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<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

In the meantime, I wanted to introduce Dennis Whalen, who is on our Advisory Board. Dennis is from KPMG, he's been with us from day one and we're just grateful for all, he's done to help us.

<<Dennis Whalen, Leader, Board Leadership Center, KPMG>>

Thanks Mark. It's good to be with everybody today, it's my pleasure to introduce our next CEO. I didn't know we were having a healthcare theme in this room but this must be the healthcare room. So Tom DeRosa is the CEO of Welltower which is a healthcare real estate business.

And if you need something to get your attention Tom has been the CEO since 2014 and in that point in time, that short point in time he's created $40 billion of enterprise value with the Company. And if that's not enough to get your attention this afternoon Tom may be the landlord to many of you and to myself at some point in the future. So welcome Tom.

<<Tom DeRosa, Chief Executive Officer>>

Thank you. So I realize many of you have might have never heard of our Company and that's because we changed the name last year. We have been around since 1970. But until last year, we went by a very inspiring name. The Company was called Health Care REIT. So it’s essentially our tax selection. So when I stepped into the CEO role off the board in 2014, one of the first things I wanted to do was change the name of the Company.

And it's very difficult to name a Company today, most every good name is taken but miraculously we stumbled across a name. That made sense, because it spoke to two things that we’re engaged in. Yes, we are a large real estate business, we own as you see up there 1,400 plus buildings.

But we're also engaged, in a word that you've been hearing here today, which is wellness. The key to effective health care delivery, in this country and actually in all countries is wellness. So we're going to talk a little bit about that, so as you can see we're a large Company, we're $40 billion enterprise.

We are very proud of the fact, that we're a member of the Dow Jones Sustainability Index that we've been recognized for the fact and not only do we promote wellness in how we manage our real estate footprint. But I'd like to think we're being recognized for – our

focus on the sustainability of the population, because not only do we own a lot of real estate but we take care of a lot of people on a daily basis.

And as you can see there, at any given moment of the day we are caring for over 200,000 people and who are these people, they're generally people that are 85 and older and they suffer from two diseases that there is no cure for and those diseases are frailty and the other disease is dementia.

And there are no cures for either one of those, so what we do at Welltower is offer a reasonable residential care solution to managing both these two diseases. We also are very much engaged in helping to drive healthcare to lower cost settings. So as you see there at the top an audacious statement that says Welltower is engaged in driving the evolution of healthcare infrastructure and value-based healthcare.

How do we do that? We do that by moving people and having out of the high cost settings. We own 17 million square feet of outpatient medical buildings in this country and we see that as very much the future of how we're going to drive towards the goal of value-based healthcare, which is better outcomes at a lower cost.

So let's talk about healthcare. So from the beginning of time healthcare was delivered in the bottom box there, over on the right called home. And we were born at home and we endured illness at home. And it was in the late mid to late 19th century the model up in the upper left hand corner, which is what we believe is where healthcare is delivered, the acute care hospital or the modern acute care hospital started to be introduced across the United States.

And I often think of a story, which is very personal, so I have four children and my two oldest daughters who are 26 and 27 were born in the same hospital, in the same wing and on the same floor as their great grandfather 100 years earlier, which is extraordinary. Because the fact is the process of delivering a child in an acute care setting hadn't really changed that much in 100 years, but if I want to take the girls to see this fine hospital today. What they'd be looking at is the facade of the wing of the hospital they were born in. But the hospital is no longer there and for those of you who live in New York that was St Vincent's Hospital, in the West Village.

St Vincent's Hospital, which was a very fine hospital for over 100 years, had a physical infrastructure that would simply not allow it to deliver modern medicine today. So that infrastructure would be working against the goal of all of healthcare, which is to drive better outcomes at lower costs. So what Welltower is doing is trying to move people into the most appropriate setting.

Now 70% of our business deals with the aging population and today most of these people are living at home. But as we get to a level of – high level of frailty and as we start to lose cognitive skills. The home starts to work against our health and wellness. And what happens is you go from the home to the upper left hand box and that the cost of that is not just – is just not sustainable.

So what we offer is a lower cost setting where people as they age can still maintain wellness in their daily life. And what do I mean by wellness, I mean nutrition, its hydration, its physical mobility, it's keeping the body moving, its social engagement, social interaction, so we can maintain the cognitive skills as we age.

And the last piece of it, is also one of the biggest reasons that land people in the hospital its safety. Most homes today are just not safe places for someone who is losing physical and mental skills to live productively. So we offer a solution there, we are the largest residential Alzheimer's Care Company. So that's a disease we'll talk a little bit more about.

