

ZIEGLER INVESTMENT BANKING

# ZIEGLER NFP SENIOR LIVING BORROWER UPDATE

April 17, 2020 | 4:00 PM ET / 3:00 PM CT

## PRESENTED BY

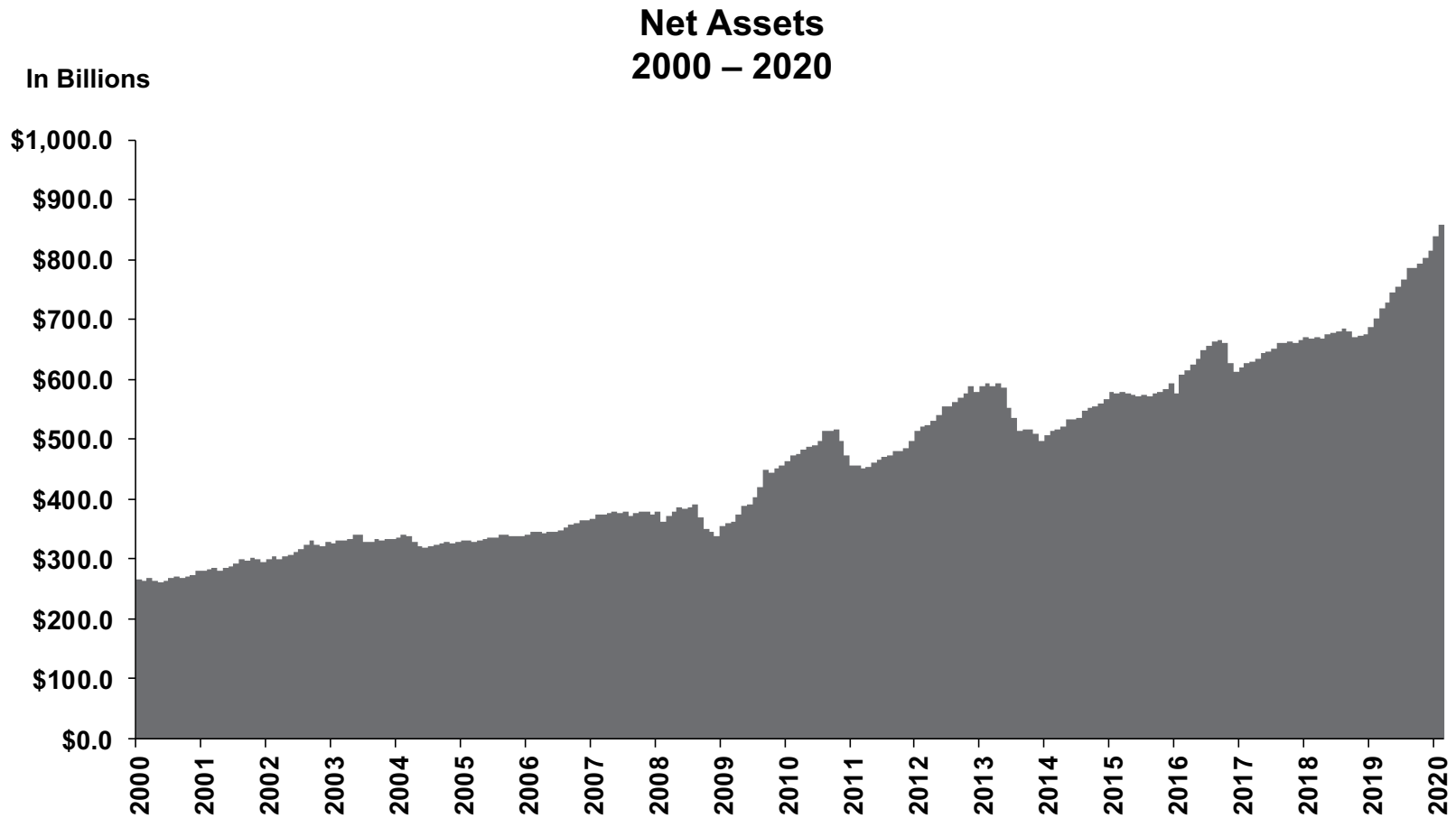
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# CHANGES IN MUNICIPAL BOND FUND ASSET VALUES

