

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

THE 25TH ANNUAL ZIEGLER SENIOR LIVING FINANCE + STRATEGY CONFERENCE

Next week, Ziegler will be hosting its *25th Annual Ziegler Senior Living Finance + Strategy Conference*. We are excited to be gathering for the 25th year in a row for this impactful and high-caliber event. Attendees will have access to the latest best practices, case studies and industry research across 24 conference sessions. This is in addition to the high-quality networking and strategic meetings that take place across the three days of the conference. The purpose of this issue of *Z-News* is to highlight the educational sessions that will span the three days of the conference.

Consistent with previous years, following Wednesday morning activities such as golf, area tours, hikes and other opportunities, attendees convene in the afternoon for a series of pre-conference educational sessions, which will cover a variety of topics from High-Performance Governance to Economic Updates to Finance 101.

- **Senior Living Finance & Risk Management 101:** Ziegler's own Chad Himel, Matt Mulé and Jason Choi will lead this session, which is great for beginners or those needing a refresher on the elements of senior living finance.
- **Sophistication in Not-for-Profit Senior Living Governance:** Each year, a governance-related topic is weaved into the Wednesday afternoon sessions. This year, we are excited to feature Jeremy Kauffman with MHS Consulting, to cover a wide range of governance related topics. This session is not only appropriate for the more than 100 board members in attendance, but also for each organization's leadership.
- **The Senior Living Construction Environment:** We are all aware of the pressures in play within the overall construction environment. The senior living sector is not immune from these challenges. Learn how to successfully execute on projects despite some of these influences and hear what is forecasted through the end of the year. Frank Muraca (ARCH Consultants) and Ken Ogden (LECESSE Construction) will be the featured speakers.

- **Investment Management: Economic Update & Outlook:** The expert team of Kevin Carlson, Matthew O'Neil, and Eduardo Cortes (Ziegler Capital Management) will provide economic updates and investment management insight for the rest of 2022 and predictions for market conditions in the year ahead.

Thursday morning kicks off bright and early with welcome remarks from Ziegler's President & CEO, Dan Hermann and then shifts to the opening general session, entitled, **The 2022 State of Senior Living and the Senior Living Capital Markets**. A slate of Ziegler team members will share the latest information on industry trends and the senior living capital markets.

Thursday late-morning sessions include topics such as New-campus Development, Revenue Diversification, and System Trends.

- **System Trends: Insights From Chief Executives of Proactive Multi-Site Providers:** This annual CEO panel pulls together the latest trends and insights from some of the nation's leading multi-site executives. This year's lineup includes Torsten Hirche (Transforming Age), Sean Kelly (The Kendal Corporation) and Justine Vogel (The RiverWoods Group).
- **A Focus on New Campus Development and Significant Expansions:** Greystone's Mark Andrews will kick off this session with an overview of trends in new campus development and community expansion projects. Josh Ashby (Fleet Landing) and Mary Schoeggl (Pacific Retirement Services) will provide specific examples of growth through community expansions and new development.
- **The Merger & Acquisition Marketplace:** This session is intended to highlight not-for-profit providers who recently grew through an acquisition of another community. Jonathan Cook and Lisa Leeger (LifeSpire), Steve Fleming (Well-Spring) and Ben Unkle (Westminster Canterbury on Chesapeake Bay) will dive into their recent case studies and will share the rationale for growth and lessons learned with those in attendance.

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- **Growth Through Revenue Diversification:** Growing revenue streams, diversifying service lines and creating ancillary businesses is very much a hot topic among today's senior living leadership. Three organizations will share how they have grown, and plan to continue to grow, in these non-traditional ways. Speakers will include Dan Lindh (Presbyterian Homes & Services), Bill Lowe (Chicago Methodist Senior Services) and Shaun Smith (Asbury Communities).
- **Successful Models Geared Toward the Middle-Income & Affordable Market:** Kevin Anderson (Wesley) and Todd Boslau (Presbyterian SeniorCare) will share about recent communities that they have developed with the specific goal of serving the middle-income senior.

Following the Thursday lunch break, which includes a special networking luncheon for board members, attendees will have the option to participate in additional breakout sessions. Those sessions are featured below.

