

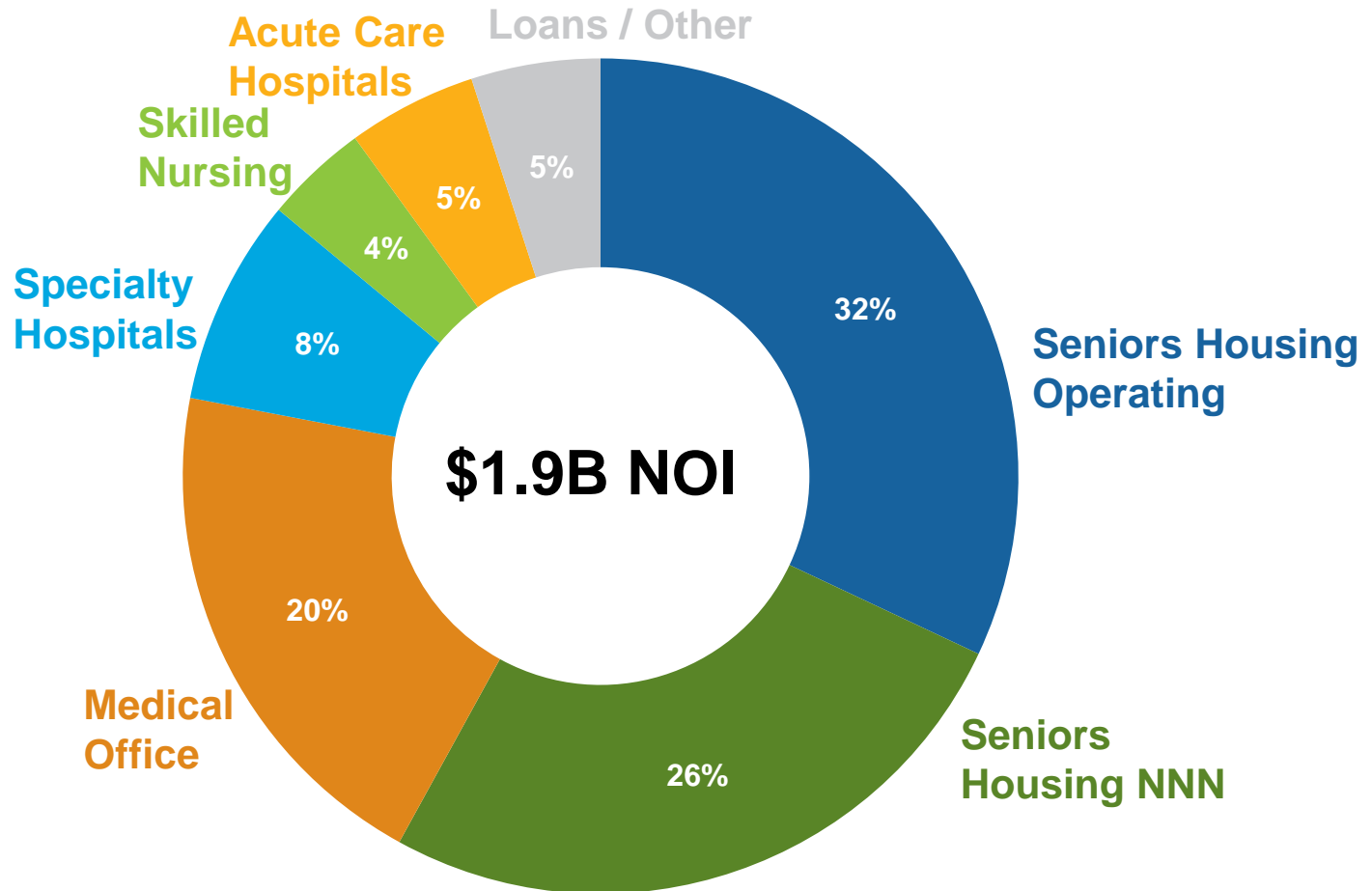


## **University of Chicago – Booth School of Business The Ninth Annual Real Estate Conference – 2015**

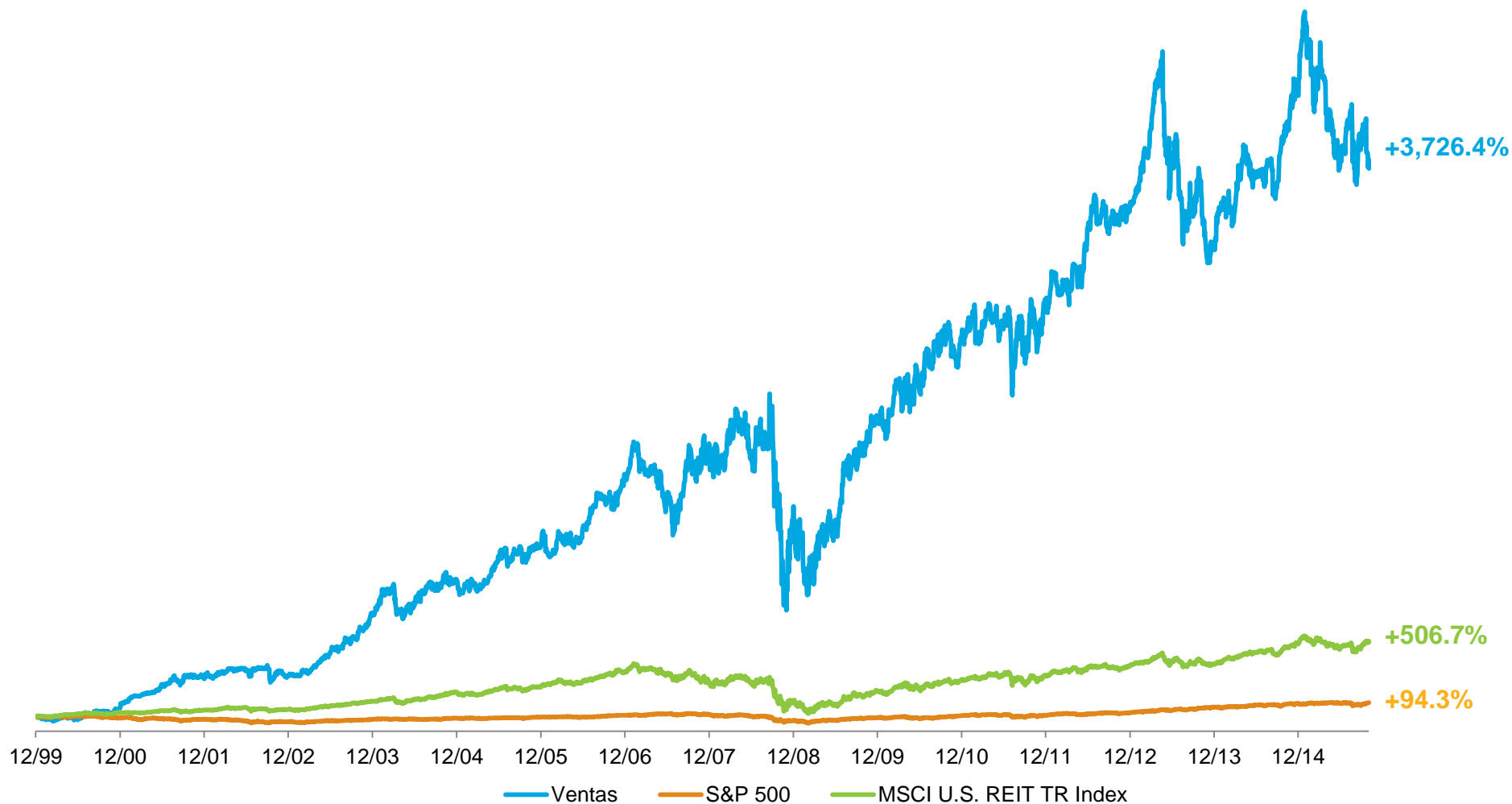
November 2015

---

Excellence.  
Sustained.™



## 25.8% Total Shareholder Return CAGR Since 12/31/1999



# Historical FFO Trading Multiples

Excellence.  
