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About SOLIC

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October, 2015

Announced healthcare M&A transactions in the third quarter of 2015 totaled 379, up 10% compared with the same quarter a year ago, according to preliminary figures from Irving Levin Associates, Inc. Deal value in the third quarter of 2015 reached \$198 billion, 20% more than the entire annual M&A spend in 2013 (\$164 billion), largely due to two large cap transactions announced in the managed care sector totaling \$91 billion (Aetna/Humana and Anthem/Cigna). Both deals are being studied carefully by the Federal Trade Commission, and the possibility remains that one or both could be denied on anti-trust grounds. Even if that scenario occurs at a later date, spending in the third quarter of 2015 would fall to approximately \$107 billion, an amount that would still stand as a record total for all previous third quarters.

The Long-term Care sector generated the highest transaction volume for the quarter with 23% of the quarter's transactions (87 deals). With 33 transactions in the third quarter of 2015, Hospitals generated 9% of the quarter's transaction volume, up 75% compared to the same period a year prior and 38% higher than the second quarter of 2015. For the first three quarters of 2015, 75 deals involving a U.S. hospital or health system were announced. Of those transactions, 39 targets were hospitals with 100 or fewer beds — which means 52% of the U.S. hospital deals announced so far in 2015 have had a small hospital joining another, larger entity.

Healthcare debt markets have also been particularly active this year. Nonprofit hospital bonds are being issued at the fastest pace since at least 2012 as earlier concerns over the ACA's implementation have largely abated. As of September, 2015 nonprofit hospitals in the U.S. have issued over \$18 billion of municipal bonds this year, already surpassing annual totals for 2013 and 2014, according to Bloomberg data. The largest of this year's transactions was a \$897 million borrowing from the Indiana- and Michigan-based Trinity Health Corporation priced in February, followed by a \$504 million issuance from the North Shore-Long Island Jewish. The two biggest credit agencies — Standard & Poor's and Moody's Investors Service — lifted their negative outlooks for nonprofit healthcare bonds in the past few weeks, citing positive impacts from healthcare reform. Moody's previously had the sector on negative watch since 2008, when ACA legislation was first announced. S&P lifted its negative outlook in September, noting that the sector still had challenges ahead but was "stable." Much of the boost in issuance this year has been the result of refunding, as healthcare providers have been eager to take out older more expensive debt with less expensive, lower coupon bonds.

We welcome your comments and hope you find our SOLICconnect report informative.



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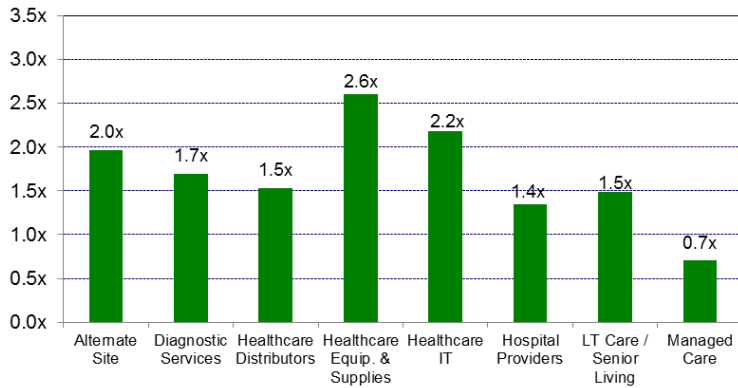
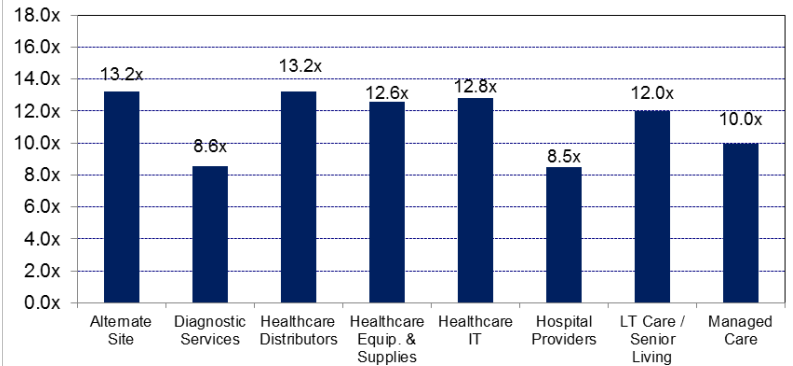
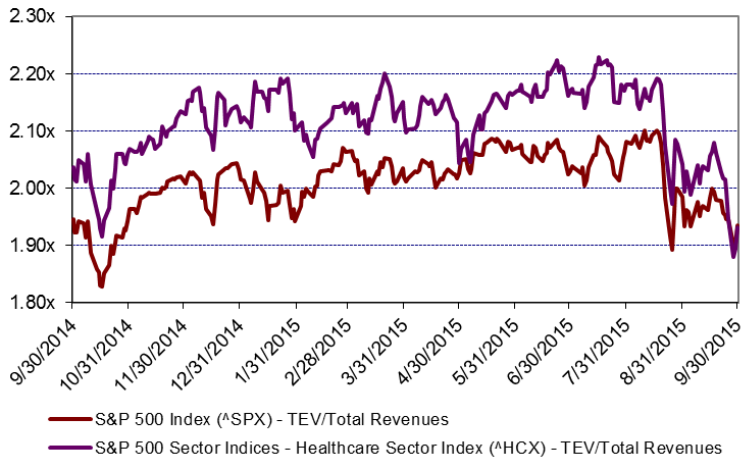
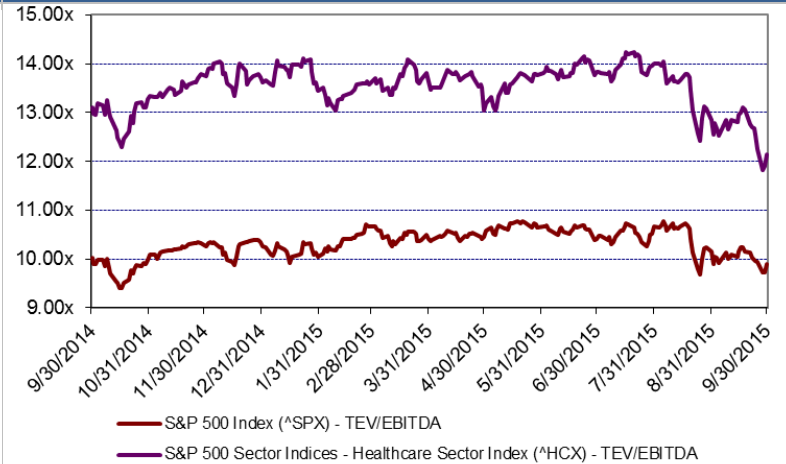
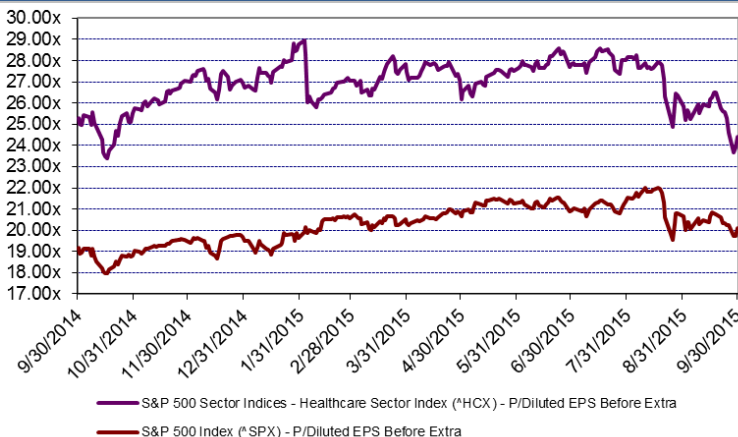
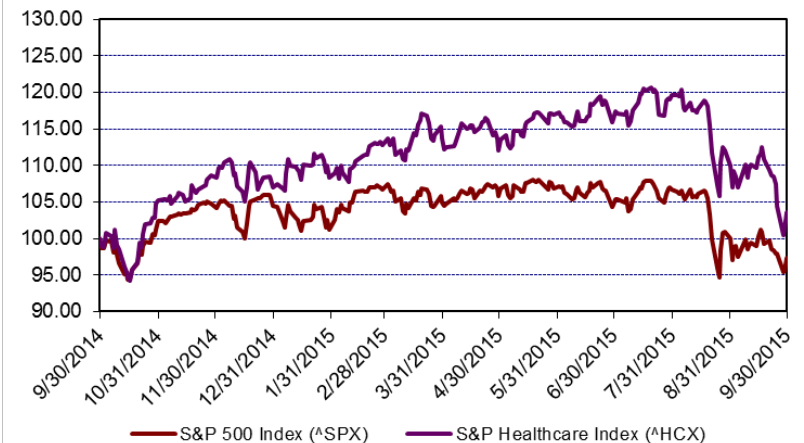
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Healthcare Services: Market Overview

