



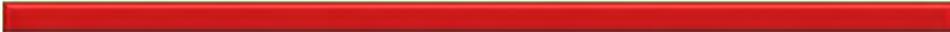
CREATING STRONGER ORGANIZATIONS THROUGH AGGRESSIVE GROWTH STRATEGIES

October 8, 2020

Tom Meyers
Senior Managing Director
312 596 1537
tmeyers@ziegler.com

Lisa McCracken
Director, Senior Living Research
312 705 7253
lmccracken@ziegler.com

Steve Johnson
Managing Director
312 596 1512
sjohnson@ziegler.com



AGENDA

SECTION 1: BRIEF OVERVIEW OF ZIEGLER

SECTION 2: DEMOGRAPHICS, THE CONSUMER & WORKFORCE

SECTION 3: NFP GROWTH & PARTNERSHIPS

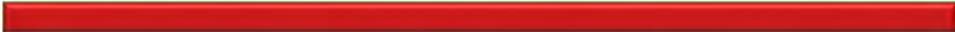
SECTION 4: EXTERNAL FORCES SHAPING THE SECTOR

SECTION 5: SPONSORSHIP TRANSITION TRENDS & IDEAS

SECTION 6: SENIOR LIVING CAPITAL MARKETS UPDATE

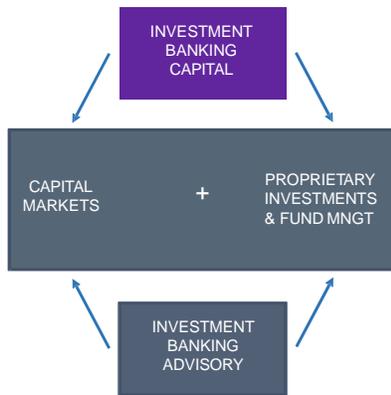
Brief Overview of Ziegler

Topic 1



ABOUT ZIEGLER

ZIEGLER is a privately held, national boutique investment bank, capital markets and proprietary investments firm. Specializing in the healthcare, senior living and education sectors, as well as general municipal and structured finance, enables us to generate a positive impact on the communities we serve.



INVESTMENT BANKING	Strategic advisory, financing and capital planning solutions in healthcare, senior living and educational sectors as well as general municipal and structured finance
CAPITAL MARKETS	Active participant in municipal sales and trading including public, tax-exempt, taxable, private placement and preferred trading markets
PROPRIETARY INVESTMENTS & FUND MNGT	Providing opportunities for investors in senior living, healthcare services & technology solutions



ZIEGLER LINK•AGE FUND PORTFOLIO

Fund II Portfolio Companies Provide Value to Customers

	AllySign Health	arena	DRUGS TO GO	immedica	FOREFRONT	UNITI	MINKA	onShift	PayActiv	PS	THIRD EYE HEALTH	Veeva
Operational Efficiencies / Enterprise Mgt	✓		✓		✓	✓	✓	✓	✓	✓	✓	
Payment Reform / CMS Reimbursement	✓	✓									✓	
Human Capital Management		✓	✓				✓	✓				
Preventive Wellness & Safety			✓							✓		✓
Improved Resident Care			✓	✓		✓			✓	✓	✓	✓
Enhanced Consumer Engagement		✓		✓		✓		✓	✓	✓		

5

Source: Ziegler Investment Banking

ZIEGLER LINK•AGE FUND PORTFOLIO

Fund I Portfolio Companies Provide Value to Customers

	Pharmers Health	Breezie	caremerge	HEALTHPRO	HERITAGE	IncludeHealth	LifeSite	Prodigy	STRATEGIC HEALTH CARE	YNCA
Operational Efficiencies / Enterprise Management		✓	✓	✓	✓	✓	✓			✓
Payment Reform / CMS Reimbursement				✓					✓	
Human Capital Management										
Preventive Wellness & Safety	✓			✓	✓	✓				
Improved Resident Care				✓	✓	✓				
Enhanced Consumer Engagement	✓	✓	✓		✓	✓			✓	

6

Source: Ziegler Investment Banking

ZIEGLER LINKAGE LONGEVITY FUND I & II
OHIO INVESTORS



Source: Ziegler Investment Banking

7

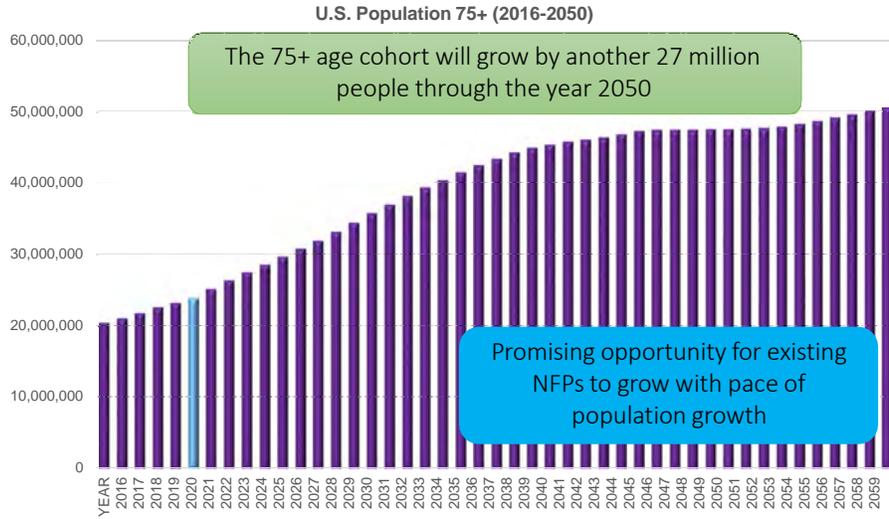
Demographics, The Consumer & The Workforce

Topic 2



8

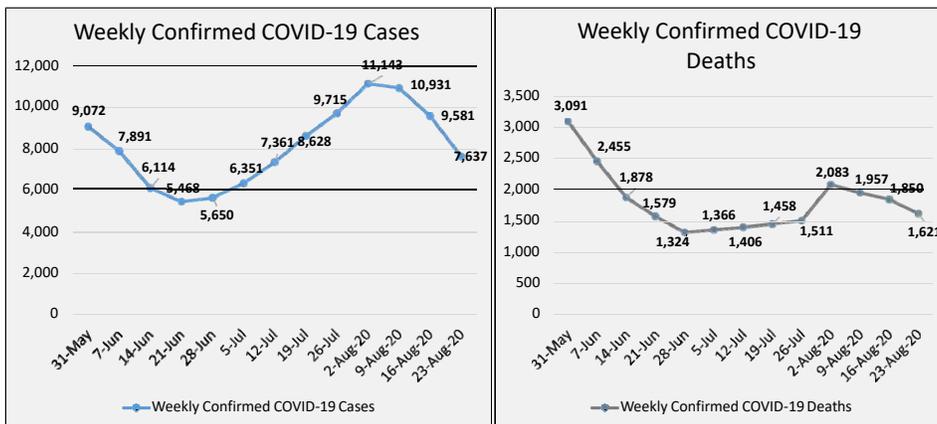
DEMOGRAPHICS: THE TREND THAT HAS NOT CHANGED



