

## Consumer &amp; Retail

## Consumer quiet, rates climb

## Industry Overview

## Consumer tightens -3bps w/w

Rates took the focus last week, as news was relatively quiet in Consumer & Retail. The Fed held rates at the September meeting in line with expectations. The BofA Global Research US Economics team continues to expect one additional +25bps hike in November but thinks that it could be a close call. The **ICE BofA IG Corp Bond Index** tightened -2bps w/w, producing total returns of -0.32%. Non-Cyclicals and Cyclicals spreads outperformed -3bps with returns of -0.30% and -0.37%, respectively. New issuance was \$16.65bn last week, with estimates for \$20bn this week front loaded.

In **Packaged Food (-3bps)**, General Mills reported 1Q results slightly ahead of our estimate but remains tentative on the Pet segment outlook given emerging trade-down activist and weakness in wet foods/treats. We maintain our estimates at the low end of reaffirmed FY24 guidance and are wary of M&A ambitions with leverage near 3x offering inorganic capacity. In **Beverages (-5bps)**, attention was on AB InBev's capital markets day, where management outlined growth initiatives tied to its global megabrands, occasion and premiumization expansion, leaning into "beyond beer" and digitalization (BEES and DTC platforms). FY23 guidance was reaffirmed as expected, and during Q&A, management reinforced that deleveraging should come from both debt reduction and EBITDA growth. There was no material update on the U.S. or Bud Light, which in the latest scanner data remains -30%, consistent with July/August performance. Spreads continue to grind tighter and flatter, consistent with overall market themes. In **Consumer Products (-2bps)**, Clorox commented that the cybersecurity attack that the company disclosed last month has resulted in a lower rate of order processing/elevated consumer product availability issues and will have a material (not quantified) impact on 1Q results. S&P downgraded S.C. Johnson from A to A-/Stable outlook on weaker margins and scale relative to peers, with volumes expected to remain pressured in FY24. In **Tobacco (-6bps)**, the WSJ reported that Philip Morris International is exploring selling a stake in its pharmaceutical unit following its underperformance (Philip Morris has not confirmed the report). Three pharmaceutical companies were acquired for over \$2bn in 2021 (Fertin Pharma, OtiTopic, and Vectura Group), but execution and development have been challenging.

In **Retail (-3bps)**, Moody's revised its outlook on VF Corp from Baa2/Stable to Negative on the elevated leverage level and the risk that it will be sustained without significant operating improvement at Vans and given the recent adverse tax ruling. AutoZone reported 4Q results and highlighted weakness in the Commercial/Pro segment, in part related to weather. Management called out that the company plans to reach its long-term leverage target of 2.5x during FY24 (versus 2.3x in 4Q) and revealed plans for accelerated global store expansion. Following S&P's surprise downgrade of Advance Auto Parts, see our [deep-dive report](#) on topical investor questions. In **Food Retail (-1bp)**, S&P upgraded Alimentation Couche-Tard from BBB to BBB+/Stable outlook. In **Restaurants (-3bps)**, Darden Restaurants' 1Q results were ahead of expectations due to core brand strength and productivity despite continued Fine Dining segment softness. Management called out that it is seeing some softening in spend from households with income > \$125k. FY24 guidance was reaffirmed in line with expectations.

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High Grade Credit  
United States  
Retailing & Consumer

**Brian Callen, CFA**  
Research Analyst  
BofAS  
+1 646 855 8987  
[brian.callen@bofa.com](mailto:brian.callen@bofa.com)

**Divya Kumaresan**  
Research Analyst  
BofAS  
+1 646 855 6636  
[divya.kumaresan@bofa.com](mailto:divya.kumaresan@bofa.com)

## Exhibit 1: Market week ended 9/22/23

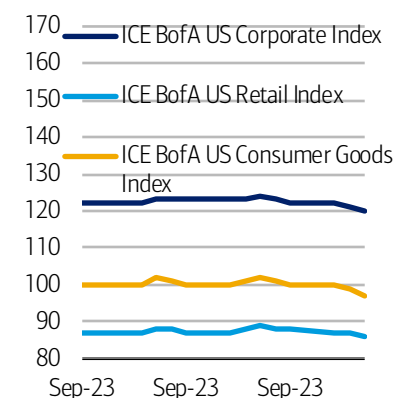
Last week's market performance

Market	Value	WoW
IG ICE BofA Index	120	(2)
IG ICE BofA Index (yld)	5.93	+7
HY ICE BofA Index	463	+14
HY ICE BofA Index (yld)	8.77	+20
CDX IG 5yr	73	+10
CDX HY 5yr	445	+21
Consumer Cyclicals	85	(3)
Consumer Non-Cyclicals	97	(3)
5yr Treasury (yld)	4.56	+10
10yr Treasury (yld)	4.43	+10
30yr Treasury (yld)	4.52	+11
S&P 500 (index)	4,320	-2.9%

Source: ICE Data Indices, LLC, Bloomberg  
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## Exhibit 2: Consumer/Retail Spreads

1mo spreads range-bound



Source: ICE Data Indices, LLC, Bloomberg  
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DTC: direct to consumer

WSJ: Wall Street Journal

**Exhibit 3: Notable Weekly Movers**

Retail names widened the most last week

Active Cash Trading				Active CDS		
Issuer	Chg (G- spread)	Issuer	Chg (G- spread)	Entity	5y	Chg
KSS 5.550% 7/17/2045	+42	MO 3.700% 2/4/2051	-18	Kohl's	703	122
KSS 4.625% 5/1/2031	+37	BATSLN 3.984% 9/25/2050	-13	Best Buy	94	9
VFC 2.950% 4/23/2030	+19	TPR 4.125% 7/15/2027	-13	Lowe's Cos	46	5
JWN 5.000% 1/15/2044	+11	MDLZ 2.250% 9/19/2024	-12	Kroger	69	5
DG 3.500% 4/3/2030	+10	AAP 3.900% 4/15/2030	-11	AutoZone	46	4

Source: ICE Data Indices, LLC, Bloomberg. Chg = change. 5y = 5-year.

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**Exhibit 4: Upcoming Consumer/Retail Events Calendar**

2-week calendar of events, subject to change

September 2023				
Mon, Sep-25	Tue, Sep-26	Wed, Sep-27	Thu, Sep-28	Fri, Sep-29
	COST 4Q23 earnings		PM investor day NIKE 1Q24 earnings	
Mon, Oct-02	Tue, Oct-03	Wed, Oct-04	Thu, Oct-05	Fri, Oct-06
	MKC 3Q23 earnings TAP investor day		STZ 2Q24 earnings CAG 1Q24 earnings	

Source: Company filings, Bloomberg

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**Notable Consumer & Retail credit news****Retail**

**Mastercard SpendingPulse** estimates that US holiday sales (ex-autos) will increase +3.7% y/y, with in-store growth of +2.9% and e-commerce growth of +6.7%. The 2023 holiday shopping season is expected to see more rebalancing across categories, channels, and sectors, in alignment with macro trends (versus the 2022 holiday season). Shoppers are expected to be increasingly selective and value-focused amid tightening budgets.

- Sector estimates (y/y): Electronics +6.0%, Restaurants +5.4%, Grocery +3.9%, Apparel +1.0%, Jewelry -0.3%,
- Mastercard SpendingPulse measures retail sales across all forms of payment and is not adjusted for inflation. The holiday season is defined as of November 1-December 24.

**AutoZone (AZO, Baa1/BBB/BBB)** 4Q23 domestic comps slightly missed our estimates (+1.7% versus our +2.4% estimate) on softness in the Commercial/Pro segment (connected to cool and wet weather and an unspecified myriad of issues), but overall top-line outperformance was helped by strong international execution. Management noted that both DIY and Pro trends improved in the 2H of the quarter as execution improved. Adj EBITDA growth and margins beat our estimates on strong gross margin expansion benefitting from a non-cash LIFO benefit. Management commented that the company expects to return to its long-term leverage target of 2.5x during FY24 and unveiled plans for accelerated global store expansion (anticipating opening 500 total stores by FY28), implying organic expansion of +3-3.5%.