Enterprise Value to Revenue

Enterprise Value to EBITDA

S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / Revenue

S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / EBITDA

S&P Healthcare Index vs. the S&P 500 – Price / Diluted EPS

S&P Healthcare Index vs. S&P 500 – Relative Performance (%)


Healthcare Services: Notable Industry Developments

Date	Industry Development
9/30/2015	<p>According to Moody's Investors Service, final Medicare payment updates for fiscal 2016 are predominately credit positive. Providers of inpatient healthcare and hospice services will see increased Medicare reimbursement rates for fiscal 2016. All of the rate increases are in line with or modestly lower than the estimates CMS provided when it announced proposed rules for these subsectors at the end of April and beginning of May. While most are modestly credit positive, CMS estimates that reimbursement to long-term acute care hospitals will decline by 4.6% as that sector implements a change in reimbursement methodology. CMS continues to link reimbursement levels to value. The final rules include ongoing adjustments to quality reporting requirements across all sectors. Further, changes to the reimbursement methodologies for hospice services and services provided in long-term acute care hospitals are designed to ensure that future payments coincide with the level of care being provided.</p>
9/30/2015	<p>Fitch released a report regarding the nonprofit Healthcare sector after reviewing results through the first half of 2015. Fitch had placed a negative outlook on the sector in December 2014, yet Fitch experienced a 3:1 ratio of upgrades to downgrades during the period. Fitch cited the reduction in capital spending and the resulting improvement in liquidity and the increase in volumes — especially in Medicaid-expanding states — as key contributors to the positive rating actions. Fitch is now expecting the positive trends to continue through 2015. Larger, higher-rated healthcare entities displayed overall improvement while the smaller, lower-rated healthcare entities became weaker, overall.</p>
9/24/2015	<p>According to a recent Moody's report, hospitals entering the insurance business are hoping to realize long term benefits. In the next several years, an increasing number of not-for-profit hospitals will enter the commercial health insurance business, looking to improve care management and gain market share. A health plan strategy generally falls within two categories: starting a platform from scratch or acquiring an existing business. Both carry significant credit risks with a need to develop or obtain a different skill set, compete with large established insurers, and absorb start-up costs. These expenses can suppress a health system's cash flow margins, curtail reserves, and create a significant time-lag before marginal profitability.</p>
9/9/2015	<p>Standard & Poor's Ratings Service revised its outlook on the U.S. not-for-profit healthcare sector to stable from negative in light of operational improvements driven by the ACA Medicaid expansion, including a stronger-than-expected boost in volumes and payor mix reflecting clear declines in the number of uninsured people, management initiatives that are delivering on their early promise to improve performance, increasing balance sheet flexibility with generally higher unrestricted reserves, and continued operational benefits from M&A activity. The reports state that although broad industry pressures are expected to continue and even grow over time, most notably the movement toward a value versus the current fee for service orientation, Standard & Poor's projects that ratings for the vast majority of providers will remain the same over the remainder of 2015 and 2016, and upgrades and downgrades will remain balanced.</p>
8/26/2015	<p>Moody's revised the outlook for the U.S. not-for-profit and public healthcare sector to stable from negative due to improvement across the industry's fundamental business, financial and economic conditions. The outlook had been negative since 2008. The outlook revision represents significant gains in the number of people with insurance, growing patient volumes, and sizeable reductions in bad debt that are contributing to very strong growth in operating cash flow. According to Moody's, factors driving the stronger operating cash flow are increases in the number of insured individuals and a reduction in bad debt, particularly in states which expanded Medicaid eligibility. Further, pent-up demand among the newly insured as well as a strong flu season in 2014/2015 facilitated increases in inpatient volumes during the last several quarters. However, according to the report, the not-for-profit and public healthcare sector industry faces long-term challenges stemming from who pays for care, how providers are reimbursed, and changes in patient behavior which may impact profitability and growth.</p>

