



**PRO**FORMANCE

## **NAREIT: REITWeek 2016**

**JUNE 2016**

Information in this presentation is as of March 31, 2016, except as otherwise noted.



**NATIONAL STORAGE**  
— AFFILIATES —



# FORWARD-LOOKING STATEMENT

---

We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statements. The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described in the quarterly report on form 10-Q filed with the SEC on May 10, 2016 and the annual report on form 10-K filed with the SEC on March 10, 2016 under the headings “business,” “risk factors,” “properties,” and “management’s discussion and analysis of financial condition and results of operations,” as applicable. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation and the information contained herein are for informational purposes only and may not be relied upon for any purpose, including in connection with the purchase or sale of any of our securities. Such information does not constitute an offer to sell or a solicitation of an offer to buy any security described herein.



# INVESTMENT HIGHLIGHTS

---

1

Institutional Quality, Geographically Diverse Portfolio Focused in High Growth Markets in Top 100 MSAs

2

Differentiated Structure Provides Strong Internal and External Growth Incentives with Downside Protection

3

Senior Management Team with Deep Industry Experience

4

Performance to Date Has Met or Exceeded All Objectives Outlined at the IPO

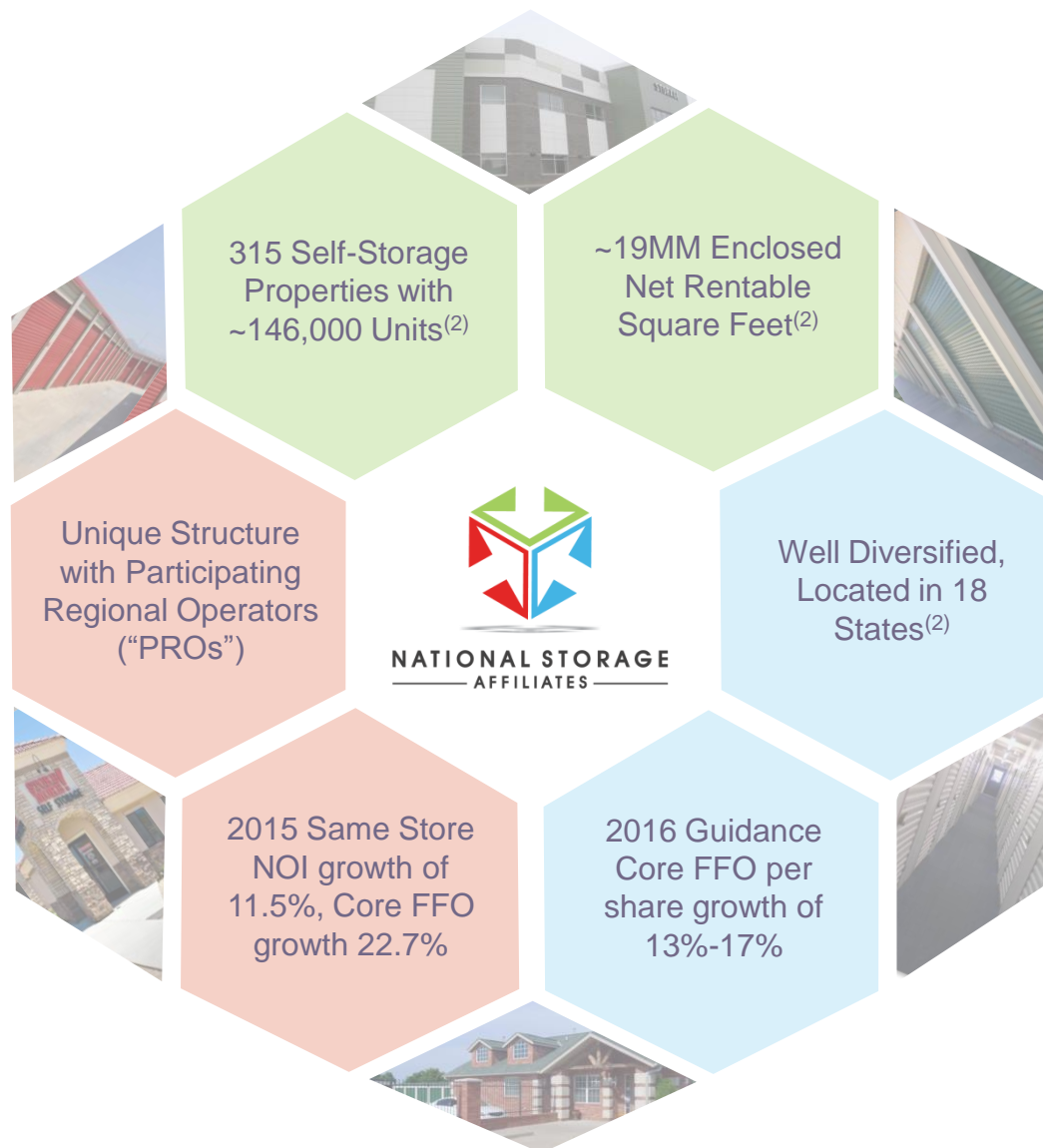
5

Flexible Capital Structure Supports Future Growth



# NATIONAL STORAGE AFFILIATES OVERVIEW

- National Storage Affiliates Trust (“NSA”) is a publicly traded NYSE self-storage REIT; ticker symbol “NSA”
- 6th largest operator of self-storage properties in the US<sup>(1)(2)</sup>
- Institutional quality portfolio with properties located in high growth markets in the top 100 MSAs
- Positioned to deliver significant external and organic growth



(1) Per 2016 Self-Storage Almanac based on number of properties.

(2) Property statistics as of May 2, 2016, which includes acquisitions closed during Q2 2016. As of March 31, 2016, NSA owned 293 properties.

# NSA'S GUIDING VISION UNITES TOP OPERATORS

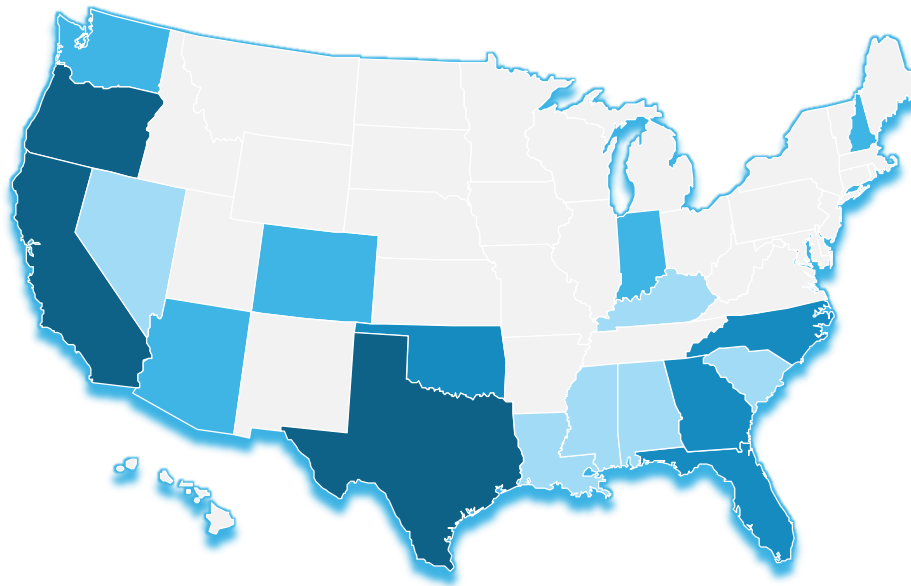


NSA's unique strategy has successfully attracted seven of the most prominent operators with the common goal to drive significant organic and external growth



**6th Largest  
U.S. Operator**

**315 Properties<sup>(1)</sup>**



~146K	Storage Units <sup>(1)</sup>
~19MM	Rentable SF <sup>(1)</sup>
89%	Occupancy <sup>(2)</sup>

## % of Properties

>10%	5 - 10%
2 - 5%	<2%

**Participating Regional  
Operators (“PROs”)**



**GUARDIAN  
STORAGE  
CENTERS**



(1) Property statistics as of May 2, 2016, which includes acquisitions closed during Q2 2016. As of March 31, 2016, NSA owned 293 properties.

