

DESCRIPTION OF BOND RATINGS

Categories	Moody's (1)	Standard & Poor's/Fitch	Definition
High Grade	Aaa	AAA	The highest rating, indicating an extremely strong capacity to pay principal and interest
	Aa	AA	Strong capacity to pay principal and interest. Margins of protection are less strong than those for Aaa and AAA bonds
Medium Grade	A	A	Favorable investment attributes, but elements may suggest a susceptibility to impairment given adverse economic changes
	Baa	BBB	Adequate capacity to pay principal and interest, but certain protective elements may be lacking that could lead to a weakened capacity for payment.
Speculative	Ba	BB	Bonds regarded as having only moderate protection
	B	B	Assurance of interest and principal payments over any long period of time may be small.
Default	Caa	CCC	May be in default or in danger of default.

^[1] S&P and Fitch further differentiate ratings by using +'s and -'s within each category and Moody's uses a numbering system of 1, 2 and 3 within each category where 1 is the most favorable.