Healthcare Services: Selected M&A Transactions

Alternate Site					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/18/2015	Foundations Recovery Network, LLC	Universal Health Services, Inc.	\$350	-	-
<p>Universal Health Services announced an agreement to acquire Foundations Recovery Network, which includes four residential facilities with 322 beds, and eight outpatient facilities in California, Georgia and Tennessee. An additional 140 expansion beds are planned. The deal subsequently closed on October 28, 2015.</p>					
9/3/2015	Two Providence Service businesses	Molina Healthcare (NYSE:MOH)	\$200	-	-
<p>Molina Healthcare announced an agreement to acquire all outstanding ownership interests in Providence Human Services. Providence Human Services provides outcome-based behavioral and mental health services and operates in 23 states and the District of Columbia.</p>					
8/24/2015	Renal Ventures Management, LLC	DaVita Healthcare Partners (NYSE:DVA)	\$415	-	-
<p>DaVita Healthcare announced an agreement to acquire Renal Ventures, an operator of 36 dialysis clinics in six states. Its divisions, Multispecialty Physician Partners and Physician Venture Partners, operate infusion and vascular centers, respectively, in three states.</p>					

Diagnostic Services

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/29/2015	Global Cancer Diagnostics Inc.	QuantRx Biomedical Corporation (OTCPK:QTXB)	\$-	-	-
<p>QuantRx Biomedical announced an agreement to acquire Global Cancer Diagnostics, a medical laboratory that provides a lung cancer test to determine a person's risk for smoking-related lung cancer in the U.S. Terms of the transaction were not disclosed.</p>					
9/16/2015	Alliance HealthCare Services Inc. (NASDAQ:AIQ)	Fujian Thai Hot Investment Co.	\$774	1.7x	6.5x
<p>Fujian Thai Hot Investment announced an agreement to acquire a 51.5% stake in Alliance HealthCare, which operates 518 diagnostic imaging and radiation therapy systems, including 118 fixed-site imaging centers and 32 radiation therapy centers and stereotactic radiosurgery facilities.</p>					
9/22/2015	Health Diagnostics Laboratory, Inc.	True Health Diagnostics, LLC	\$37	-	-
<p>True Health Diagnostics acquired Health Diagnostics Laboratory, a provider of comprehensive biomarker testing and clinical health consulting for earlier disease detection and targeted disease management. The company filed for Chapter 11 bankruptcy protection earlier this year.</p>					
7/24/2015	Celsis International Ltd.	Charles River Laboratories (NYSE:CRL)	\$212	-	14.0x
<p>Charles River Laboratories acquired Celsis international, a provider of rapid bacterial detection systems for quality control testing in the biopharmaceutical and consumer products industries. The acquisition complements Charles River's position as a leading provider of rapid endotoxin testing.</p>					
7/16/2015	U.S. Diagnostics	Alere Inc. (NYSE:ALR)	\$60	-	-
<p>Alere acquired substantially all of the assets of U.S. Diagnostics, a leading provider of drug testing devices and currently is a distributor of Alere Toxicology products. The acquisition is expected to be immediately accretive to Alere earnings, and follows the divestiture of Alere's BBI Group to Exponent Private Equity LLP.</p>					

Healthcare Distributors

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
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9/8/2015	NeoForce Group, Inc.	Capnia, Inc. (NasdaqCM:CAPN)	\$-	-	-
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Capnia acquired substantially all assets of NeoForce Group, a medical distribution company that provides solutions for the newborn area of the U.S. hospital market.

9/2/2015	Patient-Aids, Inc.	Patient Home Monitoring Corp. (TSXV:PHM)	\$26	2.0x	5.6x
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Patient Home Monitoring announced an agreement to acquire Patient-Aids. Patient-Aids operates as a retail supplier of home medical equipment and services to the community in greater Cincinnati and Lexington areas.

Healthcare Equipment & Supplies

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/28/2015	Lazarus Effect, Inc.	Medtronic plc (NYSE:MDT)	\$100	-	-
<p>Medtronic acquired Lazarus Effect, a manufacturer of vascular medical devices and intravascular products. Medtronic expects the net impact from this transaction to be earnings neutral in fiscal year 2016.</p>					
9/15/2015	Sirona Dental Systems Inc. (NASDAQ:SIRO)	Dentsply International Inc. (NASDAQ:XRAY)	\$5,098	4.4	18.2
<p>Dentsply announced an agreement to acquire Sirona Dental Systems, a developer, manufacturer and marketer of dental equipment worldwide through four segments: Dental CAD/CAM Systems; Imaging Systems; Treatment Centers; and Instruments.</p>					
9/3/2015	AqueSys, Inc.	Allergan plc (NYSE:AGN)	\$300	-	-
<p>Allergan announced an agreement to acquire AqueSys, a clinical-stage medical device company focused on developing ocular implants that reduce intraocular pressure associated with glaucoma. The deal subsequently closed on October 19, 2015.</p>					
9/2/2015	Synergetic & USA, Inc.	Valeant Pharmaceuticals (NYSE:VRX)	\$185	2.5x	18.5x
<p>Valeant Pharmaceuticals announced an agreement to acquire Synergetics, a leading supplier of precision surgical devices, with a primary focus on the surgical disciplines of ophthalmology and neurosurgery. This acquisition enhances VRX subsidiary Bausch + Lomb's presence in the field of vitreoretinal surgery. The deal subsequently closed on October 15, 2015.</p>					
9/2/2015	Tendyne Holdings Inc.	Abbott Laboratories (NYSE:ABT)	\$275	-	-
<p>Abbott Laboratories acquired the remaining 90% stake in Tendyne Holdings, a developer of medical device for transcatheter mitral valve replacement, repair, and targeting mitral regurgitation.</p>					
8/31/2015	Medina Medical	Medtronic plc (NYSE:MDT)	\$150	-	-
<p>Medtronic acquired Medina Medical, which focuses on commercializing state-of-the-art treatments for vascular abnormalities of the brain, including cerebral aneurysms. Its chief product is the Medina Embolization Device, an intrasaccular 3D mesh implant.</p>					
8/28/2015	Patterson Medical (NASDAQ:PDCO)	Madison Dearborn Partners	\$715	1.5x	10.6x
<p>Madison Dearborn Partners acquired Patterson Medical, a leading provider of rehabilitation and splinting products around the world.</p>					
8/27/2015	Lake Region Medical	Greatbatch, Inc. (NYSE:GB)	\$1,730	-	-
<p>Greatbatch announced an agreement to acquire Lake Region Medical, which engages in the design, development, manufacture, and supply of medical devices for cardio, vascular, and advanced surgical markets. This deal will create one of the world's largest medical device OEM suppliers, serving the cardiac, neuromodulation, vascular, orthopedics and advanced surgical markets. The combined company will have revenues of approximately \$1.5 billion.</p>					