As I said earlier, we also are offering modern day hospitals, in a day where most of the hospital infrastructure in this country was built when healthcare was delivered on a fee for service basis. So there was a day not that long ago when you broke your hip, if you stayed in a hospital bed for two weeks. The hospital submitted a bill to whether it'd be an insurance company or Medicare and they got reimbursed for that.

Today they're probably getting reimbursed for a two day stay. So if you're a hospital and you want to keep someone in a bed for two weeks you're losing money for 12 days and that's not sustainable. So many procedures now are being moved into this outpatient box. And while CMS consistently tries to put the upper darker blue boxes out of the business which is the post acute care sector and the concept of the Skilled Nursing Facility.

If you speak to any hospital's CEO in this country, they would say they need, more than ever they need this blue box, these blue boxes to be vibrant partners because again they allow, they allow the hospital, the acute care hospital move the patient to the lowest cost setting. So we all know that the world is getting older and one of the reasons why we're getting older is the fact that two major killers don't necessarily kill us anymore.

If you were in school, if you were in elementary school like me in the late 60s, in early 70s every year someone lost their dad to a heart attack. Why was that because most of those dad's started smoking when they were in the military whether that was in World War II or Korea and they started smoking. And it took three decades for that smoking habit to show up in heart disease and a lot of people died in their 50s.

And if you made it out of your 50s by the 1970's there was another disease we started to hear about a lot that was called lung cancer. So fast forward to today, modern medicine has helped heart disease really from in many cases are be eradicated or at least there's a lot of early intervention that can keep someone living a longtime. And many cancers have become chronic disease states.

So because of this it's a wonderful thing we're living longer. But that also has profound issues for the healthcare delivery system and why is that because, as we live longer healthcare spending rises exponentially as you can see there, just from the graph, how it jumps as people live up to 85. And one of the reasons healthcare spending grows

exponentially is that we all develop a disease at the age of 85. And that disease is dementia.

Now for some of us that dementia will progress and become a very debilitating condition. But for some people they live with a very moderate level of dementia I have a 94 year old mother who still lives independently. She has a very moderate level of dementia, now she's incredibly mean and that's what keeps her alive to 94 and that's the reason why she's on this earth and but dementia not an issue. She could talk to about the match and she could talk to a lot about the Trump administration.

So let's talk about Alzheimer's and dementia. It is the top 10 cause of death that cannot be prevented slowed or cured. And as you can see, this will be a trillion dollar disease just by 2018 and think about that. There's no surgical procedure, there's no medical device, there's no drug that helps keep this disease at bay.

These costs are all the costs of people sitting in hospital beds because hospitals have no idea what to do with these people. So this is a big obviously it’s a big issue that we attack. And how does Welltower connect its employees and its community to what we do and one of the things that I was very proud of this year, is that we rallied our employees which by the way we only have 450 employees for a $40 billion company, we do about $4.5 billion in revenues and we have 450 employees.

Now that is employed by Welltower, we have probably 150,000 employees at the facility levels. But we – these 450 employees raised $3.2 million for the Alzheimer's Association, for Alzheimer's Research and to provide funds that can be a safety net for families that are trying to take care of family members with this disease. And it's quite astounding when you think on average we raised over $7,000 per employee for the Alzheimer's Association this year. This is the largest amount of money that's ever been raised by any organization for the Alzheimer's Association.

So it’s something that not only, has a great benefit, the society but it was a way that we could connect our people in some of our constituencies to the bigger issue that we are trying to address. So we think about the long-term value proposition of Welltower, it's really based upon the fact that we are sitting at the intersection of two major trends. The first we've been talking about is the aging of the population, I don't know of another business that is as directly focused on this profound broad societal trend, because we've never experienced this before. In modern history, we've never lived in a world where the fastest growing age cohort is going to be 85 and up.

It was actually in 2016 for the first time, we saw the 65 year old and up age cohort growing faster than the five-year old and below age cohort. This is not going to be reversed. So this is an issue that's going to touch every company, in every country, we’re positioning ourselves to help to address this within healthcare. And we believe that this transition to value-based healthcare unless we get this aging piece down we will not be successful.

So as I said earlier, where we fit into all this is that we have the best-in-class residential senior care business in the U.S., Canada and the UK. With in that, we have a specialist program for Alzheimer's dementia. And what we offer are very progressive noninvasive care models that help people whose bodies are still in the world but whose minds have left the world live as productively as they can.

And we are increasingly connecting this to other components of healthcare delivery like the major hospital systems. So our business allows investors to participate in these phenomenon, in what we think is a low-risk way because we are participating at it by owning top quality real estate. So we are a business that chooses to own our real estate in the high barrier to entry market.

