned fast casual seafood chain |
| Chick-fil-A | 2,600 | 1946 | Has the highest sales per location of any QSR restaurant |
| Church's Chicken | 802 | 1952 | Private fast food chain with locations in 25 global markets |
| Giant Eagle | 493 | 1931 | One of the nation's largest food retailers and distributors with approximately \$8.9 billion in annual sales |
| Hardee's | 1,800 | 1960 | Owned by CKE Restaurants Holdings |
| Hobby Lobby | 1,001 | 1972 | One-stop-shop for craft supplies |
| PDQ | 68 | 2011 | Florida based fast-casual chain |
| Publix Super Markets | 1,384 | 1930 | The largest employee-owned grocery chain in the U.S. |
| RaceTrac | 573 | 1934 | Gas station and convenience store. 39th largest privately owned U.S. company |
| Royal Farms | 283 | 1959 | Privately owned gas station and c-store. Actively expanding in Maryland, Delaware, Virginia, and Pennsylvania |
| Save Mart Companies | 200 | 1952 | Family-owned operating under: The Save Mart, S-Mart Foods, Lucky, Lucky California, FoodMaxx, and MaxxValue |
| Sheetz | 669 | 1952 | Family-owned and operated convenience stores open 24/7. 59th largest privately owned U.S. company |
| Steak 'n Shake | 403 | 1934 | Steak 'n Shake Operations, Inc. is a wholly owned subsidiary of Biglari Holdings Inc. |
| Wawa | 1,017 | 1964 | Privately owned gas station and convenience stores. 25th largest privately owned U.S. company |
| Wegmans | 111 | 1916 | Privately owned supermarket chain |
| Zaxby's | 935 | 1990 | Fast-casual chicken chain headquartered in Athens, GA |

Chart Rating Tiers

| Moody's | | S&P | | FITCH | | DBRS | | TIER GRADE |
|-----------|------------|-----------|------------|-----------|------------|-----------|------------|----------------------------------|
| Long-Term | Short-Term | Long-Term | Short-Term | Long-Term | Short-Term | Long-Term | Short-Term | |
| Aaa | P-1 | AAA | A-1+ | AAA | F1+ | AAA | R-1H | PRIME |
| Aa1 | | AA+ | | AA+ | | AA(high) | | |
| Aa2 | | AA | | AA | | AA | R-1M | |
| Aa3 | | AA- | | AA- | | AA(low) | | |
| A1 | P-2 | A+ | A-1 | A+ | F1 | A(high) | R-1L | UPPER MEDIUM GRADE |
| A2 | | A | | A | | A | | |
| A3 | | A- | | A- | | A(low) | | |
| Baa1 | P-3 | BBB+ | A-2 | BBB+ | F2 | | R-2H | LOWER MEDIUM GRADE |
| Baa2 | | BBB | | BBB | | BBB | R-2M | |
| Baa3 | | BBB- | | BBB- | | BBB(low) | R-2L, R-3 | |
| Ba1 | Not prime | BB+ | B | BB+ | B | BB(high) | R-4 | NON-INVESTMENT GRADE SPECULATIVE |
| Ba2 | | BB | | BB | | BB | | |
| Ba3 | | BB- | | BB- | | BB(low) | | |
| B1 | | B+ | | B+ | | B(high) | | |
| B2 | | B | | B | | B | | |
| B3 | | B- | | B- | | B(low) | | |
| Caa1 | | CCC+ | | C | | CCC | | |
| Caa2 | CCC | CCC | | | | | | |
| Caa3 | CCC- | CCC(low) | | | | | | |
| Ca | CC | CC(high) | | | | | | |
| | CC | CC | | | | | | |
| | CC | CC(low) | | | | | | |
| | C | C(high) | | | | | | |
| C | D | / | DDD | / | D | D | D | EXTREMELY SPECULATIVE |
| | | | DD | | | | | |
| | | | D | | | | | |
| | | | | | | | | IN DEFAULT |

