



NATIONAL STORAGE
— AFFILIATES —

Company Update

January 2016



Information in this presentation is as of September 30, 2015, except as otherwise noted.

NYSE: NSA

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 November 10, 2015 and the Prospectus filed with the SEC on April 24, 2015 under the headings “Prospectus Summary,” “Risk Factors,” “Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business and Properties,” as applicable. You may get these documents for free by visiting EDGAR on the SEC website at 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

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

Self Storage Industry Has Consistently Outperformed and has Meaningful Opportunity for Consolidation

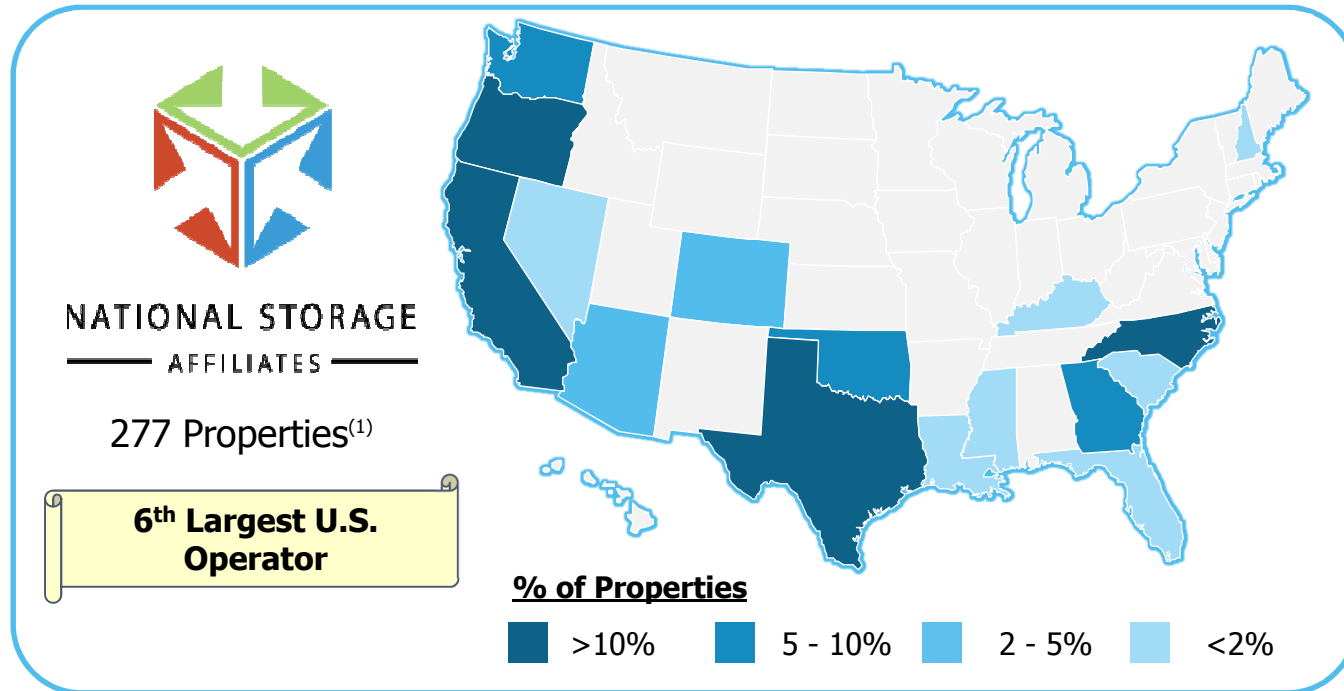
Differentiated Structure Promotes Strong External and Internal Growth Incentives with Downside Protection

Flexible Capital Structure Supports Future Growth

Senior Management Team with Deep Industry Experience as Owner/Operators

National Storage Affiliates Overview (NYSE: NSA)

Well-diversified portfolio of 277 properties located in 16 states, over 70% of which are located in the top 100 MSAs⁽¹⁾



