

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Ryman Healthcare Ltd.

We first presented Ryman, New Zealand's leading retirement village operator, in our Investment Report in November 2017. The company has an outstanding reputation and has won numerous awards as an operator of exceptional residences with professional and caring staff. The focus of the company's actions is its company philosophy: "It's got to be good enough for Mum." The residential and care model includes independent houses and flats, assisted living and a centre of excellence consisting of a hospital, a nursing home and dementia care. The entire range of housing, recreational activities, care and nursing that is usually in demand by people who are in their final stage of life is offered. Ryman owns 41 residences in New Zealand and Australia, with an additional 15 slated to come into operation in the next few years. As a vertically integrated supplier, Ryman designs, builds and operates its own facilities. The occupancy rate is 98%. There have been no COVID-19 cases among the 12,000 residents and 6,100 staff to date.

Ryman receives an occupancy advance from new residents for the right to live in a newly constructed independent or assisted-living unit for the rest of their lives. The price is 20-25% above the construction costs, but below the market value. When a resident vacates a unit, they receive back the occupancy ad-

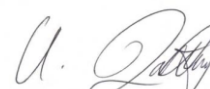
vance less a management fee of 4% per year, with a cap of 20%. Ryman also receives ongoing care fees and income is earned from the resale of occupancy advances. This allows Ryman to use freed-up capital from completed projects to build new residence facilities. At the same time, the recurring annual income from management and care fees is increasing. Ryman is also benefitting from the long-term trend of rising property prices. Hidden reserves on the future occupancy advance amount to approximately NZD 945 million.

The business model makes for a highly profitable flywheel. Since its IPO in 1999, when it raised NZD 25 million and had total assets of only NZD 69 million, Ryman's enormous internal financing power has enabled it to build up total assets of NZD 8.3 billion, increase equity to NZD 2.5 billion and pay out an additional NZD 1.0 billion in dividends. Net interest-bearing debt of NZD 2.1 billion is used to purchase land and build more facilities to meet strong demand. Statistics New Zealand predicts that one in five of the country's population will be over 65 by 2030. This would correspond to an increase of 40% to 1.1 million people. Based on these factors, we expect Ryman to continue to grow steadily and strongly in the coming decade. We want to be a part of that.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky

Disclaimer: This document is a customer information ("CI") in the sense of the German Securities Trading Act (WpHG). Responsible as the author for the content is the tied agent listed below. This "CI" is used exclusively for information purposes and cannot replace an individual suitable investment advice. This "CI" does not constitute a contract or any other obligation or kind of contractual offer. Furthermore, the content does not constitute investment advice, an individual investment recommendation, an invitation to subscribe for securities or a declaration of consent or a solicitation of an agreement on a transaction in financial instruments. This "CI" is intended only for professional customers and eligible counterparties with a habitual residence or domicile in Germany and has not been written with the intention of giving legal or tax advice. The tax treatment of transactions is dependent on the personal circumstances of the respective customer and may be subject to future changes. Recommendations and forecasts are non-binding estimates of future events. They can therefore prove to be inaccurate regarding the future development of a product. The information contained in this document is based exclusively on the date on which this "CI" was provided. A guarantee for the actuality and correctness cannot be given. Past performance is not a reliable indicator of future performance. This information is protected by copyright, no reproduction or commercial use is permitted. Author/Issuer: GANÉ Aktiengesellschaft acting as a tied agent (§ 2 section 10 German Banking Act) in the order, in the name, for account and under the liability of the responsible liability holder BN & Partners Capital AG, Steinstraße 33, 50374 Erftstadt. BN & Partners Capital AG has an authorization from the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) pursuant to § 32 German Banking Act for the provision of investment advisory services pursuant to § 1 section 1a no. 1a Banking Act and investment brokerage pursuant to § 1 section 1a no. 1 German Banking Act. The above content only reflects the author's opinions, which may differ from those of BN & Partners Capital AG. A change of this opinion is possible at any time, without it being published. BN & Partners Capital AG assumes no liability for the content, correctness and up-to-dateness of the information contained therein and does not accept any liability for damage resulting from the use of the "CI" or parts thereof.