Healthcare Equipment & Supplies (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
8/26/2015	CardiaQ Valve Technologies	Edwards Lifesciences Corp. (NYSE:EW)	\$350	-	-
<p>Edwards Lifesciences acquired CardiaQ, a portfolio company of Orbimed Advisors LLC, which develops transcatheter mitral valve replacement systems. The company has received FDA Investigational Device Exemption approval to conduct an early feasibility study of up to 20 patients.</p>					
8/5/2015	Twelve, Inc.	Medtronic plc (NYSE:MDT)	\$458	-	-
<p>Medtronic announced an agreement to acquire Twelve, a developer of devices for the treatment of chronic cardiovascular diseases such as valve replacement. The deal subsequently closed on October 2, 2015.</p>					
8/3/2015	Claymount Assemblies B.V.	Varian Medical Systems, Inc. (NYSE:VAR)	\$55	1.7x	-
<p>Varian Medical Systems acquired Claymount Assemblies, a supplier of components and subsystems for X-ray imaging equipment manufacturers. It operates manufacturing sites in the Netherlands, Philippines and the U.S. as well as offices in Switzerland, Italy and China.</p>					
7/22/2015	Thoratec Corp. (NASDAQ:THOR)	St. Jude Medical, Inc. (NYSE:STJ)	\$3,422	7.1x	48.6x
<p>St. Jude Medical announced an agreement to acquire Thoratec, a developer, manufacturer and marketer of proprietary mechanical devices used for mechanical circulatory support for the treatment of heart failure patients. Its products complement St. Jude Medical's existing heart failure portfolio. The deal subsequently closed on October 8, 2015.</p>					
7/13/2015	RF Surgical Systems, Inc.	Medtronic plc (NYSE:MDT)	\$235	-	-
<p>Medtronic announced an agreement to acquire RF Surgical Systems, a creator of medical products to detect and prevent surgical items such as sponges, gauzes or towels being left inside a patient after wound closure. This deal fits with Medtronic's strategy to deliver economic value to its hospital clients.</p>					

Healthcare IT					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/25/2015	Gecko Health Innovations, Inc.	Teva Pharmaceutical Industries Limited (NYSE:TEVA)	\$-	-	-
<p>Teva Pharmaceutical Industries announced an agreement to acquire Gecko Health Innovations, a cloud-based solution to simplify chronic respiratory disease management, and connect patients and caregivers through remote monitoring and real-time tools. Terms of the transaction were not disclosed.</p>					
9/1/2015	TheraDoc, Inc.	Premier, Inc. (NASDAQ:PINC)	\$117	-	-
<p>Premier acquired TheraDoc, a clinical informatics company that develops hospital surveillance systems to provide continuous monitoring, alerts and analysis of hospital infections. Hospira purchased TheraDoc in 2009 for \$63 million.</p>					
8/25/2015	NaviHealth	Cardinal Health, Inc. (NYSE:CAH)	\$408	-	-
<p>Cardinal Health acquired NaviHealth, a portfolio company of Welsh, Carson, Anderson & Stowe, that offers software and analytics products that help health systems and insurers manage post-acute care bundled payments.</p>					
8/20/2015	CECity.com, Inc.	Premier Healthcare Solutions, Inc.	\$400	-	-
<p>Premier Healthcare Solutions acquired CECity.com, a provider of cloud-based healthcare solutions with a focus on performance improvement, pay-for-value reporting, and continuous professional education.</p>					
8/6/2015	Merge Healthcare, Inc.	IBM (NYSE:IBM)	\$975	4.3x	24.7x
<p>IBM acquired Merge Healthcare, a leading provider of medical image handling and processing, interoperability and clinical systems designed to advance healthcare quality and efficiency. Its technology platforms are used at more than 7,500 U.S. healthcare sites.</p>					
7/31/2015	Healthcare Insights, LLC	Premier, Inc. (NASDAQ:PINC)	\$69	-	-
<p>Premier acquired Healthcare Insights, an integrated financial management software developer that provides hospitals and healthcare systems with budgeting, forecasting, labor productivity and cost analytic capabilities.</p>					
7/6/2015	Altegra Health	Emdeon Inc.	\$910	-	-
<p>Emdeon, through its subsidiary MediFAX-EDI Holding Company, acquired Altegra Health. Altegra Health is a national provider of technology and intervention platforms to achieve actionable insights and improved management for value-based healthcare. It is a portfolio company of Parthenon Capital Partners.</p>					