**Exhibit 5: AutoZone 4Q23**

## AZO financial summary

	4Q23	BofA est.	Consensus
Revenue	+6.4%	+5.0%	+5.0%
Comps store sales	+1.7%	+2.4%	+2.3%
Adj. EBITDA	+11.1%	+6.2%	+6.7%
Adj. EBITDA margin	24.3%	23.5%	23.6%
Adj. EPS	\$46.46	\$45.30	\$44.80

	4Q23	BofA est.	Q/Q
Debt	\$10,395	\$10,535	\$349
Gross leverage	2.3x	2.4x	Flat
Net leverage	2.3x	2.3x	Flat

Source: BofA Global Research, Company filings, Visible Alpha

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**Revenue-related commentary**

- Domestic comps +1.7% y/y missed our +2.4% estimate, with Retail (DIY) performance in line (+1.4%) but Commercial (Pro, +3.9%) below expectations (30% of mix). International comps +14.9% y/y (excluding FX) led to new total company comps +2.8% y/y (excluding FX).
- Retail comps were flat in first 8 weeks before increasing +3.4% in 2H of the quarter; Commercial was strongest in the last 4 weeks of the quarter (> +7%) as the company begin to lap inventory and staffing comparisons (especially at competitors).
- It is seeing commercial customers trading down and lower car counts being serviced.
- There was a material gap in performance between the Northeast + Midwest and rest of the country from the lack of winter weather/snowfall, seen in hard parts underperformance (flat).
- Inflation is expected to be up by a low-single-digit (LSD) to mid-single-digit (MSD) % in 2024, offset by pricing and a slight traffic decline. Overall, DIY is expected to be resilient and Commercial to improve in 1Q24.

**Profit & margin-related commentary**

- Adj. EBITDA margins expanded +103bps (versus our +27bps estimate). Gross margin expanded +119bps (versus our +45bps estimate), primarily due to a non-cash LIFO benefit and higher merchandise margins; gross margin (GM) excluding LIFO expanded +37bps. SG&A deleveraged +34bps versus our +20bps estimate on intentional investment in IT and payroll.
- Inventory increased +2.2% y/y, driven by new store growth.

**Capital allocation**

- The company remains committed to a long-term leverage target of 2.5x and expects to return to target in FY24.
- It is planning for more global store operations and aspires opening as many as +500 stores by FY28 (300 in the US and 200 internationally); FY24 store openings should remain around +200 stores.
- It repurchased \$1bn of shares in the quarter.

**No FY24 guidance, as usual**

## Restaurants

**Darden Restaurants (DRI, Baa2/BBB/BBB)** 1Q24 results were ahead of expectations despite continued softness in the Fine Dining segment, with notable sales strength from Olive Garden and LongHorn (helped by pricing +6%). The company called out that it is seeing some signs of softening spend from households with income > \$125k and some selectiveness with check mix, including lower alcohol attachment (i.e., fine wines). Restaurant EBITDA and margins were ahead on productivity improvements and cost benefits—commodities inflation was better than expected during the quarter. Adj leverage increased +0.4x q/q to 3.4x as the company utilized a \$600mn 3-year term loan for the acquisition of Ruth's Hospitality. FY24 guidance was reaffirmed, in line with expectations despite estimates toward the high end.

### Exhibit 6: Darden Restaurants 1Q24

DRI financial summary

	1Q24	Consensus
Revenue	+11.6%	+10.7%
Same-restaurant sales	+5.0%	+3.9%
EBITDA	+14.0%	+12.3%
EBITDA margin	14.2%	14.0%
Adj EPS	\$1.78	\$1.76

	1Q24	Q/Q
Adj. Debt	\$6,819	\$898
Gross leverage	3.4x	+0.4x
Net leverage	3.3x	+0.5x

Source: Company filings, Visible Alpha

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### Revenue-related commentary

- Same-restaurant sales (SSS) +5.0% versus +3.9% estimate: (a) Olive Garden (OG) +6.1% versus +4.8% estimate; (b) LongHorn Steakhouse (LHS) +8.1% versus +6.0% estimate; (c) Fine Dining -2.8% versus -1.7% estimate; and (d) Other banners +1.7% versus +1.9% estimate.
- Industry-wide restaurant sales increased +0.9%, while guest counts decreased -4.2%.
- Consumer is resilient but more selective, seeing some softness from household incomes > \$125k. which is primarily affecting fine dining brands.
- Fine dining sales were negative at both Capital Grille and Eddie V's; the segment is lapping resurgence of demand a year ago.
- Traffic levels were ~80% versus pre COVID, but sales have recovered.
- Traffic was better than expected at OG, LH but saw some pullback in alcohol sales and negative entrée mix. It is seeing strength in the Northeast, some softness in CA/TX/FL.
- The company continues to see consumers below 35 years old spending more than pre-COVID but down y/y versus 55+ and 65+ cohorts spending below pre-COVID.
- Total inflation in the quarter was ~+3% (commodities inflation +1%), with pricing ~+6%.

### Profit & margin-related commentary

- EBITDA margins beat slightly at 14.2%. Restaurant-level EBITDA margins (19.0%, +170bps y/y) were driven by productivity improvements and favorable restaurant

expenses. Overall SG&A leverage (+218bps) was up on higher incentive compensation.

- Beef inflation is tracking in line, but most other categories are tracking better than expected, and total commodities inflation is 1% better than expectations.

### Capital allocation

- The company is now expecting \$35mn in annualized run-rate synergies from the Ruth's acquisition (previously expected \$20mn); it expects \$12mn in synergies in FY24.
- It drew \$600mn on a 3-year delayed draw term loan (estimated 6.45% interest rate).

### FY24 Guidance reaffirmed

- FY24: (a) Sales \$11.5-11.6bn versus \$11.6bn estimate; (b) SSS +2.5-3.5% versus +2.9% estimate; (c) inflation +3-4% (commodities inflation ~2.5%); (d) effective tax rate 12-12.5%; (e) adj EPS (ex Ruth integration) \$8.55-\$8.85 versus \$8.83 estimate; and (f) capex \$550-600mn for ~50 new openings.
- The company expects pricing +3.5-4% FY; +5% 2Q, +3% 3Q, +2% 4Q.
- G&A was higher than expected during 1Q; it expects full year (FY) closer to \$440mn.
- Commodity outlook for 2Q-3Q is Beef +low double digits (LDD) %, Produce +mid-single digits (MSD) %, Seafood -MSD %, Dairy/Oil - low single digits (LSD) %, Chicken -LSD %, Wheat +LSD %, Non-perishable -LSD %.
- Hedging: 55% covered through 3Q.

### Packaged Food

**General Mills (GIS, Baa2/BBB/--)** 1Q24 results were slightly ahead of our estimates driven by less volume declines (despite rising elasticities) and NA Retail (NAR) and Foodservice outperformance (+4%). GIS continues to expect NAR segment volume trends to improve over the year on both moderating pricing and improved execution but sounded cautious on Pet given softening premiumization trends, and weakness in wet food and treats. EBITDA was also ahead of our estimate, helped by expense leverage from a stronger top line, while gross margins (in line) benefit from positive price/mix. Management reiterated that leverage is in a comfortable position to look at portfolio shaping but emphasized that M&A will not be driven by volume contraction. FY24 guidance was reaffirmed, in line with recent conference commentary (our estimates are at the low end).