Source: U.S. Census Bureau, data released September 2018

9

COVID-19 CASES & DEATHS IN NURSING HOMES



10

Source: Centers for Medicare and Medicaid Services, August 28, 2020

SENIOR LIVING & CARE WORKFORCE: KEY PRIORITY

- Workforce issues were a top challenge pre-COVID-19
- Increased expenses related to bonuses, additional benefits, wage increases
- 4 out of 10 not-for-profit providers reported increased staff turnover since the onset of COVID-19*



LeadingAge[®]
Ohio
13

*Source: Ziegler CFO HotlineSM, August 2020

NFP GROWTH & PARTNERSHIPS

Topic 3

LeadingAge[®]
Ohio
14

OVERALL GROWTH OBSERVATION

- Pre-COVID-19, not-for-profit (NFP) senior living growth was **picking up** in select markets; some projects put on hold, others moving forward; variation across clients and regions
- **For-profit growth of new locations** continues to be high; might slow a bit with COVID-19, but will not stop. Private sector money remains plentiful.
- **NFP growth through affiliation and acquisition** has surpassed growth through new development; will accelerate with COVID-19 pressures
- NFPs are **actively reinvesting** in existing campuses
- Expansion of the continuum with **home and community-based services (HCBS)** platforms (joint ventures common); interest accelerated with COVID-19

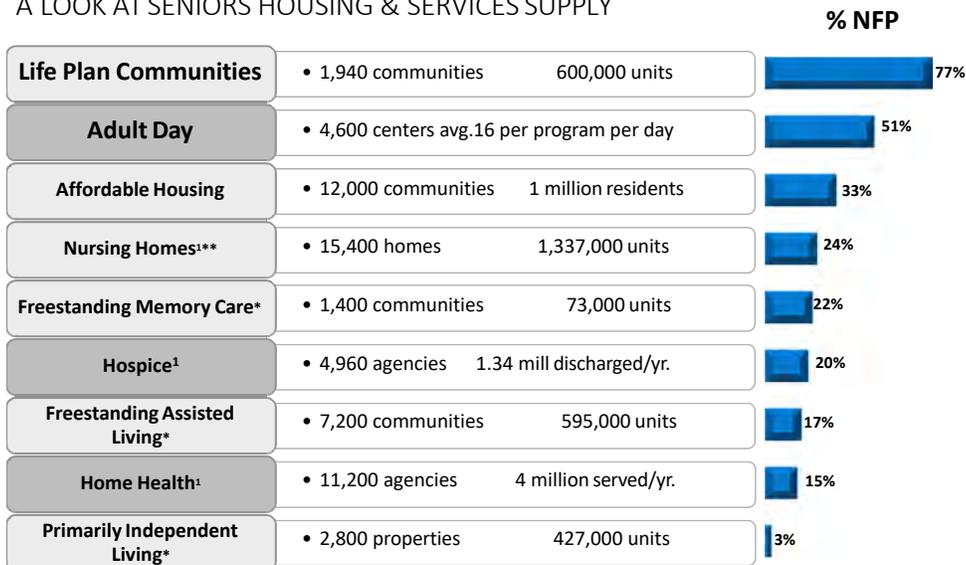


Source: Ziegler Investment Banking, September 2020

15



CURRENT RETIREMENT OPTIONS
A LOOK AT SENIORS HOUSING & SERVICES SUPPLY



^{*}REPRESENTS NIC PRIMARY 31 MARKETS ^{**}Nursing Home data includes both freestanding SN and those within a larger continuum
Sources: Ziegler National CCRC Listing & Profile (June '20), ^{*}NIC Investment Guide, Fifth Edition (2018)
¹Centers for Medicare and Medicaid Services (June, 2020); Centers for Disease Control & Prevention (2020)

16



SYSTEM TRENDS 2020 LZ 200 PUBLICATION: BACKGROUND AND METHODOLOGY

- Size not quality
- Not-for-profit multi-site senior living organizations primary focus
- Descriptive information on each system
 - state, size (by type of unit),
 - classification of system, rating,
 - accreditation, addition of 2nd community.
- Statistics related to affiliation, employees, residents and more
- Excludes affordable units and managed units when computing size; excludes primarily acute/post-acute/health care systems
- Comparable to other listings of largest organizations (i.e., Fortune 500)



Source: Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200 Publication (data as of 12/31/19)

2020 LEADINGAGE ZIEGLER 200 The Nation's Largest Not-for-profit Multi-site Senior Living Organizations RANKED BY TOTAL SENIOR LIVING UNITS

2020 Rank	2019 Rank	System Name	State	Units (as of 12/31/19)				Communities (as of 12/31/19)				
				Total	ILU	ALU	NCB	Total	LPC	IL	AL	NH
1	1	National Senior Campuses	MD	20,917	18,136	1,628	1,153	16	16	0	0	0
2	2	The Evangelical Lutheran Good Samaritan Society	SD	15,507	4,795	2,110	8,602	142	53	8	9	72
3	3	ACTS Retirement Services, Inc.	PA	9,592	6,737	1,118	1,737	26	26	0	0	0
4	5	Ascension Living	MO	8,129	2,124	1,203	4,802	48	2	5	3	38
5	4	Presbyterian Homes and Services	MN	7,958	4,118	2,389	1,451	46	15	28	0	3
6	6	Trinity Health Senior Communities	MI	5,715	1,839	1,199	2,677	54	6	13	14	21
7	8	HumanGood	CA	5,474	3,351	1,093	1,030	21	20	1	0	0
8	7	Covenant Living Communities & Services	IL	5,228	3,363	884	981	18	13	2	2	1
9	11	Lifespace Communities Inc.	IA	5,179	3,663	535	981	15	15	0	0	0
10	9	Benedictine	MN	4,394	726	1,496	2,172	33	25	1	4	3
11	12	Westminster Communities of Florida	FL	4,155	2,852	522	781	13	10	3	0	0
12	10	Retirement Housing Foundation	CA	4,098	2,646	841	611	18	9	8	1	0
13	13	Cassia	MN	3,920	522	1,512	1,886	51	0	5	28	18
14	14	The Kendal Corporation	PA	3,629	2,512	609	508	15	13	2	0	0
15	15	Presbyterian Senior Living	PA	3,601	1,920	547	1,134	20	12	6	2	0
16	17	Asbury Communities, Inc.	MD	3,591	2,147	535	909	8	8	0	0	0
17	16	Lutheran Senior Services	MO	3,541	1,678	744	1,119	11	8	0	1	2
18	18	Ohio Living	OH	3,286	1,732	567	987	13	13	0	0	0
19	19	The Carmelite System, Inc.	NY	3,157	144	421	2,592	16	1	1	2	12
20	20	Pacific Retirement Services, Inc.	OR	3,073	2,310	378	385	9	9	0	0	0
21	21	Front Porch Communities and Services	CA	2,860	2,159	183	518	10	5	5	0	0
22	22	Concordia Lutheran Ministries	PA	2,806	996	1,147	663	14	6	0	6	2
23	23	Otterbein SeniorLife	OH	2,630	1,123	496	1,011	15	6	0	0	9
24	25	Masonic Villages of the Grand Lodge of Pennsylvania	PA	2,557	1,614	259	684	5	3	1	0	1
25	24	Springpoint Senior Living Inc.	NJ	2,548	1,740	317	491	9	8	0	0	1

Source: Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200 Publication (data as of 12/31/19)