(2) Occupancy data is for the properties owned as of March 31, 2016.



# DEVELOPMENT PATH OF NSA

---

## Deeply Rooted Operating History

### PRO FORMATION AND INSTITUTIONALIZATION

#### 1970 – 2011

- **1973** – Move It predecessor founded
- **1977** – Northwest and Hide-Away founded
- **1988** – SecurCare founded
- **1989** – Storage Solutions founded
- **1999** – Guardian founded
- **2007** – Optivest founded
- **2007** – Raised initial institutional capital through SecurCare predecessor

### NSA FORMATION AND GROWTH

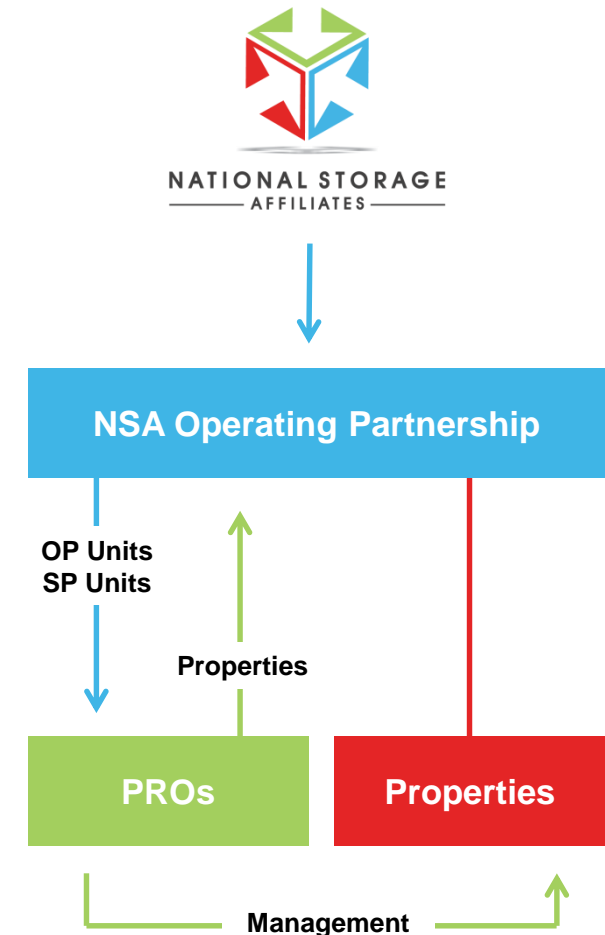
#### 2012 - 2015

- **2012** – Agreement in principle reached by three founding PROs: SecurCare, Northwest and Optivest
- **2013** – NSA formed
- **2014** – 4th PRO: Guardian
- **2014** – 5th PRO: Move It
- **2015** – 6th PRO: Storage Solutions
- **2015** – Successful IPO
- **2016** – 7th PRO: Hide-Away
- **2016** – Expanded credit facility to \$675 million



# NSA'S UNIQUE STRUCTURE CREATES ALIGNMENT WITH OUR PROS

<b>PROs Are Heavily Invested</b>	<ul style="list-style-type: none"> <li>– Contribute a large portion of career's work via property equity</li> <li>– PROs own more than 40% of NSA<sup>(1)</sup></li> </ul>
<b>PROs Are Incentivized to Outperform</b>	<ul style="list-style-type: none"> <li>– PROs equity value tied to performance of contributed properties</li> <li>– SP unit holders receive their allocation of operating cash flow on unreturned capital contributions only AFTER paying a priority allocation on unreturned capital attributable to OP unit holders and then share equally in the allocation of any excess with OP unit holders<sup>(2)</sup></li> </ul>
<b>Capital for Growth</b>	<ul style="list-style-type: none"> <li>– NSA has access to lower cost public capital</li> <li>– Alignment encourages disciplined acquisitions</li> </ul>
<b>Penalties for Underperformance</b>	<ul style="list-style-type: none"> <li>– PROs equity and cash flow are subordinated</li> <li>– Poor performance disproportionately affects PROs</li> <li>– Ability to replace manager</li> </ul>



(1) The ownership percentage held by PROs post IPO, assuming SP units converting at 1:1 to OP units and includes interests held by the NSA management team.

(2) This allocation of operating cash flow between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating cash flow that will be distributed on OP units (or paid as dividends on common shares). Any distribution of operating cash flow allocated to OP units will be made at the discretion of NSA (and paid in an amount equivalent to the dividends on common shares as determined by the Board of Trustees).



