Minneapolis, Minnesota

New Issue Report

Ratings

Long-Term Issuer Default Rating	AA+
New Issues	
$118,000,000 General Obligation Improvement and Various Purpose Bonds, Series 2019	AA+
$4,150,000 Taxable General Obligation Housing Improvement Area Bonds, Series 2019	AA+
Outstanding Debt	
(Downtown East Office/Housing/Park Industrial Development District) General Obligation Bonds (Taxable)	AA+
(Heritage Park) General Obligation Tax Increment Refunding Bonds	AA+
(Milwaukee Depot) General Obligation Tax Increment Refunding Bonds	AA+
(Target Center Project) General Obligation Sales Tax Refunding Bonds (Taxable)	AA+
(Target Center Project) General Obligation Tax Increment Refunding Bonds (Taxable)	AA+
(West Side Milling) General Obligation Tax Increment Refunding Bonds (Taxable)	AA+
General Obligation Bonds (Taxable)	AA+
General Obligation Capital Improvement Bonds	AA+
General Obligation Convention Center Refunding Bonds (Taxable)	AA+
General Obligation Improvement & Variable Purpose Bonds	AA+
General Obligation Improvement Bonds	AA+
General Obligation Library Bonds	AA+
General Obligation Library Referendum Refunding Bonds	AA+
General Obligation Parking Assessment Refunding Bonds	AA+
General Obligation Refunding Bonds	AA+
General Obligation Tax Increment Bonds	AA+
General Obligation Tax Increment Refunding Bonds	AA+
General Obligation Various Purpose Bonds	AA+
General Obligation Various Purpose Park Bonds (Taxable)	AA+
General Obligation housing Improvement area Bonds (Taxable)	AA+

Rating Outlook

Stable

Analysts

Michael D'Arcy
+1 212 908-0662
michael.d'arcy@fitchratings.com

Arlene Bohner
+1 212 908-0554
arlene.bohner@fitchratings.com

New Issue Details

Sale Date: May 14 competitively.

Series: General Obligation Improvement and Various Purpose Bonds, Series 2019, and Taxable General Obligation Housing Improvement Area Bonds, Series 2019.

Purpose: Proceeds will be used to finance various capital projects and affordable housing improvements to areas within Minneapolis (the city).

Security: The bonds are GOs of the city, backed by its full faith and credit pledge and ad valorem taxing power.

Analytical Conclusion: The 'AA+' rating reflects the city's strong revenue growth prospects driven by a rising population and income levels, broad independent revenue-raising ability and solid budgetary flexibility. The ratings also reflect recent changes that have reduced the share of statewide plan net pension liabilities that are attributable to the city along with state pension reforms that are likely to improve the sustainability of Minnesota's pension systems in the near term. The city has sufficient gap-closing capacity to offset revenue declines in a moderate downturn by making limited cuts to services coupled with modest reserve reductions.

Economic Resource Base: Minneapolis is the largest city in the state of Minnesota with an estimated 2017 population of 422,331. Along with its sister city of St. Paul, Minneapolis forms the core for the second largest economic center in the U.S. Midwest after Chicago. The city's broad and diverse economic base benefits from the presence of major employers in the relatively stable healthcare, higher education and state & county government sectors. Minneapolis has a sizable retail and financial presence, being home to Ameriprise Financial, US Bancorp and Target Corporation. Wells Fargo Bank also has a significant presence.

Key Rating Drivers

Revenue Framework: 'aaa'

Revenue growth has kept pace with U.S. GDP. Fitch Ratings expects this will continue given a rising population, low unemployment and a vibrant and diverse local economy. The city's independent legal ability to raise revenues is strong, although Fitch notes that the state has enacted temporary tax levy caps in the past.

Expenditure Framework: 'aa'

Fitch expects spending to grow in line with, to marginally above, the pace of revenue growth. Expenditure flexibility is solid, reflecting carrying costs for long-term liabilities that are slightly elevated at over 20% of governmental spending. The city has room to cut headcount as staffing exceeds the prerecession high point.

Long-Term Liability Burden: 'aa'

Long-term liabilities are low to moderate compared to the economic resource base, which has benefited from steady increases in population and per-capita income levels. The liability level reflects a growing amount of direct and overlapping debt and moderate net pension liabilities that are likely to be more sustainable in the near term as a result of Minnesota's 2018 pension reforms. Amortization of direct debt is rapid.