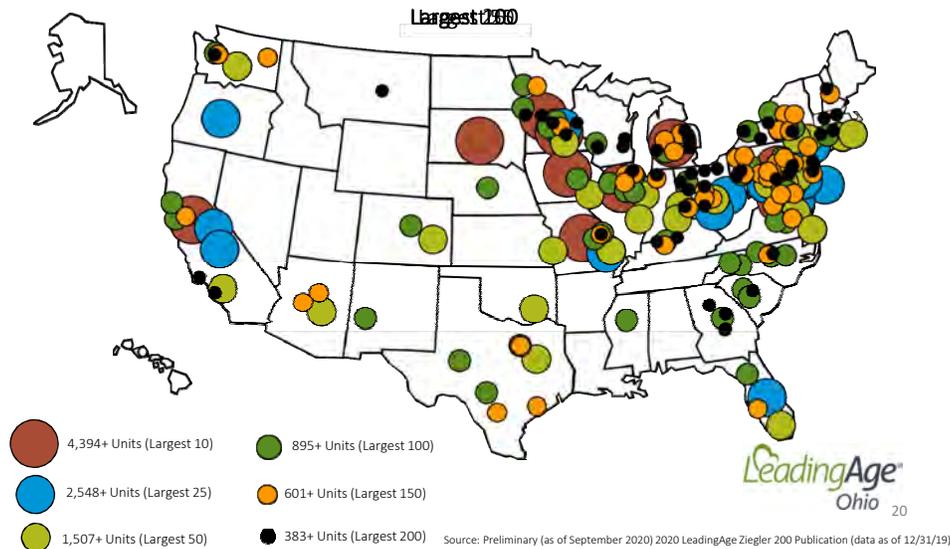
2020 LEADINGAGE ZIEGLER 200 - OHIO
Ohio's Largest Not-for-profit Multi-site Senior Living Organizations
RANKED BY TOTAL SENIOR LIVING UNITS

2020 Rank	2019 Rank	System Name	State	Units (as of 12/31/19)				Communities (as of 12/31/19)				
				Total	ILU	ALU	NCB	Total	LPC	IL	AL	NH
18	18	Ohio Living	OH	3,286	1,732	567	987	13	13	0	0	0
23	23	Otterbein SeniorLife	OH	2,630	1,123	496	1,011	15	6	0	0	9
44	41	National Church Residences	OH	1,607	861	521	225	9	3	3	3	0
51	57	United Church Homes, Inc.	OH	1,491	448	273	770	11	5	2	0	4
111	116	Life Enriching Communities	OH	811	532	135	144	2	2	0	0	0
118	120	The Ohio Masonic Home	OH	787	377	246	164	3	2	0	1	0
135	141	Maple Knoll Communities, Inc.	OH	686	388	91	207	2	2	0	0	0
136	135	The Wesley Communities fka Methodist ElderCare Services	OH	678	338	234	106	3	1	2	0	0
151	156	Genacross Lutheran Services	OH	598	138	175	285	4	2	1	0	1
153	158	Shepherd of the Valley Lutheran Retirement Services	OH	587	238	229	120	4	2	1	0	1
154	160	Episcopal Retirement Services	OH	576	267	115	194	3	3	0	0	0
161	168	Christian Village Communities	OH	559	221	190	148	2	2	0	0	0
174	181	Judson Services, Inc.	OH	500	227	135	138	2	1	1	0	0
176	183	The Eliza Jennings Senior Care Network	OH	486	175	89	222	3	1	0	1	1
188	193	Willow Brook Christian Communities	OH	437	230	123	84	3	2	0	1	0
194	198	Colonial Senior Services, Inc.	OH	411	162	101	128	3	3	0	0	0

Source: Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200 Publication (data as of 12/31/19)

19

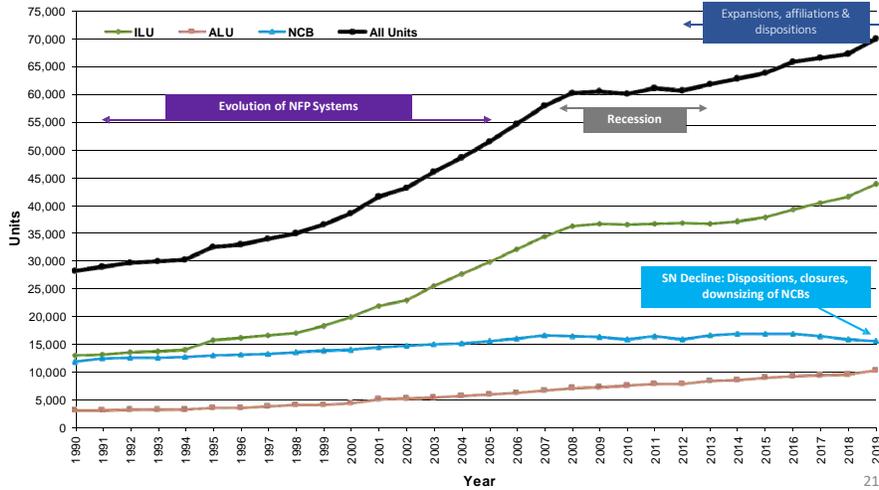
2020 LEADINGAGE ZIEGLER 200
ORGANIZATIONAL CHARACTERISTICS: SYSTEM HEADQUARTERS
HEADQUARTERS' LOCATIONS BY SIZE



2020 LeadingAge Ziegler 200

Growth: Growth of Largest 10 Systems, Combined Unit Mix

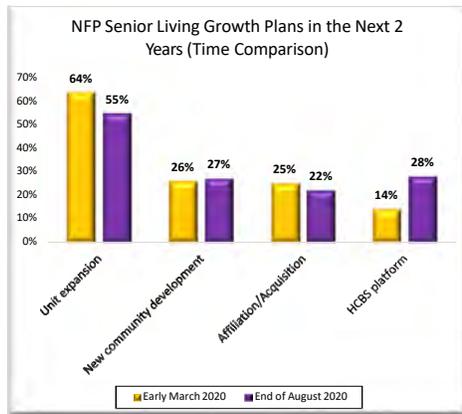
FROM 1990 (Excludes Trinity Health Senior Communities, Ascension Senior Living, Benedictine Health System)



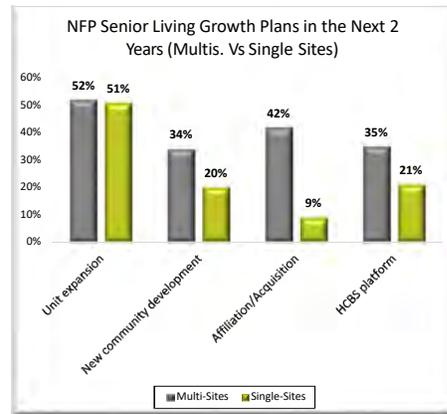
Source: Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200 Publication (data as of 12/31/19)

THE NFP GROWTH MINDSET

- Notable growth mindset heading into COVID-19
- With exception of expansion projects, multi-sites more aggressive in their growth plans

