



# Nontraded REIT Industry Review: Second Quarter 2014

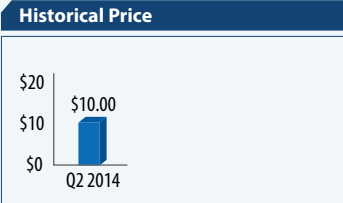
## Griffin-American Healthcare REIT III, Inc.

Total Assets.....	\$41.0 Million
Real Estate Assets .....	\$5.9 Million
Cash .....	\$32.4 Million
Securities .....	\$0.0 Million
Other .....	\$2.7 Million



Initial Offering Date: .....	February 26, 2014
Offering Status.....	Initial
Number of Months Fundraising: .....	4
Anticipated Offering Close Date: .....	February 26, 2016
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	78.9%
Asset Type: .....	Medical Office
Number of Properties:.....	2
Square Feet / Units / Rooms / Acres:.....	36,000 Sq. Ft.
Percent Leased: .....	82.6%
Weighted Average Lease Term Remaining:.....	5 Years
LifeStage:.....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	1,152,933

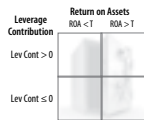


### Contact Information

**www.HealthcareREIT3.com**  
**Griffin-American Healthcare REIT III, Inc.**  
**4000 MacArthur Boulevard**  
**West Tower, Suite 200**  
**Newport Beach, CA 92660**  
**866-606-5901**

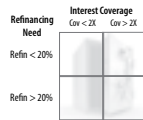
### Performance Profiles

#### Operating Performance



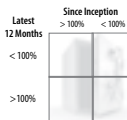
As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics.

#### Financing Outlook



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful interest coverage ratios. REITs in the Emerging LifeStage often rely on short-term financing with variable rates which will later be refinanced with longer maturity debt.

#### Cumulative MFFO Payout

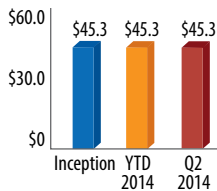


For this Emerging LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios. REITs in the Emerging LifeStage may fund a portion of cash distributions in the first year of operations from offering proceeds until MFFO is sufficient to fund them.

#### Summary

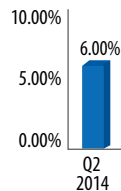
As an Emerging LifeStage REIT with less than five quarters of operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 3Q 2015, the profile will begin to show meaningful results.

#### Gross Dollars Raised\*

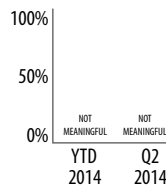


\*Includes reinvested distributions (in millions)

#### Historical Distribution

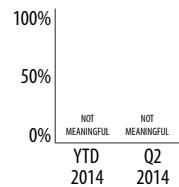


#### Historical FFO Payout Ratio



2014 YTD Dist. Paid: ..... \$24,000  
 2014 YTD FFO: ..... (\$573,000)

#### Historical MFFO Payout Ratio



2014 YTD Dist. Paid: ..... \$24,000  
 2014 YTD MFFO: ..... (\$251,000)  
 Company reported MFFO – see notes

#### Redemptions



#### Debt Breakdown

Not Applicable

#### Debt Repayment Schedule

Not Applicable

#### Interest Coverage Ratio

Not Applicable

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

- The conditions of the minimum offering amount were satisfied on May 12, 2014, and the Company admitted its initial subscribers as stockholders, excluding shares purchased by residents of Washington and Pennsylvania (who were subject to higher minimum offering amounts). Having raised the minimum offering, the offering proceeds were released by the escrow agent and were available for the acquisition of properties and other purposes disclosed in the prospectus.
- As of August 15, 2014, the Company had received and accepted subscriptions in the offering for 11,444,680 shares of common stock, or approximately \$114,104,000 excluding shares of common stock issued pursuant to the distribution reinvestment plan.
- During the three months ended June 30, 2014, the Company completed two property acquisitions comprised of two medical office buildings, for a combined purchase price of \$5.605 million.
- The REIT did not have any debt as of June 30, 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the six months ended June 30, 2014, distributions paid to common stockholders were \$13,000, exclusive of \$11,000 in distributions as shares issued under the DRIP. During the six months ended June 30, 2014, cash used to pay distributions was from offering proceeds.