Global Corporate Average Cumulative Default Rates

| | | Years | | | | | | | | | | | | | | |
|-------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| S&P | Moody's | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| AAA | Aaa | 0.00 | 0.03 | 0.13 | 0.24 | 0.34 | 0.45 | 0.50 | 0.58 | 0.64 | 0.79 | 0.72 | 0.75 | 0.78 | 0.83 | 0.89 |
| AA+ | Aa1 | 0.00 | 0.05 | 0.05 | 0.09 | 0.14 | 0.19 | 0.25 | 0.30 | 0.35 | 0.41 | 0.46 | 0.52 | 0.58 | 0.64 | 0.70 |
| AA | Aa2 | 0.02 | 0.06 | 0.11 | 0.20 | 0.130 | 0.40 | 0.48 | 0.55 | 0.62 | 0.68 | 0.74 | 0.80 | 0.86 | 0.91 | 0.96 |
| AA- | Aa3 | 0.03 | 0.08 | 0.16 | 0.23 | 0.30 | 0.40 | 0.46 | 0.51 | 0.55 | 0.60 | 0.66 | 0.71 | 0.73 | 0.77 | 0.81 |
| A+ | A1 | 0.05 | 0.08 | 0.18 | 0.30 | 0.39 | 0.48 | 0.58 | 0.68 | 0.80 | 0.93 | 1.04 | 1.17 | 1.31 | 1.47 | 1.62 |
| A | A2 | 0.05 | 0.13 | 0.21 | 0.32 | 0.44 | 0.57 | 0.73 | 0.87 | 1.01 | 1.15 | 1.28 | 1.40 | 1.52 | 1.63 | 1.76 |
| A- | A3 | 0.05 | 0.15 | 0.24 | 0.34 | 0.48 | 0.63 | 0.83 | 0.98 | 1.10 | 1.20 | 1.30 | 1.42 | 1.54 | 1.65 | 1.74 |
| BBB+ | Baa1 | 0.09 | 0.25 | 0.45 | 0.64 | 0.85 | 1.09 | 1.28 | 1.49 | 1.75 | 1.99 | 2.21 | 2.36 | 2.53 | 2.75 | 2.98 |
| BBB | Baa2 | 0.15 | 0.41 | 0.72 | 1.09 | 1.48 | 1.85 | 2.18 | 2.50 | 2.80 | 3.10 | 3.40 | 3.64 | 3.86 | 4.09 | 4.34 |
| BBB- | Baa3 | 0.23 | 0.66 | 1.23 | 1.87 | 2.53 | 3.13 | 3.63 | 4.10 | 4.48 | 4.83 | 5.20 | 5.52 | 5.81 | 6.26 | 6.60 |
| BB+ | Ba1 | 0.31 | 0.94 | 1.69 | 2.44 | 3.19 | 3.95 | 4.59 | 5.06 | 5.62 | 6.18 | 6.57 | 7.03 | 7.50 | 7.85 | 8.39 |
| BB | Ba2 | 0.60 | 1.88 | 3.35 | 4.81 | 6.19 | 7.47 | 8.57 | 9.56 | 10.45 | 11.24 | 11.90 | 12.52 | 13.09 | 13.57 | 14.08 |
| BB- | Ba3 | 0.92 | 2.86 | 4.89 | 6.97 | 8.79 | 10.54 | 12.02 | 13.41 | 14.53 | 15.48 | 16.22 | 16.96 | 17.67 | 18.34 | 18.97 |
| B+ | B1 | 1.94 | 5.31 | 8.64 | 11.48 | 13.73 | 15.46 | 17.02 | 18.37 | 19.60 | 20.73 | 21.70 | 22.39 | 23.13 | 23.80 | 24.45 |
| B | B2 | 3.18 | 7.46 | 11.26 | 14.30 | 16.67 | 18.59 | 20.10 | 21.34 | 22.45 | 23.50 | 24.40 | 25.10 | 25.75 | 26.35 | 26.92 |
| B- | B3 | 5.89 | 12.59 | 17.88 | 21.56 | 24.26 | 26.23 | 27.69 | 28.84 | 29.65 | 30.34 | 31.41 | 32.10 | 32.71 | 33.34 | 33.77 |
| CCC/C | Caa1/Ca | 26.55 | 36.74 | 41.80 | 44.74 | 46.91 | 47.95 | 49.08 | 49.82 | 50.48 | 51.05 | 51.49 | 51.92 | 52.45 | 52.91 | 52.97 |
| Investment Grade | | 0.08 | 0.23 | 0.40 | 0.61 | 0.83 | 1.05 | 1.26 | 1.45 | 1.63 | 1.81 | 1.98 | 2.13 | 2.27 | 2.40 | 2.55 |
| Speculative Grade | | 3.60 | 6.97 | 9.86 | 12.23 | 14.16 | 15.75 | 17.06 | 18.16 | 19.14 | 20.04 | 20.80 | 21.44 | 22.05 | 22.58 | 23.09 |
| All Rated | | 1.50 | 2.93 | 4.17 | 5.22 | 6.10 | 6.83 | 7.45 | 7.97 | 8.43 | 8.86 | 9.23 | 9.54 | 9.84 | 10.10 | 10.36 |

Source: S&P

Let's connect.

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