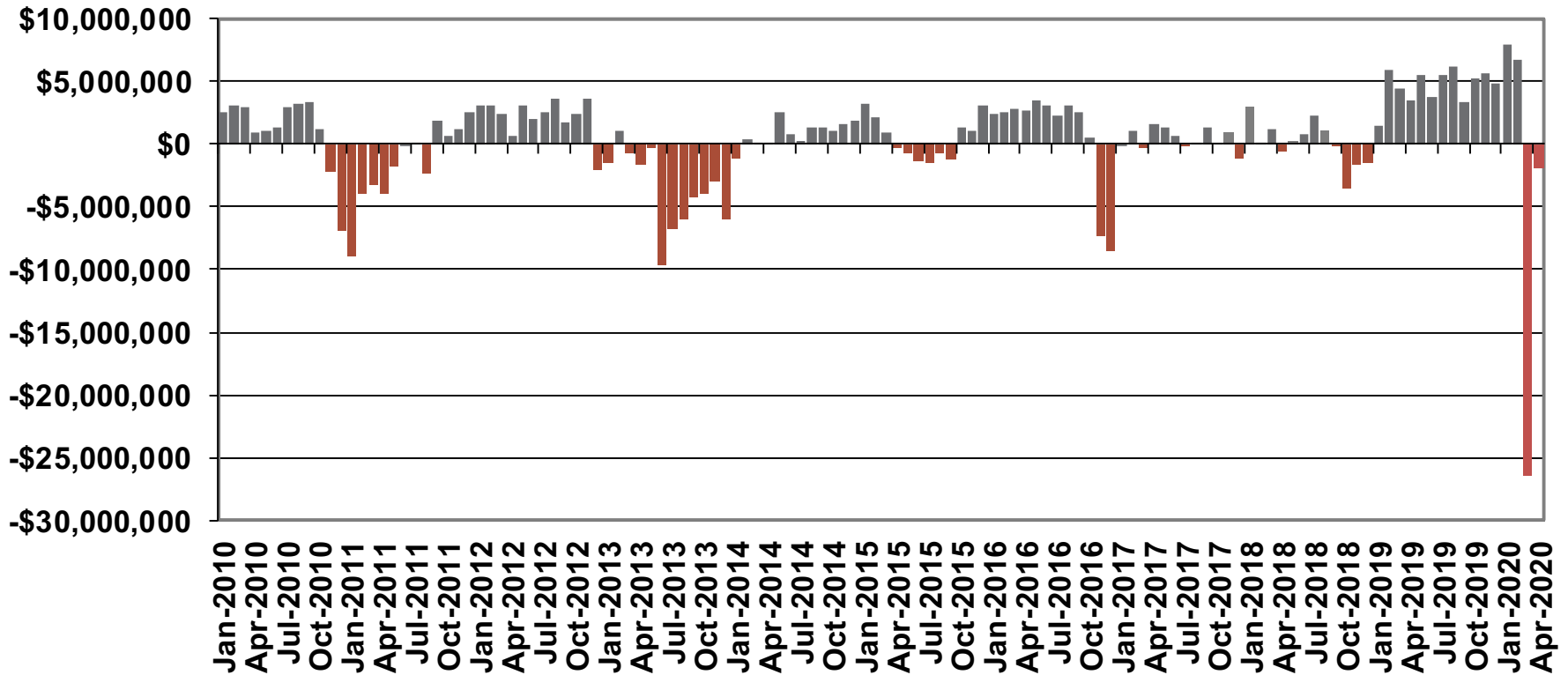


# ALL MUNICIPAL BOND FUNDS: INFLOWS/OUTFLOWS

All Municipal Bond Fund  
Monthly In/Outflows

Muni funds report  
net cash inflows  