#### Exhibit 7: General Mills 1Q24

GIS financial summary

	1Q24	BofA est.	Consensus
Revenue	+4.0%	+1.4%	+3.2%
Organic sales	+4.0%	+2.7%	+4.0%
Adj. EBITDA	+1.6%	-1.6%	-0.2%
Adj. EBITDA margin	21.5%	21.3%	20.9%
Adj. EPS	\$1.09	\$1.06	\$1.07

	1Q24	BofA est.	Q/Q
Debt	\$12,282	\$11,702	\$576
Gross leverage	3.1x	3.0x	+0.1x
Net leverage	3.0x	2.8x	+0.1x

Source: BofA Global Research, Company filings, Visible Alpha

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### Revenue-related commentary

- Organic sales +4.0% y/y (versus our +2.7% estimate) comprised of -2% volume (versus our -4.8% estimate) and +7% price/mix (versus our +7.5% estimate).
- NA Retail (NAR): Organic sales +4% (-4% volume and +8% price/mix); the company expects volume trends to improve over the year as pricing moderates, distribution is stronger, and additional capacity is unlocked.
- Pet: flat (-5% volume and +5% price/mix); the company saw a shift towards value-oriented products/channels and smaller pack sizes; it is seeing incremental headwinds for treats and wet food segments due to consumer mobility increasing and expects headwinds to remain through FY24.
- North America Foodservice: +4% (+4% volume & flat price/mix).
- International: +9% (-5% volume & +13% price/mix).
- Elasticities have increased y/y against carryover SRM pricing from last year.
- Share loss in NAR was expected given the faster SRM pricing that GIS took and better on-shelf availability than peers last year but also good club, discount, and dollar store growth.
- It is not expecting traditional grocery to return to deep discounting (promotions are still running -5% below FY19 levels).

### Profit & margin-related commentary

- Adj. EBITDA margins declined -51bps (versus our -65bps estimate). Adj. gross margins increased +52bps, in line with our +55bps estimate, driven by positive price/mix, partially offset by the continued impact from inflation. SG&A deleveraged +85bps (versus our +130bps estimate) due to top-line benefit, while y/y \$ growth was in line.
- Supply chain disruptions were in line with pre-COVID levels; service levels are now in the mid-90% area.
- It is currently 65% hedged across all four segments and inputs.

### Capital allocation

- The company reiterated comment on net leverage comfortably <3x target, with “ample capacity to further reshape portfolio with growth and value-accretive acquisitions.”
- M&A objectives have not changed; it is not looking at acquisitions because volumes are down.
- After M&A, it will target returning cash to shareholders and expects to reduce shares outstanding by 2% in FY24.

### FY24 Guidance reaffirmed

- FY24 outlook: (a) Organic sales +3-4% versus our +2.6% estimate; (b) adj. operating profit (excluding FX) +4-6% y/y versus our +4.4% estimate; (c) adj. EPS +4-6% (excluding FX) versus our +4% estimate; and (d) FCF conversion ≥95% of adj. after-tax earnings.
- Capex was ~4% of sales; HMM cost savings 4% (COGS).
- It continues to expect cost inflation +5%, driven primarily by labor (sourcing, manufacturing, and logistics costs).

## Beverages

**Keurig Dr. Pepper (KDP, Baa1/BBB/--)** announced the appointment of Tim Cofer as COO and eventual CEO. Cofer will join KDP on November 6 and will transition into the CEO role in 2Q24. He currently serves as CEO of Central Garden & Pet Company and prior to that role spent 25 years with Mondelez International and legacy Kraft Foods. Current KDP Chairman & CEO Bob Gamgort will guide the transition and then serve in the Executive Chairman role.

## Tobacco

According to the WSJ, **Philip Morris International (PM, A2/A-/A)** is reportedly considering selling a stake in its pharmaceutical unit (Philip Morris has not confirmed the report). In 2021, PM agreed to acquire three pharmaceutical companies for over \$2bn (Fertin Pharma, OtiTopic, and Vectura Group); PM acquired inhaled-medication company Vectura Group for \$1.24bn in 2021, but the WSJ reports that, according to sources, it has struggled with the lengthy development time for its products. PM has also reportedly held discussions with a bank on a range of options for growing its health & wellness segment. According to the WSJ, the company could look for a partner to help operate and grow Vectura's drug manufacturing outsourcing business via a minority or majority stake, licensing or royalties deal, or a commercial partnership.

## Recent New Issuance

There was no USD issuance in Consumer & Retail last week.

## BofA Current Recommendations

### Exhibit 8: Cash & CDS ratings

BofA cash & CDS ratings

Name	Ticker	Cash			CDS		
		Overweight	Marketweight	Underweight	Buy Protection	Neutral	Sell Protection
O'Reilly Automotive	ORLY	✓					
The Home Depot	HD		✓			✓	
Advance Auto Parts	AAP	✓					
McCormick & Co	MKC	✓					
Campbell Soup Co.	CPB	✓				✓	
Sysco Corp.	SYU	✓					
Keurig Dr. Pepper	KDP	✓					
Kohl's	KSS		✓		✓		
Lowe's	LOW	✓				✓	
Tyson Foods	TSN		✓			✓	
Conagra Brands	CAG		✓			✓	
Kellogg	K		✓				
Kraft Heinz	KHC	✓					✓
General Mills Inc.	GIS		✓			✓	
AutoZone	AZO		✓			✓	
Kroger	KR		✓				✓
Nordstrom	JWN		✓				✓
Dollar General Corp.	DG		✓				
Mondelez International	MDLZ		✓				✓
Mondelez Int'l Holdings Netherlands	MDLZ		✓				
J.M. Smucker	SJM		✓				
The Coca-Cola Company	KO		✓				
PepsiCo	PEP		✓				
The Hershey Co.	HSY		✓			✓	

Source: BofA Global Research;

Notes (\*): Underweight K long-end

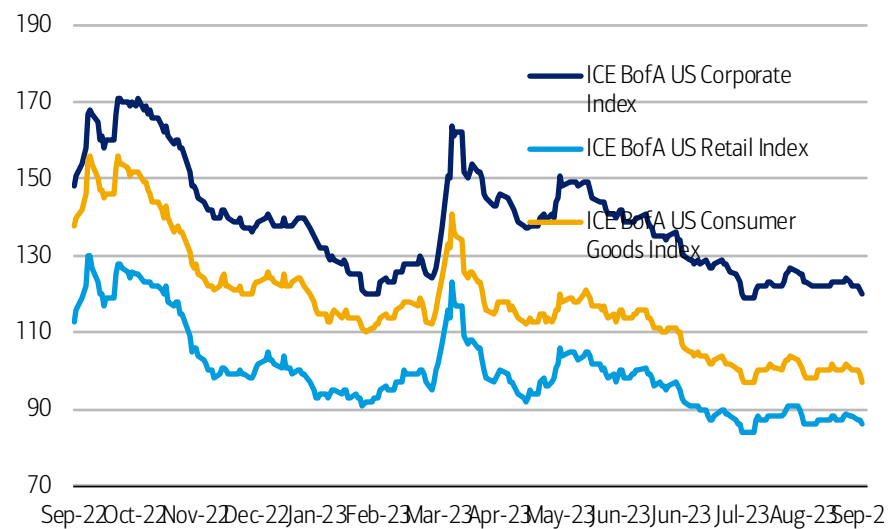
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# Market Snapshot

## Exhibit 9: BofA HG Index vs. Consumer/Retail Sectors

Consumer/Retail 1-year spread performance tightens after rate volatility, inflation pressure



Source: ICE Data indices, LLC

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**Exhibit 10: ICE Data Indices Investment Grade Index**