# STRUCTURE PROMOTES INTERNAL AND EXTERNAL GROWTH

## NSA Strategy

### LEVELING THE PLAYING FIELD

Operational Management

Revenue Management / Analytics

Economies of Scale and Lower Cost of Capital

Internet Marketing

### GROWTH OPPORTUNITIES

Organic

Acquisition of Captive Pipeline Properties

Recruitment of New PROs

Off-Market Local Acquisitions

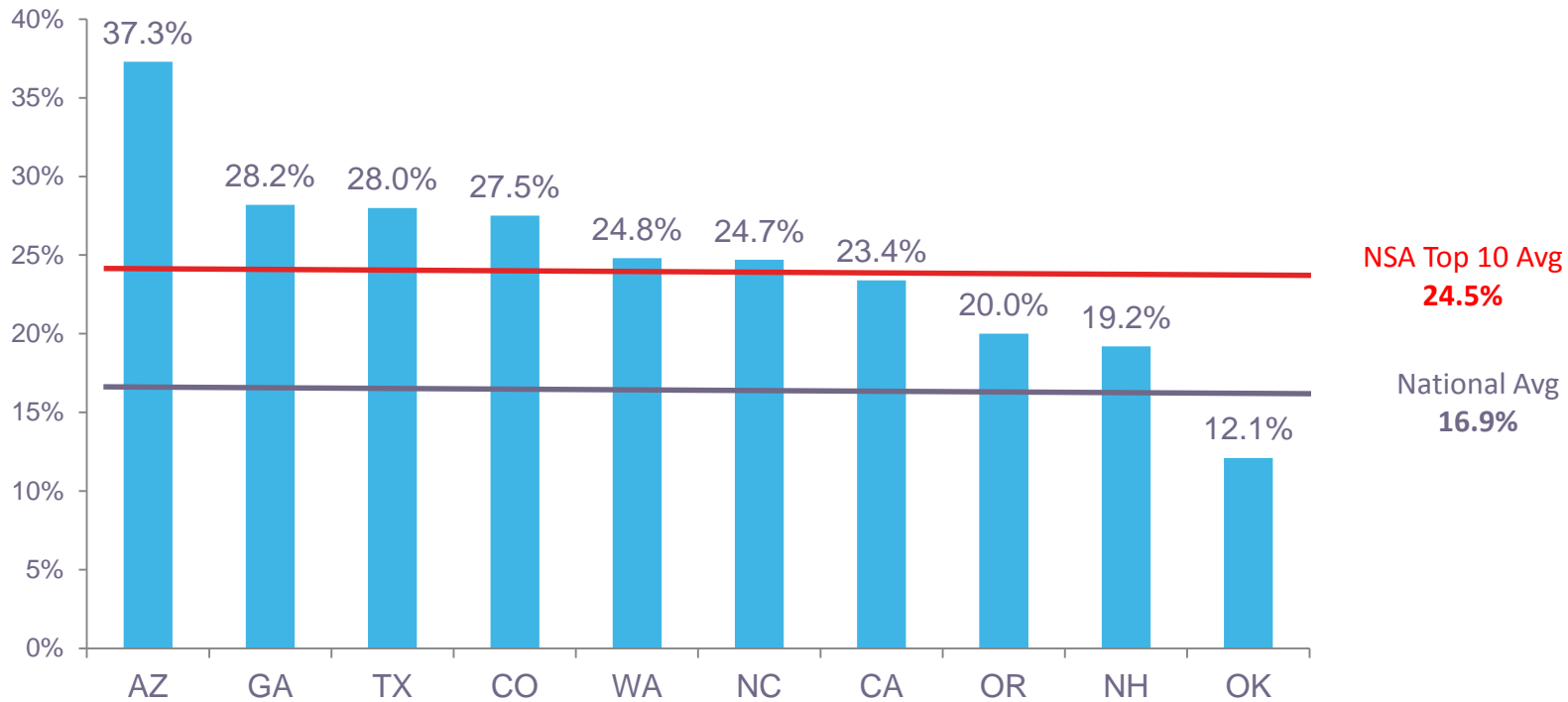




## FOCUSED IN HIGH GROWTH MARKETS

Our top 10 states are home to 92% of our stores  
These states are projected to grow 45% faster than the national average<sup>(1)(2)</sup>

### Projected Population Growth by State from 2010 Through 2030



(1) Rankings and NSA average based on top 10 states by property count as of March 31, 2016. Our top 10 states represent 92% of our store count.

(2) Reflects population growth for the period 2010 through 2030, as projected in August 2013 by the Weldon Cooper Center for Public Service at the University of Virginia.

# NSA STRATEGY DRIVES SIGNIFICANT EXTERNAL GROWTH OPPORTUNITIES

---



## 1. ACQUIRE CAPTIVE PIPELINE PROPERTIES (PRO MANAGED ASSETS)

- NSA's captive pipeline has almost 100 additional assets located in ten states totaling over \$740MM in asset value<sup>(1)</sup>
- PROs are obligated to contribute the assets they control upon debt maturity or occupancy stabilization
- PROs are committed to using best efforts to facilitate the contribution of assets they manage, but do not control

## 2. SOURCE OFF-MARKET LOCAL ACQUISITIONS

- Local acquisition teams with long-standing relationships and significant investment in NSA, and existing pipeline of single assets and portfolios
- Proven ability to close deals: over \$200MM of third party acquisitions closed subsequent to IPO
- Focus on institutional quality assets with strong operational performance that are synergistic to existing operations and geography

## 3. RECRUIT NEW PROS

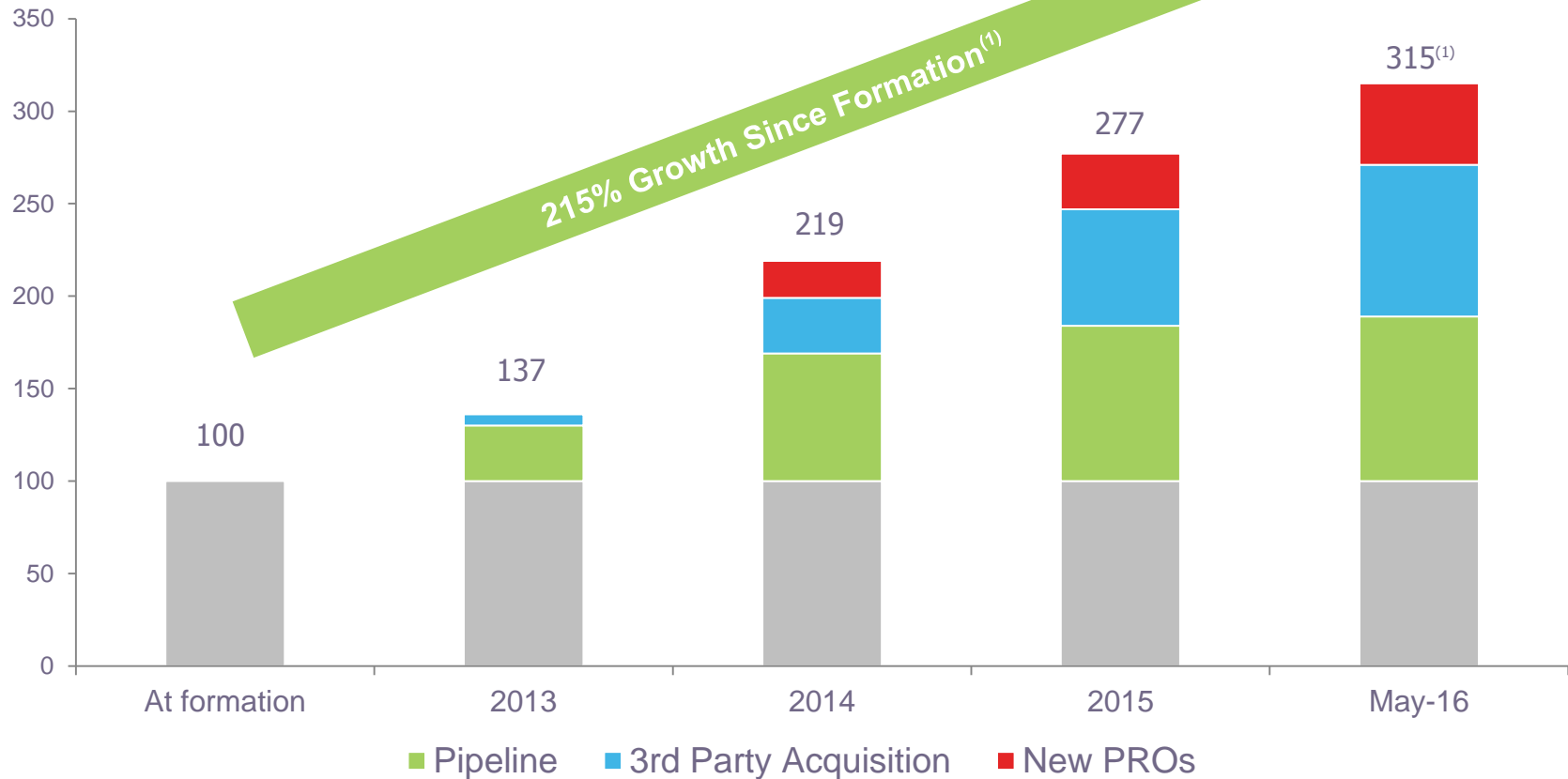
- Pipeline of 10-15 operators, typically with \$100MM+ portfolios and 20+ properties
- Focus on operators with established platforms in Top 100 MSAs, reputation for operational excellence and capabilities to grow their portfolios

(1) There can be no assurance as to whether NSA will acquire any of these properties or the actual timing of any such acquisitions.