Sustained.™



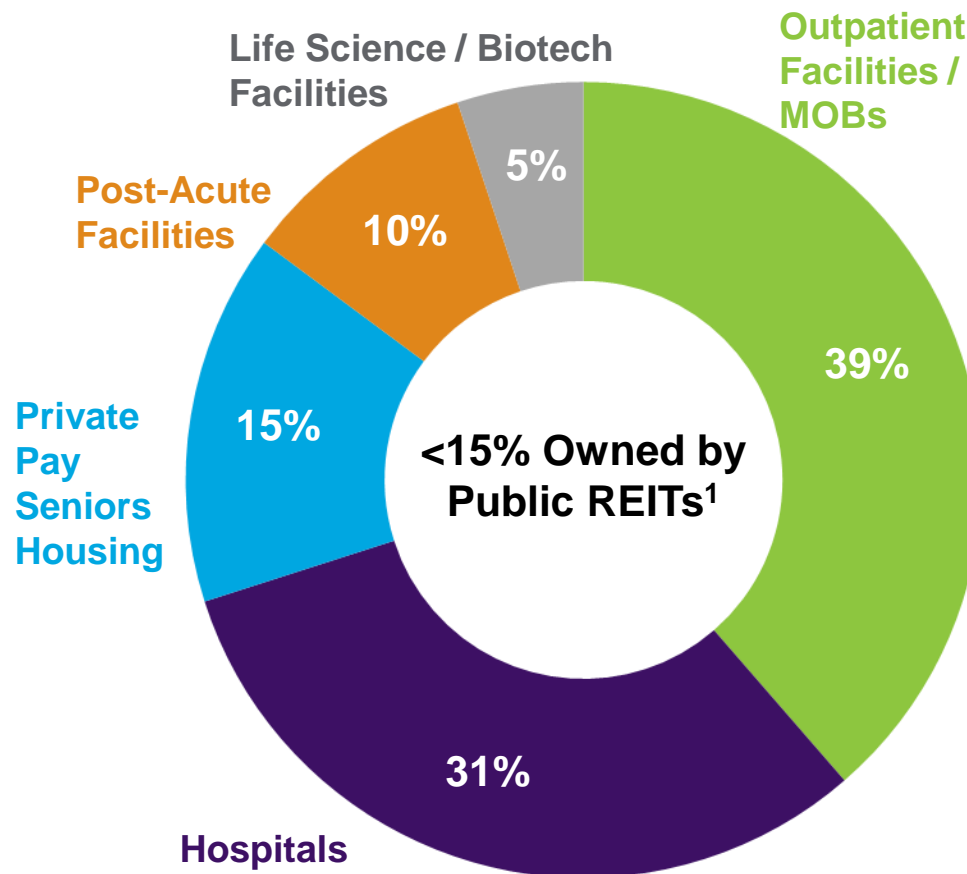
Source: FactSet as of 11/3/2015.

- (1) Reflects average of Sabra, Aviv and Omega. Sabra enters index on 11/12/10. Aviv enters index on 3/21/13. Aviv share prices adjusted for 16% premium announced in merger with Omega on 10/31/14. Aviv exits index after Omega merger close on 4/1/15.