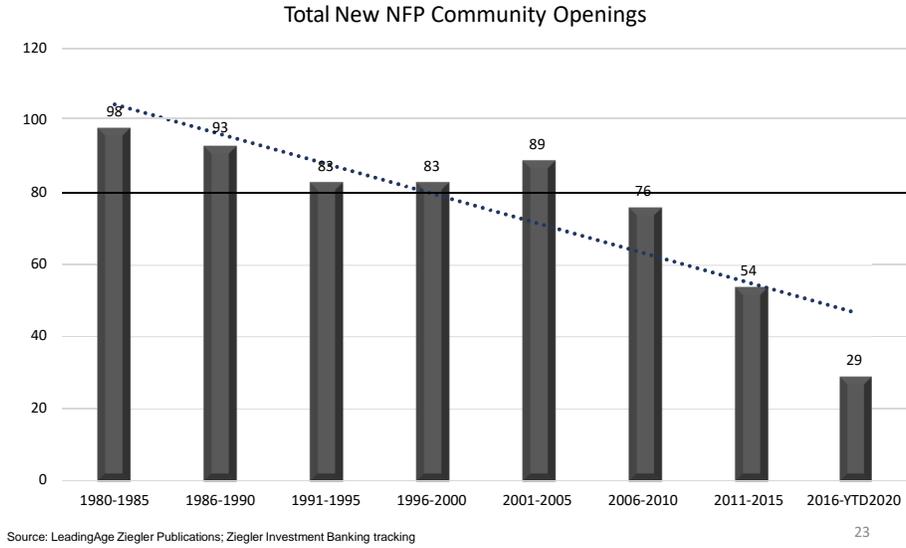


Source: Ziegler CFO Hotline™, March & August 2020



Source: Ziegler CFO Hotline™, August 2020

NEW NFP COMMUNITY LOCATIONS



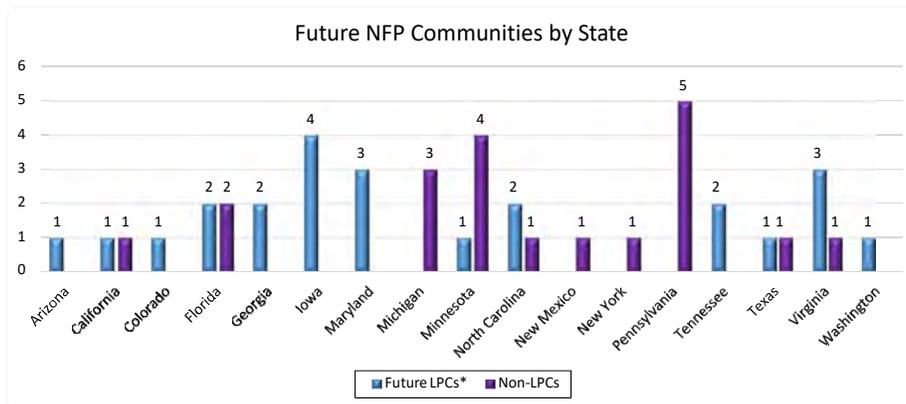
Source: LeadingAge Ziegler Publications; Ziegler Investment Banking tracking

23



FUTURE NEW NFP COMMUNITY LOCATIONS

ANTICIPATED to open within the next 5 years



Anticipate 43 new NFP locations through YE 2025
Translates into roughly 8 or 9 per year
Coming from existing NFP organizations

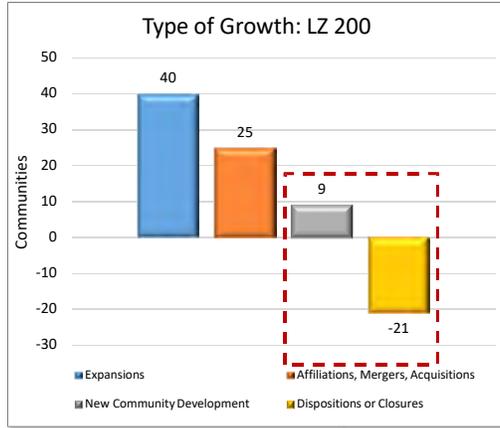
Source: Ziegler Investment Banking; Public Sources, 9/1/2020
 *Communities with IL and SN on the same campus

24



GROWTH FROM AFFILIATIONS & ACQUISITIONS EXCEEDS GROWTH FROM NEW CAMPUSES

- Nearly all new NFP community developments are coming from existing providers
- In CY 2019, dispositions and closures among the LZ 200 were roughly 2.5X the pace of new community development

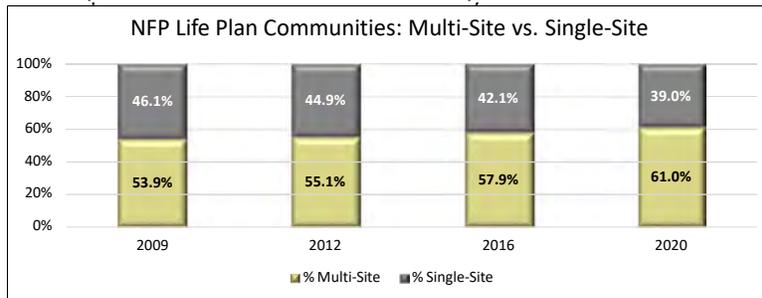


Source: Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200 Publication (data as of 12/31/19)
 Note: Only expansions of 20 units or greater included. An additional 18 communities with expansions <20 units per project.

25

SECTOR CONSOLIDATION TRENDS

- For-profit sector has consolidated more quickly than the not-for-profit sector; vast majority are part of a multi-site organization
- Not-for-profit Life Plan Community Consolidation:

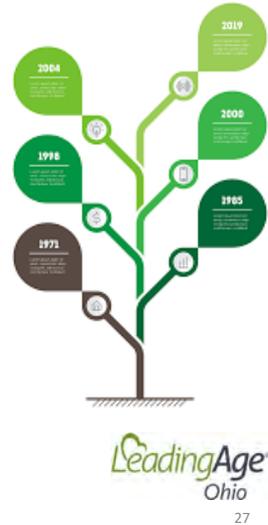


Source: Ziegler National LPC/CCRC Database

26

FACILITATING GROWTH

- Advancing “Why Grow?” conversations
- Finding the right corporate structure
- Creation of strategic growth funds
- Chief Strategy/Business Development Officer roles
- Incentive packages for C-Suite team that reward growth



Source: Ziegler Investment Banking

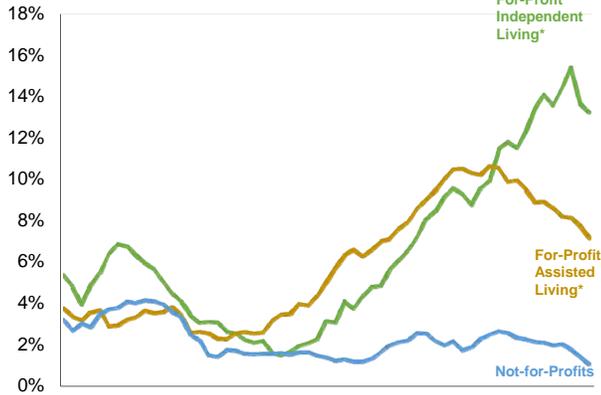
EXTERNAL FORCES SHAPING THE SECTOR

Topic 4



GROWTH FROM THE PRIVATE SECTOR WILL CONTINUE

**Construction vs. Inventory; MAP31
Seniors Housing | 4Q05 – 2Q20**



* Excludes CCRCs

Source: NIC MAP® Data Service | www.nic.org/nic-map

- Even with a slowdown due to COVID-19, FP owners and operators remain bullish on the sector
- Most growth in the form of IL/AL/MC; rental communities
- Overall decline in nursing homes



29

GROWTH COMING FROM THE PRIVATE SECTOR WILL CONTINUE

- Bullish with the demographics
- Long-term sector outlook positive; better than other investment sectors (retail, hospitality, office buildings)