# NSA'S TRACK RECORD OF EXTERNAL GROWTH

Number of  
Properties



<sup>(1)</sup> Property count as of May 2, 2016, which includes acquisitions closed during Q2 2016; as of March 31, 2016, NSA owned 293 properties.

# STRUCTURE ATTRACTS DISCIPLINED, GROWTH-ORIENTED OPERATORS



Why successful regional operators are motivated to join NSA instead of opting for an institutional joint venture or a portfolio sale

Criteria	NSA	JV	Sale / Exit
Liquidity / Monetization	✓	●	●
Ability to Maintain Property Management	✓	●	
Participate in Upside	✓	●	
Enhance NOI Through Best Practices	✓		
Opportunity and Incentives to Grow Portfolio	✓		



# NSA'S PLATFORM LEVELS THE PLAYING FIELD

## NSA CORPORATE HEADQUARTERS

### EXECUTIVE LEADERSHIP

- Recruitment of PROs
- Acquisition review and approval

### LEGAL & FINANCE SUPPORT

- Asset contributions and structuring
- Equity and debt capital markets

### CORPORATE ACCOUNTING

- Internal controls, policies and procedures
- Budgeting and forecasting

### CORPORATE MARKETING

- Call center
- Internet platform
- Mobile penetration

### TECHNOLOGY & INNOVATION

- Management information systems
- Streamlined operational processes

## REGIONAL & LOCAL OPERATIONS

Acquisition Underwriting  
& Sourcing

Property Management

Property Level  
Accounting

Local Branding &  
Marketing



2015 Same Store Revenue Growth was 7.8% and 2015 NOI Growth was 11.5%

## 1. OCCUPANCY

- Continue to drive same store occupancy growth
  - Average occupancy in Q1 2016 of 89.2%
  - Year-over-year average occupancy increase for Q1 2016 of 440 bps
- Maximize conversion opportunities from call center
- Additional lead generation from internet marketing platform

## 3. ASSET OPTIMIZATION

- Expansion of existing facilities
- Redevelopment opportunities
- Configuration of optimal unit mix
- Expand cell tower leasing

## 2. REVENUE GROWTH

- Pilot test underway for proven revenue management software tailored for our platform
  - Approximately 45% of portfolio in pilot test
- Improve tenant insurance penetration
- Enhanced portfolio analytics and real-time visibility will accelerate rate increases and revenue gains

## 4. COST SAVINGS

- Driven by Technology and Best Practices Group
- Consolidate vendor relationships
- Bulk purchasing
- Recoverable collection of bad debt by call center



# SENIOR MANAGEMENT TEAM WITH DEEP INDUSTRY EXPERIENCE

- Widely respected owner / operators of self-storage
- Averages over 30 years of industry experience
- Proven track record of growth
- Strong network of industry relationships
- Meaningful insider ownership aligns interests with shareholders

## NSA Executive Team



**ARLEN NORDHAGEN**  
*Chairman & CEO*



**TAMARA FISCHER**  
*CFO*



**STEVEN TREADWELL**  
*SVP, Operations*

## PRO Executive Leadership



**KEVIN HOWARD**  
*Northwest  
PRO*



**DAVID CRAMER**  
*SecurCare  
PRO*



**WARREN ALLAN**  
*Optivest  
PRO*



**JOHN MINAR**  
*Guardian  
PRO*



**TRACY TAYLOR**  
*Move It  
PRO*



**BILL BOHANNAN**  
*Storage Solutions  
PRO*

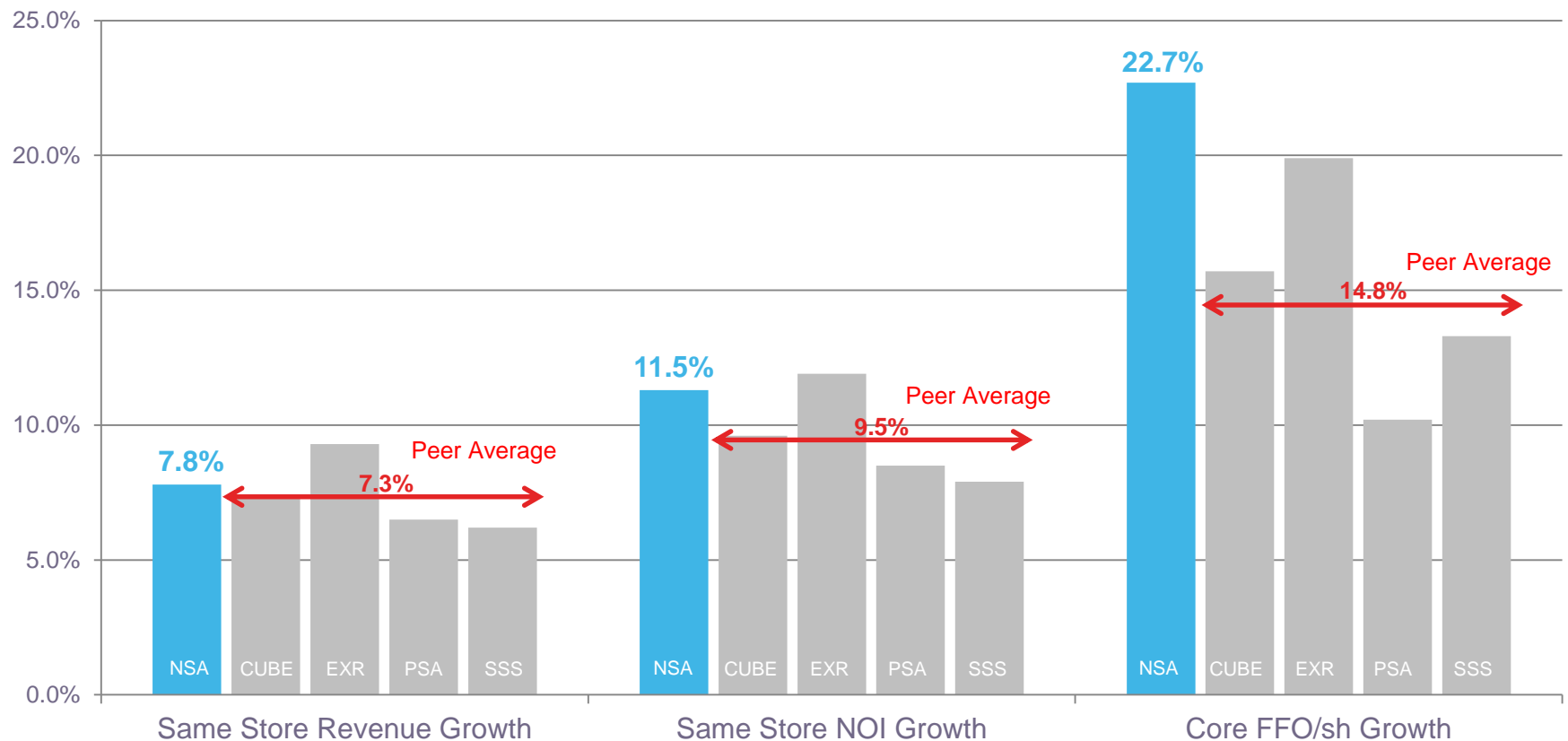


**STEVE WILSON**  
*Hide-Away  
PRO*



# 2015 FINANCIAL RESULTS VS STORAGE REIT PEERS

## 2015 Metrics<sup>(1)</sup> Relative to Public Self Storage REITs



Source: Company Filings

(1) Peer REIT data is based on public filings.

