

Nontraded REIT Industry Review: First Quarter 2015

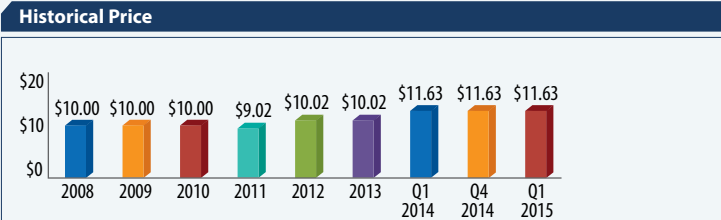
Sentio Healthcare Properties, Inc.

Total Assets.....	\$470.8 Million
Real Estate Assets	\$409.0 Million
Cash	\$34.4 Million
Securities	\$0.0 Million
Other	\$27.4 Million



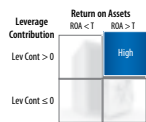
Initial Offering Date:	June 20, 2008
Offering Close Date:	April 29, 2011
Current Price per Share:	\$11.63
Reinvestment Price per Share:	\$11.63
Cumulative Capital Raised during Offering (including DRP):.....	\$127.0 Million

Cash to Total Assets Ratio:	7.3%
Asset Type:	Healthcare
Number of Properties:.....	30
Square Feet / Units / Rooms / Acres:.....	1,962,785
Percent Leased:	Not Reported
Weighted Average Lease Term Remaining:.....	Not Available
LifeStage:.....	Maturing
Investment Style:	Core
Weighted Average Shares Outstanding:	11,478,707



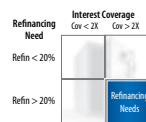
Performance Profiles

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.

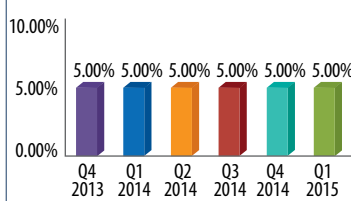
Summary

The REIT's return on assets for the last four quarters was 9.34%, significantly above the yield on 10-Year Treasuries, providing additional returns to shareholders. The REIT had a positive leverage contribution for the last four quarters with an average cost of debt of 4.08% and a debt ratio of 62.6%. About 10% of the REIT's debt matures within two years, and 47.2% was at unhedged variable rates, presenting interest rate risk and but minor near-term refinancing need. With a trailing 12-month interest coverage ratio of 2.4X, 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 51% of its MFFO in cash distributions excluding DRP, and since inception it has paid out 72% of MFFO, a sustainable level of cash distributions since DRP proceeds have been minimal since 2011.

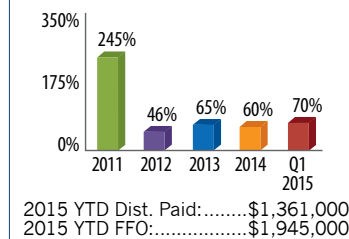
Contact Information

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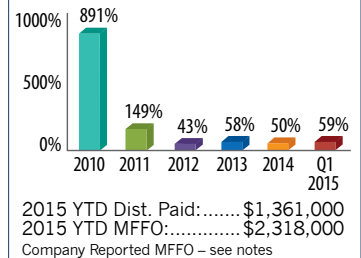
Historical Distribution



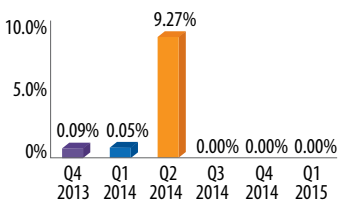
Historical FFO Payout Ratio



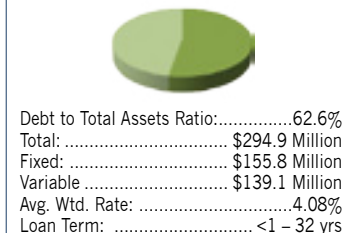
Historical MFFO Payout Ratio



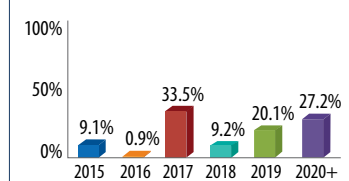
Redemptions



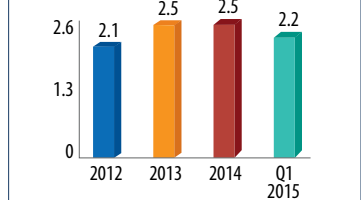
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- On May 1, 2015, in connection with the acquisition of Golden Ridge, the Company closed a put exercise pursuant to the KKR Equity Commitment. Pursuant to the put exercise the Investor purchased 53,780 Series B Preferred Units for an aggregate purchase price of \$5.4 million, which are convertible into approximately 536,727 shares of the Company's common stock at the currently effective conversion price. After giving effect to the put exercise, the Investor owns approximately 57.9% of the outstanding shares of common stock on an as-converted basis. As of May 1, 2015, no securities remain issuable pursuant to the KKR Equity Commitment.
- On February 6, 2015, through a wholly owned subsidiary, the REIT acquired real estate property Sumter Grand from an unaffiliated third party, for a purchase price of \$31.5 million. Sumter Grand, which opened in December 2014, is a 150-unit independent living facility located in The Villages, Florida.
- On April 1, 2015 the REIT acquired real estate property Gables of Kentridge for a purchase price of \$15.37 million. Gables of Kentridge is located in Kent, Ohio and has a total of 92 beds in 91 units, which are dedicated to both assisted living and memory care.
- On April 6, 2015 the REIT acquired a 95% interest in a joint venture entity that owns Armbrook Village for an initial purchase price of \$30.0 million, with additional proceeds, of up to \$3.6 million payable to the seller if certain net operating income thresholds are met, for a maximum purchase price of \$33.6 million. Armbrook Village, which opened in April 2013, is a senior living community that consists of 46 independent living units, 51 assisted living units, and 21 memory care units located in Westfield, Massachusetts.
- During the three months ended March 31, 2015 the REIT did not repurchase shares of its common stock.
- The Cash to Total Assets ratio decreased to 7.3% as of 1Q 2015 compared 7.6% as of 1Q 2014.
- The REIT's debt to total assets ratio decreased to 62.6% as of 1Q 2015 compared to 66.0% as of 1Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the three months ended March 31, 2015 the REIT declared total cash distributions to stockholders of \$1.415 million and had MFFO of \$2.318 million. DRIP proceeds were \$0.085 million. All of the cash distributions were paid with cash flows from operations which were \$3.348 million.