

# Nontraded REIT Industry Review: Second Quarter 2015

## Sentio Healthcare Properties, Inc.

Total Assets.....	\$522.8 Million
Real Estate Assets .....	\$470.3 Million
Cash .....	\$24.5 Million
Securities .....	\$0.0 Million
Other .....	\$27.4 Million



Cash to Total Assets Ratio: .....	4.7%
Asset Type: .....	Healthcare
Number of Properties: .....	31
Square Feet / Units / Rooms / Acres: .....	2 Million Sq. Ft.
Percent Leased: .....	Not Available
Weighted Average Lease Term Remaining: .....	Not Available
LifeStage: .....	Maturing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	11,486,143

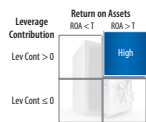
Initial Offering Date: .....	June 20, 2008
Offering Close Date: .....	April 29, 2011
Current Price per Share: .....	\$11.63
Reinvestment Price per Share: .....	\$11.63
Cumulative Capital Raised during Offering (including DRP): .....	\$127.0 Million

### Historical Price



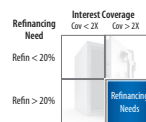
### Performance Profiles

#### Operating Performance



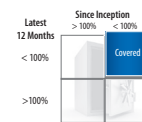
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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.

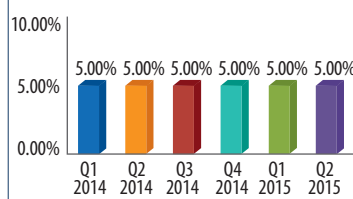
#### Summary

The REIT's return on assets for the last four quarters was 9.65%, 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 3.98% and a debt ratio of 63.9%. About 9% of the REIT's debt matures within two years, and 48% 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 2.3X, 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 47% of its MFFO in cash distributions excluding DRP, and since inception it has paid out 69% of MFFO, a sustainable level of cash distributions since DRP proceeds have been minimal since 2011.

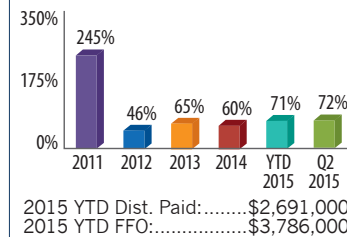
### Contact Information

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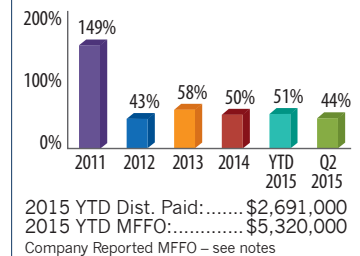
### Historical Distribution



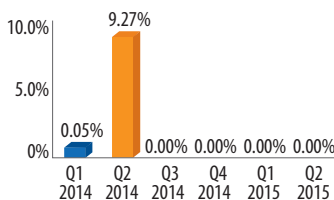
### Historical FFO Payout Ratio



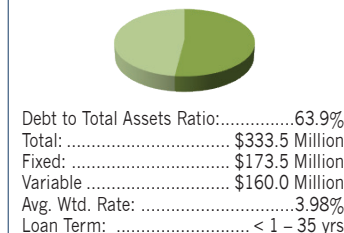
### Historical MFFO Payout Ratio



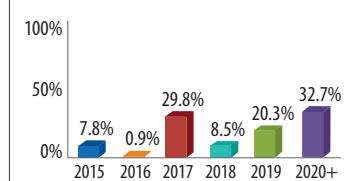
### Redemptions



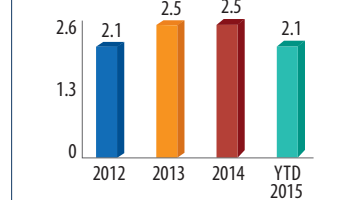
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



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

- In April 2015, the Company closed on a commitment to fund the development of a 120 bed, 112,500 square foot transitional care skilled nursing facility in Golden, Colorado for a total budget of approximately \$18.5 million. The project is expected to be complete in May 2016. The Company intends to fund the development with proceeds from the sale to the Investor of Series B Preferred Units pursuant to the KKR Equity Commitment. As of June 30, 2015, the remaining development budget is approximately \$14.5 million.
- As of June 30, 2015, the Company owns interests in two entities that are accounted for under the equity method of accounting. The carrying value of these investments was \$1.183 million.
- During the three months ended June 30, 2015 the REIT did not repurchase shares of its common stock.
- The Cash to Total Assets ratio decreased to 4.7% as of 2Q 2015 compared to 6.4% as of 2Q 2014.
- The REIT's debt to total assets ratio decreased to 63.9% as of 2Q 2015 compared to 66.2% as of 2Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015 and 2014, the Company declared distributions, including distributions reinvested, aggregating approximately \$2.8 million and \$3.1 million, respectively to stockholders. The distributions declared in the second quarter of 2015 to be reinvested in the Company's common stock resulted in 7,300 shares of common stock being issued in July 2015. FFO for the six months ended June 30, 2015 was approximately \$3.8 million and cash flow from operations was approximately \$7.7 million. The Company funded total distributions paid with cash flows from operations.