totaling \$733.62M

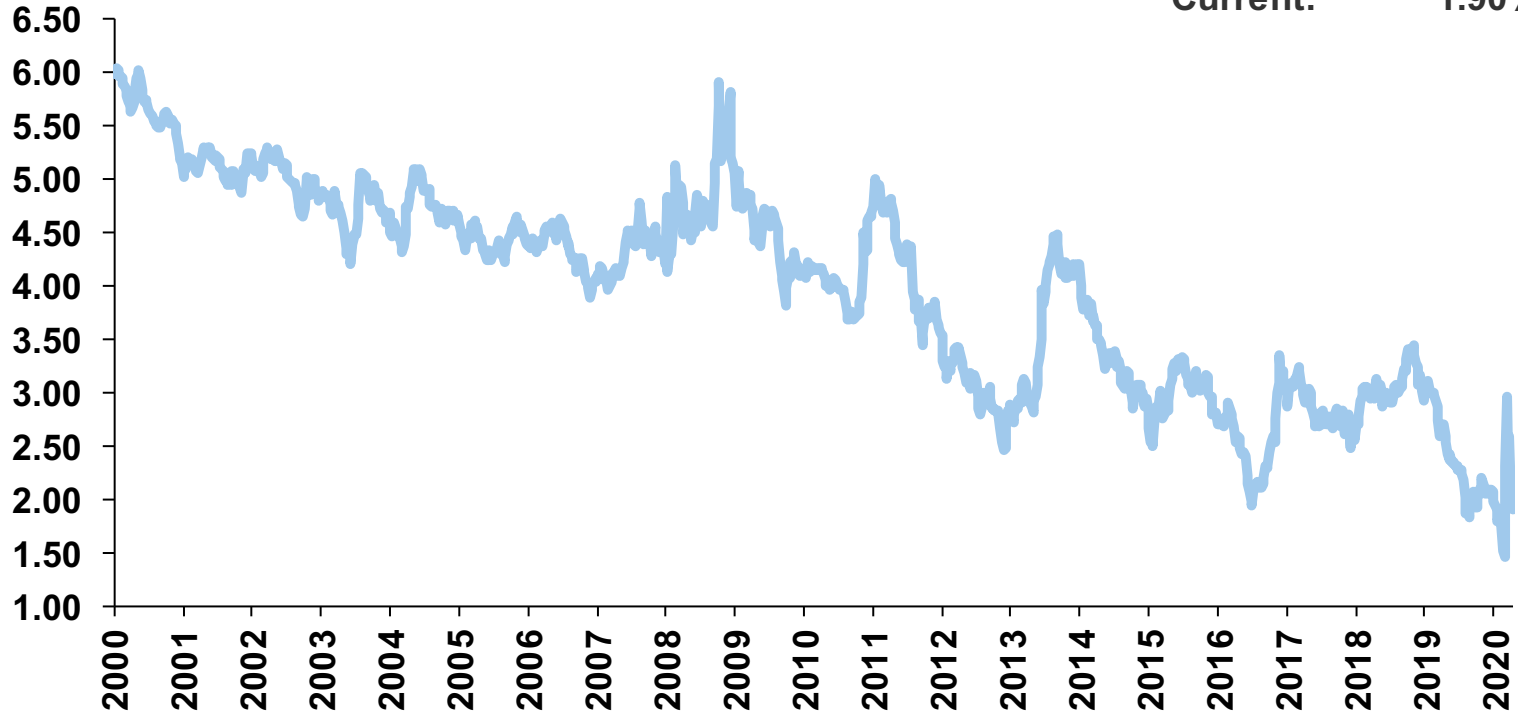
In/Outflows (000s)



# HISTORICAL INTEREST RATES (SENIOR LIVING)

30-Year “AAA” MMD  
(2000 YTD - Weekly)