- **System Sophistication Panel: Workforce Strategies:** How are some of the larger senior living organizations leveraging their scale to combat the ever-present workforce pressures? Attendees in this session will learn more about those strategies and successes. The panelists will include Deirdre Groenen (Acts Retirement-Life Communities), Terry Rogers (Westminster Communities of Florida) and Cyndi Walters (National Lutheran Communities & Services).
- **Advancing Strategic Technology Solutions in Senior Living & Care:** No senior living conference can be hosted without at least one session devoted to technology solutions. This esteemed panel will talk about their view on the role of technology in our sector and what emerging solutions and innovations they are most excited about. Participating in this year's session is Scott Code (LeadingAge CAST), Dusanka Delovska-Trajkova (Ingleside) and Richard Foor (Givens Communities).
- **The Homes & Community-Based Services Landscape:** Since the onset of the pandemic, interest has doubled in the percentage of not-for-profit providers looking to expand with services into the home. Speakers Rich Boyson (Eliza Jennings), Kim Hoppe (Brio Living Services) and Robert Smith (Smartcare Software) will talk about their growth into HCBS and provide guidance on how to be successful with various service offerings.
- **Institutional Investor Panel:** The markets have been very active in recent years with the historic-low borrowing rates. Hear from institutional investor panelists about how they view the marketplace and how to successfully handle pressured situations in a collaborative fashion with the

investor community. Panelists will include Andrew Cooper (Vanguard), Margaret Johnson (Fitch Ratings) and Brian Pyhel (BlackRock).

- **Growth Through Sponsorship Transition:** The final early-Thursday afternoon session will feature Kevin McFeeley (Futura Age) and Ziegler Sponsorship Transition practice leaders Steve Johnson and Marie Carlson. They will highlight recent affiliation examples and delve into process and growth strategy.

The Thursday agenda closes with a series of late-afternoon breakout sessions.

- **Successful Campus Relocations:** Not-for-profit providers have actively been repositioning their campuses and modernizing to remain competitive. This session will highlight trends, case studies and best practices. Presenters this year include Brian Schiff (Schiff & Associates), Mark Steele (Salem Towne) and Jeannie Justice (Covenant Living Communities & Services).
- **Single-site Communities in the Spotlight: Sophistication Among Non-System Providers:** There are hundreds of strong, successful not-for-profit single-site communities in the U.S. This session will highlight data from these communities and will feature three progressive providers, John Burns (Westminster Canterbury Richmond), Vassar Byrd (Rose Villa) and Sarah Tipton (Bishop Gadsden).
- **Comprehensive & Advanced Financial Solutions:** This is a great session for finance professionals who are eager to learn about creative financial structures that meet current needs and position the organization for future capital needs as well. Two provider case studies will be featured, which include Raymond Marnier (Smith Senior Living) and Don Stephens (Methodist Retirement Communities).
- **Board Panel:** With more than 100 board members attending this year's conference, it made sense to hear from seasoned board members who have perspective on robust governance and also the strategic issues that boards are focusing on in today's environment. The board members participating are Michael Kelly (Acts Retirement-Life Communities; Still Hopes), Barbara Sears-Roshon (Ohio Living) and Dwight Whiting (Emerald Communities).

Thursday evening events include social networking hours and an all-attendee dinner. The educational events pick back up on Friday morning with a series of breakout sessions, followed by the closing general session.

Friday morning sessions include the latest and greatest from veteran architects in the space, a focus on the sales and marketing tactics and bank financing among others.

- **Dynamic Sales & Marketing Tactics:** This session will feature a provider case study, Michelle Gramoglia (Woodland Pond) and an industry expert on senior living sales and marketing, John Spooner (Greystone Communities). They will focus on how to align and adjust sales staff goals and compensation with what the community needs to achieve in a given month or quarter. Time will also be spent talking about changing preferences among prospective residents as it relates to contract types, the sale process, etc.
- **Architects Panel: Innovation in Planning and Design:** Every year, we hear the latest innovative design trends from the nation's leading architects. This year's panel includes Eric Harrmann (AG Architecture), Melissa Pritchard (SFCS) and Melinda Avila-Torio (THW Design).
- **2022 Bank Financing Panel:** Many senior living providers have outstanding bank debt, which is an important part of project funding and capital planning. Stacey Donlon (TD Bank), James Dougherty (Fulton Bank) and Tom Gibbons (Huntington National Bank) will give the perspective of the bank lending environment. Attendees will also hear the bank lending trends from the past several years and the outlook for the year ahead.
- **Innovative Technology Solutions for Senior Living & Care:** This is the second technology-oriented session of the conference. The panel will feature three companies with technology-enabled solutions and platforms to support senior living providers across areas such as workforce, telehealth and fall prevention. The speakers will be Ray George (Third Eye Health), Keaton O'Connor (VirtuSense) and Myra Norton (Arena Analytics).