Rating History (IDR)

Rating	Action	Outlook/ Watch	Date
AA+	Affirmed	Stable	5/8/19
AA+	Affirmed	Stable	10/11/18
AA+	Affirmed	Stable	5/11/18
AA+	Downgraded	Stable	11/8/17
AAA	Affirmed	Stable	6/27/06
AAA	Affirmed	Negative	12/3/02
AAA	Assigned	—	6/18/99

Operating Performance: 'aaa'

Minneapolis' strong revenue-raising ability and satisfactory control over spending undergird its capacity to manage through downturns with only minimal impairment to financial flexibility. Historically low revenue volatility and ample reserve levels add further support to financial resilience. General fund operations have resulted in consistent operating surpluses since 2010.

Rating Sensitivities

Long-term Liability Growth: The rating is sensitive to changes in the city's long-term liability burden driven mainly by recent pension reforms but also debt issuance by the city and overlapping units of government, mainly Hennepin County and the city school district. Evidence that recent statewide pension reforms are improving the long-term sustainability of pension obligations relative to the city's resource base could result in an upgrade.

Enactment of Revenue-Raising Constraints: The rating is sensitive to constraints that the state could place on the city's future revenue-raising ability by implementing new or permanent tax rate and/or levy caps. Such measures could limit the city's budgetary flexibility.

Credit Profile

Minneapolis' economy is extremely diverse. Major employers include entities active in the fields of healthcare, banking, higher education and the retail trade. The city also includes a significant public-sector presence given the nearby presence of the state government. The five largest employers in the city are Allina Health (20,000), the University of Minnesota (20,000), Target Corporation (8,300), the Hennepin County Medical Center (7,100) and Wells Fargo Bank (7,000).

The employment base is strong. Unemployment has historically tracked below the national average and has been far below the U.S. rate in recent years. Approximately 48% of residents hold a bachelor's degree or higher compared to 31% nationally. Like many other large U.S. cities, Minneapolis' poverty rate at 21% is noticeably above the U.S. rate of 15%. Population growth since the last recession has been strong as educated, younger workers have been attracted to diverse employment opportunities in the city, as well as to the city's amenities and cultural attractions and easy commutability. Population has risen by an estimated 10.4% since 2010.

Revenue Framework

The largest general fund revenue sources in 2017 were property taxes (37%), sales & entertainment taxes (17%) and state aid (17%). Other notable revenues include service charges (11%) and licenses & permits (9%). Property taxes have risen markedly (40%) since 2007 but saw only modest growth between 2011 and 2015 as the city focused on keeping the levy flat to provide tax relief to residents. Sales and entertainment taxes have risen at over 4% per annum since 2000.

Fitch estimates the 10-year general fund revenue growth rate through 2017 at approximately 3% per annum after adjusting for accounting changes made in 2014. Fitch believes general fund revenues are likely to expand at close to U.S. GDP given significant residential and commercial construction that is positively affecting assessed values (AV) and permit & fee revenues. Building permit values have exceeded $1.2 billion annually since 2012 and reached an historical peak of $2 billion in 2014. AV growth since 2012 has been exceptional, rising between 9% and 10% per annum from 2014 through 2019. Continued population growth is likely to sustain steady expansion in sales and entertainment taxes. As mentioned above, population has risen by an estimated 10% since 2010.

The city's independent legal authority to increase revenues is essentially unlimited given the absolute authority vested in the mayor and city council to increase the property tax levy, along

Related Research

Fitch Rates Minneapolis, MN's $122MM GO Bonds 'AA+'; Outlook Stable (May 2019)

Related Criteria

U.S. Public Finance Tax-Supported Rating Criteria (April 2018)

with service charges and user fees. These revenue sources account for more than 50% of the general fund budget.

Minnesota has enacted statewide limits to local property tax levies in the past and could potentially do so again in the future. Statewide levy limits have generally been temporary in nature, expiring after one year; however, no guarantee exists saying that the state will not enact limits of a more permanent or comprehensive nature in the future. Minnesota has occasionally enacted multiyear tax levy caps, most recently for fiscal years 2009 to 2011. The longest period of multiyear caps was from 1972 to 1992, at which time all caps were repealed. The limitations enacted have never applied to taxes levied to pay debt service.