- **Enhanced strategic focus at Ventas**
- **Improved FFO and NOI growth rate**
- **Increased NOI contribution from private pay assets and leading operators**
- **Maintain scale, diversification and strong balance sheet**
- **Superior dividend growth >10% Q3 (VTR + CCP)**

- **Strategic acquisition in attractive and large U.S. hospital segment**
- **Aligned platform built for future growth**
- **Accretive**
- **High-quality assets and top-ten operator**
- **Significant follow-on investment opportunities**

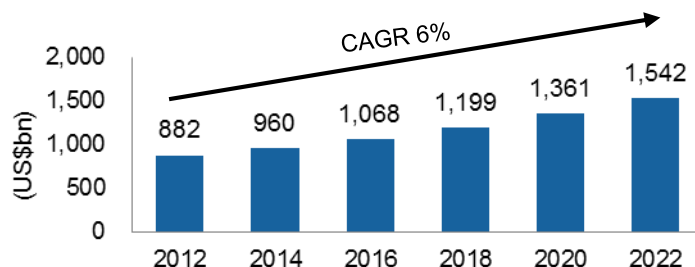
## *\$1 Trillion U.S. Healthcare Real Estate*



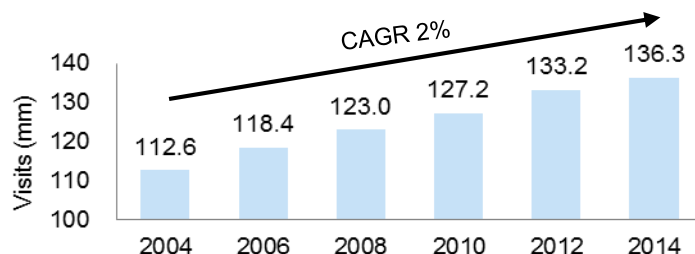
1. Company estimate

## Continued Growth in U.S. Hospital Expenditures Coupled with Increasing Emergency Room Visits

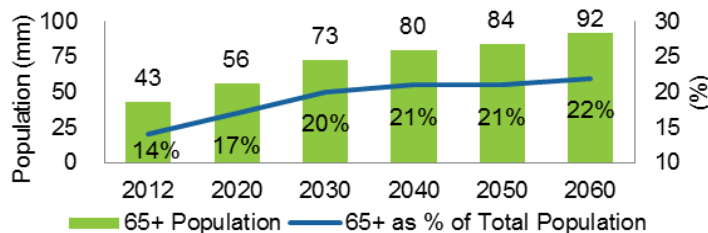
### Increasing U.S. Hospital Expenditures



### Increasing ER Visits



### Growing Population 65 and Over



## Strong Performance in the Hospital Sector

Q2 2015 Same Store Adjusted Admissions Growth<sup>1</sup>

+2.9%

Final Net Medicare Rate Increase for FY 2016<sup>2</sup>

+0.9%

Q2 2015 Bad Debt Shows Continued Improvement<sup>3</sup>

34 BPS

Source: CMS, American Hospital Association Annual Survey data and U.S. Census Bureau.

1. Represents the average y/y change of publicly traded peers: CYH (0.2%), HCA +4.9%, LPNT +1.8%, THC +2.3%, and UHS +5.7% (acute care only).

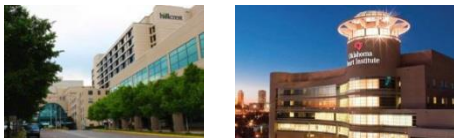
2. Includes a 2.4% market basket increase offset by (0.2%) ACA mandated reduction, (0.5%) ACA related productivity adjustment, and (0.8%) documentation and coding adjustment per the American Taxpayer Relief Act of 2012.

3. Represents the average y/y change of publicly traded peers: CYH (60 bps), HCA +230 bps, LPNT (240 bps), THC flat, and UHS (100 bps) (acute care only).





## **Hillcrest HealthCare System Tulsa, OK**



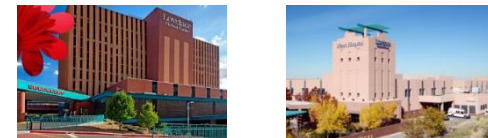
- > 4 hospital facilities with 994 total beds
- > 29% Market Share
- > Low unemployment of 3.5%
- > High commercial payor mix
- > Significant growth in elderly population

## **BSA Health System Amarillo, TX**



- > 1 hospital facilities with 445 total beds
- > 52% Market Share
- > Market leader in nearly all service lines
- > State budget surplus
- > Relationships with 1,000+ providers

## **Lovelace Health System Albuquerque, NM**



- > 5 hospital facilities with 606 total beds
- > 25% Market Share
- > Medicaid expansion
- > State budget surplus
- > Increasing commercial payor mix