Participating Regional Operators ("PROs")



~122K Storage Units

~16MM Rentable SF

90% Occupancy⁽²⁾

71K Population (3 MI)

\$64K HH Income (3 MI)

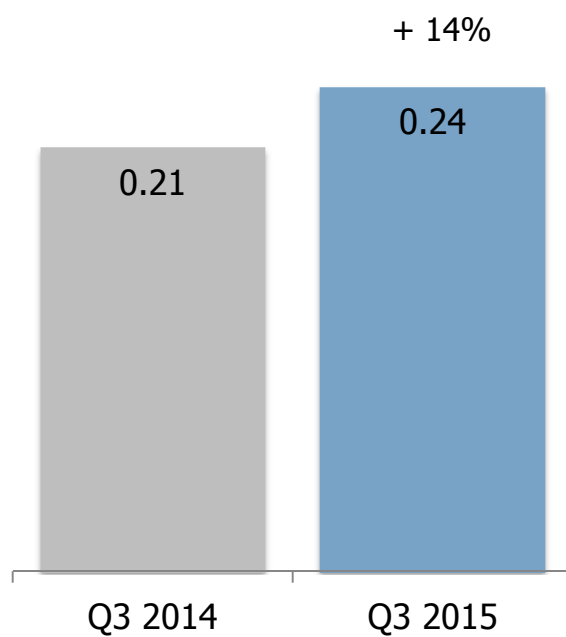
Source: Demographic data is as of December 31, 2014 per Nielsen.

(1) Property count as of December 31, 2015. As of September 30, 2015, NSA owned 261 properties, and has subsequently closed on the acquisition of an additional 16 properties.

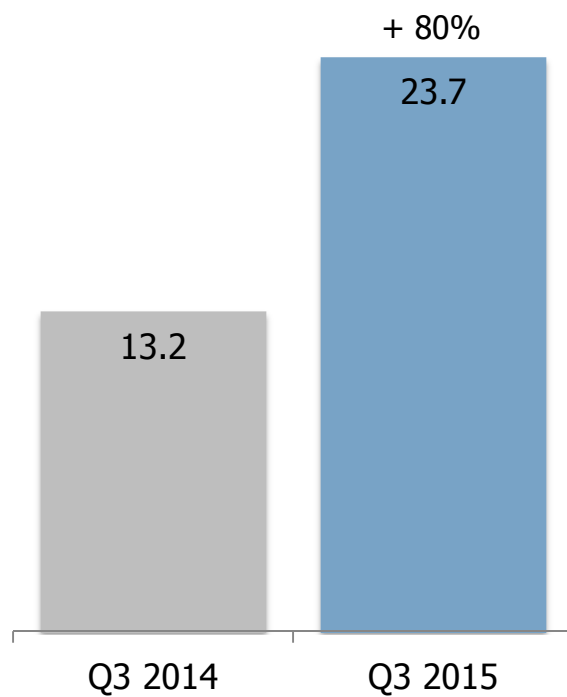
(2) Occupancy data is for the 261 properties owned as of September 30, 2015.

Strong Operational Growth Continues Post-IPO 2015 Core FFO guidance is \$0.89 to \$0.91 per share

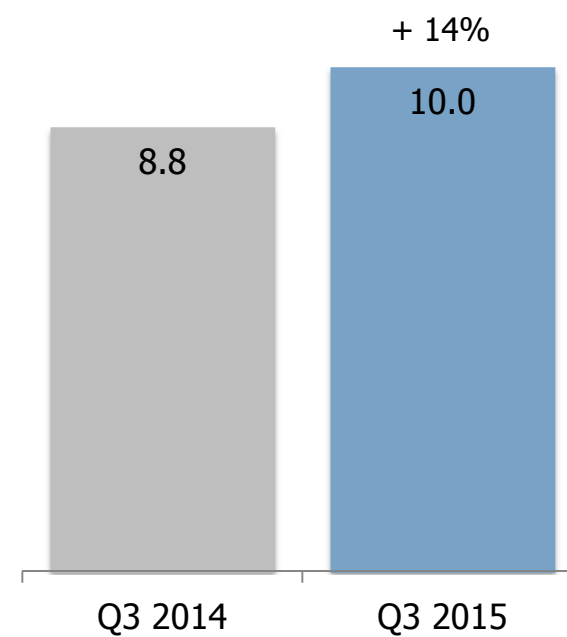
Core FFO (\$ per share)