Expenditure Framework

The city provides a broad array of services to residents, including police and fire protection, waste removal, water and sewer, public parks and recreation. Public safety was the largest general fund expenditure item at 60% of spending in 2017. General government (16%) and public works (14%) were the next largest categories.

Fitch believes spending demands are likely to grow at a pace approximately equal to, or slightly above, the natural rate of revenue growth. As part of the city's most recent contract negotiations, the city awarded annual salary increases that are well above the rate of inflation for fiscal years 2018 and 2019. Salary growth in this range represents a departure from Minneapolis' recent history, during which time salary increases more closely paced inflation. Recent increases are consistent with regional averages, as neighboring communities have raised salaries at higher rates in order to retain and compete for qualified employees. Employee benefit costs linked to health insurance will also likely grow above the inflation rate, although the city's decision to switch to self-insurance starting in 2018 is projected to result in cost savings over the next two to three fiscal years.

Fitch regards the flexibility of Minneapolis's main expenditure items as solid. The city has elevated combined carrying costs for debt service, actuarially determined pension contributions and other post-employment benefits (OPEB) that have occasionally topped 20% of governmental fund spending in recent years. Debt service has been the main driver of higher carrying costs. Large principal payments scheduled for 2018 through 2020 will result in carrying costs remaining above 20% of governmental spending before debt service drops substantially in 2021 and beyond. Fitch believes expenditure flexibility will remain satisfactory despite the city's moderately elevated fixed costs and large workforce.

Contribution to the statewide pension plans in which the city participates are statutorily determined by the state and are set below levels reported by the plans' actuaries as necessary to achieve full prefunding under systemwide assumptions. The impact of recent reforms reduces, but does not eliminate, the risk of inadequate statutory contributions expanding the liability burden over time. A mitigating factor for the city is that a share of its contributions to each of its three plans, covering general, uniformed and former teaching employees, are for legacy obligations and are fixed through statutorily defined end dates. In the case of general and uniformed employees, these end dates reflect former city plans absorbed into the statewide plans since 2015.

Minneapolis has contracts with 23 bargaining units representing 93% of full-time employees. Public safety makes up 40% of the unionized workforce. Police and firefighters do not have the right to strike under Minnesota law, but most other collective bargaining units do have the right to strike, including clerical, technical and maintenance workers. The current contracts include annual salary increases that are broadly in line with the expected rate of U.S. GDP growth. All units have

access to binding arbitration under Minnesota labor statutes, but arbitrators have to consider economic conditions and their impact on municipal finances as part of any contract settlement.

The workforce reached approximately 4,252 full-time positions in March 2019, equal to 15% growth in full-time head count since bottoming out at 3,650 employees in 2013 following the last recession. Fitch believes a larger workforce provides management with room to trim positions in pursuit of cost savings in the event of an economic downturn or unforeseen costs.

Minneapolis' $1.1 billion five-year capital program is funded with a combination of debt (62%), cash (21%) and state and federal grants (17%). The internal cash resources that will finance 21% of the program are provided largely by the city's enterprise funds. The cash-funded portion of general government projects affords Minneapolis added budgetary flexibility, as management could cut capital spending in a recession to support recurring operations and conserve fund balance.

Long-Term Liability Burden

Minneapolis's long-term liability burden is low-to-moderate compared to the size and affluence of its economic resource base. Fitch calculates the city's net pension liabilities (NPL), as adjusted by Fitch, and overall debt account for 10% of personal income. Fitch-adjusted net pension liabilities account for 41% of the total liability, debts of overlapping governmental entities account for 32% and net direct debt for 27%. Amortization of direct debt is rapid with 74% of principal scheduled to mature within 10 years.

The city's five-year 2019–2023 capital improvement plan (CIP) identifies $1.1 billion of projects, the majority of which (62%) will be debt-financed. The remainder will be funded with a combination of cash (21%) and state and federal grant moneys (17%). New tax-supported debt will be issued in increments of about $47 million per annum, not counting $210 million of GO bonds issued over the next three years to five years to finance a new public service office building that will consolidate six city departments as well as finance a renovation of the city hall.