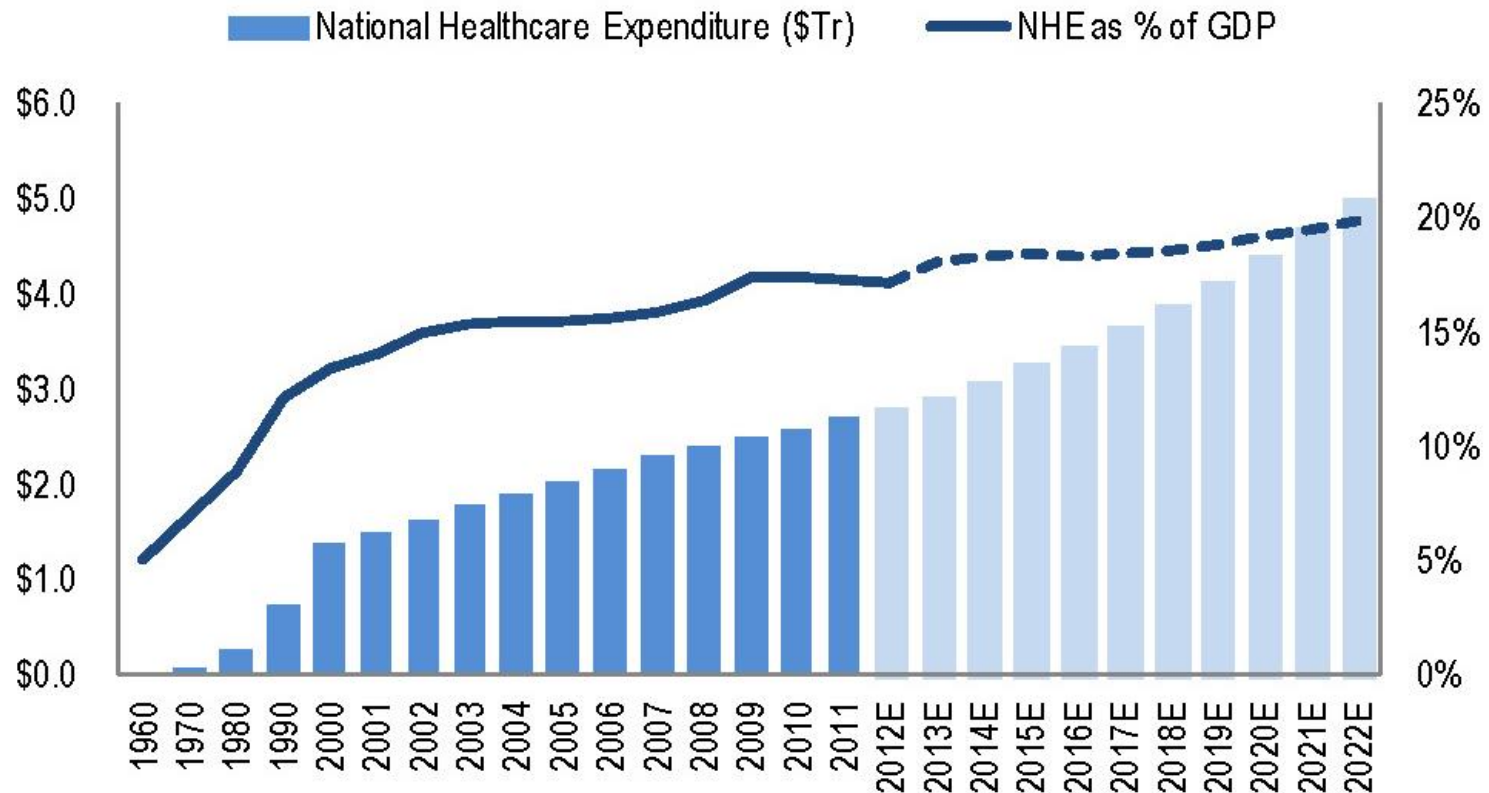
- ✓ Acquisition closed on August 4<sup>th</sup>
- ✓ EGI and management team have significant OpCo equity ownership; Ventas owns 9.9% — ~\$475M valuation
- ✓ ~\$1.3B net real estate investment
- ✓ ~8.0% initial lease yield; CPI-based annual rent escalators
- ✓ Strong operating performance YTD 2015

*Long-Term Stable Cash Flows with Excellent Coverage and Embedded Growth*

# Healthcare Spending Growing to 20% of GDP

Excellence.  
Sustained.™

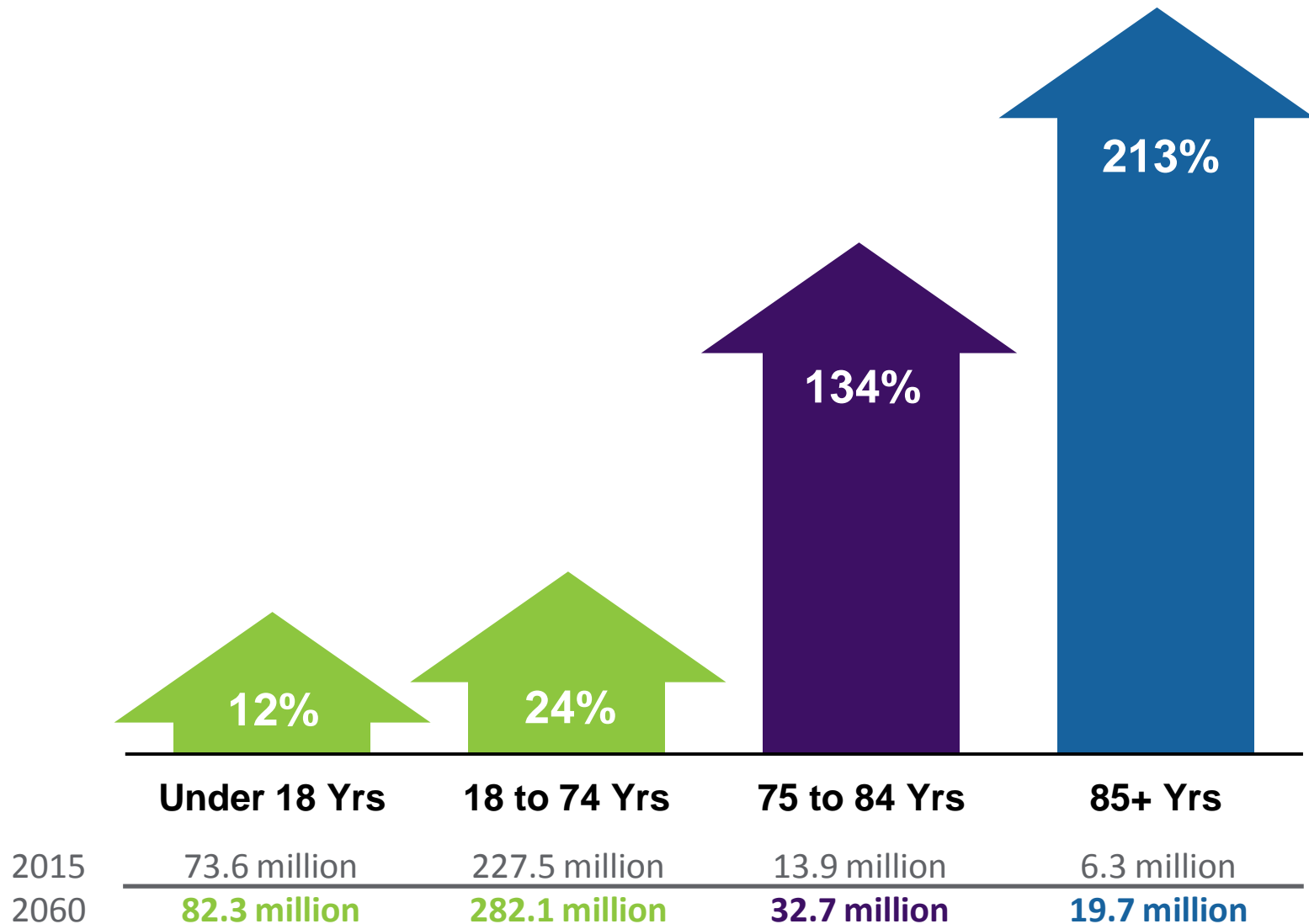
## Americans are Spending Over \$3T on Healthcare



