

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

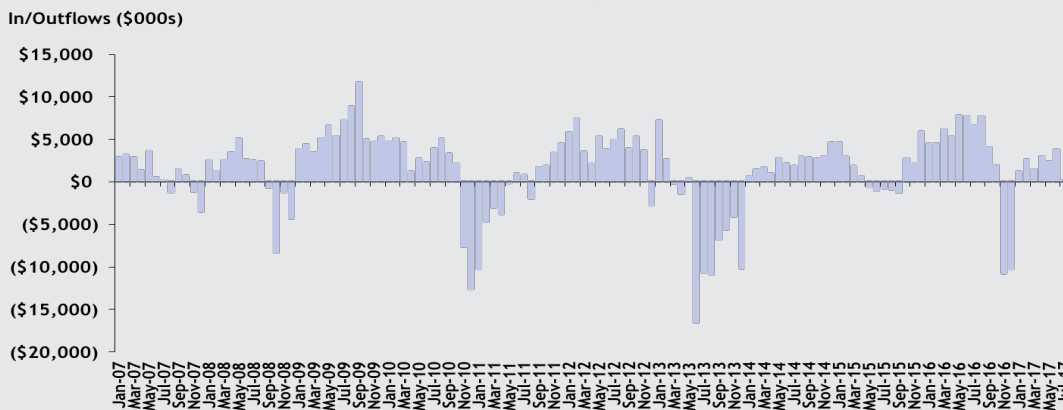
FEATURED ARTICLE

### THE 14TH ANNUAL ZIEGLER SENIOR LIVING INVESTOR WORKSHOP

Over fifty of the nation’s top tax-exempt senior living bond investors met in Chicago for the *14th Annual Ziegler National Senior Living Investor Workshop*. Credit analysts and portfolio managers from leading municipal bond funds, asset managers and hedge funds participated in a two-day workshop with Ziegler banking and sales professionals to explore issues and opportunities in the senior living sector.

In addition to the veteran buyers, there were many new participants this year as non-traditional buyers have entered the senior living sector over the past few years. Cash flows into long-term municipal bond funds have been positive, driving investor buying and relatively low fixed rate borrowing costs for providers.

LONG-TERM MUTUAL MUNICIPAL BOND FUND  
MONTHLY IN/OUTFLOWS



Source: Investment Company Institute, as of 7/12/17

After hearing from Ziegler about the latest trends in the not-for-profit senior living sector and enhanced data around the pace of activity with affiliations, acquisitions and dispositions, investors also heard from Betsy Rust from Plante Moran. Ms. Rust took attendees through an overview of the latest happenings related to healthcare reform and specifically focused on how these changes are impacting senior living providers.

Investors are working through the calendar of new issues expected to come to market over the next few months, with a modest supply expected for the third and fourth quarters. Investors should see a good mix of bonds coming to market for both refinancing and new money issues to fund new projects and community expansion projects.

We would like to thank our friends at The Lutheran Home for providing the opportunity for investors, in town for the workshop, to tour this outstanding not-for-profit community.

If you have any questions regarding the items in this article or anything else related to Ziegler, please reach out to the Ziegler banker in your region.

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**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

JULY 11-18, 2017

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Front Porch Communities and Services (CA)	Fitch	A Stable	Assigned Rating	7/11/17
Buckner Retirement Services Obligated Group (TX)	Fitch	A Stable	Assigned Rating Affirmed Rating	7/17/17
United Methodist Retirement Communities (MI)	Fitch	BBB+ Stable	Affirmed Rating	7/17/17
Wesley Enhanced Living Obligated Group (PA)	Fitch	BB Stable	Assigned Rating	7/17/17
Front Porch Communities and Services (CA)	S&P	A- Stable	Upgraded Rating Assigned Rating	7/18/17

*This ratings table represents review of the reports released by Fitch Ratings, Standard & Poor's, and Moody's Investors Service and has been compiled by Ziegler Investment Banking.*

**IN YOUR CORNER**
**LEADINGAGE NEW YORK 2017 FINANCIAL PROFESSIONAL'S ANNUAL CONFERENCE**

The Saratoga Hilton  
Saratoga Springs, New York  
August 29-31, 2017

**Capital Financing Options for New York Providers**  
Wednesday, August 30, 2017 | 1:30 pm - 3:00 pm  
*Ziegler Participant: Chad Himel*

**INTEREST RATES**

FOR THE WEEK ENDING JULY 14, 2017

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.83%	2.82%	2.78%
Senior Living 30-Yr "A"	3.83%	3.82%	3.82%
Senior Living 30-Yr "BBB"	4.33%	4.32%	4.22%
Senior Living Unrated	4.93%	4.92%	4.88%
Senior Living New Campus	6.75%	6.75%	6.58%
SIFMA Muni Swap Index	0.86%	0.86%	0.70%