So generally what you will see across our Company is real estate that's concentrated in the top markets in this country and that would be the Boston MSA, the New York MSA the DC MSA, the Los Angeles MSA, San Francisco MSA, and Seattle MSA, this is where you will see us concentrated. These are the markets where population is moving, these are the markets that have the highest job growth, the highest incomes and there are often very inadequate residential care solutions for their aging population.

We have a portfolio of best-in-class operating partners and we are a very active manager of this real estate. You can see just some pictures here of some of the buildings we own and that would be at the upper right hand corner from Seattle across from the University of Washington to downtown Toronto to Beverly Hills, California.

And when you think of Welltower in senior care, we like to call ourselves a family of brands. So none of our buildings today are marketed under the name Welltower, they're marketed under our family of brands, companies like Sunrise Senior Living which is a national high-end provider of senior care, but in the mid-Atlantic we have names like Brandywine Living, in Boston, Benchmark. And in the UK, where we have the largest platform in high-end private senior care that trades under a name either like Signature at the right or Avery.

Now you'd be surprised that there are many markets in the three countries that we operate in, that are extremely under-served. And let's take the one we're in right now, you may be surprised to know if you've never had to deal with managing an aging parent or grandparent with dementia or Alzheimer's that if they have lived in Manhattan their whole life. They will likely have to be moved off the island of Manhattan when they can no longer live in their historic residents.

So think about this a million people live South of 96 Street and today there are 70 licensed memory care beds on the island of Manhattan. And I could tell you that there would be few people in this room if you saw these 70 licensed memory care beds you would put anyone you care about in one of them.

We found this completely unacceptable, so with a very highly regarded real estate developer called Hines, we set out to find a site in Manhattan where we could bring the

most advanced senior care facility with a focus on dementia and Alzheimer's. And this building which will be delivered at the end of 2019 likely will be on the corner of 56th Street in Lexington Avenue.

And why is that important because if we had wanted to find a site. At the Northern or Southern corners of the island, we probably could have found a site that might have worked. But it was important to us to find a site that is going to make this population very visible. We do not believe this population of seniors should be pushed into the shadows. We want people to see people aging, and we want them to understand that they can still be vibrant members of the community.

So we chose a site that is at the intersection of the Upper East Side residential district and the Midtown East commercial district. And this will be a place, where people will see this population and we already have – every day, every day we get calls of people asking to be can I get on the list when is it opening I mean this is something that is very needed by Manhattan.

And what will also likely happen here is that you will see this building connected with one of the major New York City Health Systems, because historically what we do has been completely invisible to a New York-Presbyterian or an NYU completely invisible. Why is that? Because there's no reimbursement for what we do, this is all paid out of pocket, so we've been outside the reimbursement chain.

So we generally haven't been considered by other components of healthcare delivery that is changing and this building specifically all eyes will be on the Welltower. It will be called the Welltower on 56 in Lexington when this opens and we're going to be working across healthcare, across the healthcare industry because I think there are things that Vince – that Becton, Dickinson could bring to this building. There are a host of other participants in the healthcare industry to use this site as a highly visible site to bring best-in-class ideas around managing this population.

So let's switch a little bit to back to the value-based healthcare, the fact is that we are moving out of the inpatient hospital, into outpatient settings. And as you can see here from 2000 until 2014 the dramatic growth in outpatient visits, this is a good thing. This is a good thing for all of us, that healthcare delivery is being driven into lower cost settings and we as a Company need to make sure that we can be bringing the most modern settings. So this trend can continue.

There's a huge opportunity here in terms of outpatient medical. It's interesting, this is $1 trillion – there's $1 trillion of real estate. That's sitting largely inside the hospital industry today. There is very little institutional ownership. So, if you want to own a piece of the Empire State Building, you can own a piece of the Empire State Building because you just need to invest in Peter Malkin's company. And you could buy it today, you could sell it tomorrow hopefully you could own it forever, if you would want to own it forever.

But if you want to own, The New Wellness Center going up the Koch building, across the street from New York Hospital across New York-Presbyterian, a modern $1.2 billion wellness center, you have no ability to own that, as an investor, no ability because it's owned 100% by the Health Systems.

As you can see – costs for healthcare real estate, this trillion dollars essentially 82, over 80% of it is owned by Health Systems. It is not at institutional investor hands, you would not see that in any other class of real estate. You think about the large pension funds of the world own so many of the buildings you see here in New York. But when it comes to healthcare nothing, because – but that's going to change because of the demand a lot of the things that Vince was talking to the group about before.