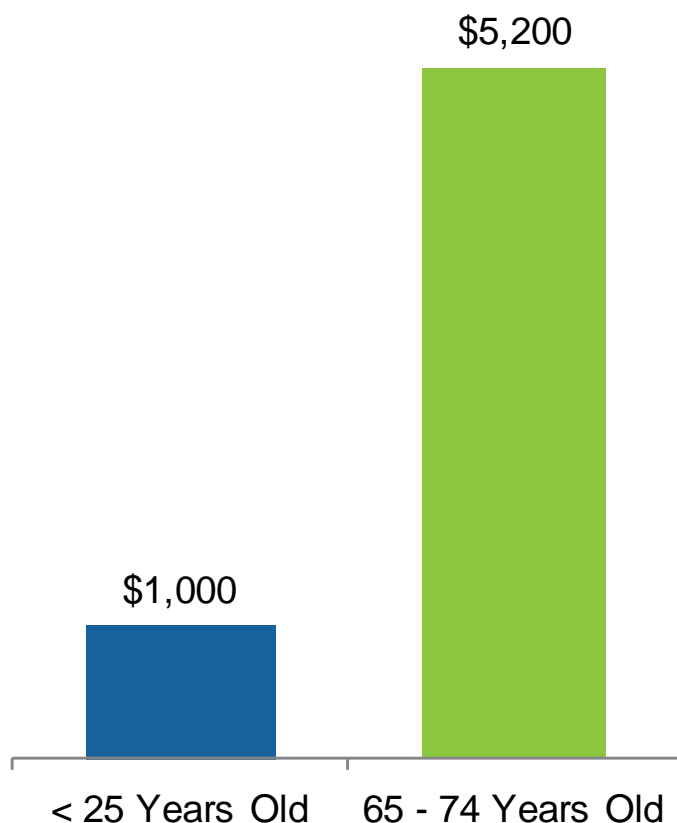
***The healthcare sector is now the fastest growing segment of the U.S. economy with expenditures expected to grow 6% per annum and account for nearly 20% of GDP by 2020.***

# U.S. Population Change from 2015 – 2060

Excellence.  
Sustained.™



## Healthcare Spend Per Person



**65+ cohort visits physician offices  
an average of**

**2.5x**

**more than the rest of the population;  
expected to grow by 18 million  
individuals between 2015 and 2025**

# REIT Outperformance vs. Private Real Estate

Excellence.  
Sustained.™

	FTSE NAREIT All Equity REITs	Unlevered Core Properties (NPI)	Core Private Equity Funds (ODCE)	Value-Added Funds (Preqin)	Opportunistic Funds (Preqin)
1-Year	<b>22.05</b>	11.63	12.40	17.31	12.03
3-Year	<b>13.46</b>	10.39	11.60	12.22	11.29
5-Year	<b>15.00</b>	11.66	13.44	11.80	11.37
10-Year	<b>8.97</b>	7.33	6.00	NA	NA
15-Year	<b>12.22</b>	7.91	6.94	NA	NA
20-Year	<b>11.17</b>	8.63	8.09	NA	NA
25-Year	<b>11.03</b>	6.65	6.07	NA	NA
30-Year	<b>10.46</b>	6.83	6.06	NA	NA
35-Year	<b>12.18</b>	7.60	6.89	NA	NA
40-Year	<b>13.15</b>	NA	NA	NA	NA

Note: Data as of March 31, 2015 for listed U.S. equity REITs; data as of 2015Q1 for unlevered core properties (NCREIF NPI), core private equity real estate funds (NCREIF ODCE), and value-added and opportunistic private equity real estate funds (Preqin Real Estate Quarterly Indices). Fees and expenses are assumed to average 52 bps per year for an actively managed U.S. publicly traded REIT portfolio and 100 bps per year for unlevered core property investments; fees for private equity real estate fund investments are as reported by NCREIF and Preqin respectively.