The city reports proportionate shares of the NPLs for three statewide retirement systems, the General Employees Retirement Fund, Public Employees Police and Fire Fund and Teachers Retirement Association. The reported assets-to-liabilities ratio for all plans in aggregate was 85% as of June 30, 2018, reflecting the 7.5% discount rates used by all three plans. The proportionate shares reported by the city reflect a new allocation methodology implemented in 2017 that more precisely reflects the impact of the legacy obligations noted above. The methodology was approved by the state auditor and led Minneapolis to restate its audits for fiscal years 2016 and 2017.

The city's combined NPL for the three plans was an estimated $521 million in 2018. Using an assumed 6% discount rate under its pension criteria, Fitch calculates an adjusted NPL of $1.06 billion for 2018. When the city's $1.5 billion of direct and overlapping debts are added to the Fitch-adjusted NPL, Fitch calculates a long-term liability metric for the city equal to 10% of resident income. The Fitch-calculated metric straddles the 'aaa' and 'aa' assessment categories. Fitch finds it conceivable that growth in the city's population, economic base and resident income levels, coupled with the pension plan reforms enacted by the state of Minnesota in May 2018, could reduce the liability over the near term compared to the economic resource base in the absence of significant additional bonding by the city and its overlapping municipalities.

Minnesota's 2018 Omnibus Pension and Retirement Bill was signed into law on May 30, 2018. The bill's provisions aim at stabilizing the state's major plans. Reforms vary by plan and include reducing cost of living adjustments for current employees and raising both employer and employee contributions. The state and its municipalities will contribute $2.1 billion in additional

funds over the next 30 years. The savings to be generated by the reforms over a 30-year time horizon were estimated at $3.4 billion, which are reflected in the current round of audited financial statements (FY18) published by the plans. Because the bill did not mandate the full funding of actuarially determined contributions for all plans, unfunded liabilities could continue to rise over the long term if investment assumptions are not consistently achieved.

Operating Performance

Fitch believes that the city is well-positioned to face the challenges associated with a moderate economic downturn. For details, see Scenario Analysis, page 6.

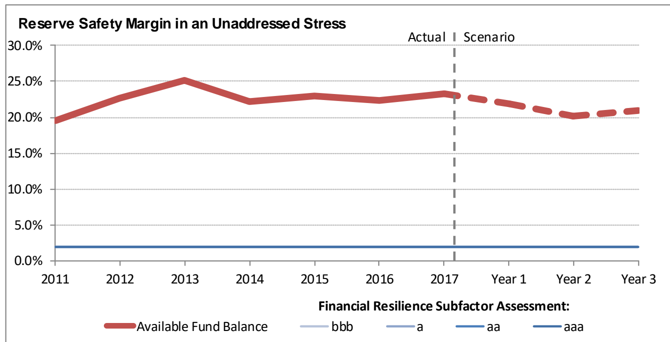
The city has a solid track record of conservative budgeting and cautious revenue estimates. After achieving a $9.6 million operating surplus after transfers in 2017, available general fund balance equaled $116 million, or 23% of spending. Higher than budgeted sales taxes and license and permit fees drove the surplus, as did below-budget police overtime and economic development costs.

The 2018 budget was balanced with a 5.5% property tax levy increase and included the planned use of $17.3 million of general fund balance with $5 million as a contingency and the remainder spent on one-time uses such as equipment purchases and the city's "Road and Parks" capital program. Management reports that the city used approximately $13 million of general fund reserves in 2018, in line with a policy decision to spend a portion of the city's cash balances on capital, social services and affordable housing. The general fund thereby closed 2018 with approximately $104 million in available reserves, equal to 21% of spending and transfers out. The 2019 budget includes a 5.7% tax levy increase across all funds, including 6.3% for the general fund, and the use of $5 million of fund balance as a contingency.

The city is guided by a policy of keeping general fund reserves at minimum of 17% of current year spending and transfers out. It kept reserves above this policy floor during the last recession and during the present economic expansion. Fitch estimates that the city could carry much lower general fund reserves and still fall within Fitch's 'aaa' financial resilience assessment through a moderate recession scenario given its history of low revenue volatility.