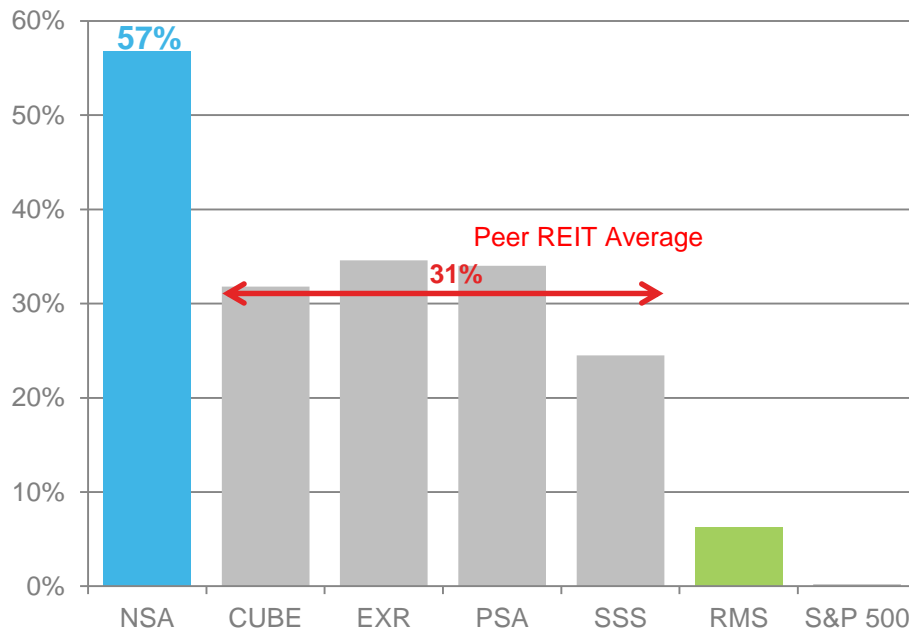




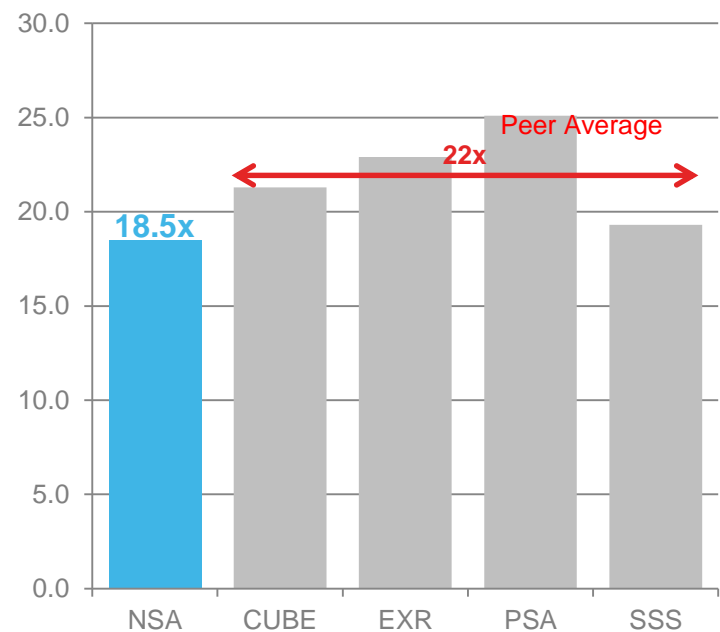
## PEER COMPARISONS - NSA VS. STORAGE REIT PEERS

NSA has met or exceeded all objectives outlined at IPO

Total Market Return  
4/30/15 to 4/29/16<sup>(1)</sup>



Stock Price Multiple share price to  
2016 FFO, as adjusted<sup>(2)</sup>



(1) Total Market Return incorporates share price changes between 4/30/15 and 4/29/16, along with dividend returns, assuming that dividends are not re-invested.

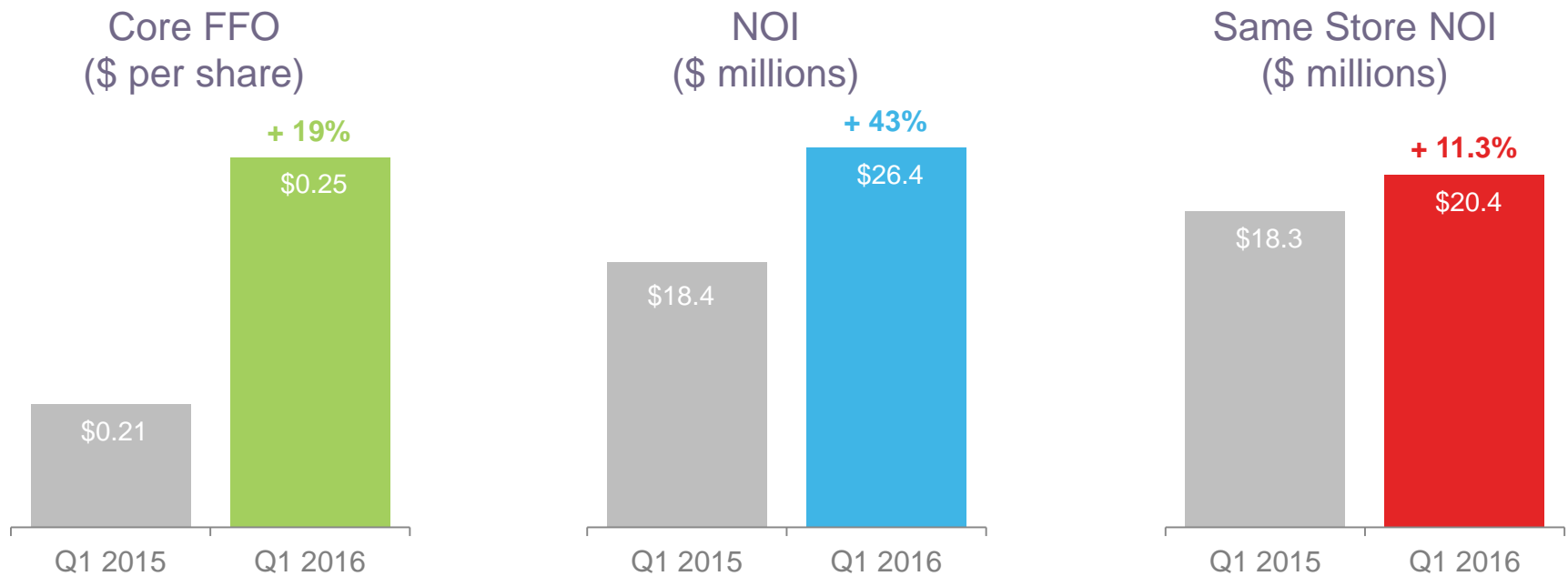
(2) Stock price multiples are derived from KeyBank Leaderboard report, dated 4/29/16



## Q1 2016 FINANCIAL UPDATE

### Strong Operational Growth Continues

2016 Core FFO guidance is \$1.04 to \$1.08 per share  
(annual increase of 13% to 17%)





# FLEXIBLE CAPITAL STRUCTURE SUPPORTS FUTURE GROWTH

## CONSERVATIVE BALANCE SHEET

- 31% Debt / Total Capitalization<sup>(1)</sup>
- 6.9x Net Debt / Adjusted EBITDA<sup>(2)</sup>
- 4.6x Interest Coverage Ratio<sup>(3)</sup>