	LeadingAge Ziegler 200 (NFP)	Argentum Largest 150 (FP)*
Total market-rate units	303,232	632,223
Total market-rate communities	1,587	6,471
Avg. # of units per community	191	98



Sources: 2020 LeadingAge Ziegler 200 publication; 2020 Argentum Largest Providers
*Excludes skilled nursing; IL/AL/MC only

30

SKILLED NURSING HEADLINES

September 15, 2020
'Devastating': Provider shuts SNF to save assisted living, memory care business
 Kimberly Bonaccorso
 SENIOR LIVING

Arizona Skilled Nursing Facility Closes For Highest Per-Bed Price
 by Ben Swett | Aug 18, 2020 4:11 pm | Acquisitions | 0 comments
 SeniorCare Investor

Skilled Nursing M&A Remains Active: Investors Don't 'Have a Better Place to Put Their Money'
 by Alex Spitzer | August 24, 2020

SKILLED NURSING NEWS

AHCA Survey: Over Half of Skilled Nursing Facilities Operating at a Loss Due to Pandemic



Source: American Health Care Association and National Center for Assisted Living

WASHINGTON, D.C. — Over half of skilled nursing facilities are currently operating at a loss, with 72 percent claiming they won't survive another year at the current pace.

That's according to a recent survey by the Washington, D.C.-based American Health Care Association (AHCA) and National Center for Assisted Living (NCAL). The survey polled 463 facilities between Aug. 5 and Aug. 10.

Of the respondents, nearly 90 percent said they are on either a razor-thin profit margin or operating at a loss, with 55 percent saying they are currently operating at a loss.

SENIORS HOUSING BUSINESS WEEKLY UPDATE
 AHCA NATIONAL CENTER FOR ASSISTED LIVING
 LeadingAge Ohio
 31

CONTINUED GROWTH OF HCBS PLATFORMS

- COVID-19 has stimulated increased interest to grow HCBS platforms
- About 50% of NFPs have some type of HCBS platform (fairly steady across the years)
- Common area for joint ventures

Home Health Providers Ready to Step Up If Regulators Reduce SNF Capacity
 Home Health Care News
 By Joyce Famakinwa | September 10, 2020

'Bigger, Better and Stronger Than Ever': Encompass Health's April Anthony Sounds Off on Home Health Care's Future
 By Michael Kelly | November 2, 2019

Moving More Medical And Long-Term Care To Seniors' Homes
 Forbes

- Home Care
- Home Health
- Hospice
- PACE
- CCaH
- Concierge

Source: Ziegler Investment Banking; Preliminary (as of September 2020) 2020 LeadingAge Ziegler 200

ZIEGLER LINK•AGE FUNDS



THE ZIEGLER LINK•AGE FUNDS

<p>\$60M+</p> <p>COMMITTED CAPITAL</p>	<p>24</p> <p>PLATFORM COMPANIES</p>	<p>100+</p> <p>SENIOR - CARE PROVIDER INVESTORS</p>	<p>HEALTHCARE IT HEALTHCARE SERVICES OTHER RELATED AGENT</p> <p>SECTOR FOCUS</p>
---	--	--	--



33

Source: Ziegler Investment Banking

TECHNOLOGY ACCELERATED

- The need to invest in and adopt technology has only increased during COVID-19 pandemic



Source: Ziegler Investment Banking

34

SPONSORSHIP TRANSITION TRENDS & IDEAS

SECTION 5



35

NOT-FOR-PROFIT (“NFP”) SPONSORSHIP TRANSITION IN THE NEWS



June 18, 2019

Expect expansion into middle market after HumanGood, Presby affiliate, CEO says



May 13, 2019

Lifespace to Acquire Three SQLC Communities, Management Company



Source: Ziegler Investment Banking

August 14, 2019

D'Youville announces transition of Catholic sponsorship



April 1, 2019

Acts Retirement-Life Communities and Integrate Complete Affiliation

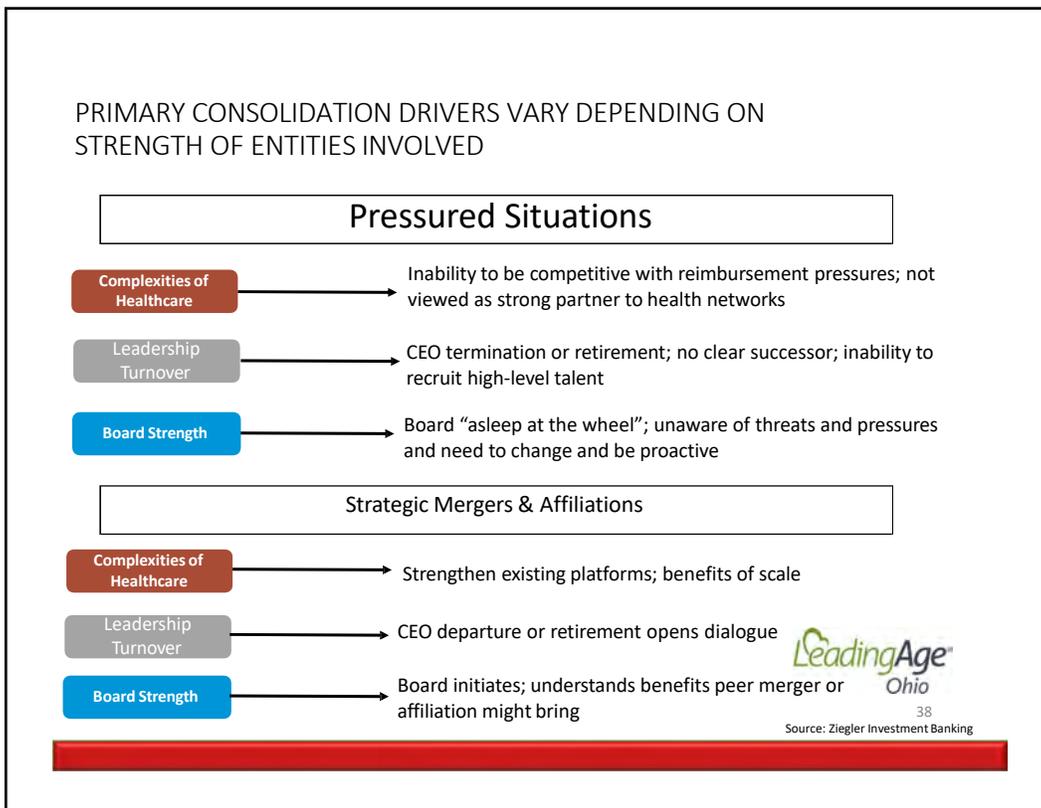
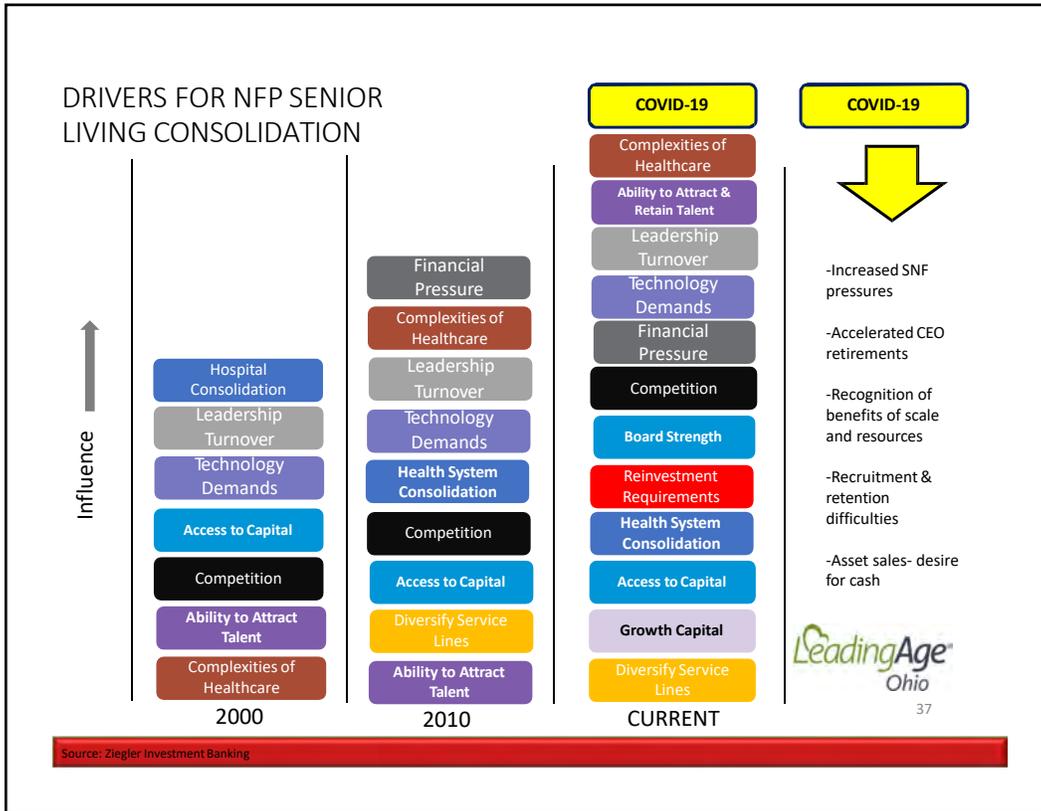


