

NorthStar Healthcare Income, Inc. (NorthStar Healthcare) is a public, non-traded real estate investment trust (REIT) formed to originate, acquire and asset manage a diversified portfolio of equity and debt investments in healthcare real estate, with a focus on the needs-driven senior housing sector, which we define as independent living, assisted living, memory care and skilled nursing facilities.

The portfolio will be diversified across a variety of senior housing property types and geographic locations throughout the United States.



NorthStar Healthcare's primary objectives are to:

- > Pay Consistent Cash Distributions
- > Preserve, Protect & Return Capital
- > Provide Potential Appreciation

6.62%

Declared Distribution¹

Investment Summary

Sponsor	NorthStar Asset Management Group Inc.	
Investment Offering	NorthStar Healthcare Income, Inc.	
Offering Structure	Public, Non-Traded REIT	
Offering Size	Up to \$700 million	
Minimum Investment	\$4,000 for taxable and tax-deferred investments	
Share Price	\$10.20 Review the prospectus for volume discount information	
Distribution Reinvestment Plan Share Price	\$9.69	
Declared Distribution¹	6.62%	
Distribution Schedule¹	Monthly	
Distribution Support Commitment²	In order to provide additional cash to pay distributions, our sponsor has agreed to purchase up to \$10,000,000 in shares of our common stock (including shares purchased in the initial public offering) at \$9.18 per share during this offering.	
Redemption Schedule³ (as a percentage of purchase price, one-year minimum hold, pro-rata redemptions)	After Year 1: 92.5% After Year 2: 95.0% After Year 3: 97.5% After Year 4: 100%	One-year holding period waived and shares redeemed at purchase price in case of death or qualifying disability of investor.
Expected Term⁴	5 to 8 years	
Return Objective	Income & Growth	
Investor Suitability⁵	Net worth of at least \$250,000 or gross annual income of at least \$70,000 and a net worth of at least \$70,000 ⁶	

1) There is no guarantee of distributions. We have paid distributions in excess of our cash flow used in operations. For the six months ended June 30, 2015, we declared distributions of \$38,006,196 compared to cash flow used in operations of \$(5,143,795). All distributions declared were paid using offering proceeds, including the purchase of additional shares by our sponsor, which reduces the amount we can invest in income-producing assets and your overall return may be reduced. Distributions have also exceeded our net loss of \$(30,685,245) for the same period. Fees paid to the advisor were not determined on an arm's length basis and reduce the amount the program can invest in income-producing assets and your overall return may be reduced. 2) If the distributions we pay for any calendar quarter exceed our modified funds from operations, or MFFO, for such quarter, our sponsor will purchase shares, following the end of each quarter for a purchase price equal to the amount by which the distributions paid exceed our MFFO for such quarter, up to an amount equal to a 6.75% cumulative, non-compounded annual return on stockholders' invested capital prorated for such quarter. 3) Redemptions are limited to 5% of NorthStar Healthcare common shares outstanding; redemptions will be funded solely from the proceeds of our DRP and any other funds set aside by the board of directors; program may be modified, suspended or terminated at any time. After the date that we establish an estimated value per share of our common stock, we will repurchase shares at a price equal to 95% of the estimated value per share. 4) There are no assurances that the program will ever complete a liquidity event. 5) AL, CA, IA, KS, KY, MA, ME, NE, NJ, NM, ND, OH, OR, PA and TN impose more stringent suitability requirements. Please review the prospectus prior to investing or recommending that clients invest. 6) Net worth does not include home, furnishings and personal automobiles.

This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. NorthStar Securities, LLC is doing business as NorthStar BD Securities, LLC (DE) in the following states: FL, GA, TX and WA.



NorthStar | New York Office

Sponsor Overview

NorthStar Asset Management Group Inc. (NorthStar; NYSE: NSAM) is the sponsor of NorthStar Healthcare. NorthStar is a global asset management firm focused on managing commercial real estate in the United States and internationally.

NorthStar has established relationships with quality regional operators of senior housing facilities and aims to leverage these relationships to find new and opportunistic investments. NorthStar's management team has demonstrated the ability to successfully execute an array of strategies—both equity and debt—at all points of the real estate cycle for independent living, assisted living, memory care and skilled nursing facilities.