*Source: Ziegler Capital Markets*

**FEATURED FINANCING**

**\$21,590,000**

Vermont Economic Development Authority  
Mortgage Revenue Bonds, Series 2017A

**WAKE ROBIN CORPORATION**  
Shelburne, Vermont

## MARKET REVIEW

## MONEY MARKET RATES

	7/14/17	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	4.25	4.25	4.25	3.50
Federal Funds (weekly average)	1.16	1.16	1.01	0.40
90 Day T-Bills	1.01	1.03	1.00	0.31
30-Day Commercial Paper (taxable)	1.12	1.08	1.11	0.35
Libor (30-day)	1.22	1.22	1.17	0.48
7 Day Tax-Exempt VRDB	0.83	0.86	0.81	0.40
Daily Rate Average	0.71	0.84	0.73	0.28

## COMPARATIVE YIELDS

TAXABLE REVENUE				TAX-EXEMPT REVENUE							
	GOVT	NR*	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	1.17	2.25	1.77	1 Year	0.91	2.41	2.30	2.31	1.81	1.41	1.16
5 Year	1.86	4.25	2.86	5 Year	1.34	3.24	3.21	2.94	2.49	2.09	1.74
7 Year	2.13	4.75	3.48	7 Year	1.59	3.59	3.60	3.39	2.99	2.49	2.19
10 Year	2.33	5.00	3.73	10 Year	2.03	4.13	4.25	3.93	3.53	3.03	2.63
30 Year	2.92	6.25	4.57	30 Year	2.83	4.93	4.95	4.73	4.33	3.83	3.43
				5 year ADJ RATE	4.25						

(\* Representative of recent non-rated issues underwritten by Ziegler retail sales); (\*\* Representative of institutional sales.)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2017 HIGH	LOW
Bond Buyer					
20 Bond Index	3.61	3.60	+01	4.02	3.53
11 Bond Index	3.12	3.11	+01	3.53	3.04
Revenue Bond Index	3.77	3.76	+01	4.17	3.70
30 Year MMD	2.83	2.82	+01	3.24	2.69
Weekly Tax-Exempt Volume (Bil)	7.93	.46	+7.47	7.93	0.46
30 Day T/E Visible Supply (Bil)	4.91	8.82	-3.91	13.37	4.13
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	131.64	130.82	+82	147.05%	120.39%

## INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK		LIBOR (30-DAY)	30-YEAR		
				T-BILL RATE	C.P.RATE TAXABLE		T/E BONDS (A-AAA)		
07/14/17	0.83	4.25	1.16	1.01	1.12	1.22	3.83	-	3.43
07/07/17	0.86	4.25	1.16	1.03	1.08	1.22	3.82	-	3.42
06/30/17	0.91	4.25	1.13	0.99	0.90	1.22	3.79	-	3.39
06/23/17	0.87	4.25	1.16	0.96	1.09	1.21	3.69	-	3.29
06/16/17	0.81	4.25	1.01	1.01	1.11	1.17	3.70	-	3.30
06/09/17	0.74	4.00	0.91	1.00	1.01	1.09	3.69	-	3.29
06/02/17	0.76	4.00	0.89	0.95	0.86	1.08	3.75	-	3.35
05/26/17	0.78	4.00	0.91	0.91	0.86	1.03	3.87	-	3.42
05/19/17	0.78	4.00	0.91	0.91	0.83	1.00	3.92	-	3.47
05/12/17	0.79	4.00	0.91	0.85	0.84	0.99	4.06	-	3.61
05/05/17	0.85	4.00	0.91	0.88	0.83	0.99	4.08	-	3.63
04/28/17	0.90	4.00	0.90	0.79	0.84	0.99	4.06	-	3.61
04/07/17	0.88	4.00	0.90	0.81	0.86	0.98	4.09	-	3.59
03/03/17	0.62	3.75	0.64	0.69	0.65	0.83	4.26	-	3.76
02/03/17	0.65	3.75	0.64	0.49	0.61	0.78	4.35	-	3.55
01/06/17	0.68	3.75	0.62	0.51	0.62	0.76	4.40	-	3.55
12/02/16	0.56	3.50	0.38	0.47	0.50	0.62	4.80	-	3.85
11/04/16	0.56	3.50	0.38	0.37	0.40	0.53	3.55	-	2.85
10/07/16	0.87	3.50	0.40	0.31	0.39	0.52	3.30	-	2.75
09/02/16	0.56	3.50	0.38	0.32	0.39	0.52	2.75	-	2.40
08/05/16	0.44	3.50	0.40	0.26	0.36	0.49	2.90	-	2.45
07/01/06	0.41	3.50	0.39	0.25	0.37	0.46	2.85	-	2.35

Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.