

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

THE 15TH ANNUAL ZIEGLER SENIOR LIVING INVESTOR WORKSHOP

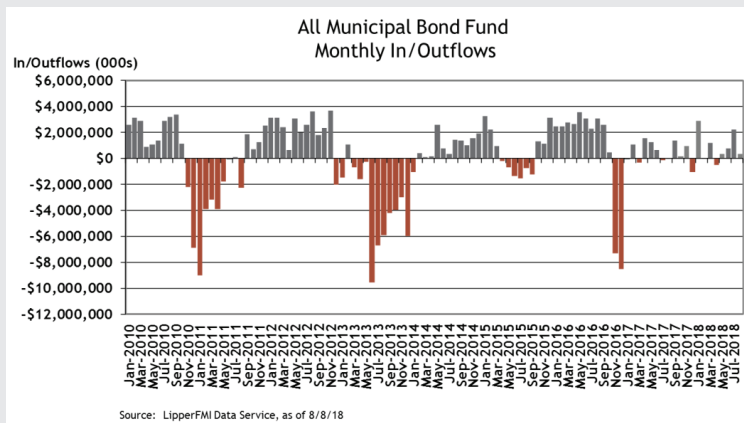
Nearly fifty of the nation’s top tax-exempt senior living bond investors met in Chicago, at Ziegler’s new office headquarters, for the 15th Annual Ziegler National Senior Living Investor Workshop. Credit analysts and portfolio managers from leading municipal bond funds, asset managers and hedge funds participated in a one-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 a number of 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 strong in 2018, driving investor buying and relatively low fixed rate borrowing costs for providers.

Investors should see a good mix of bonds coming to market for both refinancing and new money issues to fund new projects and community expansions. As part of this discussion, Ziegler led an overview of capital markets trends and covenant and structure updates.

We would like to thank everyone who participated in this year’s event and look forward to seeing a number of the investor representatives at the annual Ziegler Senior Living Finance + Strategy Conference in September.

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.



LISA MCCracken
DIRECTOR, SENIOR LIVING RESEARCH AND DEVELOPMENT
ZIEGLER

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 Amy Lampo with A.V. Powell & Associates. Ms. Lampo walked attendees through information frequently requested by institutional investors such as future service obligation and funded status, as well as items such as resident contract viability and other community-specific data. Attendees engaged in productive dialogue around distribution of actuarial reports and fully understanding underlying assumptions behind information that is public versus non public.

Investors are working through the calendar of new issues expected to come to market over the next few months going into the third and fourth quarters.

ZIEGLER

One North 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

AUGUST 7 - 13, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Cypress Cove (FL)	Fitch	BB+ Stable	Affirmed Rating Revised Outlook	8/9/18
Lenbrook Square Foundation (GA)	Fitch	BBB Negative	Affirmed Rating Revised Outlook	8/10/18
Duncaster, Inc. (CT)	Fitch	BBB Stable	Upgraded Rating Revised Outlook	8/13/18

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 AUGUST 10, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.07%	3.05%	2.86%
Senior Living 30-Yr "A"	3.82%	3.80%	3.68%
Senior Living 30-Yr "BBB"	4.02%	4.00%	3.95%
Senior Living Unrated	4.77%	4.75%	4.66%
Senior Living New Campus	6.50%	6.50%	6.53%
SIFMA Muni Swap Index	1.29%	1.29%	1.17%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.70%	4.70%	1.64%

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

FEATURED FINANCINGS


COVENANT WOODS
Mechanicsville, Virginia

Economic Development Authority
of Hanover County, Residential Care
Facility Revenue Refunding Bonds,
Series 2018

\$30,200,000

MARKET REVIEW

MONEY MARKET RATES

	8/10/18	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	2.04	2.00	1.96	1.03
30-Day Commercial Paper (taxable)	1.98	1.94	1.97	1.11
Libor (30-day)	2.06	2.08	2.07	1.22
7 Day Tax-Exempt VRDB	1.45	1.29	1.01	0.78
Daily Rate Average	1.35	1.36	0.58	0.63

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.39	2.84	1 Year	1.48	2.68	2.83	2.58	2.18	1.88	1.68
5 Year	2.73	3.58	5 Year	2.00	3.35	3.50	3.20	2.85	2.55	2.35
7 Year	2.80	3.85	7 Year	2.23	3.78	3.98	3.48	3.18	2.98	2.68
10 Year	2.86	4.16	10 Year	2.48	4.18	4.48	3.83	3.43	3.23	2.93
30 Year	3.02	4.52	30 Year	3.07	4.77	5.07	4.42	4.02	3.82	3.52

(* 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	3.98	3.95	+0.03	3.98	3.44
11 Bond Index	3.46	3.43	+0.03	3.46	2.94
Revenue Bond Index	4.48	4.45	+0.03	4.48	2.92
30 Year MMD	3.07	3.05	+0.02	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	5.83	3.46	+0.01	7.52	0.71
30 Day T/E Visible Supply (Bil)	14.29	8.24	+6.05	14.29	0.63
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	126.49	122.18	+4.35	126.49%	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)		
08/10/18	1.45	5.00	1.90	2.04	1.98	2.06	3.82	-	3.52
08/03/18	1.29	5.00	1.90	2.00	1.94	2.08	3.80	-	3.50
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
05/04/18	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

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