Minneapolis (MN)

Scenario Analysis



Analyst Interpretation of Scenario Results:

Fitch believes that the city is well-positioned to face the challenges associated with a moderate economic downturn. Fitch calculates a low level of estimated revenue volatility within the city's general fund based on historical data, using the Fitch Analytical Sensitivity Tool (FAST), which shows that a 1% decline in US GDP would lead to a FAST-generated general fund revenue decline of 1%. In Fitch's view, the city's broad revenue-raising flexibility and adequate spending controls would allow the administration to quickly close the resulting budget gap, likely with minimal-to-no use of fiscal reserves to bridge the shortfall.

Scenario Parameters:	Year 1	Year 2	Year 3
GDP Assumption (% Change)	(1.0%)	0.5%	2.0%
Expenditure Assumption (% Change)	2.0%	2.0%	2.0%
Revenue Output (% Change)	(1.0%)	1.9%	4.3%
Inherent Budget Flexibility		Superior	

Revenues, Expenditures, and Fund Balance	Actuals							Scenario Output		
	2011	2012	2013	2014	2015	2016	2017	Year 1	Year 2	Year 3
Total Revenues	352,596	384,195	382,543	464,007	455,883	472,676	493,619	488,683	497,983	519,312
% Change in Revenues	-	9.0%	(0.4%)	21.3%	(1.8%)	3.7%	4.4%	(1.0%)	1.9%	4.3%
Total Expenditures	330,958	338,706	354,182	386,216	397,090	419,037	437,130	445,872	454,790	463,885
% Change in Expenditures	-	2.3%	4.6%	9.0%	2.8%	5.5%	4.3%	2.0%	2.0%	2.0%
Transfers In and Other Sources	30,000	10,268	13,868	2,323	4,258	4,029	12,499	12,374	12,609	13,149
Transfers Out and Other Uses	40,629	41,658	30,616	74,645	59,499	56,162	59,388	60,576	61,787	63,023
Net Transfers	(10,629)	(31,390)	(16,748)	(72,322)	(55,241)	(52,133)	(46,889)	(48,202)	(49,178)	(49,874)
Bond Proceeds and Other One-Time Uses	-	-	-	-	-	-	-	-	-	-
Net Operating Surplus(+)/Deficit(-) After Transfers	11,009	14,099	11,613	5,469	3,552	1,506	9,600	(5,391)	(5,985)	5,552
Net Operating Surplus(+)/Deficit(-) (% of Expend. and Transfers Out)	3.0%	3.7%	3.0%	1.2%	0.8%	0.3%	1.9%	(1.1%)	(1.2%)	1.1%
Unrestricted/Unreserved Fund Balance (General Fund)	72,335	86,298	96,970	102,439	104,740	106,236	115,835	110,444	104,459	110,011
Other Available Funds (GF + Non-GF)	-	-	-	-	-	-	-	-	-	-
Combined Available Funds Balance (GF + Other Available Funds)	72,335	86,298	96,970	102,439	104,740	106,236	115,835	110,444	104,459	110,011
Combined Available Fund Bal. (% of Expend. and Transfers Out)	19.5%	22.7%	25.2%	22.2%	22.9%	22.4%	23.3%	21.8%	20.2%	20.9%

Reserve Safety Margins	Inherent Budget Flexibility				
	Minimal	Limited	Midrange	High	Superior
Reserve Safety Margin (aaa)	16.0%	8.0%	5.0%	3.0%	2.0%
Reserve Safety Margin (aa)	12.0%	6.0%	4.0%	2.5%	2.0%
Reserve Safety Margin (a)	8.0%	4.0%	2.5%	2.0%	2.0%
Reserve Safety Margin (bbb)	3.0%	2.0%	2.0%	2.0%	2.0%

Notes: Scenario analysis represents an unaddressed stress on issuer finances. Fitch's downturn scenario assumes a -1.0% GDP decline in the first year, followed by 0.5% and 2.0% GDP growth in Years 2 and 3, respectively. Expenditures are assumed to grow at a 2.0% rate of inflation. Inherent budget flexibility is the analyst's assessment of the issuer's ability to deal with fiscal stress through tax and spending policy choices, and determines the multiples used to calculate the reserve safety margin. For further details, please see Fitch's US Tax-Supported Rating Criteria.

The ratings above were solicited and assigned or maintained at the request of the rated entity/Issuer or a related third party. Any exceptions follow below.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS. IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2019 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.