Benchmark spread and credit metrics by issuer

	Num of Issues	% of Index	Spreads (OAS)					Price	YTW	Modified Duration	Average Rating	Total Returns					Excess Returns				
			OAS	1 week	MTD	QTD	YTD					1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
<b>US Corporate Index</b>	10,077	100.0%	120 bps	-2 bps	-2 bps	-10 bps	-18 bps	\$88.3	5.93%	6.6	A3	-0.32%	-1.45%	-1.70%	1.48%	2.87%	24 bps	35 bps	124 bps	293 bps	455 bps
<b>Rating Categories</b>																					
AAA US Corporate Index	113	1.1%	45 bps	-2 bps	-2 bps	-6 bps	-13 bps	\$83.3	5.15%	9.2	AAA	-0.46%	-2.20%	-3.69%	-0.24%	-0.19%	38 bps	49 bps	124 bps	275 bps	401 bps
AA US Corporate Index	789	8.2%	63 bps	-2 bps	-2 bps	-8 bps	-14 bps	\$86.8	5.37%	7.2	AA3	-0.38%	-1.64%	-2.35%	0.49%	1.05%	26 bps	39 bps	115 bps	234 bps	350 bps
Single-A US Corporate Index	4,056	43.2%	102 bps	-2 bps	-1 bps	-8 bps	-12 bps	\$88.7	5.77%	6.5	A2	-0.37%	-1.53%	-1.87%	0.96%	2.07%	19 bps	26 bps	103 bps	242 bps	372 bps
BBB US Corporate Index	5,119	47.5%	148 bps	-3 bps	-3 bps	-13 bps	-24 bps	\$88.2	6.19%	6.5	BBB2	-0.27%	-1.34%	-1.39%	2.14%	3.96%	29 bps	43 bps	144 bps	349 bps	547 bps
<b>Maturity</b>																					
1-3 Year US Corporate Index	2,051	23.2%	84 bps	-1 bps	2 bps	-2 bps	-4 bps	\$95.4	5.98%	1.8	A3	0.02%	-0.11%	0.87%	2.46%	3.42%	4 bps	-1 bps	25 bps	82 bps	112 bps
3-5 Year US Corporate Index	1,768	18.7%	109 bps	-1 bps	0 bps	-3 bps	-11 bps	\$93.1	5.85%	3.5	A3	-0.18%	-0.74%	-0.01%	2.06%	3.52%	3 bps	2 bps	41 bps	179 bps	251 bps
5-7 Year US Corporate Index	1,197	12.3%	126 bps	-2 bps	-1 bps	-8 bps	-22 bps	\$89.2	5.81%	5.2	A3	-0.32%	-1.27%	-0.96%	1.70%	3.53%	10 bps	13 bps	70 bps	247 bps	355 bps
7-10 Year US Corporate Index	1,463	14.9%	151 bps	-3 bps	-2 bps	-12 bps	-21 bps	\$87.0	5.97%	6.8	A3	-0.45%	-1.80%	-2.01%	1.48%	3.45%	17 bps	15 bps	104 bps	322 bps	502 bps
10-15 Year US Corporate Index	544	5.0%	149 bps	-5 bps	-6 bps	-21 bps	-29 bps	\$95.4	5.99%	8.7	A3	-0.39%	-2.02%	-2.46%	1.36%	4.04%	44 bps	50 bps	207 bps	410 bps	719 bps
15+ Year US Corporate Index	3,054	26.0%	133 bps	-5 bps	-8 bps	-19 bps	-27 bps	\$79.1	5.96%	13.2	A3	-0.64%	-2.91%	-5.07%	-0.21%	0.71%	65 bps	107 bps	274 bps	500 bps	799 bps
<b>Industry</b>																					
<b>US Corporate Index</b>																					
<b>Industrials</b>	5,997	58.8%	112 bps	-3 bps	-3 bps	-10 bps	-21 bps	\$87.5	5.81%	7.3	A3	-0.34%	-1.60%	-2.16%	1.35%	2.83%	30 bps	45 bps	132 bps	322 bps	512 bps
<b>Consumer Cyclical</b>	357	3.7%	85 bps	-3 bps	-2 bps	-7 bps	-14 bps	\$86.7	5.54%	7.6	A2	-0.37%	-1.80%	-2.57%	0.48%	1.71%	30 bps	35 bps	111 bps	252 bps	429 bps
US Corp Retail	265	2.9%	80 bps	-3 bps	-2 bps	-7 bps	-14 bps	\$86.6	5.48%	7.6	A2	-0.37%	-1.79%	-2.56%	0.45%	1.62%	30 bps	35 bps	111 bps	250 bps	423 bps
US Corp Food & Drug Retail	45	0.3%	138 bps	-1 bps	1 bps	-1 bps	-3 bps	\$84.4	6.10%	7.3	BBB2	-0.47%	-1.92%	-2.58%	0.32%	1.51%	17 bps	12 bps	89 bps	209 bps	363 bps
US Corp Restaurants	47	0.4%	82 bps	-3 bps	-3 bps	-9 bps	-18 bps	\$88.8	5.51%	7.9	BBB1	-0.29%	-1.77%	-2.63%	0.74%	2.44%	41 bps	49 bps	126 bps	290 bps	513 bps
<b>Consumer Non-Cyclical</b>	585	5.5%	97 bps	-3 bps	-3 bps	-9 bps	-26 bps	\$88.6	5.66%	7.3	A3	-0.30%	-1.61%	-2.08%	1.63%	3.57%	34 bps	42 bps	132 bps	344 bps	574 bps
US Corp Beverage	165	1.8%	77 bps	-5 bps	-4 bps	-9 bps	-29 bps	\$88.6	5.45%	8.4	A3	-0.34%	-1.89%	-2.98%	1.25%	3.19%	43 bps	53 bps	131 bps	380 bps	644 bps
US Corp Food Wholesale	225	1.8%	99 bps	-3 bps	-2 bps	-9 bps	-22 bps	\$88.1	5.68%	6.9	BBB1	-0.38%	-1.67%	-2.02%	1.05%	2.32%	22 bps	23 bps	109 bps	262 bps	418 bps
US Corp Tobacco	78	1.0%	145 bps	-6 bps	-7 bps	-12 bps	-38 bps	\$88.8	6.16%	6.8	BBB1	0.00%	-1.06%	-0.83%	3.53%	7.51%	59 bps	79 bps	208 bps	488 bps	902 bps
US Corp Consumer Products	117	0.8%	74 bps	-2 bps	0 bps	-12 bps	-22 bps	\$89.4	5.43%	6.3	A2	-0.40%	-1.56%	-1.73%	1.39%	2.63%	13 bps	15 bps	91 bps	264 bps	392 bps

Source: BofA Global Research, Bloomberg

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**Exhibit 11: Recent Sector New Issuance**