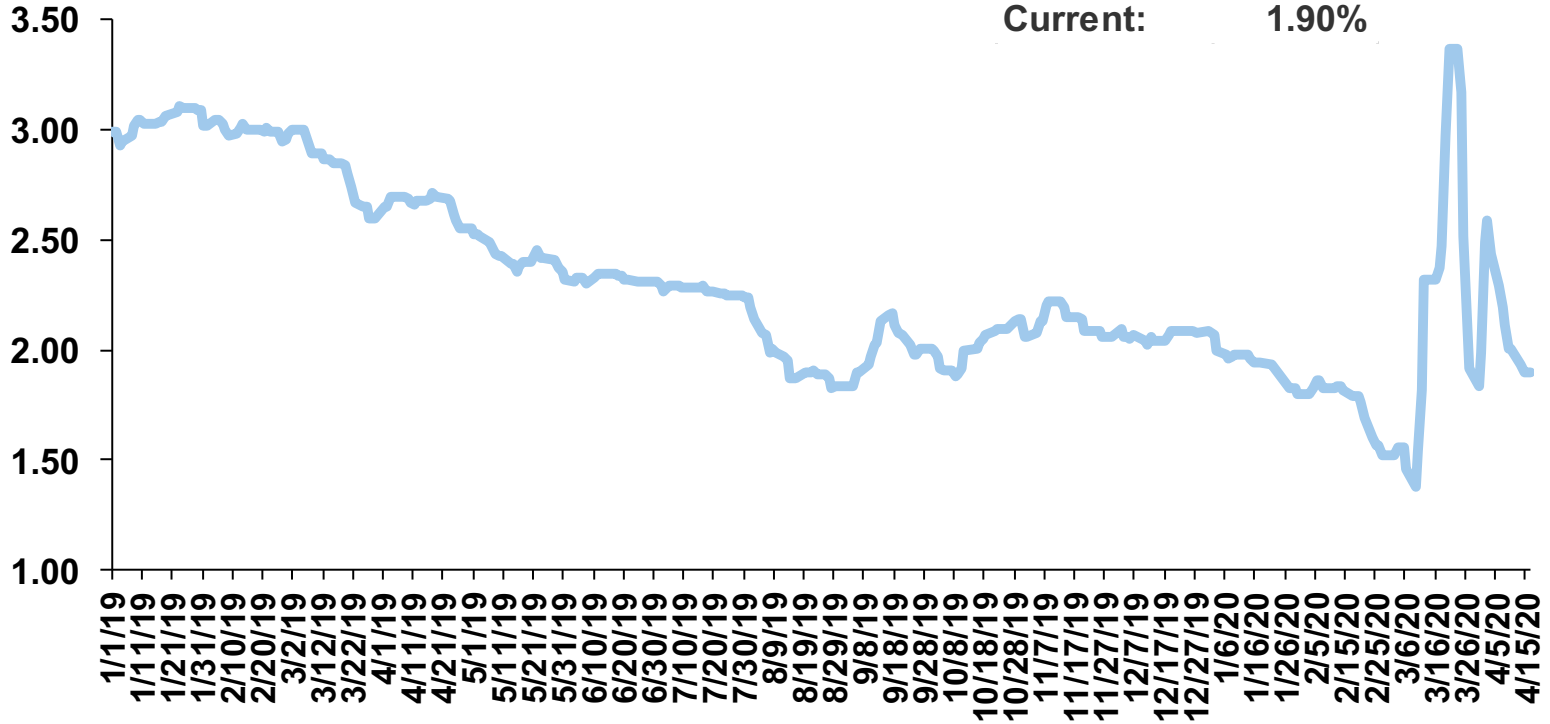
**Minimum:** 1.46%  
**Maximum:** 6.04%  
**Average:** 3.96%  
**Current:** 1.90%



# HISTORICAL INTEREST RATES (SENIOR LIVING)

30-Year “AAA” MMD  
(2019 YTD - Daily)