## REIT Performance Since 1/1/13



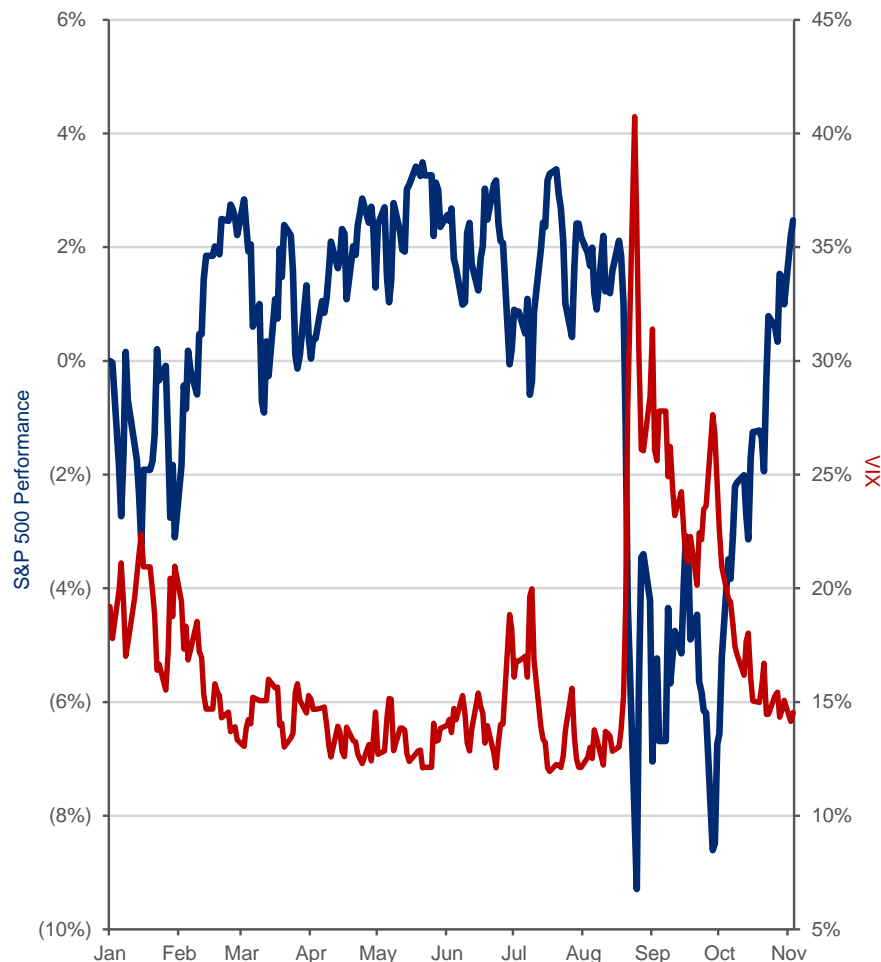
# Global Growth Concerns Weigh on US Equity Markets

Excellence.  
Sustained.™

## Markets Stabilize, Volatility declines...

### S&P 500 vs. Volatility Index

Index Performance YTD



Source: FactSet.

