

## Nontraded REIT Industry Review: Third Quarter 2014



## Sentio Healthcare Properties, Inc.

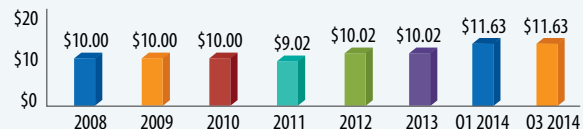
Total Assets.....	\$325.1 Million
Real Estate Assets .....	\$282.9 Million
Cash .....	\$20.1 Million
Securities .....	\$0.0 Million
Other .....	\$22.1 Million



Cash to Total Assets Ratio: ..... 6.2%  
 Asset Type: ..... Healthcare  
 Number of Properties: ..... 25  
 Square Feet / Units / Rooms / Acres: ..... Not Reported  
 Percent Leased: ..... Not Reported  
 Weighted Average Lease Term Remaining: ..... Not Available  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 11,463,082

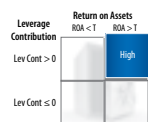
Initial Offering Date: ..... June 20, 2008  
 Offering Close Date: ..... April 29, 2011  
 Current Price per Share: ..... \$11.63  
 Reinvestment Price per Share: ..... \$11.63  
 Cumulative Capital Raised during Offering (including DRP): ..... \$127.0 Million

## Historical Price



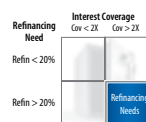
## Performance Profiles

## Operating Performance



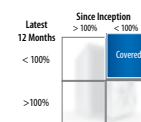
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

## Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

## Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

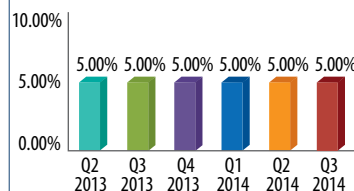
## Summary

The REIT's return on assets for the last four quarters was 10.0%, significantly above the yield on 10-Year Treasuries of 2.64%, and providing additional returns to shareholders. The REIT had a positive leverage contribution for the last four quarters with an average cost of debt of 4.51% and a debt ratio of 67%. About 16% of the REIT's debt matures within two years, and 25% was at unhedged variable rates, presenting some interest rate risk and near-term refinancing need. With a trailing 12-month interest coverage ratio of 2.3X, above the 2.0X benchmark, the REIT currently has the ability to cover its debt obligations. Over the last 12 months the REIT paid out 57% of its MFFO in cash distributions excluding DRP, and since inception it has paid out 78% of MFFO, a sustainable level of cash distributions since DRP proceeds have been minimal since 2011.

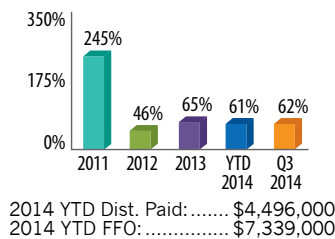
## Contact Information

[www.SentioHealthcareProperties.com](http://www.SentioHealthcareProperties.com)  
**189 S. Orange Ave. #1700**  
**Orlando, FL 32801-3260**  
**888-811-1753**

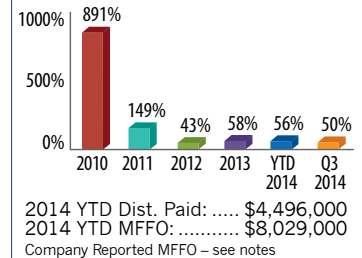
## Historical Distribution



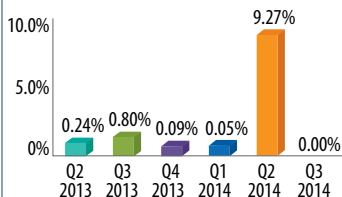
## Historical FFO Payout Ratio



## Historical MFFO Payout Ratio



## Redemptions

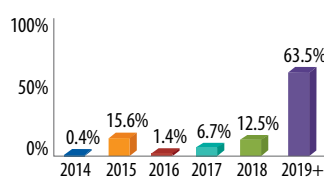


## Debt Breakdown

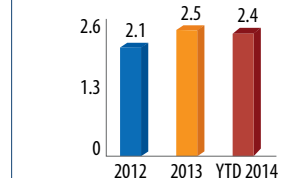


Debt to Total Assets Ratio: ..... 67.3%  
 Total: ..... \$218.9 Million  
 Fixed: ..... \$163.7 Million  
 Variable: ..... \$55.2 Million  
 Avg. Wtd. Rate: ..... 4.51%  
 Loan Term: ..... 1 – 35 yrs

## Debt Repayment Schedule



## Interest Coverage Ratio



## Source of Distributions, Trends and Items of Note

- The REIT acquired one property during 3Q 2014 for \$42.5 million. On August 20, 2014, the Company acquired St. Andrews Village for \$42.5 million, a senior living community with 146 independent living units, 60 assisted living units, and 40 skilled nursing facility units, in Aurora, CO.
- On October 2, 2014, through a wholly-owned subsidiary, the Company invested approximately \$3.5 million to acquire a 65% noncontrolling interest in a joint venture entity that will develop The Parkway in Blue Springs, Missouri. O'Reilly Development Company, which is not affiliated with the Company, is the property developer and its joint venture partner in the \$22.4 million project.
- The Cash to Total Assets ratio decreased to 6.2% as of 3Q 2014 compared 8.1% as of 3Q 2013.
- The REIT's debt to total assets ratio has increased to 67.3% as of 3Q 2014 compared to 63.6% as of 3Q 2013.
- The REIT's Interest Coverage Ratio decreased to 2.4X in 3Q 2014 compared to 2.6X for 3Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During 3Q 2014 the REIT paid total cash distributions of \$1.452 million and had MFFO of \$2.925 million. DRIP proceeds were \$0.003 million. All of the cash distributions were paid with cash flows from operations.