June 2, 2020

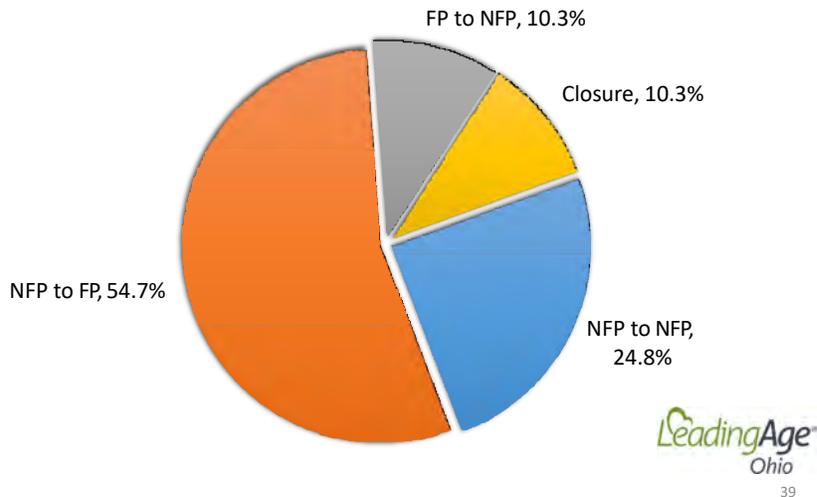
Front Porch and Covia to Affiliate, Creating 54-Community Organization



36



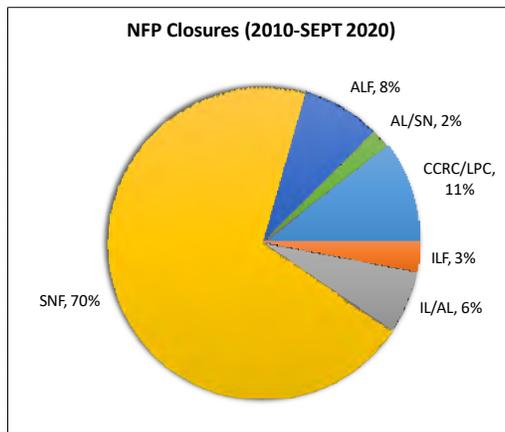
SPONSORSHIP TRANSITIONS BY CATEGORY NFP CHANGE OF OWNER TRANSACTIONS: 2010-SEPT. 2020



Source: Ziegler Investment Banking (2010- September 1, 2020)

A PROFILE OF NFP CLOSURES (2010-SEPT. 2020)

- Roughly 50 since the beginning of 2010
 - Financially challenged
 - Dated communities
 - Rural markets
 - Heavy healthcare pressures
- Roughly 60% of the closures were communities that were sponsored by multi-site provider organizations

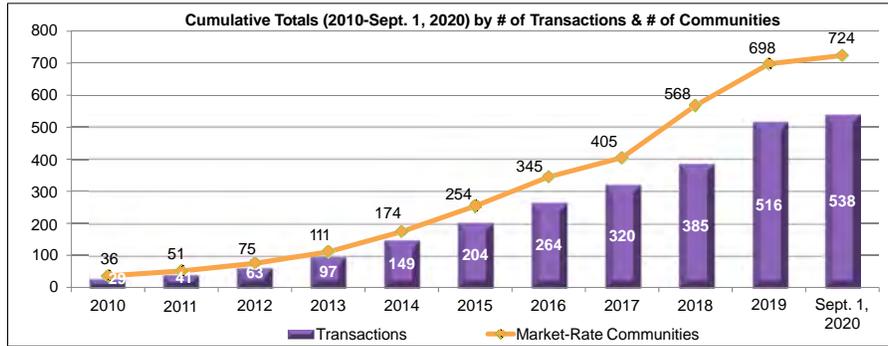


LeadingAge Ohio 40

Source: Ziegler Investment Banking, 9/1/20

SECTOR CONSOLIDATION

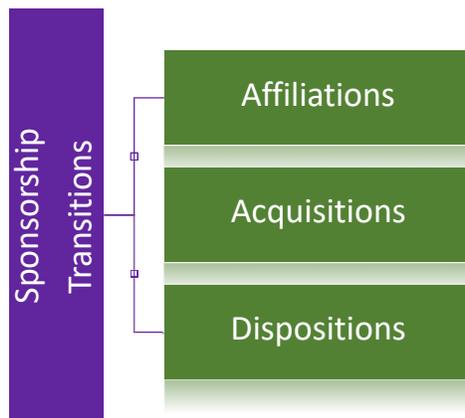
- Roughly 55% have been dispositions to the for-profit sector
- Increase in closures in recent years (10% of total)



Note: Includes market-rate communities; excludes government subsidized; The ELGSS community count is also excluded from the community count (represents 160+ communities); Source: Ziegler Investment Banking 9/1/2020

41

NFP SPONSORSHIP TRANSITION DEFINED



- Currently the primary mode of growth for residential settings among **not-for-profit** senior living providers

