

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

SENIOR LIVING REFERRALS: UTILIZATION OF THIRD-PARTY LEAD GENERATION SOURCES

Ziegler recently conducted a survey among senior living providers to further understand tools utilized regarding tracking of referrals and lead management systems, as well as the use of third-party vendors for leads. It should be noted that the majority of the respondents represented not-for-profit senior living organizations.

When asked about CRM software used to track leads, potential residents and similar information, more than 20 different software programs were utilized. While a number of survey respondents indicated that they are in transition to a different system, there was a smaller subset of programs that garnered a high number of responses. The top five are:

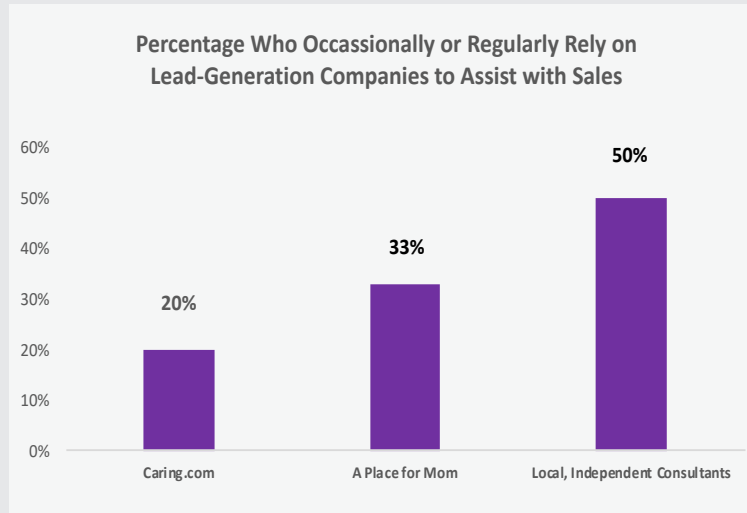
- MatrixCare®/AOD
- Salesforce/RHS
- Enquire™
- PointClickCare®
- Sherpa

The respondents were also asked about barriers to utilizing these third-party companies. The most common concerns related to the quality of the leads that were brought forth. Specifically, leads that did not fully understand the community, individuals already in the provider's contact database, or leads that were also sent to quite a few other providers in the same marketplace.

To read further about the survey and additional results on this topic, click [here](#) to access to full report.

For questions about anything in this article or other related items, we encourage you to reach out to the Ziegler banker in your region.

LISA MCCRACKEN
DIRECTOR, SENIOR LIVING RESEARCH AND DEVELOPMENT
ZIEGLER



The bulk of the survey focused on lead generation companies and the extent to which senior living providers partner with these third-party vendors for referrals. Below is a summary of the responses for those who indicated that they occasionally, or regularly, utilize the lead generation source. In addition to those below, more than 30 additional companies were mentioned.

ZIEGLER

200 South Wacker Drive | Suite 2000
Chicago, IL 60606

CONTACT US

800 366 8899
askziegler@ziegler.com



CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

JULY 17 - 27, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Brethren Home Community dba Cross Keys Village (PA)	S&P	A- Stable	Affirmed Rating	7/17/18
Westminster Manor (TX)	Fitch	BBB+ Stable	Upgraded Rating Revised Outlook	7/20/18
Miriam Osborn Memorial Home aka The Osborn (NY)	Fitch	A- Stable	Affirmed Rating	7/25/18
Pleasant View Retirement Community (PA)	Fitch	BBB- Stable	Assigned Rating	7/25/18
United Methodist Communities (NJ)	Fitch	BBB- Positive	Affirmed Rating	7/27/18

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.

INTEREST RATES/YIELDS

(AS OF JULY 27, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.00%	2.91%	2.85%
Senior Living 30-Yr "A"	3.75%	3.66%	3.67%
Senior Living 30-Yr "BBB"	3.95%	3.86%	3.95%
Senior Living Unrated	4.70%	4.66%	4.66%
Senior Living New Campus	6.50%	6.50%	6.54%
SIFMA Muni Swap Index	0.94%	0.94%	1.15%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.69%	4.68%	1.70%

**Ziegler Senior Living Municipal Long Bond Index
Source: Ziegler Capital Markets*

FEATURED FINANCINGS


SOUTHMINSTER

SOUTHMINSTER
 Charlotte, North Carolina

 Public Finance Authority, Retirement
 Facilities First Mortgage Revenue
 Bonds, Series 2018A

\$86,200,000

MARKET COMMENTARY

FROM A CAPITAL MARKETS PERSPECTIVE

The week's most notable mid-week market event was the major drop in Facebook's stock, which ultimately resulted in a nearly 20% fall by week's end. The nearly \$120 billion decline in the company's market capitalization was among the largest, one-day loss, in market history. Keeping perspective, the stock price returned only to levels reached four months ago and finished the week in the top five of most valuable companies in the world. The sudden sharp decline was a reaction to less than expected growth in Facebook's revenues in the quarter.

Away from Facebook, the main equity benchmarks produced varied performance for the week, with the DJIA and S&P 500 outperforming the technology-heavy Nasdaq Composite Index. Due to the release of second quarter earnings reports, equity trading volumes were elevated. Industrials outperformed as trade tensions eased somewhat, and airline stocks rallied on healthy passenger volumes. Communications and media shares suffered as a result of the plunge in Facebook shares on Thursday.

