



## Case Study:

### Yale New Haven Health

Bond Sale Date: June 5, 2019

\$168,275,000 Series 2014B Tax-Exempt Put Bonds

#### About Yale New Haven Health:

Yale New Haven Health System ("YNNHS") was formed in 1996 to enhance the quality and scope of healthcare services in southern Connecticut. Since 1996, YNNHS has grown to include five hospitals, a physician foundation of primary care and medical specialists, as well as other operating entities, clinical affiliations and relationships. YNNHS has a formal affiliation agreement with Yale University School of Medicine to support patient care, medical education and clinical research and is affiliated with YSM's clinical practice – the largest academic multispecialty practice in New England. YNNHS provides comprehensive, cost-effective, advanced patient care characterized by safety, quality and service in Connecticut, as well as eastern New York, southern Rhode Island and beyond.

#### Pricing Results:

Credit Ratings: (Aa3/AA-/AA-)

Put Date	Par Amount (\$millions)	Coupon	Yield to Call	Spread to MMD	Yield to Put Date	Spread to MMD
<b>Series 2014B Tax-Exempt Bonds</b>						
7/1/2024	\$168.275	1.800%	-	-	1.800%	+40bps

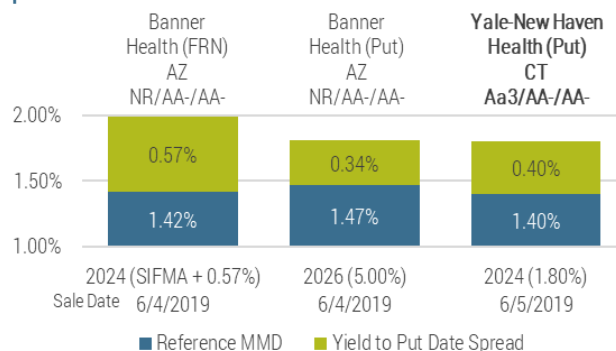
#### Focus on Value:

Ponder & Co. ("Ponder") is pleased to have worked with YNNHS on its most recent remarketings, as well as over the last 18 months to enhance its overall capital structure, which has included consolidating entities into the Obligated Group, converting an existing series of Floating Rate Notes ("FRN") to put bonds, and remarketing four series of bonds from LOC backed to self-liquidity VRDNs.

Ponder spent a considerable amount of time upfront working with YNNHS to better understand its long term goals, near term objectives, and overall risk tolerances. After those discussions, Ponder helped craft the current plan of finance, which includes locking in low cost debt for 5 years (at 1.80%) on the 2014B bonds and converting four series of LOC backed VRDNs to self-liquidity. This allowed YNNHS to take advantage of the flat yield curve to lower risk, while lowering its overall VRDN cost.

Ponder worked with YNNHS on all aspects of the financing, including plan of finance development, rating agency engagement, deal team management, and bond pricing. Leading up to 2014B pricing, Ponder's pricing desk worked closely with YNNHS's underwriters to optimally position the credit and bonds. Despite low rates causing some investors to sit on the sidelines, YNNHS was able to achieve strong investor demand with 22 different investors participating. Ultimately, YNNHS was able to lock in a yield that was lower than expected based on recent similarly rated comparables, and lower than the initial cost of a recent FRN, despite having a par coupon structure (instead of a premium 5.0% coupon which is preferred by investors = 10+ bps) and a six-month call window for added flexibility.

#### Comparable Bond Sales:



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