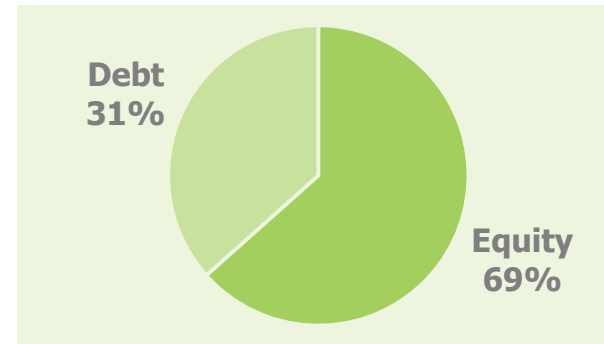
## CAPITAL FOR GROWTH

- \$675MM Unsecured Credit Facility
- OP Units & SP Units

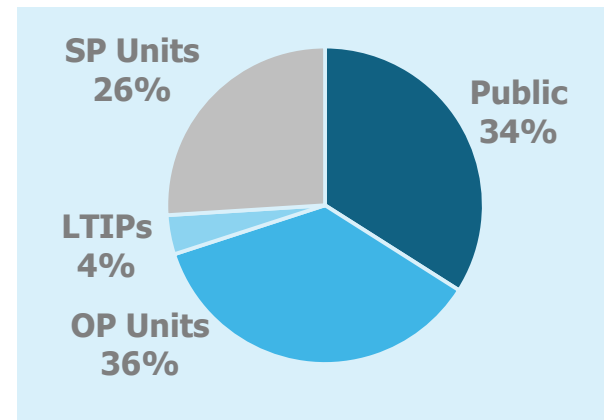
## ATTRACTIVE DIVIDEND

- 4.2% Yield<sup>(4)</sup>

Total Capitalization: \$2.1 BN<sup>(1)</sup>



Significant Investment by Management & PROs<sup>(1)</sup>



<sup>(1)</sup> Calculations based on equity interests disclosed as of March 31, 2016 with SP Units included on an as converted basis and the \$21.20 closing price on March 31, 2016.

<sup>(2)</sup> Adjusted EBITDA is based on Q1 2016, annualized.

<sup>(3)</sup> Interest coverage is computed by dividing Q1 2016 Adjusted EBITDA by Q1 2016 Interest Expense.

<sup>(4)</sup> Yield calculation is based on current \$0.22 per share dividend annualized and divided by \$21.03 closing price on June 2, 2016.



## INVESTMENT HIGHLIGHTS

---

1

Institutional Quality, Geographically Diverse Portfolio Focused in High Growth Markets in Top 100 MSA's

2

Differentiated Structure Provides Strong Internal and External Growth Incentives with Downside Protection

3

Senior Management Team with Deep Industry Experience

4

Performance to Date Has Met or Exceeded All Objectives Outlined at the IPO

5

Flexible Capital Structure Supports Future Growth

# CONTACT US

---



## INVESTOR RELATIONS

Marti Dowling

Director - Investor Relations

720-630-2624

[mdowling@nsareit.net](mailto:mdowling@nsareit.net)

## CORPORATE HEADQUARTERS

National Storage Affiliates Trust

5200 DTC Parkway

Suite 200

Greenwood Village, CO 80111

## WEBSITE

[www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com)



NATIONAL STORAGE  
— AFFILIATES —

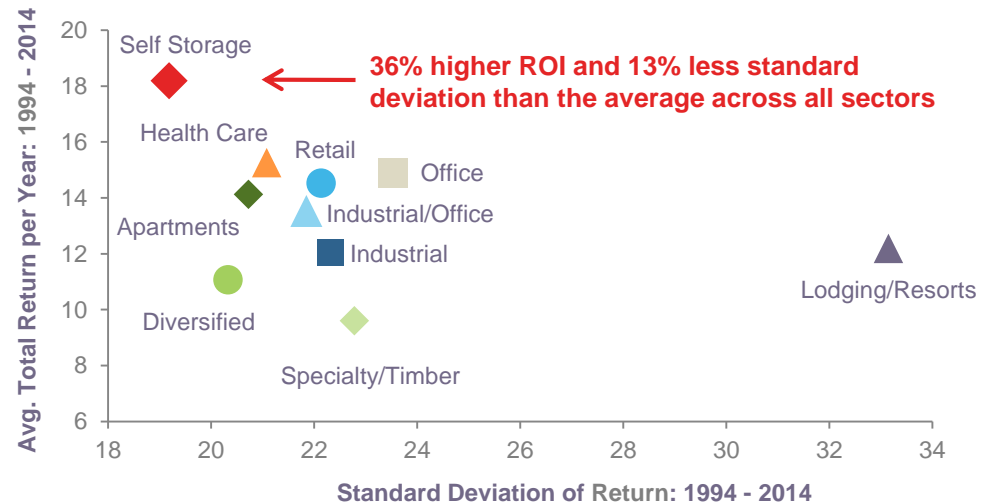
## Appendix



# SELF STORAGE HAS CONSISTENTLY OUTPERFORMED

## SELF STORAGE HAS OUTPERFORMED OVER LAST 20 YEARS ON TOTAL RETURN WITH LESS VOLATILITY

- Since 1994, total returns for self storage have outperformed all other equity REIT sectors while experiencing the least volatility
  - The industry is expected to continue to generate substantial NOI growth
  - Savings expected through improved scale, new technology and centralized infrastructure



## FIVE FORCES DRIVING SELF STORAGE

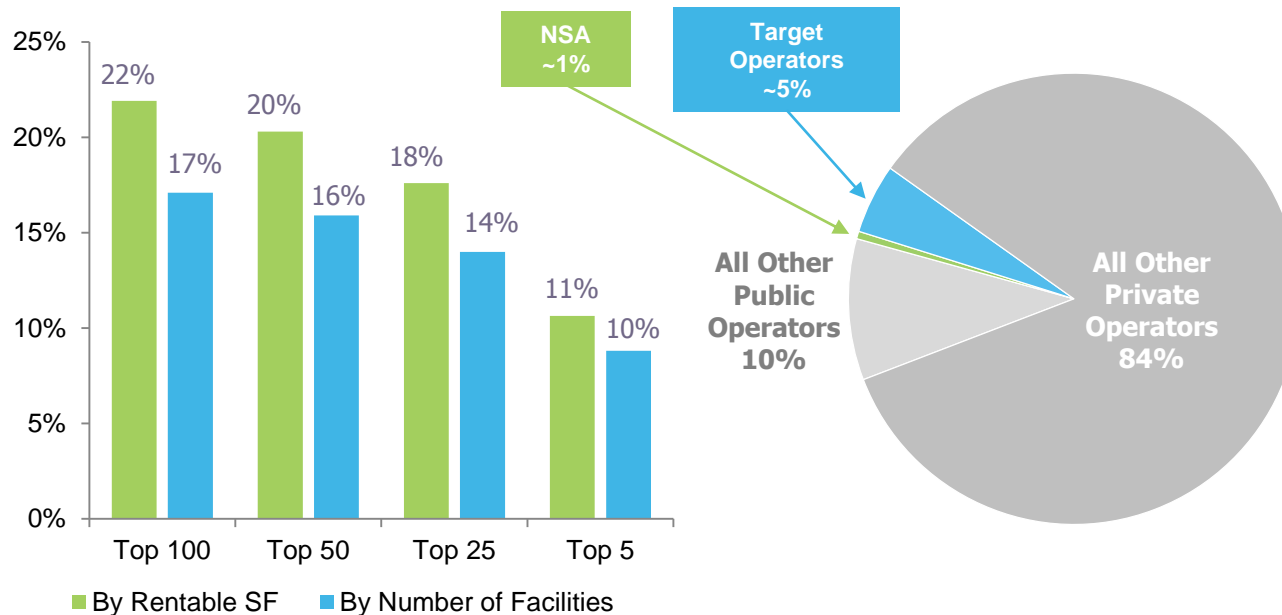
### IMPACT

Competitive Rivalry	Low – geographically limited
Customer Bargaining Power	Limited – not price driven
Threat of Substitute Products	Very few cost effective options
Supplier Bargaining Power	Limited - but increasing
Threat of New Entrants	Limited – increasing entry barriers