The conference will close on Friday with **The Future of Senior Living**. This session is intentional to leave attendees with a forward- looking stance regarding the future of their organization. Industry veteran, Margaret Wylde (ProMatura Group) will give the perspective of the consumer and market dynamics. She will comment on what their organization is seeing when scanning the market for demand characteristics and will look forward to what providers need to embrace to be relevant for the customer of tomorrow. For the provider-CEO perspective, John Datillo, CEO of BHI Senior Living, will give background on the growth mindset of their organization and how they have positioned themselves to be one of the fastest growing not-for-profit providers nationally.

Many thanks to our 55 guest presenters and Ziegler associates who have worked to pull together the excellent content for this year's event. We look forward to seeing many of you next week. If you have any specific questions related to the upcoming conference, please reach out to the Ziegler representative in your region to learn more.

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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF SEPTEMBER 6, 2022

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Arbor Acres United Methodist Retirement Community (NC)	Fitch	BBB+ Stable	Affirmed IDR*	9/1/22
The Carmelite Systems, Inc. Obligated Group (NY)	Fitch	BBB+ Stable	Downgraded Rating Downgraded IDR*	9/1/22
Carmel Manor, Inc. (KY) <i>(The Carmelite System, Inc. Obligated Group Guaranty)</i>	Fitch	BBB+ Stable	Assigned Rating	9/1/22

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* IDR – Issuer Default Rating (FitchRatings)

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INTEREST RATES/YIELDS

WEEK ENDING SEPTEMBER 2, 2022

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.41%	3.23%	2.31%
Senior Living 30-Yr “A”	4.71%	4.43%	3.34%
Senior Living 30-Yr “BBB”	5.06%	4.73%	3.68%
Senior Living Unrated	5.71%	5.48%	4.50%
Senior Living New Campus	6.75%	6.57%	5.72%
SIFMA Muni Swap Index	1.50%	1.67%	0.47%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.20%	5.14%	1.80%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING

CARMEL VALLEY MANOR

Carmel-By-The-Sea, California

 California Municipal Finance Authority,
 Insured Revenue Bonds,
 Series 2022

\$36,035,000

August, 2022

MARKET REVIEW

MONEY MARKET RATES

	9/02	LAST WEEK
Prime Rate	5.50	5.50
Federal Funds (weekly average)	2.32	2.32
90 Day T-Bills	2.87	2.77
30-Day Commercial Paper (taxable)	2.35	2.26
Libor (30-day)	2.63	2.49
SOFR	2.29	2.28
7 Day Tax-Exempt VRDB	1.50	1.67
Daily Rate Average	1.05	1.37

COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	3.50	4.45	1 Year	2.28	4.13	3.78	3.43	2.63	2.38
5 Year	3.39	4.64	5 Year	2.35	4.30	3.95	3.55	2.75	2.55
7 Year	3.36	4.91	7 Year	2.46	4.56	4.26	3.71	2.96	2.71
10 Year	3.25	5.10	10 Year	2.67	4.87	4.57	3.97	3.27	2.97
30 Year	3.36	5.76	30 Year	3.41	5.81	5.46	4.91	4.46	3.96

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.64	3.59	+0.05
11 Bond Index	3.54	3.49	+0.05
Revenue Bond Index	3.92	3.87	+0.05
30 Year MMD	3.41	3.23	+0.18
Weekly Tax-Exempt Volume (Bil)	4.53	5.62	-1.09
30 Day T/E Visible Supply (Bil)	11.65	10.14	+1.51
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	132.7	126.8	-4.50

Source: Bloomberg