

Nontraded REIT Industry Review: Second Quarter 2014



CNL Healthcare Properties, Inc.

Total Assets	\$1,432.0 Million
Real Estate Assets	\$1,247.9 Million
Cash	\$64.8 Million
Securities	\$0.0 Million
Other	\$119.3 Million



Cash to Total Assets Ratio:	4.5%
Asset Type:	Healthcare
Number of Properties:	74
Square Feet / Units / Rooms / Acres:	2,173,000 Sq. Ft.
Percent Leased:	95.6%
Weighted Average Lease Term Remaining:	7.3 Years
LifeStage:	Stabilizing
Investment Style	Core
Weighted Average Shares Outstanding:	72,858,000

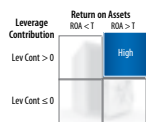
Initial Offering Date:	June 27, 2011
Offering Status:	Initial
Number of Months Fundraising:	36
Anticipated Offering Close Date:	December 24, 2014
Current Price per Share:	\$10.14
Reinvestment Price per Share:	\$9.64



Contact Information
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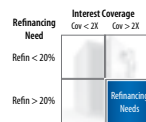
Performance Profiles

Operating Performance



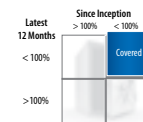
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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

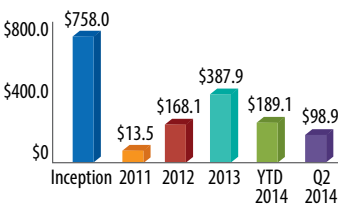


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

Summary

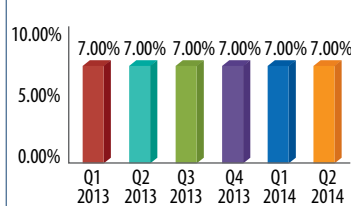
The REIT's 12-month return on assets of 5.50% does provide shareholders with a positive return above the yield on 10-Year Treasuries, and it has a positive leverage contribution given the 56.6% debt ratio and 3.56% average cost of debt. The REIT's interest coverage ratio was 2.6X for the last four quarters. Only 4% of the REIT's debt principal must be repaid within two years, but 38% is at unhedged variable rates, indicating some interest rate risk. The REIT has paid \$14.07 million in cash distributions, excluding DRP, to shareholders since inception compared to \$26.7 million in cumulative MFFO, for a net cash payout ratio of 53% since inception and 40% for the last four quarters, a sustainable cash payout rate.

Gross Dollars Raised*



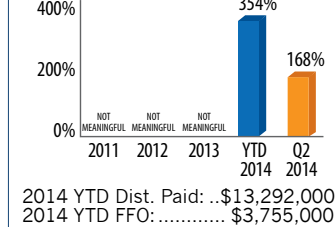
*Includes reinvested distributions (in millions)

Historical Distribution



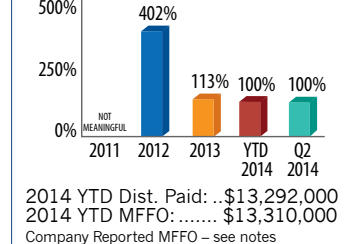
*See Notes

Historical FFO Payout Ratio



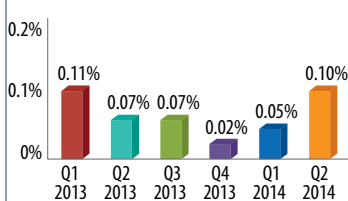
2014 YTD Dist. Paid: ..\$13,292,000
2014 YTD FFO:\$3,755,000

Historical MFFO Payout Ratio



2014 YTD Dist. Paid: ..\$13,292,000
2014 YTD MFFO:\$13,310,000
Company Reported MFFO - see notes

Redemptions

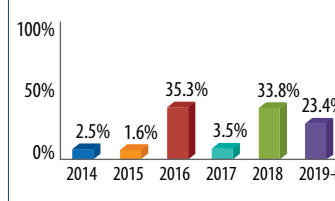


Debt Breakdown

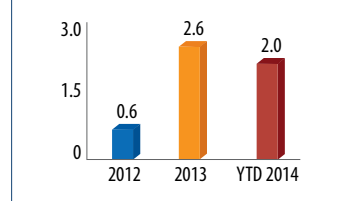


Debt to Total Assets Ratio:	56.6%
Total:	\$810.0 Million
Fixed:	\$501.9 Million
Variable:	\$308.2 Million
Avg. Wtd. Rate:	3.56%
Loan Term:	1 - 15 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During 2Q 2014 the Company acquired six properties for approximately \$193.7 million.
- On June 27, 2014, the Company formed a joint venture with South Bay Partners, Ltd. to develop a 210-unit, 365,357-square foot independent living community in Katy, Texas, a suburb of Houston, for \$38.2 million, including land cost.
- As of July 23, 2014, the Company had completed the acquisition of a portfolio of seven senior housing communities in Texas and one in Illinois for approximately \$187.2 million. The eight properties collectively have 798 units and 72 skilled nursing beds and were acquired from South Bay Partners, Ltd., a Dallas-based senior housing development company.
- The Company's board of directors declared a monthly cash distribution of \$0.0338 and a monthly stock distribution of 0.0025 shares on each outstanding share of common stock on July 1, 2014 and August 1, 2014. These distributions are to be paid and distributed by September 30, 2014.
- During the period July 1, 2014 through August 4, 2014, the Company received additional subscription proceeds of approximately \$45.6 million (4.5 million shares).
- The REIT's Cash to Total Assets ratio decreased to 4.5% as of 2Q 2014 compared to 11.8% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio increased to 56.6% as of 2Q 2014 compared to 36.4% as of 2Q 2013.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the three months ended June 30, 2014, distributions paid to common stockholders net of reinvestment proceeds were \$3.229 million. During the three months ended June 30, 2014, cash used to pay distributions was generated by operating activities, which totaled \$5.035 million.