Investment Highlights

- Demand for senior housing is growing as a result of the aging U.S. population, with the total number of Americans aged 65 and older increasing from 47.8 million in 2015 to 79.2 million by 2035.⁷ This increased demand may lead to considerable investment opportunities.
- Despite expectations that the need for senior housing will increase, supply has not been increasing to meet projected demand.
- NorthStar Healthcare believes that needs-driven senior housing may provide an opportunity to generate attractive, risk-adjusted returns because it generally provides a broad level of services to residents in a cost-effective setting.
- Combining both healthcare related equity and debt may help preserve capital and provide an opportunity for potential growth through diversifying portfolio risk.



Pinebrook | Milford, OH*

7) U.S. Census Bureau, 2014 National Population Projections. *NorthStar Healthcare owns the property depicted in the photo above.

Forward Looking Statements

This sales material includes forward-looking statements that can be identified by the use of words such as “will,” “may,” “should,” “intend,” “believe,” “expect,” “could,” “target,” or other comparable terminology. Statements concerning projections, future performance, cash flows, population growth and any other guidance on present or future periods constitute forward-looking statements. Forward-looking statements involve significant risks and uncertainties and you should not unduly rely on these statements. You should be aware that a number of important factors, including, but not limited to, the factors described in the Risk Factors below and in our filings with the Securities and Exchange Commission, could cause our actual results to differ materially from those in these forward-looking statements. The statements made herein are as of the date hereof and we undertake no obligation to update these statements except as may be required by applicable securities laws.

Risk Factors

Consider the following risks before making an investment in NorthStar Healthcare, a public, non-traded REIT:

- We may not achieve our investment objectives; the prior performance of our sponsor may not predict our future results.
- No public market currently exists for our shares. If you are able to sell your shares, you would likely have to sell them at a substantial loss.
- You do not have the opportunity to evaluate the investments we will make with the proceeds of this offering before we make them, which makes your investment more speculative.
- We depend on our advisor and its affiliates to select our investments and conduct our operations. The fees we pay to our advisor and its affiliates were not determined on an arm's length basis. These fees increase your risk of loss.
- Our equity investments will also be subject to the risks typically associated with real estate, including limited supply of targeted investments increasing our purchase price, reduced occupancy rates and decreases in some or all of the value over time.
- The collateral securing our debt investments may decrease in value or lose all value over time, which may lead to a loss of some or all of principal. Any unsecured debt may involve a heightened level of risk.
- We have board authority to use leverage in connection with our investments, which increases the risk of loss associated with our investments.
- Our borrowers and operators may not be able to make debt service or lease payments to us due to changes in economic conditions, regulatory requirements and other factors.
- There is no guarantee of distributions. Distributions have been paid from sources other than cash flow from operations, which may reduce an investor's overall return. There is no guarantee of any return and you may lose a part or all of your investment.
- Our executive officers and our advisor's other key professionals are also officers, directors, managers and key professionals of our sponsor and its affiliates. As a result, they will face significant conflicts of interest.
- If we raise substantially less than the maximum offering, we may not be able to acquire a diverse portfolio of investments and the value of your shares may vary more widely with the performance of specific assets.
- Diversification does not eliminate risk and does not assure better performance.
- We may change our targeted investments or investment policies without stockholder consent.
- Our organizational documents permit us to pay distributions from any source, including offering proceeds, borrowings or sales of assets. We have not established a limit on the amount of proceeds we may use to fund distributions. We have paid and may continue to pay distributions from sources other than our cash flow from operations, and consequently, we will have less cash available for investments and your overall return may be reduced.
- The offering price was determined by our board of directors based on a valuation of our assets and liabilities and may not be indicative of the price at which the shares would trade on a securities exchange or be sold. The actual value of our shares may be substantially less than our offering price.
- We are not required to liquidate our assets or list our shares for trading by a specified date or at all.
- If we fail to qualify as a REIT for federal income tax purposes, our cash available for distribution and the value of our shares could materially decrease.
- An investment in NorthStar Healthcare is not a direct investment in commercial real estate. An investment in NorthStar Healthcare is subject to fees and expenses that do not apply to such direct investments.
- If we terminate our agreement with our advisor, we may be required to pay significant fees to an affiliate of our sponsor, which will reduce the cash available for distribution to you.
- The other risks set forth in our prospectus and our filings with the Securities and Exchange Commission.

For more information, call our sales desk at 877.940.8777 or visit www.NorthStarSecurities.com/Healthcare

Securities offered through NorthStar Securities, LLC, member FINRA/SIPC, an affiliate of NorthStar Healthcare.