# MEANINGFUL OPPORTUNITY TO CONSOLIDATE

- Highly fragmented sector
  - More than 50,000 self-storage properties with over 30,000 operators
  - Over \$24 billion in annual revenue with over \$200 billion in private market value
- NSA primarily targets top private operators with 20 or more institutional quality properties in the top 100 MSAs
  - Target operators own and / or manage over 2,500 self-storage properties<sup>(1)</sup>



## Top 40 Operators

- 1 Public Storage
- 2 Extra Space Storage
- 3 U-Haul International
- 4 CubeSmart
- 5 Sovran Self Storage
- 6 National Storage Affiliates
- 7 Simply Self Storage
- 8 W.P. Carey
- 9 StorageMart
- 10 The William Warren Group
- 11 Metro Storage
- 12 iStorage
- 13 US Storage Centers
- 14 TnT Self Storage Management
- 15 Absolute Storage Management
- 16 The Jenkins Organization
- 17 All Storage
- 18 Move It Management
- 19 Compass Self Storage
- 20 Safeguard Self Storage
- 21 A-AAAKey Mini Storage
- 22 Devon Self Storage
- 23 Platinum Storage Group
- 24 Security Public Storage
- 25 Central Self Storage
- 26 A-1 Self Storage
- 27 Metro Mini Storage
- 28 Storage Pros Management
- 29 Self Storage Management
- 30 Storage Asset Management
- 31 Universal Storage Group
- 32 Strat Property Management
- 33 Brookwood Properties
- 34 Personal Mini Storage
- 35 Morningstar Properties
- 36 Advantage Storage
- 37 Storage Etc.
- 38 Argus Professional Storage Management
- 39 Professional Self Storage Management
- 40 West Coast Self-Storage

Source: Public company filings as of December 31, 2014, Self Storage Association and 2016 Self-Storage Almanac.

Note: Rankings are based on net rentable square footage under management.

(1) Represents the number of facilities owned and/or managed by top operators, excluding NSA and other publicly traded entities.





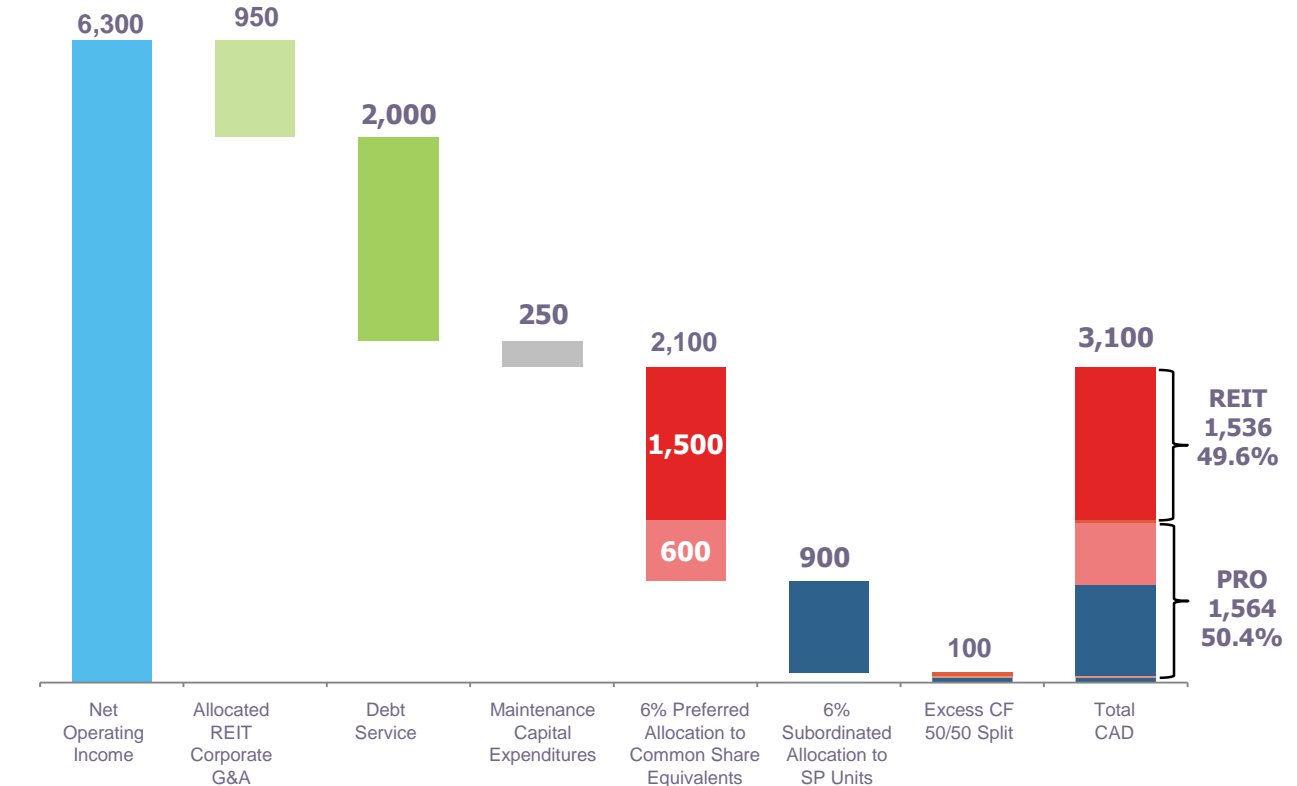
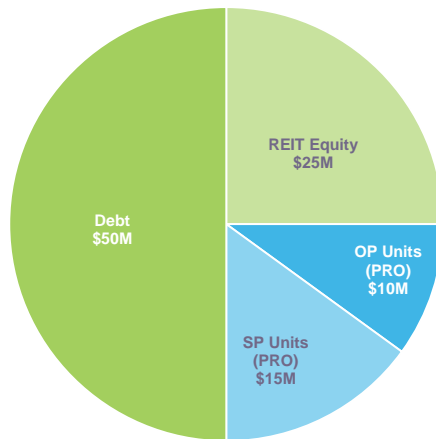
# STRUCTURE INCENTIVIZES PROS TO PERFORM

## KEY ASSUMPTIONS

- \$100MM Purchase Price
- 6.3% Cap Rate
- 50% Funded with Debt
- 50% of Equity from PRO