Minimum: 1.38%  
Maximum: 3.37%  
Average: 2.30%  
Current: 1.90%

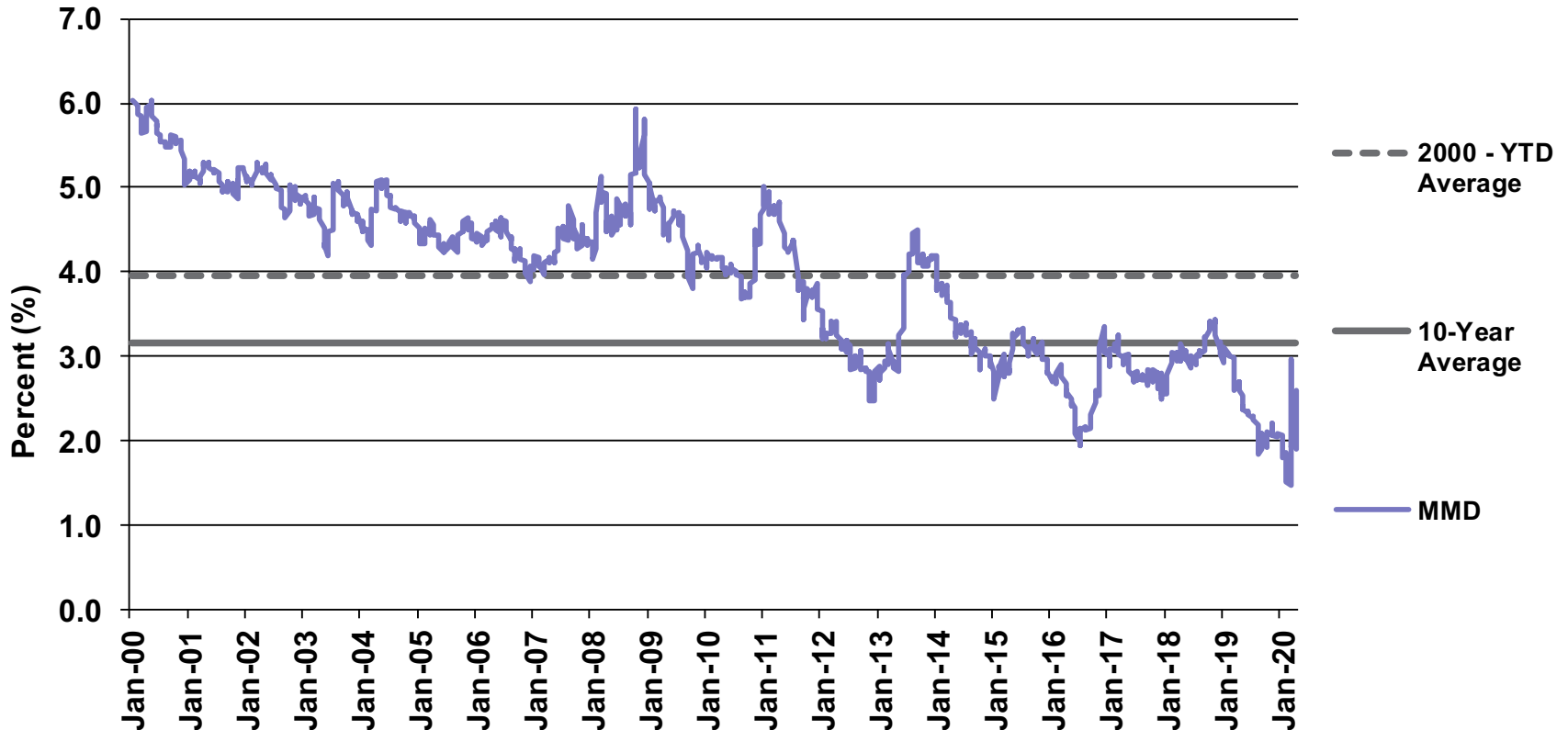


# HISTORICAL INTEREST RATES (SENIOR LIVING)

“AAA” MMD Index  
30-Year Maturity Yield