Consumer/Retail new issuance tracker in reverse chronological order

Issue Date	Ticker	Issuer	Rating (Moody's/S&P)	Size	Coupon	Maturity	New Issue Spread
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2028	57
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2030	67
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2033	77
09/05/2023	UNANA	UNILEVER CAPITAL CORP	A1/A+	\$700	4.875%	09/08/2028	55
09/05/2023	UNANA	UNILEVER CAPITAL CORP	A1/A+	\$800	5.000%	12/08/2033	85
09/05/2023	JBSSBZ	JBS USA	Baa3/BBB-	\$1,600	6.750%	03/15/2034	250
09/05/2023	JBSSBZ	JBS USA	Baa3/BBB-	\$900	7.250%	11/15/2053	290
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$650	5.250%	09/07/2028	105
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$700	5.500%	09/07/2030	135
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,000	5.625%	09/07/2033	160
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$600	4.800%	08/14/2028	68
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$600	4.950%	08/14/2033	98
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$800	5.450%	08/14/2053	128
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	5.931%	02/02/2029	175
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	6.343%	08/02/2030	225
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,250	6.421%	08/02/2033	245
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$750	7.079%	08/02/2043	285
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	7.081%	08/02/2053	305
07/18/2023	AZO	AUTOZONE	Baa1/BBB	\$450	5.050%	07/15/2026	75
07/18/2023	AZO	AUTOZONE	Baa1/BBB	\$300	5.200%	08/01/2033	143
07/17/2023	CAG	CONAGRA BRANDS	Baa3/BBB-	\$500	5.300%	10/01/2026	100
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.250%	01/15/2029	140
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$700	5.400%	06/15/2033	175
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.900%	06/15/2043	190
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$500	5.200%	07/05/2028	137
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$1,000	5.450%	07/05/2033	177
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.375%	05/15/2028	90
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.650%	05/15/2033	115
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$600	5.150%	05/15/2053	135
05/01/2023	HSY	HERSHEY	A1/A	\$350	4.250%	05/04/2028	67
05/01/2023	HSY	HERSHEY	A1/A	\$400	4.500%	05/04/2033	97
05/01/2023	TSCO	TRACTOR SUPPLY	Baa1/BBB	\$750	5.250%	05/15/2033	175
04/27/2023	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$750	4.900%	05/01/2033	147
04/17/2023	MARS	MARS	A1/A	\$1000	4.550%	04/20/2028	87
04/17/2023	MARS	MARS	A1/A	\$500	4.650%	04/20/2031	105
04/17/2023	MARS	MARS	A1/A	\$1000	4.750%	04/20/2033	117
04/17/2023	CARGIL	CARGILL	A2/A	\$600	4.500%	06/24/2026	65
04/17/2023	CARGIL	CARGILL	A2/A	\$500	4.750%	04/24/2033	120
04/12/2023	WMT	WALMART	Aa2/AA	\$750	4.000%	04/15/2026	30
04/12/2023	WMT	WALMART	Aa2/AA	\$750	3.900%	04/15/2028	47
04/12/2023	WMT	WALMART	Aa2/AA	\$500	4.000%	04/15/2030	60
04/12/2023	WMT	WALMART	Aa2/AA	\$1500	4.100%	04/15/2033	70
04/12/2023	WMT	WALMART	Aa2/AA	\$1500	4.500%	04/15/2053	90
04/04/2023	PPC	PILGRIM'S PRIDE	Ba3/BBB-	\$1,000	6.250%	07/01/2033	300
04/03/2023	MKC	MCCORMICK & CO	Baa2/BBB	\$500	4.950%	04/15/2033	153
03/29/2023	ADM	ARCHER-DANIELS-MIDLAND	A2/A	\$500	4.500%	08/15/2033	105
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$1000	4.800%	04/01/2026	95
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$1000	5.150%	07/01/2033	160
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$500	5.750%	07/01/2053	200
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$500	5.850%	04/01/2063	210
03/27/2023	GIS	GENERAL MILLS	Baa2/BBB	\$1000	4.950%	03/29/2033	145
03/21/2023	BFB	BROWN FORMAN	A1/A-	\$650	4.750%	04/15/2033	120
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.500%	03/22/2025	45
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.350%	03/22/2026	60
03/08/2023	KVUE	KENVUE	A1/A	\$1000	5.050%	03/22/2028	75
03/08/2023	KVUE	KENVUE	A1/A	\$1000	5.000%	03/22/2030	85
03/08/2023	KVUE	KENVUE	A1/A	\$1250	4.900%	03/22/2033	95
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.100%	03/22/2043	100
03/08/2023	KVUE	KENVUE	A1/A	\$1500	5.050%	03/22/2053	120
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.200%	03/22/2063	135
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$1000	5.250%	03/13/2026	55
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$850	5.000%	03/14/2028	70
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$500	4.950%	03/14/2030	80
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$650	4.850%	03/14/2033	90
03/06/2023	AAP	ADVANCE AUTO PARTS	Baa2/BBB-	\$300	5.900%	03/09/2026	130
03/06/2023	AAP	ADVANCE AUTO PARTS	Baa2/BBB-	\$300	5.950%	03/09/2028	170
02/27/2023	CL	COLGATE-PALMOLIVE	Aa3/AA-	\$500	4.800%	03/01/2026	33

Source: BofA Global Research, Bloomberg Data excludes FRN

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**Exhibit 12: Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	LTM EBITDAR	Debt	Cash	Net FCF	Credit Metrics			
						Bid	YTW	G- spd	T- spd							Total Debt/	Net Debt/	EV /	
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$92.7	5.07%	59	56	35	\$622,021	\$38,940	\$63,867	\$10,575	\$5,438	1.6x	1.4x	\$495,331	11.8x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$88.4	5.28%	70	69										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$80.9	5.06%	49	46	50	\$233,371	\$10,379	\$9,004	\$12,493	\$3,506	0.9x	-0.3x	\$243,132	22.9x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$77.4	5.02%	51	49										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$87.4	5.15%	59	56	77	\$50,626	\$7,674	\$12,566	\$6,955	(\$2,759)	2.0x	1.1x	\$141,094	22.6x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$73.7	5.22%	58	57										
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$93.3	5.32%	83	81	41	\$109,272	\$6,902	\$18,831	\$1,321	(\$1,423)	2.7x	2.5x	\$70,516	13.3x
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$88.2	5.63%	105	104										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$78.5	5.03%	47	47	53	\$50,312	\$9,767	\$3,360	\$5,025	\$751	1.3x	0.8x	\$109,898	13.2x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$85.9	5.52%	86	88										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$86.3	5.40%	83	81	--	\$6,450	\$919	\$2,882	\$1,607	(\$493)	3.1x	1.4x	\$8,191	7.0x
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa2 / BBB / --	N / S / --	\$80.1	6.75%	219	216	149	\$11,437	\$1,048	\$8,151	\$807	(\$1,527)	7.8x	7.0x	\$13,899	9.0x
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$77.1	5.64%	108	108	--	\$18,857	\$3,268	\$5,732	\$4,416	\$403	1.8x	0.4x	\$39,245	13.6x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$89.5	5.13%	65	60										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$79.5	5.36%	79	75										
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$78.8	5.66%	110	108	93	\$45,118	\$3,576	\$3,923	\$1,030	\$544	1.1x	0.8x	\$18,234	5.7x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$95.6	5.11%	61	59	30	\$155,752	\$27,882	\$49,428	\$1,260	(\$1,826)	1.9x	1.8x	\$352,629	13.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$91.8	5.52%	93	92										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$95.4	5.63%	115	112	46	\$95,747	\$15,449	\$40,528	\$3,373	(\$8,652)	2.6x	2.4x	\$157,591	10.8x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$93.8	6.08%	150	149										
Tractor Supply (TSCO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$76.7	5.79%	124	121	--	\$14,480	\$2,232	\$4,704	\$190	(\$482)	2.1x	2.0x	\$26,629	13.0x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$93.1	5.75%	125	122	46	\$17,115	\$4,323	\$7,340	\$275	(\$1,162)	2.3x	2.3x	\$53,540	11.7x
AutoZone Inc (AZO)	4.750%	2/1/2033	\$550	Baa1 / BBB / BBB	S / S / S	\$92.1	5.85%	136	134										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$76.8	5.59%	102	102	--	\$14,822	\$3,807	\$7,158	\$60	(\$1,054)	2.0x	1.9x	\$63,132	16.1x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$93.1	5.72%	121	119										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$79.1	5.96%	144	142	--	\$22,566	\$2,359	\$4,229	\$651	\$169	2.4x	2.1x	\$24,297	12.4x
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa2 / BB+ / --	N / S / --	\$82.3	7.34%	277	275	--	\$11,198	\$1,538	\$4,627	\$226	(\$638)	3.0x	2.8x	\$7,256	7.8x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa2 / BB+ / --	N / S / --	\$75.9	7.38%	284	284										
Dollar General Corp (DG)	5.450%	7/5/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$94.0	6.28%	182	178	--	\$38,436	\$5,752	\$17,990	\$313	(\$2,415)	3.1x	3.1x	\$41,467	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$85.6	6.62%	202	203										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$78.4	6.03%	150	148	--	\$28,753	\$4,075	\$10,149	\$873	(\$284)	2.5x	2.3x	\$32,938	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$60.8	6.40%	177	179										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 *- / BBB / --	UR / N / --	\$74.3	7.15%	264	261	--	\$6,666	\$1,653	\$3,293	\$637	(\$485)	2.0x	1.6x	\$9,169	7.4x
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	S / S / --	\$96.7	6.61%	134	142	--	\$9,059	\$1,455	\$3,788	\$374	(\$354)	2.6x	2.4x	\$7,991	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$77.9	6.65%	213	211	--	\$12,621	\$1,644	\$4,205	\$1,902	(\$64)	2.6x	1.4x	\$11,824	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$62.8	7.20%	260	259										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$73.3	9.09%	453	453	235	\$15,141	\$1,494	\$4,512	\$581	\$143	3.0x	2.6x	\$5,887	4.8x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$59.8	9.51%	471	475										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$67.8	10.99%	639	643	235	\$17,954	\$1,323	\$8,061	\$286	(\$889)	6.1x	5.9x	\$10,081	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$57.5	10.57%	579	584										

Source: BofA Global Research, Bloomberg. Mdy = Moody's. LTM = last 12 months. Sprd = spread. YTW = yield to worst. Yr = year.