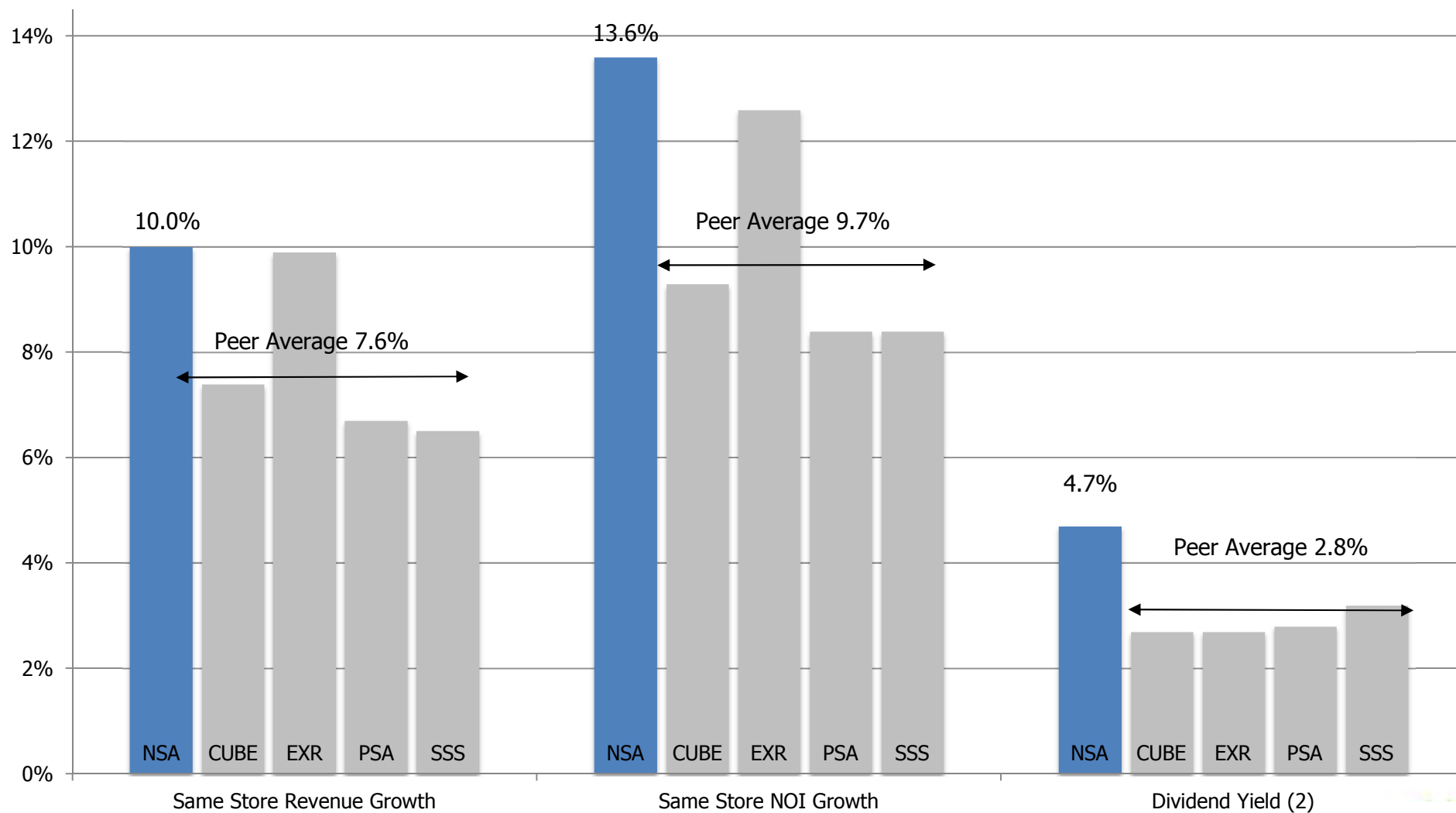
NOI (\$ millions)



