



Nontraded REIT Industry Review: Second Quarter 2014

Sentio Healthcare Properties, Inc.

Total Assets.....	\$281.7 Million
Real Estate Assets	\$243.0 Million
Cash	\$18.1 Million
Securities	\$0.0 Million
Other	\$20.6 Million



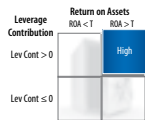
Cash to Total Assets Ratio: 6.4%
 Asset Type: Healthcare
 Number of Properties: 23
 Square Feet / Units / Rooms / Acres: 1,360,996 Sq. Ft.*
 Percent Leased: Not Reported
 Weighted Average Lease Term Remaining: Not Available
 LifeStage: Maturing
 Investment Style: Core
 Weighted Average Shares Outstanding: 12,487,384

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



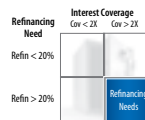
Performance Profiles

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.

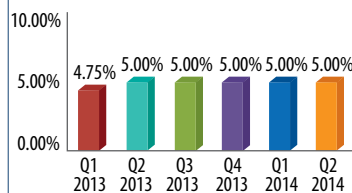
Summary

The REIT's return on assets for the last four quarters was 10.1%, significantly above the yield on 10-Year Treasuries of 2.50%, and providing additional returns to shareholders. The REIT had a positive leverage contribution for the last four quarters with an average cost of debt of 4.89% and a debt ratio of 66%. A significant 22.4% of the REIT's debt matures within two years, and 16.7% was at unhedged variable rates, presenting some interest rate risk and near-term refinancing need. With an 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 62% of its MFFO in cash distributions excluding DRP, and since inception it has paid out 81% of MFFO, a sustainable level of cash distributions since DRP proceeds have been minimal since 2011.

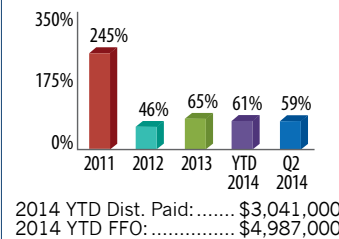
Contact Information

www.SentioHealthcareProperties.com
189 S. Orange Ave. #1700
Orlando, FL 32801-3260
888-811-1753

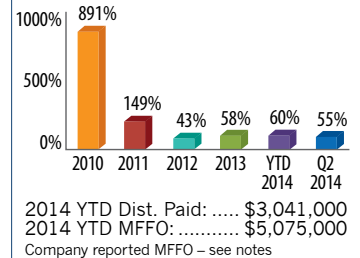
Historical Distribution



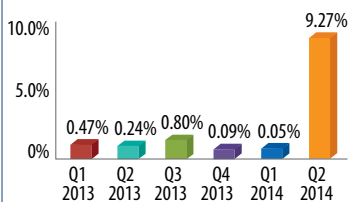
Historical FFO Payout Ratio



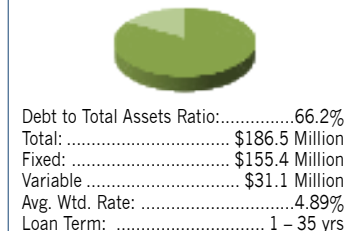
Historical MFFO Payout Ratio



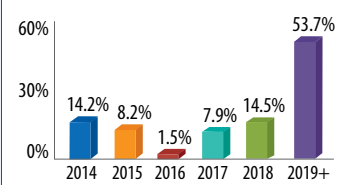
Redemptions



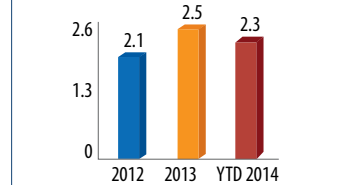
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- The REIT acquired one property during 2Q 2014 for \$11.9 million (square feet not included above).
- On August 13, 2014, an affiliate of KKR purchased 127,310 shares of Series B Convertible Preferred Units for \$12.7 million which are convertible into approximately 1,270,559 shares of the Company's common stock at the currently effective conversion price.
- On August 20, 2014, the Company acquired St. Andrews Village for \$42.5 million, a senior living community with 146 independent living units, 60 assisted living units, and 40 skilled nursing facility units, in Aurora, CO.
- The Cash to Total Assets ratio decreased to 6.4% as of 2Q 2014 compared 7.5% as of 2Q 2013.
- The REIT's debt to total assets ratio has increased to 66.2% as of 2Q 2014 compared to 63.8% as of 2Q 2013.
- The REIT's Interest Coverage Ratio decreased to 2.3X in 2Q 2014 compared to 2.4X for 2Q 2013.
- The Company filed a tender offer with the SEC on April 10, 2014, to purchase for cash up to \$35 million of its common stock at \$8.50 per share, subsequently amended to \$9.00 per share. The Company accepted 1,211,875 shares for purchase on June 13, 2014, representing approximately 9.6% of the issued and outstanding stock prior to the offer.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During 2Q 2014 the REIT paid total cash distributions of \$1,486 million and had MFFO of \$2,732 million. DRIP proceeds were \$19,000. All of the cash distributions were paid with cash flows from operations.