Sentio Healthcare Properties, Inc.

Sentio Healthcare Properties became effective in 2008 and invests primarily in health care properties and other real estate related assets located in the United States. The REIT had $231.9 million in assets in 20 properties totaling 1.1 million square feet as of the end of the third quarter 2012. The REIT is currently in the Maturing Lifestage of Closed REITS that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be “Core,” which is typically defined as a REIT that generates a high percentage of its total return from income and a modest percentage from asset appreciation. REITs in this category are also expected to exhibit low volatility in asset values.

Key Highlights

- The REIT has changed names and advisors within the last two years. In addition, the board of directors suspended the REIT’s follow on offering in April 2011 and the DRIP was suspended in May 2011.
- The REIT has $93 million invested in five separate joint ventures with varying equity interests.
- A share price of $9.02 was established in December 2011, effective September 2011.

Capital Stack Review

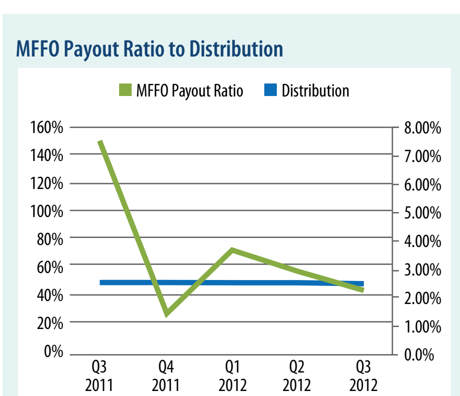
- Debt – 62.5%, the REIT is above median for the Maturing LifeStage. 78.6% of the REIT's debt is fixed rate.
- Debt Maturity – 68.3% of the company’s debt matures in 2017 or later.
- Loan Activity – The REITs KeyBank credit facility was paid off in August. In July, the REIT financed five properties for seven years under Fannie Mae’s DUS plan.
- Cash on Hand – 9.4%, well above median and a trend that has continued for the past 11 quarters.

Metrics

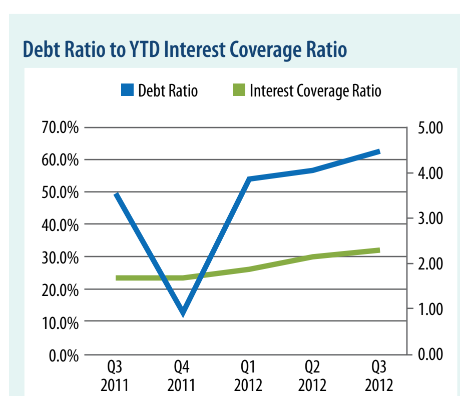
- Distribution – 2.50%, which has been maintained for five quarters.
- Distribution Source – Paid from operating cash flow and proceeds from financings.
- MFFO Payout Ratio – 57% year-to-date, down from 149% and year-end 2011 and reflective of the reduction in the distribution percentage.
- FFO Payout Ratio – 55% year-to-date, better than median for the LifeStage.
- Fee Waivers and Deferrals – None reported.
- Interest Coverage Ratio – 2.2 and steadily improving over the last 4 quarters.
- Impairments – None reported.

Real Estate

- Acquisitions – $39.2 million in acquisitions were completed in the third quarter including:
  - An 80% joint venture interest in four assisted living facilities located in IL and TX with a total of 264 beds in 152 units.
- Occupancy – 89.2%, up slightly from last quarter.
- Lease Expirations – Not reported.
- Dispositions – None reported.
- Diversification – Geographic concentrations exist in Texas (24.8%), South Carolina (15,1 %) and Pennsylvania (14.3%).



MFFO Payout Ratio to Distribution



Debt Ratio to YTD Interest Coverage Ratio