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**Exhibit 13: Restaurant, Food & Drug Retail Historical Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

																	Credit Metrics			
																	Total Debt/	Net Debt/	EV /	
Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	LTM EBITDAR	Debt	Cash	Net FCF	EBITDAREBITDAR	EV	EBITDAR		
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$82.8	5.45%	89	86	--	\$33,998	\$8,095	\$24,509	\$3,451	\$93	3.0x	2.6x	\$128,265	14.8x	
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / --	S / S / --	\$83.0	5.45%	90	87											
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / --	S / S / --	\$83.6	5.46%	94	92											
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / --	S / S / --	\$95.0	5.48%	99	97											
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / --	S / S / --	\$67.3	5.78%	112	113											
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / --	S / S / --	\$69.2	5.76%	114	113											
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / --	S / S / --	\$90.4	5.31%	75	72	32	\$23,415	\$14,096	\$48,726	\$3,708	(\$1,286)	3.5x	3.3x	\$245,951	17.3x	
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / --	S / S / --	\$95.3	5.26%	76	74											
McDonald's Corp (MCD)	4.950%	8/14/2033	\$600	Baa1 / BBB+ / --	S / S / --	\$96.6	5.39%	92	89											
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / --	S / S / --	\$79.9	5.68%	104	103											
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / --	S / S / --	\$92.3	5.70%	112	110											
McDonald's Corp (MCD)	5.450%	8/14/2053	\$800	Baa1 / BBB+ / --	S / S / --	\$96.5	5.70%	113	112											
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / --	N / N / --	\$76.0	5.77%	122	120	68	\$148,824	\$8,474	\$20,450	\$2,632	\$1,679	2.4x	2.1x	\$50,119	6.2x	
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / --	N / N / --	\$91.6	6.05%	137	138											
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / --	N / N / --	\$73.8	5.93%	128	128											
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / --	S / S / --	\$76.7	5.72%	119	115	--	--	--	--	--	--	--	--	--	--	
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / --	S / S / --	\$57.8	5.93%	131	131											
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$83.9	6.06%	148	151	--	\$68,822	\$5,771	\$9,466	\$1,957	(\$229)	1.6x	1.3x	\$59,239	10.1x	
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB+ / --	S / S / --	\$63.6	6.47%	186	185											
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBB	S / S / S	\$93.9	5.74%	99	96	54	\$10,322	\$4,075	\$8,692	\$275	(\$248)	3.1x	2.9x	\$22,693	12.8x	
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBB	S / S / S	\$79.0	6.24%	156	155											
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 *+ / BB+ *+ / ---- / - / -		\$90.4	6.75%	213	216	111	\$78,390	\$3,959	\$15,036	\$225	(\$3,537)	3.8x	3.7x	\$27,694	5.5x	

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH





# Exhibit 14: Consumer Products Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics			EV / EBITDA
						Bid	YTW	G-spd	T-spd		Revenue	EBITDA	Debt	Cash		Total Debt/ EBITDA	Net Debt/ EBITDA	EV	
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$83.4	4.72%	20	18	28	\$80,968	\$20,919	\$36,591	\$7,596	(\$4,309)	1.7x	1.4x	\$388,706	18.1x
Procter & Gamble (PG)	4.050%	1/26/2033	\$850	Aa3 / AA- / --	S / S / --	\$94.5	4.78%	29	27										
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$78.2	5.11%	45	46										
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$88.0	4.93%	41	40	35	\$18,338	\$4,232	\$8,907	\$867	(\$252)	2.3x	2.1x	\$68,705	16.8x
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$97.4	4.94%	45	43										
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$80.0	5.17%	46	47										
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$77.8	5.22%	67	66	21	\$60,878	\$10,350	\$29,386	\$4,994	(\$284)	2.8x	2.4x	\$146,239	12.7x
Unilever Capital Corp (UNANA)	5.000%	12/8/2033	\$800	A1 / A+ / Au	S / S / S	\$97.9	5.27%	80	77										
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$61.6	5.27%	64	65										
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / S / --	\$79.8	5.07%	53	52	54	\$20,275	\$3,529	\$8,481	\$524	\$730	2.4x	2.3x	\$49,851	15.4x
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / S / --	\$95.3	5.13%	64	62										
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / S / --	\$65.7	5.31%	65	66										
SC Johnson & Son Inc (SCJOHN)	4.750%	10/15/2046	\$850	A / A- / --	N / N / --	\$85.7	5.89%	117	118	--	--	--	--	--	--	--	--	--	--
Estee Lauder Co Inc (EL)	4.650%	5/15/2033	\$700	A1 / A+ / --	N / N / --	\$94.6	5.37%	89	87	--	\$15,873	\$2,688	\$7,371	\$5,531	(\$418)	3.1x	1.3x	\$59,410	25.6x
Estee Lauder Co Inc (EL)	5.150%	5/15/2053	\$600	A1 / A+ / --	N / N / --	\$92.7	5.66%	108	107										
Kenvue (KVUE)	5.000%	3/22/2030	\$1,000	A1 / A / --	S / S / --	\$97.3	5.50%	80	91	--	\$14,950	\$3,606	\$8,955	\$1,231	-	2.5x	2.1x	-	-
Kenvue (KVUE)	4.900%	3/22/2033	\$1,250	A1 / A / --	S / S / --	\$96.6	5.36%	86	85										
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$92.5	5.57%	97	99										
Reckitt Benckiser TSY (RKTLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$92.0	5.39%	64	68	--	\$13,234	\$3,239	\$9,637	\$1,259	\$1,258	3.0x	2.6x	\$53,852	16.6x
Clorox Company (CLX)	1.800%	5/15/2030	\$500	Baa1 / BBB+ / --	S / S / --	\$79.5	5.53%	96	94	71	\$7,171	\$1,037	\$2,702	\$242	\$275	2.8x	2.6x	\$19,359	16.3x
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / S / --	\$94.2	5.46%	93	92										
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$101.1	5.44%	93	91	--	\$5,508	\$1,254	\$2,419	\$203	\$659	2.0x	1.9x	\$25,588	17.7x
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$78.6	5.59%	91	89										
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$90.5	5.67%	105	107										
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa1 / BBB / BBB	S / N / N	\$92.7	5.79%	126	126	144	\$19,453	\$1,600	\$7,691	\$1,359	(\$90)	5.3x	5.2x	\$14,400	7.4x
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa1 / BBB / BBB	S / N / N	\$97.0	5.92%	143	141										
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa1 / BBB / BBB	S / N / N	\$78.8	6.24%	158	160										
Haleon Plc (HLNLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$86.4	5.66%	115	112	--	\$9,545	\$2,413	\$9,782	\$405	\$25	4.1x	3.9x	\$40,409	16.7x
Haleon Plc (HLNLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$76.2	5.70%	112	109										
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	S / S / S	\$89.3	6.01%	144	141	150	\$5,695	\$1,080	\$3,926	\$386	(\$380)	3.7x	3.4x	\$13,093	7.7x
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	S / S / S	\$83.3	6.59%	184	183										
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / S / S	\$74.6	6.58%	204	203	235	\$6,727	\$1,117	\$2,635	\$478	(\$361)	2.4x	1.9x	\$7,582	5.7x
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / S / S	\$82.5	7.07%	257	255										
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / S / S	\$69.4	7.79%	318	318										
Newell Brands Inc (NWL)	4.700%	4/1/2026	\$2,000	Ba2 / BB / BB	N / N / N	\$94.5	7.64%	254	266	413	\$8,546	\$1,226	\$6,010	\$317	(\$1,294)	4.9x	4.6x	\$9,266	9.1x
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba2 / BB / BB	N / N / N	\$97.0	7.25%	266	265										
Newell Brands Inc (NWL)	6.000%	4/1/2046	\$666	Ba2 / BB / BB	N / N / N	\$77.0	8.88%	413	416										
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB- / BB+	S / P / P	\$87.9	6.38%	183	177	298	\$5,059	\$597	\$2,672	\$300	\$256	4.5x	4.0x	\$9,996	7.8x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 15: Packaged Food Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	Revenue	LTM EBITDA	Debt	Cash	FCF	Credit Metrics				
						Bid	YTW	spd							T- spd	Net	Total Debt/	Net Debt/	EV /
EBITDA	EBITDA	EV	EBITDA																