30-Yr MMD

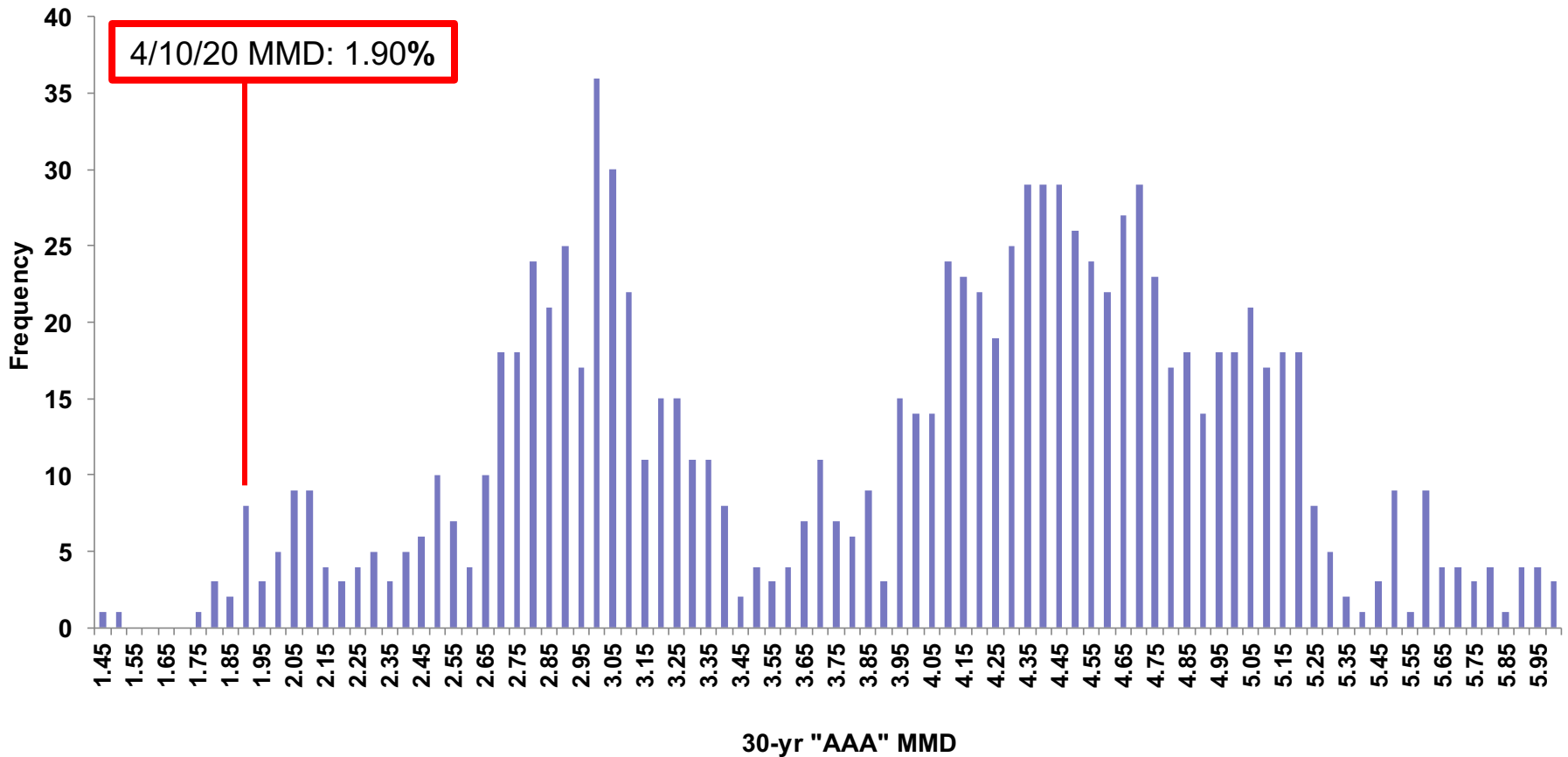
Minimum: 1.46%  
Maximum: 6.03%  
Average: 3.96%  
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# HISTORICAL INTEREST RATES