Same Store NOI (\$ millions)



Key 3Q Metrics⁽¹⁾ Relative to Public Self Storage REITs



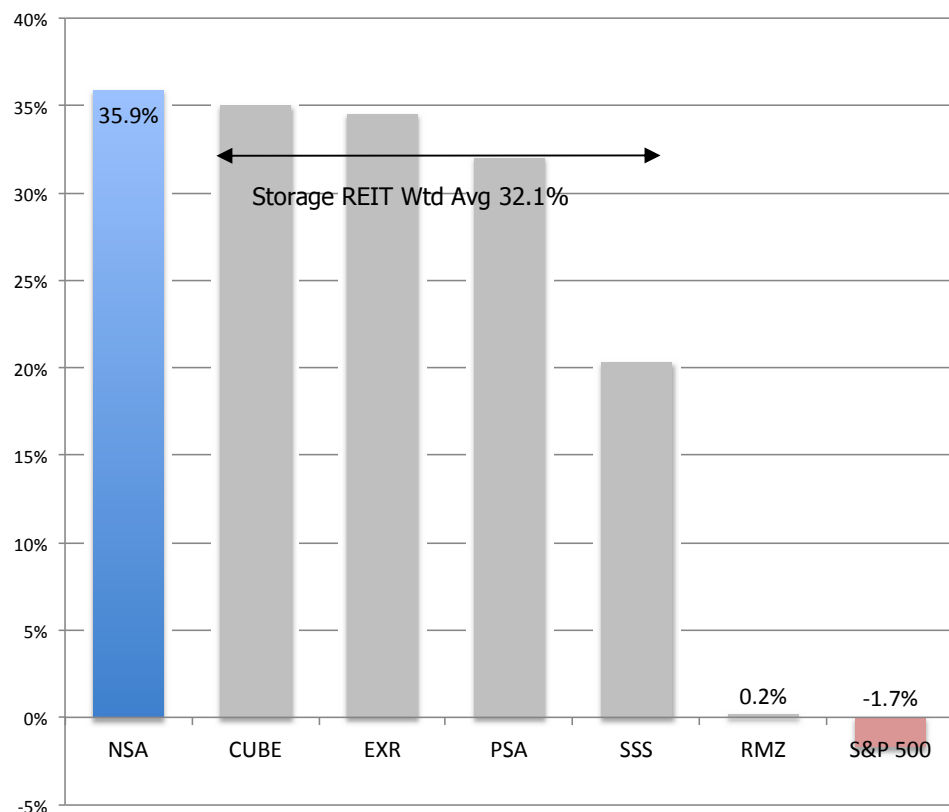
Source: Company Filings

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

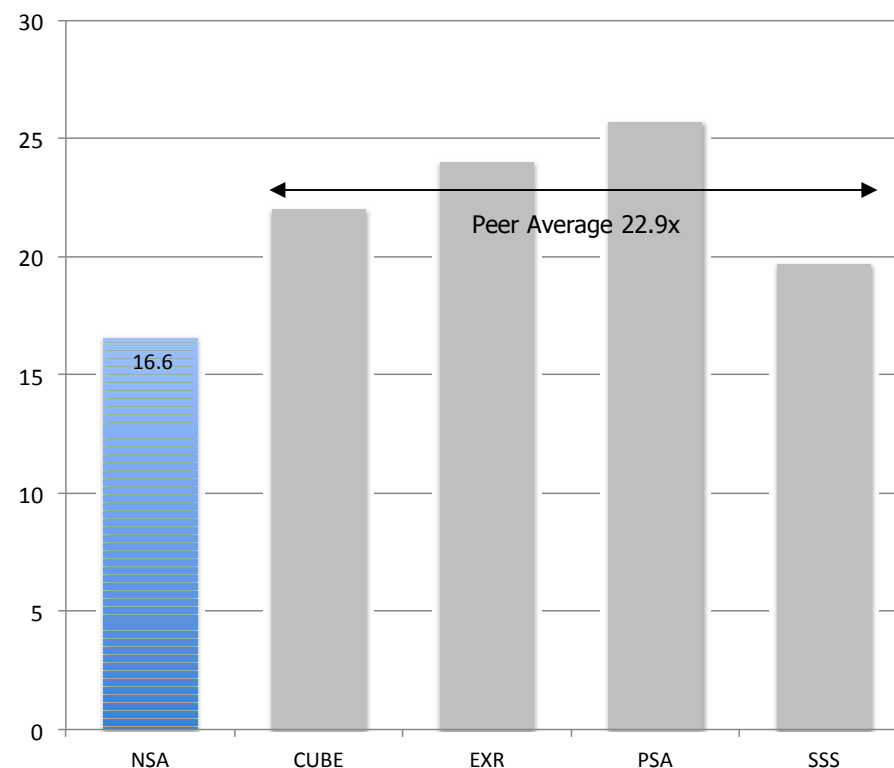
(2) Dividend yields are based on annualized Q4 2015 dividends divided by closing market price on December 31, 2015.

Peer Comparisons

Total Market Return 4/23/15 to 12/31/15 ⁽¹⁾



Stock Price Multiple Year-end share price to 2016 FFO, as adjusted ⁽²⁾



(1) Total Market Return incorporates share price changes between 4/23/15 and 12/31/15, along with dividend returns, assuming that dividends are not re-invested.


(2) Stock price multiples are based on year-end share prices divided by consensus analyst estimates for 2016 funds from operations, as adjusted and as reported by Thomson First Call.

Development Path of NSA

Deeply Rooted Operating History

PRO Formation and Institutionalization

1970 - 2011

-  **1973** – Move It predecessor founded
-  **1977** – Northwest 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