Hospital Providers					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/30/2015	West Jefferson Medical Center, LA	LCMC Health	\$540	-	-
<p>LCMC Health announced an agreement to acquire the operations of West Jefferson Medical Center in Marrero, LA. Under the agreement, LCMC will make lease payments of at least \$200 million over 45 years, plus \$340 million in capital improvements over the next 15 years.</p>					
9/21/2015	Victory Medical Center Beaumont	IASIS Healthcare, LLC	\$21	-	-
<p>IASIS Healthcare acquired Victory Medical Center Beaumont, a surgical hospital that provides general surgery, gynecological surgery, spine surgery, and vascular surgery. Victory Medical Center Beaumont is located in Beaumont, TX.</p>					
9/21/2015	Lehigh Regional Medical Center	Prime Healthcare Services	\$-	-	-
<p>Prime Healthcare signed a definitive agreement to acquire substantially all of the assets of Lehigh Regional Medical Center from Community Health Systems. Lehigh Regional Medical Center is located in Lehigh Acres, FL. Terms of the transaction were not disclosed.</p>					
9/18/2015	Saint Mary's Health System	Trinity Health	\$-	-	-
<p>Trinity Health announced an agreement to acquire Saint Mary's Health System, located in Athens, GA. Trinity Health is one of the nation's largest Catholic healthcare systems, providing services in multiple states from coast to coast with 86 hospitals. Terms of the transaction were not disclosed.</p>					
9/1/2015	Marina Del Rey Hospital	Cedars-Sinai Health System	\$-	-	-
<p>Cedars-Sinai Health System acquired Marina Del Rey Hospital, located in Marina Del Rey, CA. Marina Del Rey Hospital operates as an acute care hospital that provides general acute medical and emergency care services for residents of Marina Del Rey, surrounding beach communities, and Westside Los Angeles. Terms of the transaction were not disclosed.</p>					
8/31/2015	Capella Healthcare, Inc.	Medical Properties Trust, Inc. (NYSE:MPW)	\$1,470	-	-
<p>Medical Properties Trust completed the acquisition of Capella Healthcare, an owner and/or operator of acute care and specialty hospital facilities in six states. GTCR formed Capella in 2005, and has built it into one of the 10 largest for-profit hospital companies in the U.S.</p>					
8/31/2015	St. John Medical Center	University Hospitals Health System	\$-	-	-
<p>University Hospitals has partnered with St. John Medical Center in Westlake, OH. St. John Medical center is a community hospital with 221 beds. Terms of the transaction were not disclosed.</p>					
8/31/2015	Crittenton Hospital Medical Center	Ascension Health	\$-	-	-
<p>Ascension Health agreed to acquire the 290-bed Crittenton Hospital Medical Center in Rochester Hills, MI. The hospital will be merged into the Ascension system. Terms of the transaction were not disclosed.</p>					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
8/28/2015	Samaritan Regional Health System	University Hospitals Health System	\$-	-	-
<p>University Hospitals acquired Samaritan Regional in Ashland, OH. Samaritan Regional operates a general, acute-care, and inpatient facility with 55-beds. Terms of the transaction were not disclosed.</p>					
8/28/2015	Akron General Health System	Cleveland Clinic Foundation	\$156	-	-
<p>The Cleveland Clinic announced an agreement to acquire the remaining stake in Akron General. Akron General is located in Akron, OH, and owns/operates a chain of healthcare centers throughout Ohio.</p>					
8/19/2015	The Regional Medical Center of Acadiana	Lafayette General Health	\$-	-	-
<p>Lafayette General announced an agreement to acquire The Regional Medical Center of Acadiana, located in Lafayette, LA. The Regional Medical Center of Acadiana operates as an acute care hospital. Terms of the transaction were not disclosed.</p>					
8/18/2015	Takoma Regional Hospital	Wellmont Health System	\$-	-	-
<p>Wellmont Health System announced an agreement to acquire Takoma Regional, located in Greeneville, TN. Takoma Regional is an acute care hospital that provides healthcare services to customers in Greeneville and surrounding counties in Tennessee. Terms of the transaction were not disclosed.</p>					
8/8/2015	Four Tennessee Hospitals	Saint Thomas Health	\$-	-	-
<p>Saint Thomas Health acquired the remaining 93.5% stake in four hospitals in Middle Tennessee from Capella Healthcare. Terms of the transaction were not disclosed.</p>					
8/3/2015	Fleming County Hospital	LifePoint Health, Inc. (NasdaqGS:LPNT)	\$-	-	-
<p>LifePoint Health acquired Fleming County Hospital, located in Flemingsburg, KY. Fleming County Hospital operates as a hospital that provides general medical and surgical care for inpatient, outpatient, and emergency room patients. Terms of the transaction were not disclosed.</p>					
8/3/2015	Clark Memorial Hospital	Regional Health Network (NASDAQ:LPNT)	\$76	-	-
<p>Regional Health Network acquired Clark Memorial Hospital, a 241-bed acute care facility located on a 22-acre campus, which includes two medical office buildings and an outpatient surgery center. It also owns an urgent care and diagnostic imaging center eight miles north of the campus. Clark Memorial Hospital is located in Jeffersonville, IN.</p>					
8/1/2015	Payson Regional Medical Center	Banner Health	\$25	-	-
<p>Banner Health announced an agreement to acquire the 39-bed Payson Regional Medical Center and related outpatient services. The transaction follows the termination of a lease agreement with Mogollon Health Alliance. Payson Regional Medical Center is located in Payson, AZ.</p>					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
7/15/2015	L+M Health care	Yale-New Haven Health Services Corporation	\$-	-	-
<p>Yale-New Haven Health Services, through its subsidiary Northeast Medical Group, announced an agreement to acquire L+M Health care, located in New London, CT. L+M Healthcare, a not-for-profit, general, acute care, and private hospital, provides healthcare services to medical, surgical, pediatric, rehabilitation, psychiatric, and obstetrical patients. Terms of the transaction were not disclosed.</p>					
7/14/2015	Robert Wood Johnson Health System	Barnabas Health	\$-	-	-
<p>Barnabas Health announced an agreement to acquire Robert Wood Johnson Health System, in New Brunswick, NJ. Terms of the transaction were not disclosed.</p>					
8/4/2015	Ardent Health Hospital Operations (NYSE:VTR)	Equity Group Investments, LLC	\$475	-	-
<p>Equity Group Investments has acquired the majority of Nashville, TN-based Ardent Health Service's hospital operations from Ventas. Ventas will retain the owned real estate of the 10 hospitals it bought in June for \$1.75 billion.</p>					
7/2/2015	NYU Lutheran Medical Center	NYU Langone Health System	\$-	-	-
<p>NYU Langone Medical Center announced an agreement to acquire NYU Lutheran Medical Center in Brooklyn, NY. NYU Lutheran Medical Center, a teaching hospital, provides a range of services including level I trauma center, stroke center, and bariatric center. Terms of the transaction were not disclosed.</p>					