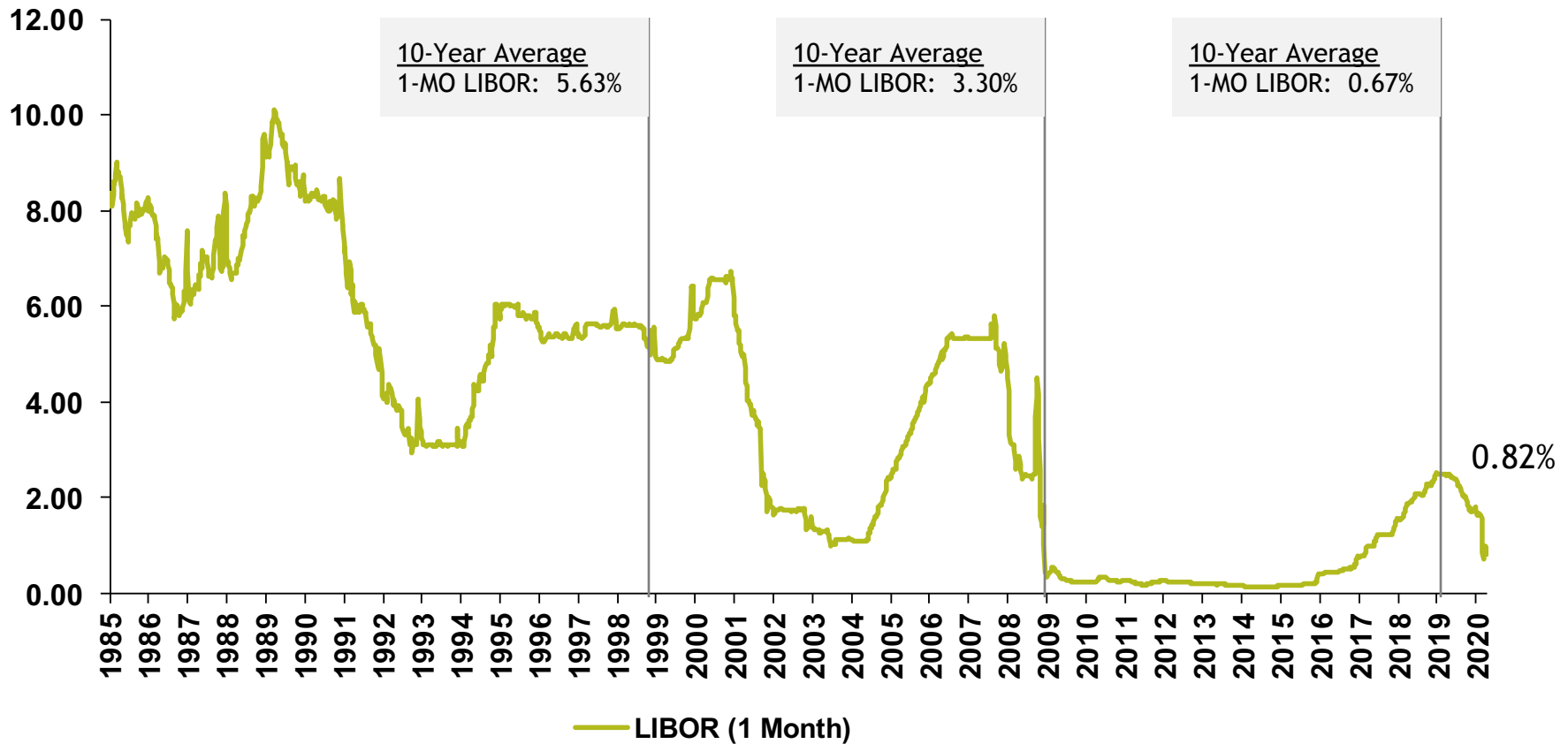
## UNIQUE MARKET OPPORTUNITY

30-yr "AAA" MMD Histogram  
2000 - 2020 (Frequency "Weekly")



# VARIABLE INTEREST RATES RISK AND REWARD

Time Period	Average 1 Mo. LIBOR	70% Average of LIBOR
1989-1999	5.63%	3.94%
1999-2009	3.30%	2.31%
2009-2019	0.67%	0.47%





# BANK LENDING ENVIRONMENT

- Bank activity in not-for-profit senior living varies by region and by institution
  - Some are “pencils down”
  - Others are actively responding to RFPs
- We anticipate that banks will continue to be active lenders coming out of the COVID-19 crisis