The week brought mixed headlines on the trade front. Mid-week, the United States Executive Branch and European Commission announced plans to discuss the removal of tariffs on non-auto manufacturing goods, as well as a European promise to increase imports of U.S. agricultural products. With the market still digesting freshly imposed tariffs, investors were comforted that negotiations signified a de-escalation in pressures. On the contrary, tensions between China and the U.S. seemed to increase during the week. Chinese officials declined to grant approval to the proposed merger of U.S. semiconductor maker Qualcomm and Dutch competitor NXP, a move that many market participants expect will result in reprisal from the U.S.

News that Japan and other central banks might be preparing to tighten their money supply sent longer-term Treasury yields higher at the start of the week. The Treasury sell off weighed on municipal debt, but municipals outperformed U.S. sovereign bonds, assisted by continued net negative supply (more coupon rollover dollars than new issuance supply) and adequate demand. Additionally, investors in municipal bond funds showed continued confidence and once again put cash back into the funds during the latest reporting week, according to Lipper data released on Thursday. The weekly reporters saw \$550 million of inflows in the week ended July 25, after inflows of \$1.25 billion in the previous week.

ADAM J. BUCHANAN

SENIOR VICE PRESIDENT

See pages 4-5 for current market rates

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

MARKET REVIEW

MONEY MARKET RATES

	7/27/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.00	5.00	5.00	4.25
Federal Funds (weekly average)	1.90	1.90	1.90	1.16
90 Day T-Bills	1.99	1.98	1.90	1.08
30-Day Commercial Paper (taxable)	1.92	1.96	2.00	1.09
Libor (30-day)	2.07	2.08	2.09	1.23
7 Day Tax-Exempt VRDB	0.94	0.94	1.51	0.82
Daily Rate Average	1.00	0.55	1.50	0.71

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.40	2.85	1 Year	1.45	2.65	2.80	2.55	2.15	1.85	1.65
5 Year	2.84	3.69	5 Year	1.95	3.30	3.45	3.15	2.80	2.50	2.30
7 Year	2.92	3.97	7 Year	2.18	3.73	3.93	3.43	3.13	2.93	2.63
10 Year	2.96	4.26	10 Year	2.44	4.14	4.44	3.79	3.39	3.19	2.89
30 Year	3.08	4.58	30 Year	3.00	4.70	5.00	4.35	3.95	3.75	3.45

(* Representative of retail sales.); (** Representative of institutional sales.)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2018 HIGH	LOW
Bond Buyer					
20 Bond Index	3.90	3.83	+0.07	3.97	3.44
11 Bond Index	3.38	3.31	+0.07	3.45	2.94
Revenue Bond Index	4.40	4.33	+0.07	4.46	2.92
30 Year MMD	3.00	2.91	+0.09	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	3.45	7.52	-4.07	7.52	0.71
30 Day T/E Visible Supply (Bil)	4.25	4.20	+0.05	8.29	0.63
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	122.14	121.19	+0.95	126.26%	118.68%

INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK T-BILL RATE	C.P.RATE TAXABLE	LIBOR (30-DAY)	30-YEAR T/E BONDS (A-AAA)		
07/27/18	0.94	5.00	1.90	1.99	1.92	2.07	3.75	-	3.45
07/20/18	0.94	5.00	1.90	1.98	1.96	2.08	3.66	-	3.36
07/13/18	1.01	5.00	1.90	1.96	1.97	2.07	3.66	-	3.36
07/06/18	1.19	5.00	1.90	1.91	1.96	2.09	3.67	-	3.37
06/29/18	1.51	5.00	1.92	1.90	2.00	2.09	3.69	-	3.39
06/22/18	1.50	5.00	1.90	1.91	1.95	2.09	3.70	-	3.40
06/15/18	1.33	5.00	1.74	1.93	1.97	2.08	3.76	-	3.46
06/08/18	1.05	4.75	1.69	1.92	1.92	2.02	3.73	-	3.43
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32
05/24/18	1.20	4.75	1.69	1.85	1.84	1.97	3.74	-	3.44
05/18/18	1.38	4.75	1.69	1.89	1.82	1.94	3.87	-	3.57
05/11/18	1.50	4.75	1.69	1.89	1.79	1.92	3.77	-	3.47
05/04/18	1.61	4.75	1.68	1.83	1.85	1.92	3.80	-	3.50
04/06/18	1.60	4.75	1.68	1.71	1.82	1.89	3.78	-	3.48
03/02/18	1.09	4.50	1.38	1.63	1.65	1.67	3.82	-	3.52
02/02/18	1.08	4.50	1.39	1.48	1.49	1.57	3.73	-	3.43
01/05/18	1.47	4.50	1.41	1.40	1.50	1.55	3.36	-	3.06
12/01/17	0.97	4.25	1.13	1.26	1.18	1.37	3.59	-	3.29
11/03/17	0.92	4.25	1.14	1.17	1.13	1.24	3.65	-	3.30
10/06/17	0.92	4.25	1.16	1.04	1.10	1.23	3.73	-	3.43
09/01/17	0.79	4.25	1.14	0.99	1.11	1.23	3.60	-	3.30
08/04/17	0.79	4.25	1.14	1.07	1.12	1.23	3.61	-	3.31

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