## ... But Global Economic Concerns Still in Focus

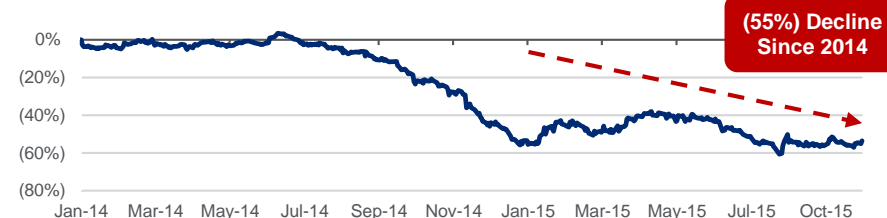
### 1 Chinese Markets Tumble

Shenzhen A Share Index Performance YTD



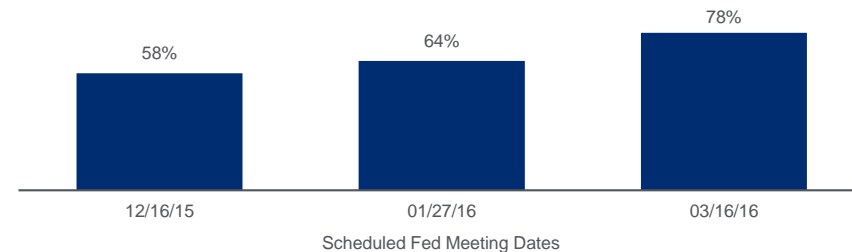
### 2 Oil Prices Continue Lower

S&P Brent Crude Oil Index Performance Since 2014



### 3 U.S. Interest Rate Uncertainty

% Investors Expecting U.S. Rate Increase per FOMC Meeting



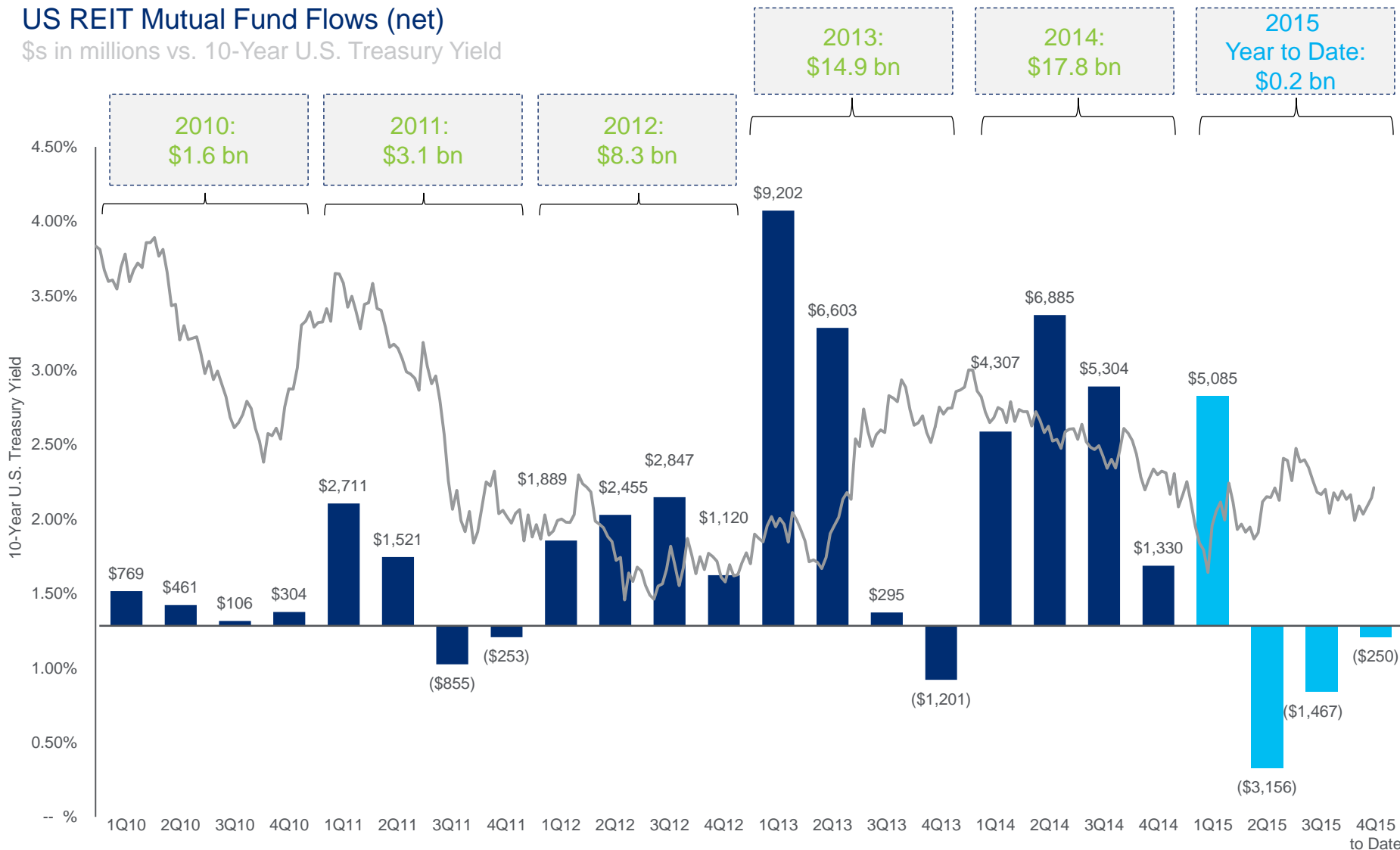
Source: FactSet and Bloomberg.