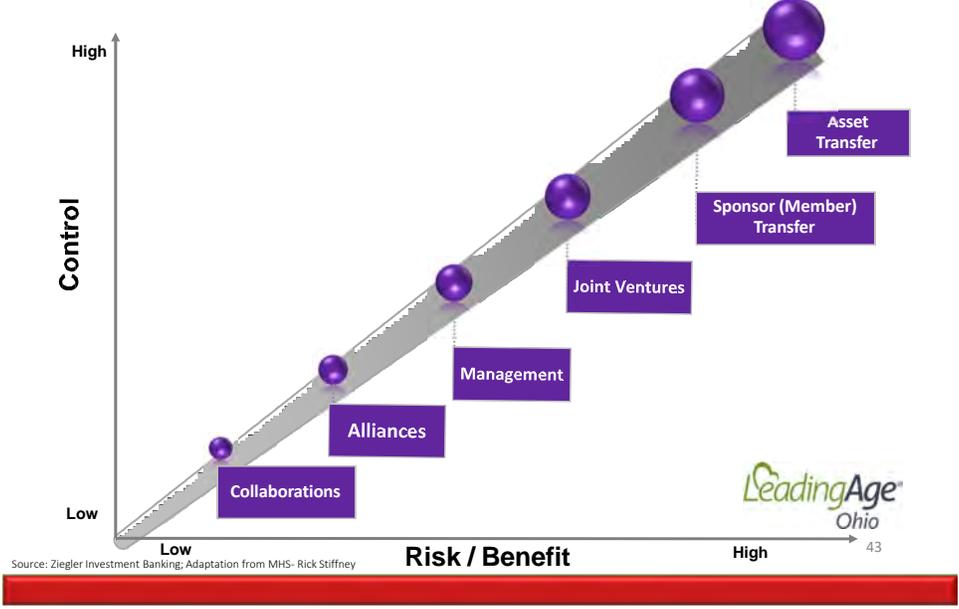
- Systems coming together
- Two smaller organizations joining to form larger
- Single-sites joining a system



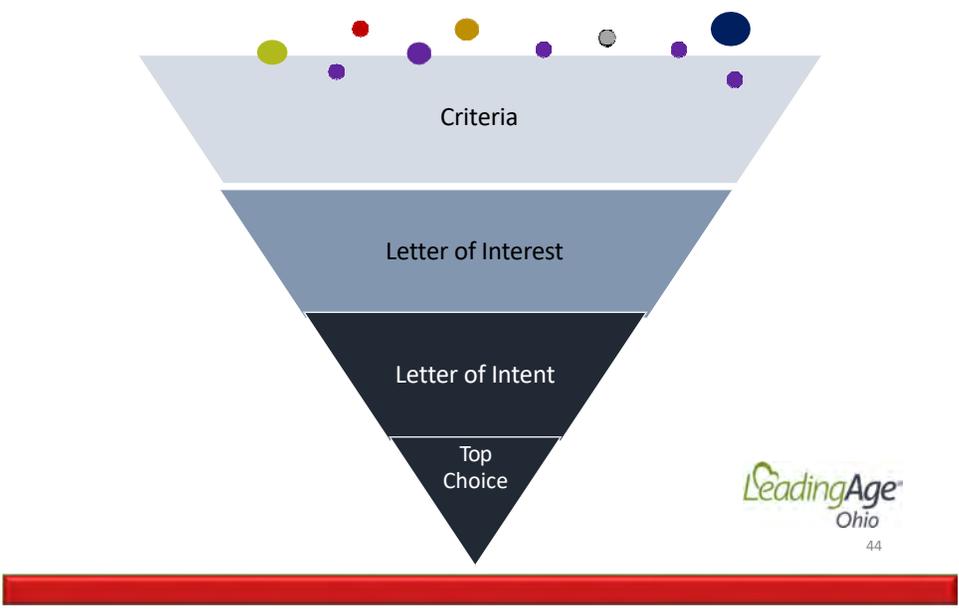
42

Source: Ziegler Investment Banking

SPONSORSHIP TRANSITION STRUCTURES & SOLUTIONS



PROPER PLANNING PREVENTS POOR PARTNERSHIPS AFFILIATION ADVISORY SERVICES



ESTABLISHING YOUR CRITERIA TOPICS FOR CONSIDERATION

- Mission alignment
- Similar core values
- Geographic proximity
- Financial stability
- Ability to enhance economies of scale
- Service line compatibility or diversification
- Must-have(s) & No can do
- Other thoughts . . .



LeadingAge[®]
Ohio
45



NFP SPONSORSHIP TRANSITION PROCESS & TIMING

Objective Process:

- Define & prioritize Criteria
- Identify Candidates – 10
- Confidential Information Memorandum
- Letter of Interest – 4
- Letter of Intent – 1 or 2
- Interview & Tour
- Final Selection
- Due Diligence
- Close

Essential Elements:

- Dedicated Affiliation Committee
- Leadership with appropriate experience
- Consistent Criteria
- Independent Analysis
- Communication

LeadingAge[®]
Ohio
46



ZIEGLER WHITE PAPER ON SPONSORSHIP TRANSITIONS



47

- Specifically written for the NFP Senior Living Sector
- Available for download on the Ziegler website www.Ziegler.com

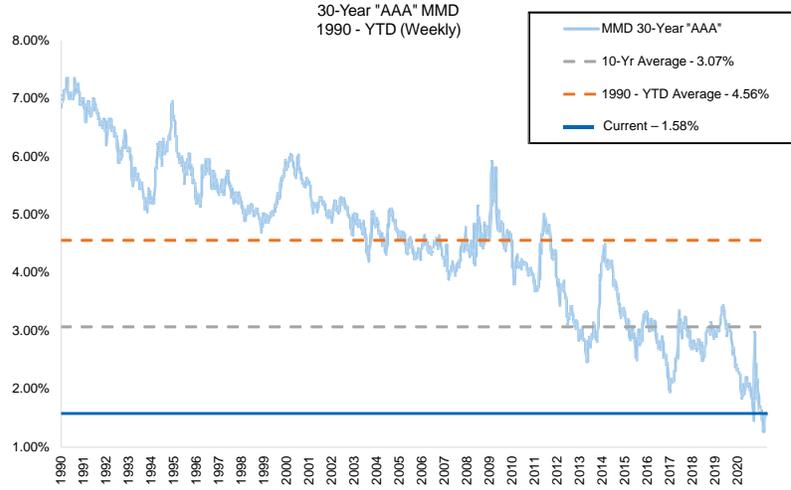
SENIOR LIVING CAPITAL MARKETS UPDATE

Topic 6



48

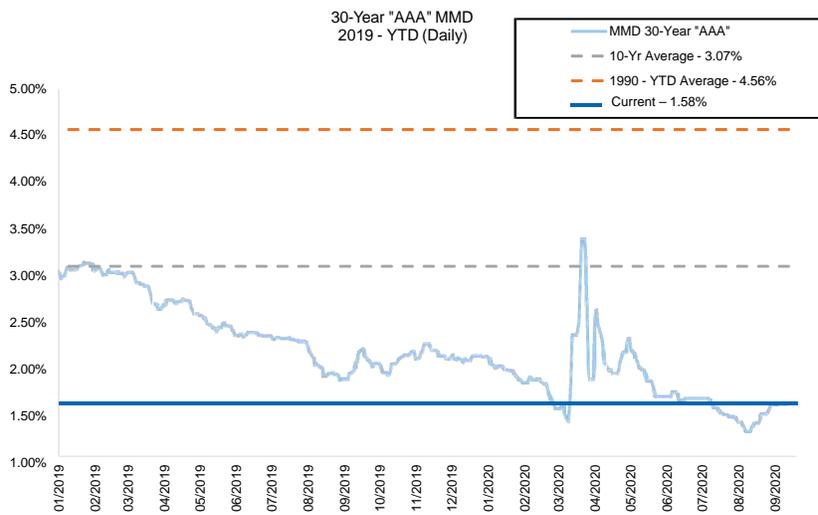
HISTORICAL INTEREST RATES WEEKLY



Note: Weekly MMD does not show full impact of Coronavirus impact as it does not show daily swings, only week end.
Source: Ziegler Capital Markets, as of 09/23/2020