Nestle Holdings Inc. (NESNVX)	4.8500%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$97.1	5.24%	73	73	30	CHF 95,498	CHF 16,476	CHF 53,501	CHF 3,667	(CHF 11,485)	3.2x	3.0x	\$340,827	18.5x
Nestle Holdings Inc. (NESNVX)	4.7000%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$91.4	5.28%	71	69										
Hershey Company (HSY)	4.5000%	5/4/2033	\$400	A1 / A / --	S / S / --	\$95.0	5.17%	71	67	40	\$10,741	\$2,914	\$4,703	\$460	\$678	1.8x	1.6x	\$47,316	18.4x
Hershey Company (HSY)	2.6500%	6/1/2050	\$350	A1 / A / --	S / S / --	\$60.9	5.45%	81	81										
Mars Inc. (MARS)	1.6250%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$74.4	5.31%	79	78	--	--	--	--	--	--	--	--	--	--
Mars Inc. (MARS)	2.4500%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$56.0	5.66%	103	102										
Hormel Foods (HRL)	1.8000%	6/11/2030	\$1,000	A1 / A- / --	S / S / --	\$80.9	5.21%	64	62	--	\$12,386	\$1,457	\$3,421	\$669	\$298	2.3x	1.9x	\$24,015	18.1x
Hormel Foods (HRL)	3.0500%	6/3/2051	\$600	A1 / A- / --	S / S / --	\$65.7	5.46%	85	84										
Archer-Daniels-Midland Co (ADM)	4.5000%	8/15/2033	\$500	A2 / A / A	S / S / S	\$94.6	5.21%	76	72	55	\$100,176	\$3,306	\$10,288	\$1,426	(\$190)	3.1x	2.7x	\$50,555	10.9x
Archer-Daniels-Midland Co (ADM)	2.7000%	9/15/2051	\$750	A2 / A / A	S / S / S	\$62.5	5.28%	66	66										
Cargill Inc (CARGIL)	4.7500%	4/24/2033	\$500	A2 / A / A	S / S / S	\$94.2	5.54%	93	103	62	--	--	--	--	--	--	--	--	--
Cargill Inc (CARGIL)	4.3750%	4/22/2052	\$500	A2 / A / A	S / S / S	\$82.3	5.63%	101	103										
Danone SA (BNFP)	0.3950%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$82.9	3.79%	102	105	49	\$28,503	\$4,787	\$14,799	\$1,880	\$853	3.1x	2.7x	\$47,480	10.1x
Mondelez International Holdings Netherlands BV (MIHN)	1.2500%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$88.0	5.68%	85	88										
Mondelez International (MDLZ)	3.0000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$83.0	5.54%	102	100	54	\$32,885	\$6,275	\$22,202	\$1,917	(\$750)	3.8x	3.5x	\$116,470	17.8x
Mondelez International (MDLZ)	2.6250%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$58.9	5.60%	96	96										
Ingredion Inc (INGR)	2.9000%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$84.1	5.81%	124	122	--	\$8,191	\$1,077	\$2,639	\$216	(\$384)	2.5x	2.4x	\$8,881	8.4x
Ingredion Inc (INGR)	3.9000%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$68.1	6.42%	176	178										
Sysco Corporation (SYI)	2.4500%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$79.1	5.66%	113	111	64	\$75,554	\$3,696	\$11,710	\$758	\$349	3.2x	3.0x	\$45,299	11.4x
Sysco Corporation (SYI)	3.1500%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$63.0	5.84%	122	123										
McCormick & Co (MKC)	4.9500%	4/15/2033	\$500	Baa2 / BBB / --	S / N / --	\$95.4	5.58%	112	107	--	\$6,394	\$1,269	\$5,206	\$357	\$38	4.1x	3.9x	\$25,441	24.0x
McCormick & Co (MKC)	4.2000%	8/15/2047	\$300	Baa2 / BBB / --	S / N / --	\$77.0	6.03%	134	133										
General Mills Inc (GIS)	4.9500%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$94.6	5.69%	120	118	48	\$19,955	\$4,109	\$11,587	\$619	\$23	2.9x	2.8x	\$49,816	14.8x
General Mills Inc (GIS)	3.0000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$63.3	5.66%	101	103										
Kellogg Co (K)	5.2500%	3/1/2033	\$400	Baa2 / BBB / BBB	S / N / S	\$96.0	5.81%	130	129	73	\$15,696	\$2,421	\$7,387	\$347	\$501	3.3x	3.1x	\$27,971	12.7x
Kellogg Co (K)	4.5000%	4/1/2046	\$650	Baa2 / BBB / BBB	S / N / S	\$80.8	6.08%	135	136										
Flowers Foods Inc (FLO)	2.4000%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$79.0	5.92%	135	135	--	\$5,003	\$571	\$1,175	\$12	(\$29)	2.1x	2.0x	\$6,255	12.5x
JM Smucker Co (SJM)	2.1250%	3/15/2032	\$500	Baa2 / BBB / --	S / N / --	\$76.1	5.72%	118	118	--	\$8,328	\$1,537	\$4,408	\$104	(\$53)	2.8x	2.7x	\$16,836	11.5x
JM Smucker Co (SJM)	3.5500%	3/15/2050	\$300	Baa2 / BBB / --	S / N / --	\$65.9	6.19%	153	154										
Tyson Foods Inc (TSN)	4.3500%	3/1/2029	\$1,000	Baa2 / BBB+ / BBB	S / N / S	\$93.3	5.81%	126	120	72	\$53,625	\$3,559	\$8,930	\$543	(\$1,068)	2.5x	2.4x	\$28,071	5.5x
Tyson Foods Inc (TSN)	5.1000%	9/28/2048	\$1,500	Baa2 / BBB+ / BBB	S / N / S	\$83.1	6.48%	182	180										
Campbell Soup Co (CPB)	2.3750%	4/24/2030	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$81.4	5.82%	125	123	65	\$9,177	\$1,748	\$4,570	\$158	\$286	2.8x	2.7x	\$17,553	10.1x
Campbell Soup Co (CPB)	3.1250%	4/24/2050	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$62.1	5.99%	135	135										
Conagra Brands Inc (CAG)	7.0000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / S / S	\$106.4	5.52%	95	90	54	\$12,214	\$2,517	\$9,256	\$71	(\$2)	3.8x	3.8x	\$23,235	11.1x
Conagra Brands Inc (CAG)	5.4000%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$87.4	6.42%	176	175										
JBS USA (JBSSBZ)	6.7500%	3/15/2034	\$1,600	Baa3 / BBB- / BBB-	S / S / S	\$98.6	6.94%	247	242	--	R\$ 367,860	R\$ 20,700	R\$ 101,338	R\$ 12,739	-R\$ 5,989	4.9x	4.3x	R\$ 133,095	4.0x
JBS USA (JBSSBZ)	7.2500%	11/15/2053	\$900	Baa3 / BBB- / BBB-	S / S / S	\$99.3	7.31%	276	273										
Smithfield Foods Inc (SFD)	2.6250%	9/13/2031	\$500	Ba1 / BBB- / BBB	S / S / S	\$72.3	7.26%	272	270	54	--	--	--	--	--	--	--	--	--
Kraft Heinz Foods Co (KHQ)	3.7500%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$89.63	5.68%	110	108	59	\$26,929	\$6,141	\$20,105	\$827	(\$856)	3.3x	3.1x	\$61,479	10.0x
Kraft Heinz Foods Co (KHQ)	4.3750%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$79.83	6.02%	131	130										
Kraft Heinz Foods Co (KHQ)	4.8750%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$85.25	6.00%	136	135										
Pilgrim's Pride (PPC)	6.2500%	7/1/2033	\$1,000	Ba3 / BBB- / BBB-	S / N / S	\$95.6	6.87%	240	237	--	\$17,070	\$798	\$3,596	\$731	(\$17)	4.5x	3.6x	\$8,875	5.2x
Pilgrim's Pride (PPC)	3.5000%	3/1/2032	\$889	Ba3 / BBB- / BBB-	S / N / S	\$78.6	6.89%	240	235										