Long-Term Care

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/23/2015	Agape Senior Living Portfolio	Formation Capital	\$154	-	-
<p>Formation Capital acquired a portfolio of senior living communities in SC, from Agape Senior Living Portfolio. The portfolio consists of 10 assisted living communities, with 856 units, and three skilled nursing facilities, with 294 beds. The buildings were constructed from 1990 to 2008, with various renovations. Occupancy averaged 77.5% at the assisted living / memory care and 81.6% at the SNFs.</p>					
9/15/2015	Trilogy Health Services	Griffin-American Healthcare REIT III, Inc.	\$1,149	-	-
<p>Griffin-American Healthcare announced an agreement to acquire Trilogy Health Services, an operator of 96 SNFs and SNF/assisted living hybrids with more than 10,000 beds across four states. Trilogy owns 53 of the facilities and the remainder are leased, some with purchase options.</p>					
9/1/2015	Nine Senior Care Properties	Care Capital Properties, Inc. (NYSE:CCP)	\$190		
<p>Care Capital Properties acquired a portfolio of nine senior care properties. The portfolio includes eight SNFs and one assisted living community in the Shreveport, LA market. Average occupancy was 88%. A rehab therapy company, four hospice agencies and an affiliated pharmacy provider are also included in the transaction.</p>					
8/31/2015	CareSouth Health System, Inc.	HealthSouth Corporation (NYSE:HLS)	\$170	-	-
<p>HealthSouth announced an agreement to acquire CareSouth Health System, a provider of home health, hospice, and private duty services with 45 locations across the mid-Atlantic and southeast region. HealthSouth's subsidiary, Encompass Home Health, will operate CareSouth.</p>					
8/10/2015	14-Facility Liberty Healthcare Portfolio	CareTrust REIT, Inc. (NASDAQ:CTRE)	\$175	-	-
<p>CareTrust REIT completed the acquisition of a 14-facility Liberty Healthcare portfolio. The portfolio includes 1,102 operating skilled nursing beds and 156 assisted living and independent living units.</p>					
8/6/2015	Five Senior Living Communities	CNL Healthcare Properties, Inc.	\$195	-	-
<p>CNL Healthcare Properties acquired five seniors housing communities from AEW Senior Housing Investors. Two of the communities are located in Georgia, two are located in Texas and one is located in Florida. There are a total of 288 independent living units, 321 assisted living units and 100 memory care units. Overall occupancy was 93.1%, and the properties were built between 2001 and 2009.</p>					
7/20/2015	DeWitt Rehabilitation	Cassena Care	\$106	-	-
<p>Cassena Care acquired DeWitt Rehabilitation, in New York, NY. DeWitt Rehabilitation operates a rehabilitation and nursing care facilities. DeWitt Rehabilitation filed for bankruptcy protection in 2011.</p>					
7/14/2015	Mountain Crest Portfolio	Griffin-American Healthcare REIT III, Inc.	\$75	-	-
<p>Griffin-American Healthcare acquired the Mountain Crest Portfolio, which consists of five senior living communities in northern Indiana and one in southwestern Michigan, with 653 total units and 585,000 square feet. Occupancy at six of the facilities is 85%, and the portfolio is 100% private pay.</p>					

Long-Term Care (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
7/15/2015	Three Senior Living Communities	Griffin-American HC REIT III	\$88	-	-
<p>Griffin-American Healthcare acquired three senior living communities in Pennsylvania. These properties include Traditions of Hanover in Bethlehem, Senior Commons at Powder Mill in York, and Arbour Square of Harleysville/The Birches at Arbour Square in Harleysville. They offer assisted living, memory care and independent living services.</p>					
7/14/2015	Five Skilled Nursing Facilities	Granite Investment Group	\$90	-	-
<p>Granite Investment Group acquired five SNFs in south Texas. These SNFs were acquired in two separate transactions. Four of the properties were built in the past three years. The five facilities were triple-net leased to Dallas, Texas-based Senior Care Centers, one of the largest skilled nursing operators in Texas.</p>					

Managed Care

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
9/24/2015	DentaQuest Mid-Atlantic, Inc. and DentaQuest Virginia, Inc.	Dominion Dental Services, Inc.	\$-	-	-
<p>Dominion Dental Services announced an agreement to acquire DentaQuest Mid-Atlantic and DentaQuest Virginia from DentaQuest Management. DentaQuest Mid-Atlantic and DentaQuest Virginia represents the combined operations of DentaQuest Mid-Atlantic, a provider of dental benefits administration services. Terms of the transaction were not disclosed.</p>					
7/3/2015	Humana Inc. (NYSE:HUM)	Aetna (NYSE:AET)	\$36,270	0.7x	14.0x
<p>Aetna announced an agreement to acquire Humana. With Aetna's 8.7 million commercial insured members and Humana's 4.4 million Medicare Advantage members, 56% of revenue will come from government business. Aetna's shareholders will own approximately 74% of the combined company and Humana's shareholders will own approximately 26%. The deal will be terminated if not complete on or before June 30, 2016.</p>					
7/2/2015	Health Net, Inc. (NYSE:HNT)	Centene Corporation (NYSE:CNC)	\$6,092	0.4x	16.0x
<p>Centene announced an agreement to acquire Health Net, which covers approximately 6 million individuals through group, individual, Medicare, Medicaid, dual eligible, U.S. Department of Defense and U.S. Department of Veterans Affairs programs. This combination would create an MCO with more than 10 million members.</p>					