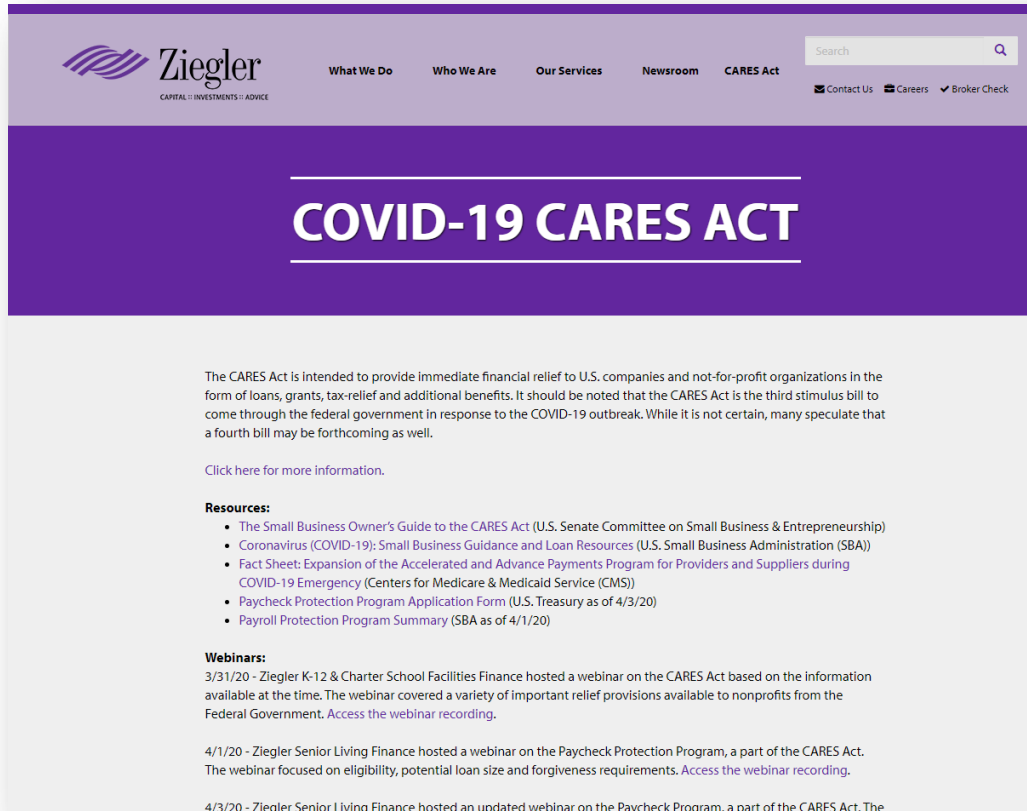
# ZIEGLER CREDIT SURVEILLANCE & ANALYTICS

Recommended Best Practices

# COVID-19 TOPICS FOR DISCUSSION WITH INVESTORS

- **Actual virus case statistics and safety protocols:**
  - General (cases of both residents and staff, deaths)
  - Operations related (preparedness, staffing, supplies)
- **Sales and Occupancy:**
  - Census related (current admissions status for each level of care)
  - Local senior living marketplace
- **New Projects / Construction, if applicable**
  - Project Related (ILU sales status)
  - Construction related (progressing or stalled, opening dates, move in, etc.)
- **Financial:**
  - Balance Sheet (virus impact on unrestricted liquidity)
  - Investment portfolio mix
  - Bank relationships and lines of credit, if needed
  - Government Entity Support/ CARES Act
    - Paycheck Protection Program application status, what portion expected to be forgiven
    - Accounting treatment of PPP funds (debt, not grant)
    - Potential need for investor waivers/consents related to Additional Indebtedness covenant
    - Loan impact on financial ratios (DCOH, DSCR, NOM, etc.).

# ZIEGLER RESOURCES



- Summary documents on the CARES Act
- Links to key sources of information
- Webinars that Ziegler has hosted for various audiences re: COVID-19

<https://www.ziegler.com/cares-act/>

QUESTIONS?

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