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH







# Exhibit 16: Beverages Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	LTM			Net FCF	Credit Metrics					
						Bid	YTW	G-spd		T-spd	Revenue	EBITDA		Debt	Cash	Total Debt/EBITDA	Net Debt/EBITDA	EV / EBITDA	
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / Au	S / S / S	\$82.0	4.92%	41	37	54	\$43,503	\$15,359	\$42,400	\$12,004	\$2,098	2.8x	1.8x	\$277,741	21.5x
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / Au	S / S / S	\$68.9	5.13%	51	50										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$88.3	5.40%	64	58	--	\$18,017	\$3,096	\$11,907	\$1,112	\$1,539	3.8x	3.5x	\$37,046	11.1x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$96.1	4.97%	48	46	54	\$88,038	\$16,076	\$41,767	\$5,204	(\$2,280)	3.0x	2.7x	\$278,979	18.2x
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$63.8	5.23%	62	61										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$90.6	5.28%	70	69										
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$85.8	5.64%	95	90	--	\$4,148	\$1,343	\$3,028	\$428	\$94	2.3x	2.0x	\$32,177	25.2x
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$96.2	5.27%	78	76										
Diageo Investment Corp (DGELN)	5.500%	1/24/2033	\$750	A3 / A- / A-u	S / S / S	\$101.1	5.34%	83	82	32	\$16,915	\$7,073	\$18,316	\$2,766	-\$2,050	2.6x	2.2x	\$77,061	10.9x
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$78.9	5.67%	90	91										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / --	S / S / --	\$97.8	5.27%	70	70	91	\$57,786	\$19,842	\$79,686	\$9,973	\$5,408	4.0x	3.5x	\$199,682	10.1x
Anheuser-Busch InBev Fin (ABIBB)	4.900%	2/1/2046	\$9,519	A3 / A- / --	S / S / --	\$89.9	5.71%	101	98										
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,567	A3 / A- / --	S / S / --	\$84.9	5.60%	97	96										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$86.4	3.89%	116	119	34	€ 28,694	€ 6,444	€ 19,780	€ 2,765	€ 1,151	3.1x	2.6x	€ 70,302	11.1x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$79.6	5.98%	128	132										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+	S/S/S	\$76.2	5.54%	99	97	91	€ 11,858	€ 3,845	€ 10,797	€ 1,805	(€ 334)	2.8x	2.3x	€ 53,823	16.7x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+	S/S/S	\$59.2	5.74%	109	111										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa1 / BBB+ / WD	S / S / --	\$103.3	5.82%	121	119	--	¥2,819	¥400	¥1,468	¥253	¥95	3.7x	3.0x		
JAB Holdings BV (JABHOL)	1.000%	7/14/2031	\$306	Baa1 / BBB+ / --	S / S / --	\$76.9	4.59%	188	192	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$62.9	6.72%	209	213										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$71.9	6.72%	212	216										
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$89.3	5.65%	113	111	--	\$14,332	\$4,041	\$12,376	\$204	\$464	3.1x	3.0x	\$60,317	15.5x
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa2 / BBB / --	S / S / --	\$65.9	5.87%	124	124										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa2 / BBB / --	S / S / --	\$80.9	5.89%	130	129										
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$93.3	5.75%	124	122	108	\$9,453	\$3,295	\$12,461	\$134	(\$524)	3.6x	3.6x	\$60,016	15.8x
Constellation Brands Inc (STZ)	4.900%	5/1/2033	\$750	Baa3 / BBB / --	S / S / --	\$93.9	5.74%	126	123										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$72.4	5.80%	116	116										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa3 / BBB- / WD	S / S / --	\$93.0	5.72%	83	82	111	\$10,833	\$2,104	\$6,590	\$328	\$640	3.2x	3.1x	\$19,998	8.4x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa3 / BBB- / WD	S / S / --	\$76.7	6.11%	141	139										
Bacardi LTD (BACARD)	5.400%	6/15/2033	\$700	Baa3 / BBB- / BBB-	-- / -- / --	\$94.7	6.13%	166	163	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.900%	6/15/2043	\$400	Baa3 / BBB- / BBB-	-- / -- / --	\$94.7	6.38%	162	161										
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB-	S / S / S	\$87.5	6.31%	164	167										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB	S / S / S	\$75.0	6.27%	174	177	--	€ 8,243	€ 1,360	€ 4,967	€ 755	€ 522	3.7x	3.1x	€ 16,820	11.3x

Source: BofA Global Research, Bloomberg

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**Exhibit 17: Tobacco Historical Return & Spread Monitor**

Benchmark spread and credit metrics by issuer

																Credit Metrics			
			Outstanding	Ratings	Current Pricing			5-yr		LTM				Net	Total Debt/	Net Debt/	EV /		
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDA	Debt	Cash	FCF	EBITDA	EBITDA	EV	EBITDA
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$77.3	5.85%	131	129		¥2,783,816	¥865,155	¥1,018,639	¥827,220	¥136,212	1.2x	0.2x	¥340,827	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$59.1	6.49%	186	188										
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / S	\$76.8	5.79%	123	121	54	\$32,115	\$13,428	\$47,121	\$2,428	(\$244)	3.7x	3.5x	\$193,314	14.4x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / S	\$98.6	5.94%	145	142										
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / S	\$95.7	5.97%	148	146										
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / S	\$77.3	6.20%	145	145										
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / P / S	\$85.1	5.54%	283	287	54	\$20,632	\$12,291	\$25,387	\$3,913	\$64	2.1x	1.8x	\$102,191	8.3x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / P / S	\$76.6	6.07%	155	152										
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / P / S	\$89.4	6.31%	145	154										
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / P / S	\$63.1	6.64%	202	201										
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$78.13	6.45%	190	188	99	£26,378	£12,470	£44,875	£3,568	£3,339	3.6x	3.3x	\$99,118	7.9x
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBB	P / N / P	\$107.0	6.69%	217	216										
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBB	P / N / P	\$88.6	6.51%	198	197										
British American Tobacco (BATSLN)	6.421%	8/2/2033	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$98.8	6.59%	213	209										
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBB	P / N / P	\$77.1	7.23%	259	259										
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$63.8	6.99%	236	235										
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBB	P / N / P	\$81.5	7.18%	259	258										
British American Tobacco (BATSLN)	7.081%	8/2/2053	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$98.3	7.22%	267	265										
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$88.4	6.28%	171	172	91	£7,961	£4,070	£10,249	£596	(£186)	2.5x	2.4x	£26,289	6.5x

Source: BoFA Global Research, Bloomberg

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