# Dedicated REIT Mutual Fund Flows

Excellence.  
Sustained.™

## US REIT Mutual Fund Flows (net)

\$s in millions vs. 10-Year U.S. Treasury Yield





# Healthcare REIT Performance in a Rising Rate Environment

Excellence.  
Sustained.™

## Total Return Spread between Healthcare REITs and S&P 500 Bank Index

Since January 2010

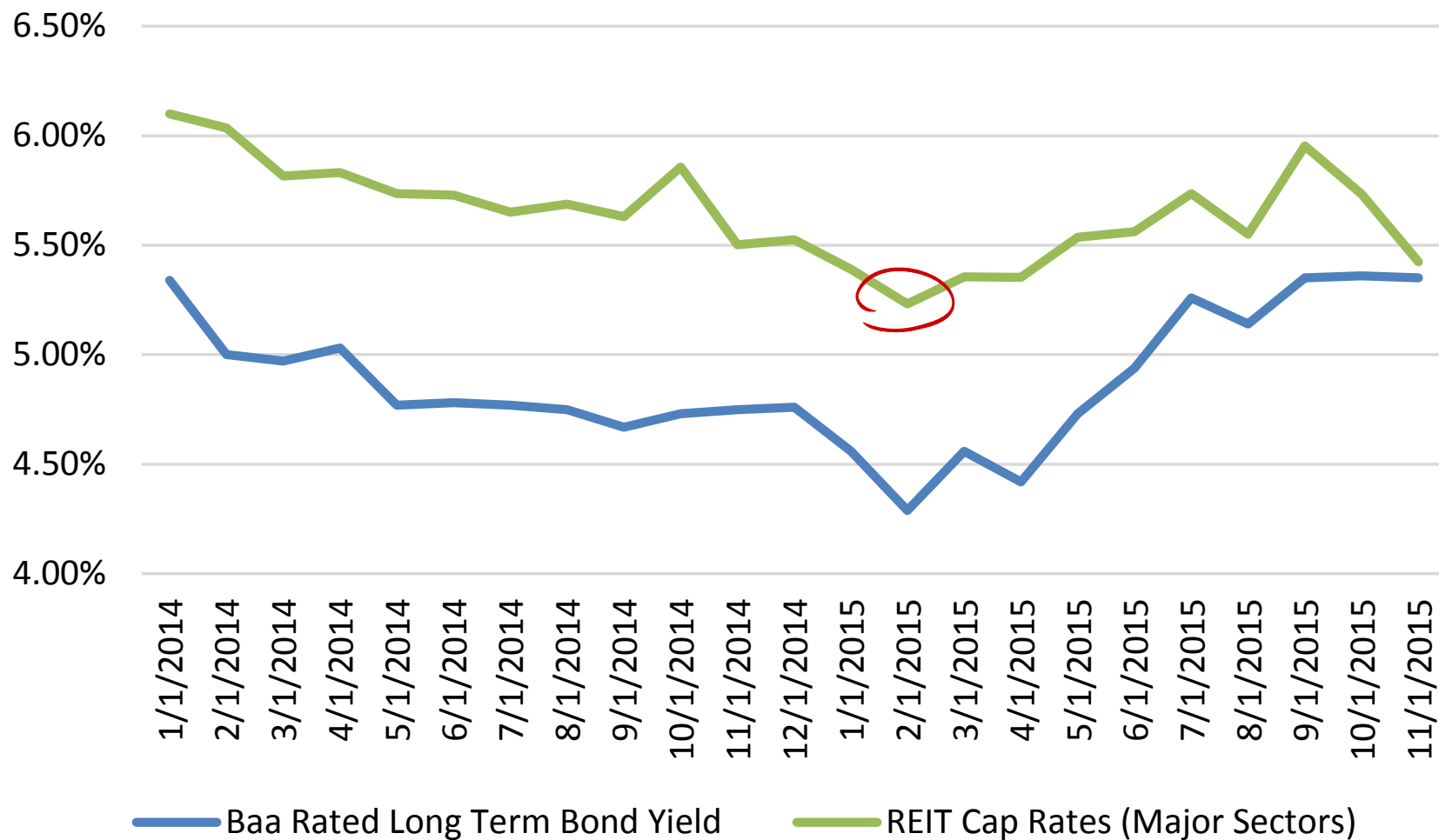


Sources: SNL Financial as of 11/03/2015.

Note: The Big 3 healthcare REITs are used as a proxy for healthcare REIT performance.

# Cap Rates Across Real Estate

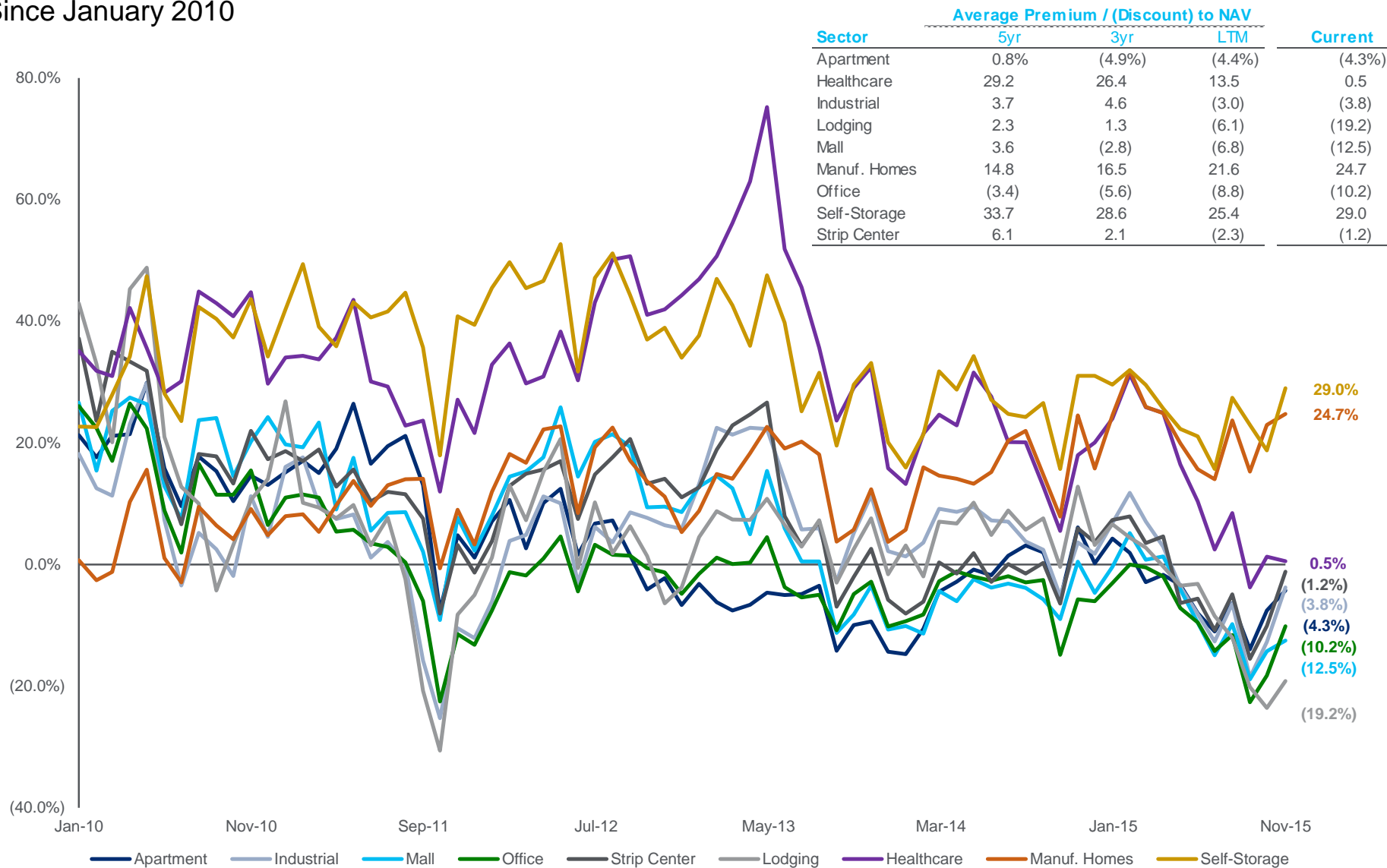
Excellence.  
Sustained.™



# REIT Historical Performance – Premium / (Discount) to NAV

Excellence.  
Sustained.™

Since January 2010



- **Privatization**
- **Asset Sales**
- **Public to Public Mergers**
- **External Growth Constraints**
- **Return Capital to Shareholders or Invest in Higher Yielding Projects**



## **University of Chicago – Booth School of Business The Ninth Annual Real Estate Conference – 2015**

November 2015

---

Excellence.  
Sustained.™