## Illustrative Operating Cash Flow Allocation for Single Acquisition (\$'000s)

## Illustrative Capitalization



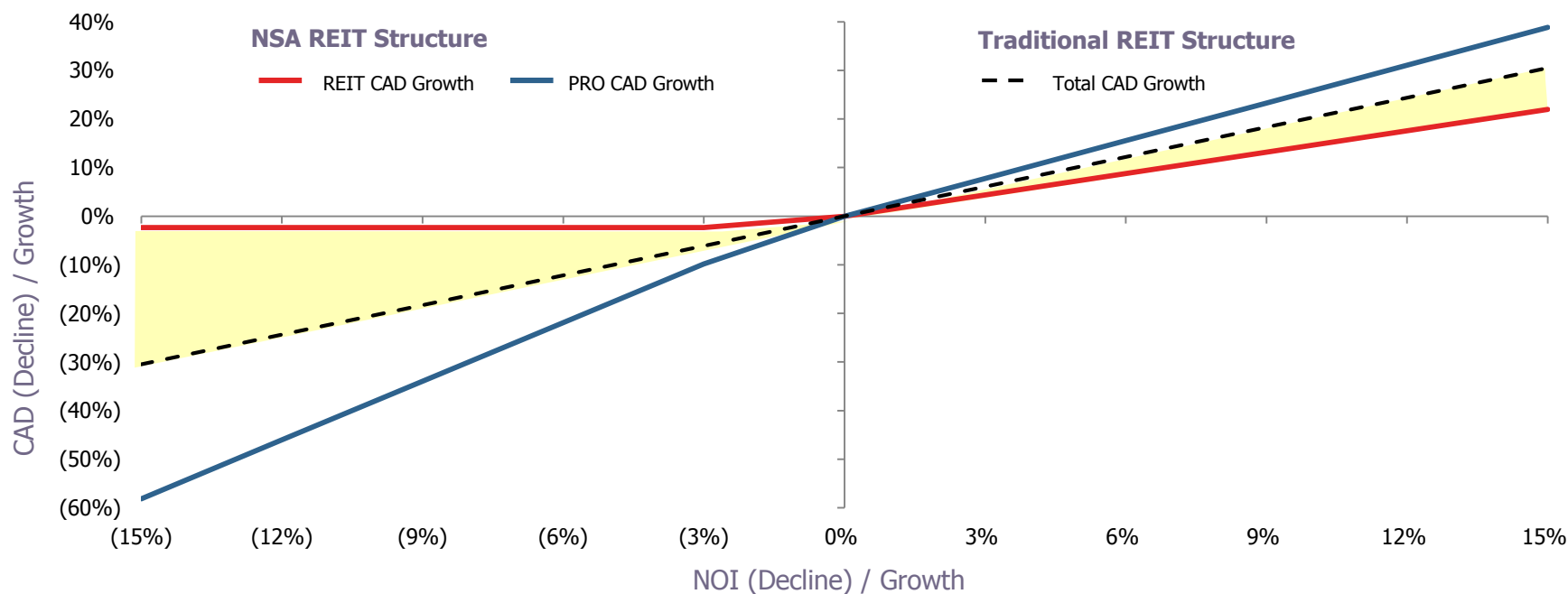
Note: Proportion of SP units and OP units in each acquisition will vary. In general, the number of OP units issued will be capped at a level intended to provide a minimal level of operating cash flow ("CF") allocation on unreturned capital attributable to the OP units. Debt Service is reflective of interest expense and scheduled principal amortization. Post-contribution capital structure is reflective of cost and does not reflect market value. This hypothetical capital structure and cash flow allocation is for illustrative purposes only and reflects the terms of the partnership agreement: SP unit holders receive a 6% allocation of operating CF on their unreturned capital contributions after a 6% allocation on unreturned capital attributable to OP unit holders, and then share in the allocation of any excess cash flow 50/50 with OP unit holders. The REIT is allocated \$36K of the operating CF allocated to OP units related to the 50/50 split of excess operating CF. The allocation of operating CF between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating CF that will be distributed on OP units (or paid as dividends on our common shares). Any distribution of operating CF allocated to OP units will be made at the discretion of NSA (and paid as dividends on our common shares at the discretion of our board of trustees).

# STRUCTURE OFFERS CASH FLOW STABILITY AND DOWNSIDE PROTECTION



Shareholders benefit from less volatile cash flow and downside protection

## Illustrative Impact on Operating Cash Flow Allocation for Single Acquisition<sup>(1)</sup>



Note: PRO CAD Growth is comprised of cash available to PROs through their ownership interests in both OP and SP units. REIT CAD Growth is comprised of cash available to all other equity stakeholders.

<sup>(1)</sup> This illustrative sensitivity graph reflects the capital structure of a single acquisition and operating CF allocation assumptions reflected on page 26. This hypothetical capital structure and cash flow allocation is for illustrative purposes only and reflects the terms of the partnership agreement: SP unit holders receive a 6% allocation of operating CF on their unreturned capital contributions after a 6% allocation on unreturned capital attributable to OP unit holders, and then share in the allocation of any excess cash flow 50/50 with OP unit holders. This allocation of operating CF between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating CF that will be distributed on OP units (or paid as dividends on our common shares). Any distribution of operating CF allocated to OP units will be made at the discretion of NSA (and paid as dividends on our common shares at the discretion of our board of trustees).



## POST-IPO EXTERNAL GROWTH

### ACQUIRED 70 PROPERTIES VALUED AT APPROXIMATELY \$440MM SINCE IPO

- Post-IPO acquisitions have focused on Top 100 MSAs
- 20 properties were sourced from our captive pipeline
- 36 properties were 3rd party acquisitions
- 14 properties were acquired from our new PRO, Hide-Away

	In Place Portfolio at IPO		Post IPO Acquisitions		Portfolio May 2016	
	Stores	%	Stores	%	Stores	%
Oregon <sup>(1)</sup>	50	20%	3	4%	52	17%
Texas	46	19%	4	6%	50	16%
California	28	11%	20	29%	48	15%
North Carolina	27	11%	3	4%	30	10%
Oklahoma	26	11%	3	4%	29	9%
Georgia	16	7%	3	4%	19	6%
Arizona	13	5%	0	0%	13	4%
Washington	13	5%	1	1%	14	4%
Colorado	8	3%	1	1%	9	3%
New Hampshire	3	1%	6	9%	9	3%
Louisiana	5	2%	3	4%	8	3%
Florida	2	1%	14	20%	16	5%
Other	9	4%	9	13%	18	6%
<b>Total</b>	<b>246</b>		<b>70</b>		<b>315</b>	

(1) In 2016, NSA consolidated two Oregon self storage properties into one single self storage property.



## NET OPERATING INCOME RECONCILIATION

	Three Months Ended March 31,	
	2016	2015
<b>Net income (loss)</b>	<b>\$ 4,802</b>	<b>\$ (2,771)</b>
General and administrative expenses	4,335	3,613
Depreciation and amortization	10,892	9,877
Interest expense	4,941	6,982
Acquisition costs	1,288	599
Organizational and offering expenses	—	58
Non-operating expense	114	91
<b>Net Operating Income</b>	<b>\$ 26,372</b>	<b>\$ 18,449</b>

Source: Q1 2016 Company financials.



## EBITDA & ADJUSTED EBITDA RECONCILIATION

	Three Months Ended March 31,	
	2016	2015
<b>Net income (loss)</b>	<b>\$ 4,802</b>	<b>\$ (2,771)</b>
Depreciation and amortization	10,892	9,877
Interest expense	4,941	6,982
<b>EBITDA</b>	<b>\$ 20,635</b>	<b>\$ 14,088</b>
Acquisition costs	1,288	599
Organizational and offering expenses	—	58
Equity-based compensation expense <sup>(1)</sup>	598	638
<b>Adjusted EBITDA</b>	<b>\$ 22,521</b>	<b>\$ 15,383</b>

Source: Q1 2016 Company financials.

(1) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in our consolidated statements of operations.



**NATIONAL STORAGE**  
— AFFILIATES —

**NYSE: NSA**