

About the Booster BondWatch Rating Descriptions

BondWatch is Booster’s credit review process for bond issues. BondWatch assists Booster in making an informed investment decision where the bond issue is not rated by an external agency, therefore widening the range of potential opportunities available to be considered beyond those that have an external rating.

The BondWatch Rating is the result of our internal analysis of a company’s financials, governance structure, and business outlook measured against sector-specific metrics. We take into account both quantitative and qualitative aspects of the business to ensure our BondWatch rating reflects both the current standing and stability of that credit profile going forward. The BondWatch ratings scale from G1 (highest) to G8 (lowest).

For ratings in the ‘G4’ or ‘G5’ range, we apply a gradation to the ratings (shown by a ‘+’ or ‘-’) to differentiate more finely between different bond issues.

Rating	Description
G1	Excellent ability to meet obligations, high level of security
G2	Very good ability to meet obligations, very good level of security, more vulnerable to adverse change in business conditions than issuers rated higher
G3	Good levels of security, however material adverse change in business conditions may damage capacity to fulfil commitments
G4+	
G4	Reasonable ability to meet obligations, possibility of credit concerns developing should future business conditions become less favourable
G4-	
G5+	
G5	Adequate ability to meet current obligations, but uncertainty about levels of security over the longer term particularly under adverse business conditions
G5-	
G6	Ability to meet current obligations dependent upon favourable economic and/or business conditions, concerns about security over the longer term
G7	Highly exposed to unfavourable economic and/or business conditions, ability to repay highly conditional on assumptions made in the Investment Statement and Prospectus being met, more suited to sophisticated investors
G8	Recommended for sophisticated investors only. The Investment Statement and Prospectus are unlikely to contain sufficient information on which to evaluate credit risk
NR	(Not Rated) No BondWatch rating has been produced for the particular issue - this is generally because the issuer has less than two years of normal operating history or there is limited financial information publicly available. It may also be due to the issue not being a pure debt security, too small or not part of an ongoing debt programme.
RNA	(Rating No Longer Applicable) The continued rating of this issue is no longer appropriate, due to a significant recent event.

Disclaimer: The Booster BondWatch rating descriptions set out above are statements of opinion made by Booster Investment Management Limited (Booster). In order for Booster to make these opinions, it relies on information obtained from public sources and does not perform an audit of this external information in connection with any rating. Booster has assumed that such information is accurate. All persons should obtain specific investment advice from a Financial Adviser before taking any action in relation to any investment.