Healthcare Services: Valuation Metrics by Sector

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:		P/E
			High	Low				LTM Revenue	LTM EBITDA	
Alternate Site ^[1]										
AMED	Amedisys Inc.	\$37.97	\$48.34	\$19.03	78.6%	\$1,278.3	\$1,341.3	1.1x	13.8x	NM
AMSG	AmSurg Corp.	77.71	87.42	47.68	88.9%	3,764.6	6,722.6	2.9x	10.8x	56.5x
DVA	DaVita HealthCare Partners Inc.	72.33	85.17	70.12	84.9%	15,587.1	23,985.4	1.8x	9.9x	35.0x
DB:FME	Fresenius Medical Care AG & Co. KGAA	69.14	91.80	56.77	75.3%	23,671.4	33,851.2	2.0x	11.2x	22.3x
IPCM	IPC Healthcare, Inc.	77.69	80.09	36.12	97.0%	1,353.1	1,431.5	2.0x	20.3x	41.5x
Mean								2.0x	13.2x	32.9x
Diagnostic Services ^[2]										
AIQ	Alliance Healthcare Services, Inc.	\$9.76	\$25.83	\$9.00	37.8%	\$103.4	\$683.0	1.5x	5.7x	18.4x
LH	Laboratory Corp. of America Holdings	108.47	131.19	95.61	82.7%	10,966.3	17,151.1	2.4x	12.0x	23.5x
DGX	Quest Diagnostics Inc.	61.47	89.00	56.27	69.1%	8,824.2	12,452.2	1.6x	8.3x	18.2x
RDNT	RadNet, Inc.	5.55	10.35	5.25	53.6%	246.8	890.1	1.2x	8.2x	33.9x
Mean								1.7x	8.6x	20.0x
Healthcare Distributors										
ABC	AmerisourceBergen Corporation	\$94.99	\$120.68	\$74.32	78.7%	\$20,537.0	\$21,732.0	0.2x	14.1x	NM
CAH	Cardinal Health, Inc.	76.82	91.91	71.72	83.6%	25,261.5	26,138.5	0.3x	9.7x	21.3x
HSIC	Henry Schein, Inc.	132.72	149.95	109.34	88.5%	11,068.4	12,327.3	1.2x	13.6x	24.0x
MCK	McKesson Corporation	185.03	243.61	160.10	76.0%	43,001.6	48,678.6	0.3x	11.5x	22.3x
OMI	Owens & Minor Inc.	31.94	36.35	31.55	87.9%	2,012.8	2,386.5	0.2x	9.3x	31.2x
SRCL	Stericycle, Inc.	139.31	148.87	114.26	93.6%	11,835.9	13,490.2	5.0x	19.0x	39.9x
TMO	Thermo Fisher Scientific, Inc.	122.28	141.25	14.00	86.6%	48,727.1	61,983.8	3.7x	15.4x	25.0x
Mean								1.5x	13.2x	27.3x
Healthcare Equip. & Supplies ^[3]										
ABT	Abbott Laboratories	\$40.22	\$51.74	\$39.00	77.7%	\$59,945.6	\$57,664.6	2.8x	12.4x	25.6x
BAX	Baxter International Inc.	32.85	75.29	32.22	43.6%	17,921.0	25,504.0	1.6x	6.3x	10.4x
BDX	Becton, Dickinson and Company	132.66	154.98	112.98	85.6%	27,892.3	39,466.3	4.2x	16.3x	33.0x
BSX	Boston Scientific Corporation	16.41	18.62	11.10	88.1%	22,054.3	26,263.3	3.6x	15.1x	NM
BEAT	BioTelemetry, Inc.	12.24	16.96	6.46	72.2%	331.9	341.5	2.1x	15.9x	NM
JNJ	Johnson & Johnson	93.35	109.49	81.79	85.3%	258,496.1	243,849.1	3.4x	10.4x	16.4x
MDT	Medtronic plc	66.94	79.50	55.54	84.2%	94,627.4	112,240.4	4.9x	16.0x	31.1x
SIE	Siemens Aktiengesellschaft	88.78	118.64	86.78	74.8%	74,105.6	94,009.6	1.1x	8.9x	11.5x
STJ	St. Jude Medical Inc.	63.09	80.84	54.80	78.0%	17,775.3	20,582.3	3.7x	12.0x	17.6x
Mean								2.6x	12.6x	20.8x

[1] AMSG PE multiple is excluded from the mean.

[2] RDNT PE multiple is excluded from the mean.

[3] BDX and MDT revenue multiples are excluded from the mean.

Healthcare Services: Valuation Metrics by Sector (cont.)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:		P/E
			High	Low				LTM Revenue	LTM EBITDA	
Healthcare IT ^[4]										
MDRX	Allscripts Healthcare Solutions, Inc.	\$12.40	\$15.41	\$11.00	80.5%	\$2,342.6	\$2,937.5	2.1x	36.6x	NM
ATHN	athenahealth, Inc.	133.35	153.25	107.88	87.0%	5,152.4	5,337.2	6.4x	86.6x	NM
CERN	Cerner Corporation	59.96	75.72	55.75	79.2%	20,690.6	20,755.4	5.4x	19.4x	41.9x
CPSI	Computer Programs & Systems Inc.	42.13	64.86	41.64	65.0%	476.2	439.1	2.3x	10.1x	17.2x
HMSY	HMS Holdings Corp.	8.77	23.69	8.11	37.0%	776.6	824.0	1.8x	9.5x	58.4x
MDAS	MedAssets, Inc.	20.06	23.90	17.00	83.9%	1,203.6	2,034.3	2.7x	9.3x	NM
OMCL	Omnicell, Inc.	31.10	40.80	26.05	76.2%	1,116.7	1,028.7	2.2x	15.6x	36.2x
QSII	Quality Systems Inc.	12.48	18.75	12.00	66.6%	752.8	636.0	1.3x	12.2x	26.6x
WBMD	WebMD Health Corp.	39.84	48.91	34.48	81.5%	1,469.5	1,664.3	2.8x	13.6x	33.9x
Mean								2.2x	12.8x	31.2x
Hospital Providers ^[5]										
CYH	Community Health Systems, Inc.	\$42.77	\$65.00	\$40.52	65.8%	\$5,053.6	\$22,232.6	1.1x	7.5x	12.4x
HCA	HCA Holdings, Inc.	77.36	95.49	43.91	81.0%	32,119.3	62,724.3	1.6x	8.1x	15.8x
LPNT	LifePoint Health, Inc.	70.90	88.18	62.95	80.4%	3,148.6	5,054.3	1.0x	8.1x	24.3x
THC	Tenet Healthcare Corp.	36.92	60.93	35.76	60.6%	3,675.9	19,936.9	1.1x	9.1x	65.2x
UHS	Universal Health Services Inc.	124.81	148.57	95.63	84.0%	12,359.5	15,663.0	1.8x	9.9x	20.6x
Mean								1.4x	8.5x	18.3x
Long-Term Care / Senior Living										
BKD	Brookdale Senior Living Inc.	\$22.96	\$39.89	\$22.00	57.6%	\$4,236.5	\$10,634.3	2.6x	13.4x	14.7x
CSU	Capital Senior Living Corp.	20.05	27.75	19.20	72.3%	591.5	1,275.9	3.2x	18.3x	19.4x
DVCR	Diversicare Healthcare Services Inc.	10.08	17.15	8.14	58.8%	63.1	119.7	0.3x	5.5x	13.6x
ENSG	The Ensign Group, Inc.	42.63	54.08	33.17	78.8%	1,089.6	1,082.6	0.9x	11.3x	21.3x
GEN	Genesis Healthcare, Inc.	6.13	9.32	5.52	65.8%	941.3	5,808.5	1.1x	13.3x	NM
KND	Kindred Healthcare Inc.	15.75	24.66	15.61	63.9%	1,321.1	4,550.0	0.8x	10.2x	NM
Mean								1.5x	12.0x	17.2x
Managed Care ^[6]										
AET	Aetna Inc.	\$109.41	\$134.40	\$71.81	81.4%	\$38,150.0	\$45,469.2	0.8x	8.8x	16.6x
CI	Cigna Corp.	135.02	170.68	85.75	79.1%	34,767.0	38,083.0	1.0x	9.7x	16.7x
ESRX	Express Scripts Holding Company	80.96	94.61	68.06	85.6%	54,707.2	70,728.6	0.7x	10.3x	26.7x
HNT	Health Net, Inc.	60.22	76.67	42.61	78.5%	4,654.2	4,507.0	0.3x	11.8x	57.0x
HUM	Humana Inc.	179.00	219.79	121.04	81.4%	26,530.5	28,712.5	0.6x	11.1x	21.2x
UNH	UnitedHealth Group Incorporated	116.01	126.21	80.72	91.9%	110,622.8	122,454.8	0.9x	10.0x	18.5x
ANTM	Anthem, Inc.	140.00	173.59	108.92	80.6%	36,622.2	53,420.7	0.7x	8.1x	13.7x
Mean								0.7x	10.0x	18.9x
OVERALL SECTOR										
Mean								1.7x	11.4x	23.3x