49

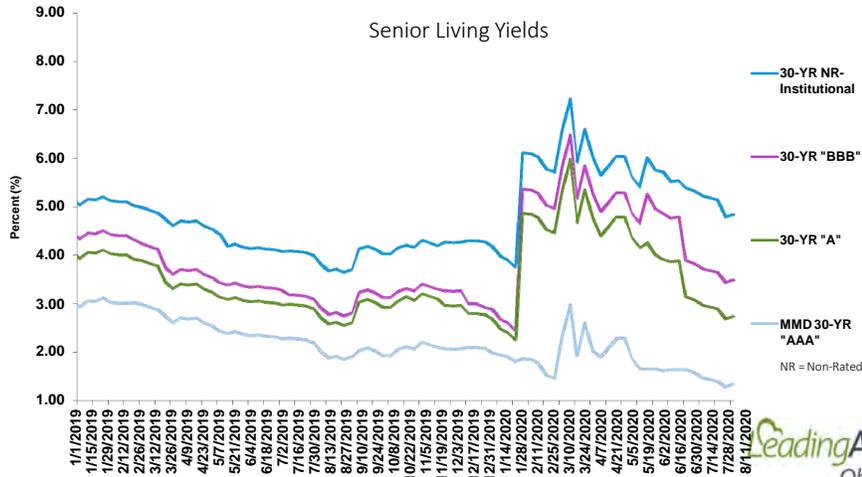
HISTORICAL INTEREST RATES DAILY



Source: Refinitiv Municipal Market Monitor, as of 09/23/2020

50

HISTORICAL INTEREST RATES
Weekly (2019 YTD)



Source: Ziegler Investment Banking, as of 9/4/20



51

SELECT ZIEGLER NFP SENIOR LIVING
NEW ISSUES SINCE MARCH 2020



ACTS (PA)
 \$199,405,000
 "A-" Rated Refunding
 Date: 6/25/2020
 Maturity: 2045
 Average YTM: 3.94%
 (On Tax-Exempt Bonds)



UMRC - Porter Hills
 \$47,145,000
 "BBB-" Refunding
 Date: 9/2/2020
 Maturity: 2044
 Average YTM: 4.09%



Heritage Kalamazoo
 \$47,850,000
 "BB" IL Project
 Date: 9/15/2020
 Maturity: 2055
 Average YTM: 4.68%
 (On Permanent Bonds)



Ohio Living
 \$27,885,000
 "BBB" IL Project
 Date: 9/16/2020
 Maturity: 2045
 Average YTM: 3.91%



Presbyterian Homes (NC)
 \$96,035,000
 "BBB+" IL Project
 Date: 9/17/2020
 Maturity: 2050
 Average YTM: 3.78%

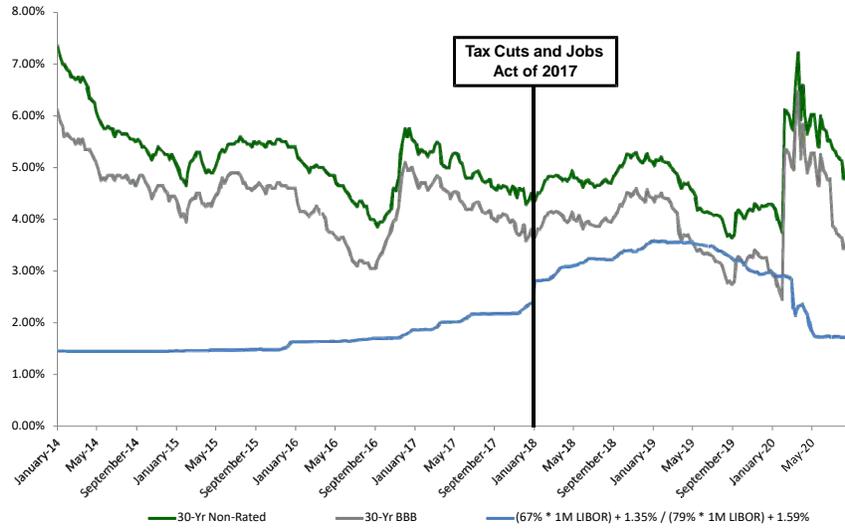


52

Note: YTM stands for Yield to Maturity

Source: Ziegler Investment Banking

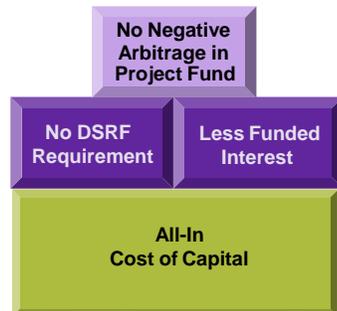
FIXED VS. VARIABLE INTEREST RATE SPREAD



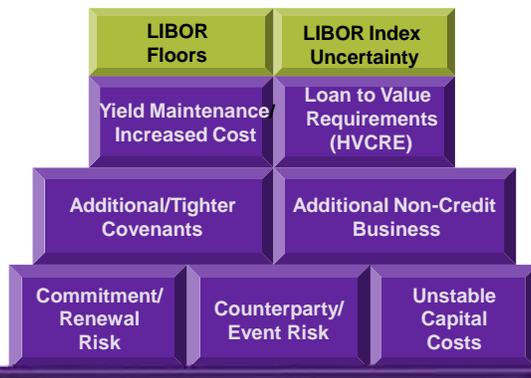
53

CAPITAL STRUCTURE CONSIDERATIONS
BANK vs FIXED INTEREST RATE

Bank Advantages



Bank Disadvantages



Source: Ziegler Investment Banking as of 06/30/2020

54

ABOUT ZIEGLER

- Ziegler is a privately-held investment bank, capital markets, and proprietary investments firm
- A registered broker dealer with SIPC & FINRA
- Ziegler provides its clients with capital raising, strategic advisory services, equity & fixed-income trading, and research
- Founded in 1902, Ziegler specializes in the healthcare, senior living, and educational sectors as well as general municipal finance



55



DISCLAIMERS

Investment banking services offered through B.C. Ziegler and Company. FHA mortgage banking services are provided through Ziegler Financing Corporation which is not a registered broker/dealer. Ziegler Financing Corporation and B.C. Ziegler and Company are affiliated and referral fees may be paid by either entity for services provided.

This presentation was prepared based upon information provided to Ziegler Investment Banking (ZIB) and contains certain financial information, including audited and unaudited information, certain statistical information and explanations of such information in narrative form (the "Information"). ZIB believes this information to be correct as of the date or dates contained herein. However, the financial affairs change constantly, and such changes may be material. Today's discussion may contain forward-looking statements, which may or may not come to fruition depending on certain circumstances, including those outside the control of management. Please be advised that ZIB has not undertaken, assumed no duty and are not obligated to update the Information. In addition, please be advised that past financial results do not predict future financial performance.



56