A lot of the demands on health systems, not only to lower costs and improved outcomes but to invest in technology and to invest in research. You can't own all your real estate and meet the promise of Technology Research and good care delivery. You just can't do it all and I think these health systems are for the very first time starting to realize this, they'll be looking for partners and what Welltower sees itself as the partner of choice.

We are the first platform that has enabled some of the largest, institutional investors in the world like The Canadian Pension Plan, CPPIB. They've made their first ever healthcare investments through Welltower. Same with PSP out of Canada, so this is early days but you're going to see the same transition in capital flow happen in healthcare as you've seen in other sectors, large sectors of real estate.

And today we are, again we have about over $5.5 billion invested in these outpatient buildings affiliated with major hospital systems like Memorial Hermann in Houston or Johns Hopkins. We think this is a huge growth area for us. I'm very proud of an announcement that was made by Johns Hopkins this last week as well as Welltower.

We have announced a long-term strategic collaboration between our two institutions. This is a venture that will do two things really try and drive the collaboration of how modern efficient healthcare infrastructure and innovative care methods can work together to deliver better health outcomes. The other thing that this collaboration is going to do is for the first time. Start to track the data that we collect from those 200,000 plus people every day.

And to be able to demonstrate we are achieving, very positive outcomes from these residential care models. I can tell you someone who lives with us makes far fewer trips to the ER, and spends far fewer days in an acute care hospital bed than someone who doesn't live with us. That data does not exist and that data is going to be very powerful in trying to change behaviors because if we think, we're going to stick with that comfy old hospital model we're headed for a train wreck.

And we're already doing this, we have an example, in just over the bridge from Philadelphia in Voorhees, New Jersey, where we have connected with the Virtua Health System. We've connected not only our outpatient infrastructure, which is attached to the

Virtua Hospital there, but we've brought one of our senior living brands Brandywine as well as one of our post acute care brand the Genesis into this virtuous circle of healthcare delivery.

And this is an example of how we are achieving much better outcomes because we are – because of this co-location and the recognition that these four components of health care delivery actually form a virtuous circle they are all achieving better outcomes at lower costs and this is something that we're going to really be promoting. And you're going to see more of that example.

So I said, we've been around a long time and one of the measures of the quality of Welltower is that we've been paying a dividend since 1971, so almost 50 years 183 consecutive quarterly dividends are paid. So we see ourselves as a very stable way to play some of these big themes that we've been talking about. As you can see since 2013 if you just measure our total return versus the S&P 500, you can see we've done, our shareholders have done quite well.

So to sum it all up, our strategy is around focusing on this silver economy and we do that in a way that I think provides an investor with stability, which is by owning best-in-class real estate. And that has driven very significant both internal growth and external growth. We provide this stable and dividend income to our investors and because we're very long-term focused we know that we need to have a very strong balance sheet.

It was last year that we achieve BBB+ ratings from all of the rating agencies. So that's the Welltower story and I'm happy in the last minute or so you can either get a break or you can ask me questions.

<<Dennis Whalen, Leader, Board Leadership Center, KPMG>>

Or both. So my question is what is your 94 year-old love to think about the match, maybe that’s not appropriate. I don’t want to go…

<<Tom DeRosa, Chief Executive Officer>>

You know what she could tell you stats about the match that you would not believe. So it just shows having a hobby and a passion and being really mean, actually can stand right to a long life.

<<Dennis Whalen, Leader, Board Leadership Center, KPMG>>

Okay. That's a good takeaway. We’ll put that in the meeting notes. Time for one question, that's not about the match.

<<Tom DeRosa, Chief Executive Officer>>

Okay.

<<Dennis Whalen, Leader, Board Leadership Center, KPMG>>

Question over here.

Q&A

<Q>: I am just curious, I know you're working in the area of dementia, do you looked into the need for the autistic adult community and having very similar needs?

<A – Tom DeRosa>: Yes, very good question. There one of our operators in New Jersey has a community that is focused on developmentally disabled 21 through 55 year olds. Living in a very similar residential setting, this is an area where there is profound need and it's something that we believe we want to try and figure out use this example to try and roll out over time similar settings like we have for the frail to demented elderly for that 21 to 55 year-old population. Is that something you're interested in, we have a great example that we'd be happy to show you just not too far from here in one New Jersey.

<<Dennis Whalen, Leader, Board Leadership Center, KPMG>>

Okay, thank you for your attention. Thank you so much.

<<Tom DeRosa, Chief Executive Officer>>

Thank you very much. I appreciate it.