[4] ATHN and CERN revenue multiples, MDRX and ATHN EBITDA multiples, and the HMSY PE multiple are excluded from the mean.

[5] THC PE multiple is excluded from the mean.

[6] HNT PE multiple is excluded from the mean.

Notes

- Sources: Capital IQ, Bond Buyer, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
- Any public companies chosen for the “SCA Healthcare Services Universe” are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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Recent Representative Transactions *

<p>\$690,600,000 Sale of Assets on behalf of</p>  <p>MedCath Corporation (Nasdaq: MDTH)</p> <p>Sell Side Advisor</p>	<p>\$83,800,000</p>  <p>HEART HOSPITAL of AUSTIN</p> <p>has been acquired by</p> <p>St. David's Healthcare Partnership, L.P.</p> <p>Sell Side Advisor</p>	<p>\$156,000,000</p>  <p>SUMNER Regional Health Systems, Inc.</p> <p>has been acquired by</p>  <p>LIFEPPOINT HOSPITALS*</p> <p>Sell Side Advisor</p>	<p>\$75,000,000</p>  <p>Community Memorial Healthcenter</p> <p>has affiliated with</p>  <p>VCU Medical Center Virginia Commonwealth University Health System</p> <p>Financial Advisor to Community Memorial Healthcenter</p>	<p>\$58,500,000</p>  <p>Morton Hospital And Medical Center</p> <p>has been acquired by</p>  <p>Steward</p> <p>Steward Health Care System LLC</p> <p>Sell Side Advisor</p>
<p>\$31,000,000</p>  <p>HUALAPAI MOUNTAIN MEDICAL CENTER</p> <p>has been acquired by</p>  <p>KINGMAN REGIONAL MEDICAL CENTER <i>Serving Our Community with Compassion and Commitment</i></p> <p>Sell Side Advisor</p>	<p>\$73,000,000</p>  <p>ARKANSAS HEART HOSPITAL* THE HEART HOSPITAL</p> <p>has been acquired by</p> <p>AR-MED, LLC</p> <p>Sell Side Advisor</p>	<p>\$830,000,000</p>  <p>Caritas CARITAS CHRISTI HEALTH CARE</p> <p>has been acquired by</p>  <p>Steward</p> <p>Steward Health Care System LLC</p> <p>Sell Side Advisor</p>	 <p>SSM HEALTH CARE WISCONSIN</p>  <p>Upland Hills Health</p> <p>Three dialysis centers have been acquired by</p>  <p>FRESENIUS MEDICAL CARE</p> <p>Sell Side Advisor</p>	<p>\$206,900,000</p>  <p>TOMBALL REGIONAL MEDICAL CENTER</p> <p>has been acquired by</p>  <p>CHS Community Health Systems</p> <p>Sell Side Advisor</p>
 <p>ROCKFORD HEALTH system</p> <p>has merged with</p>  <p>MERCY HEALTH SYSTEM</p> <p>With all our heart. With all our mind.®</p> <p>Financial Advisor to Rockford Health System</p>	 <p>Winchester Hospital <i>Advancing Health. Advancing Care.</i></p> <p>has affiliated with</p>  <p>Lahey Health</p> <p>Financial Advisor to Winchester Hospital</p>	<p>\$86,400,000</p> <p>An equity interest in</p>  <p>Avera Heart Hospital of South Dakota</p> <p>has been acquired by</p>  <p>Avera</p> <p>Sell Side Advisor</p>	<p>\$25,000,000</p>  <p>MedCath</p> <p>MedCath Partners Division</p> <p>has been acquired by</p>  <p>DLP Cardiac Partners Duke LifePoint Healthcare</p> <p>Sell Side Advisor</p>	<p>\$38,100,000</p>  <p>CARDIOVASCULAR CARE GROUP</p> <p>has acquired MedCath's equity interest and secured loan in</p>  <p>BAKERSFIELD HEART HOSPITAL</p> <p>Sell Side Advisor</p>
<p>\$76,250,000</p>  <p>TEXAS HEART HOSPITAL</p> <p>has been acquired by</p>  <p>METHODIST HEALTHCARE SYSTEM San Antonio, Texas</p> <p>Sell Side Advisor</p>	<p>\$62,600,000</p>  <p>HARLINGEN MEDICAL CENTER</p> <p>has been acquired by</p>  <p>PRIME HEALTHCARE SERVICES, INC.</p> <p>Sell Side Advisor</p>	 <p>United Surgical Partners INTERNATIONAL</p> <p>has acquired an interest in</p>  <p>SIouxLAND SURGERY CENTER</p> <p>Financial Advisor to Physician Members of Siouxland Surgery Center</p>	<p>\$32,000,000</p>  <p>ARIZONA HEART HOSPITAL</p> <p>has been acquired by</p>  <p>VANGUARD HEALTH SYSTEMS</p> <p>Sell Side Advisor</p>	<p>\$119,000,000</p>  <p>HEART HOSPITAL of NEW MEXICO</p> <p>has been acquired by</p>  <p>Lovelace Health System</p> <p>Sell Side Advisor</p>

* Includes transactions led by the team of SOLIC professionals at predecessor firms