

# Nontraded REIT Industry Review: Second Quarter 2015

## CNL Healthcare Properties, Inc.

Total Assets.....	\$2,274.5 Million
Real Estate Assets .....	\$1,955.6 Million
Cash .....	\$121.6 Million
Securities .....	\$0.0 Million
Other .....	\$197.2 Million



Cash to Total Assets Ratio: .....	5.3%
Asset Type: .....	Healthcare
Number of Properties: .....	69
Square Feet / Units / Rooms / Acres:.....	4,224,000 Sq. Ft.
Percent Leased: .....	Not Available
Weighted Average Lease Term Remaining:.....	7.8 Years
LifeStage:.....	Stabilizing
Investment Style .....	Core
Weighted Average Shares Outstanding: .....	145,065,000

Initial Offering Date: .....	June 27, 2011
Offering Status.....	Initial
Number of Months Fundraising: .....	48
Anticipated Offering Close Date: .....	September 30, 2015
Current Price per Share: .....	\$10.58
Reinvestment Price per Share: .....	\$10.06



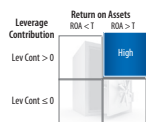
**Contact Information**

[www.CNLHealthcareProperties.com](http://www.CNLHealthcareProperties.com)

**CNL Healthcare Properties, Inc.**  
**450 South Orange Avenue**  
**Orlando, FL 32801**  
**(407) 650-1000**

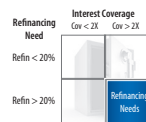
### Performance Profiles

#### Operating Performance



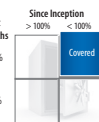
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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

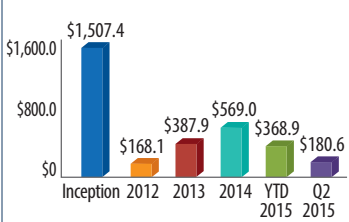


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

#### Summary

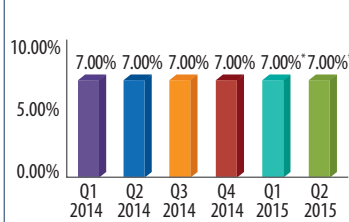
The REIT's 12-month return on assets of 5.65% does provide shareholders with a positive return above the yield on 10-year Treasuries, and it has a positive leverage contribution given the 47.4% debt ratio and 3.21% average cost of debt. The REIT's interest coverage ratio was 2.4X for the last four quarters, just above the 2.0X benchmark. About 4% of the REIT's debt principal must be repaid within two years, and 45.6% is at unhedged variable rates, indicating some interest rate risk. The REIT has paid \$34.12 million in cash distributions, excluding DRP, to shareholders since inception compared to \$73.7 million in cumulative MFFO, for a net cash payout ratio of 46% since inception and 43% for the last four quarters, a sustainable cash payout rate.

#### Gross Dollars Raised\*



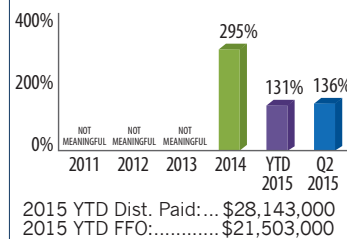
\*Includes reinvested distributions (in millions)

#### Historical Distribution



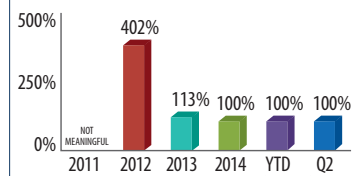
\*4% Cash; 3% Stock

#### Historical FFO Payout Ratio



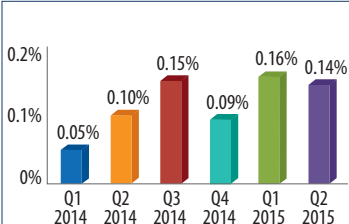
2015 YTD Dist. Paid: ... \$28,143,000  
 2015 YTD FFO: ..... \$21,503,000

#### Historical MFFO Payout Ratio



2015 YTD Dist. Paid: ..... \$28,143,000  
 2015 YTD MFFO: ..... \$28,265,000  
 Company Reported MFFO - see notes

#### Redemptions

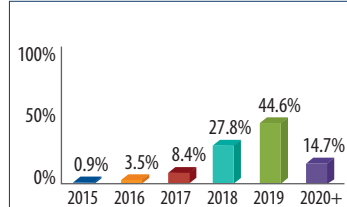


#### Debt Breakdown

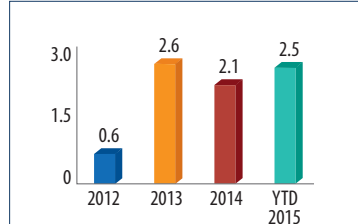


Debt to Total Assets Ratio:.....47.4%  
 Total: ..... \$1,077.8 Million  
 Fixed: ..... \$585.8 Million  
 Variable: ..... \$492.0 Million  
 Avg. Wtd. Rate: ..... 3.21%  
 Loan Term: ..... 1 - 7 yrs

#### Debt Repayment Schedule



#### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- During the six months ended June 30, 2015 the Company acquired 15 properties for approximately \$271.4 million.
- In July 2015, the Company acquired five additional seniors housing communities in Georgia, Texas, and Florida totaling approximately \$195.0 million.
- As of August 3, 2015, the healthcare investment portfolio consisted of interests in 125 properties, including 65 seniors housing communities, 46 medical offices, nine post-acute care facilities and five acute care hospitals. Of the properties held at August 3, 2015, three of the 65 seniors housing communities currently have real estate under development and five were owned through an unconsolidated joint venture.
- On June 27, 2011, the Company commenced its initial public, including shares being offered through its distribution reinvestment plan. In addition, the Company filed a follow-on registration in connection with the proposed offering of up to \$1 billion in shares of common stock which was declared effective on February 2, 2015. Accordingly, the Company closed its initial offering and commenced its Follow-On Offering. The Company expects to sell shares of its common stock in the Follow-On Offering until the earlier of the date on which the maximum offering amount has been sold, or September 30, 2015, the date on which the Follow-On Offering will close. The Company's stock distribution will be discontinued upon the close of the Follow-On Offering.
- During the period from July 1, 2015 through August 3, 2015, the Company received additional subscription proceeds of approximately \$59.7 million (5.7 million shares).
- The Company's board of directors declared a monthly cash distribution of \$0.0353 and a monthly stock distribution of 0.0025 shares on each outstanding share of common stock on July 1, 2015 and August 1, 2015. These distributions are to be paid and distributed by September 30, 2015.
- The REIT's Cash to Total Assets ratio increased to 5.3% as of 2Q 2015 compared to 4.5% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 47.4% as of 2Q 2015 compared to 56.6% as of 2Q 2014.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015 and 2014, approximately 78% and 84%, respectively, of cash distributions declared to stockholders were considered to be funded with cash provided by operating activities as calculated on a quarterly basis for GAAP purposes and approximately 22% and 16%, respectively, were considered to be funded with other sources (i.e., Offering proceeds). For the six months ended June 30, 2015 and 2014, approximately 45% and 49%, respectively, of total distributions declared to stockholders were considered to be funded with cash provided by operating activities as calculated on a quarterly basis for GAAP purposes and approximately 55% and 51%, respectively, of total distributions declared to stockholders were considered to be funded with other sources (i.e., Offering proceeds).