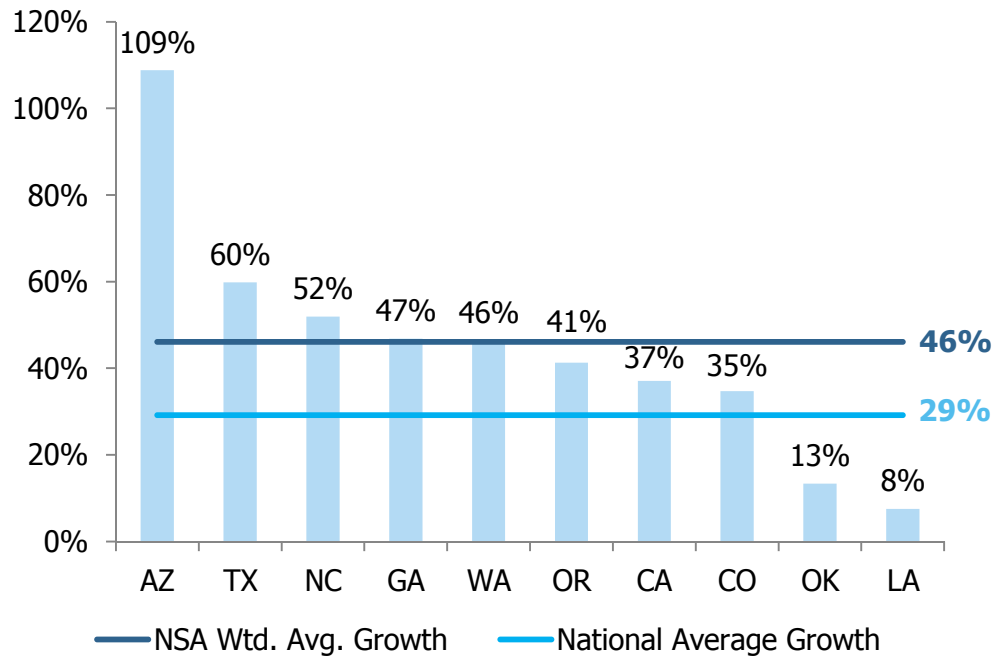
2012 - 2015

-  **2012** – Agreement in principle reached by three founding PROs: SecurCare, Northwest and Optivest
-  **2013** – NSA formed
-  **2013** – Secured financing from U.S. Bank, Wells Fargo, and PREI
-  **2014** – 4th PRO: Guardian
-  **2014** – 5th PRO: Move It
-  **2015** – 6th PRO: Storage Solutions
-  **2015** – Successful IPO
-  **2015** – Expanded credit facility to \$550 million

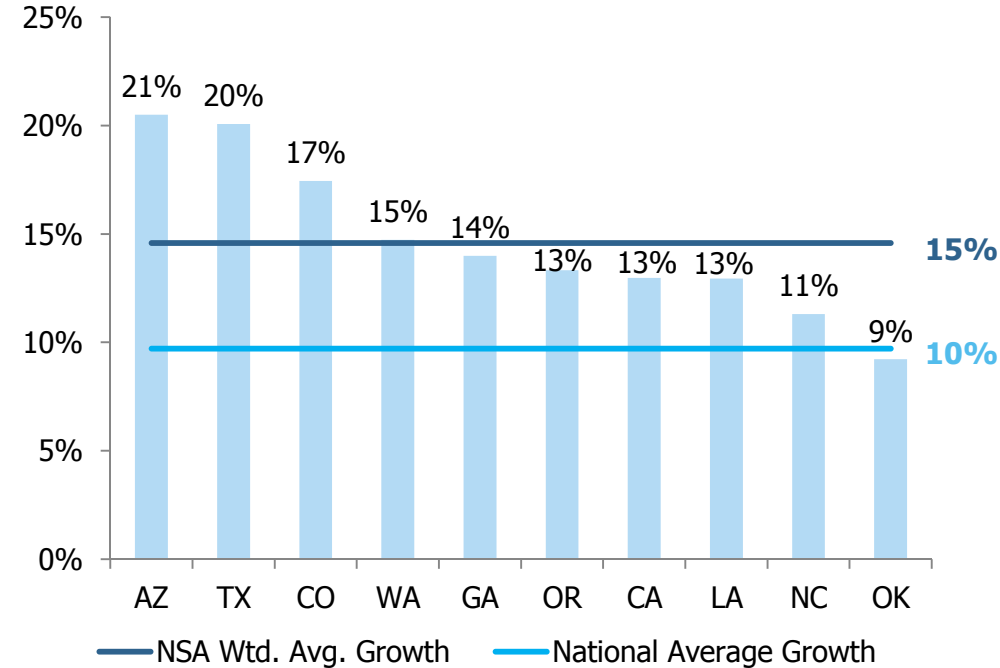
Focused in High Growth Markets

95% of portfolio is located in top 10 states which are projected to grow ~50% faster than the national average in each category⁽¹⁾

Projected to Outperform on Population Growth⁽¹⁾⁽²⁾



Projected to Outperform on Job Growth⁽¹⁾⁽³⁾



(1) Current portfolio at December 31, 2015. Rankings and NSA weighted average based on top 10 states by property count (shown in each graph).

(2) Reflects population growth through 2030 per 2013 Self-Storage Almanac.

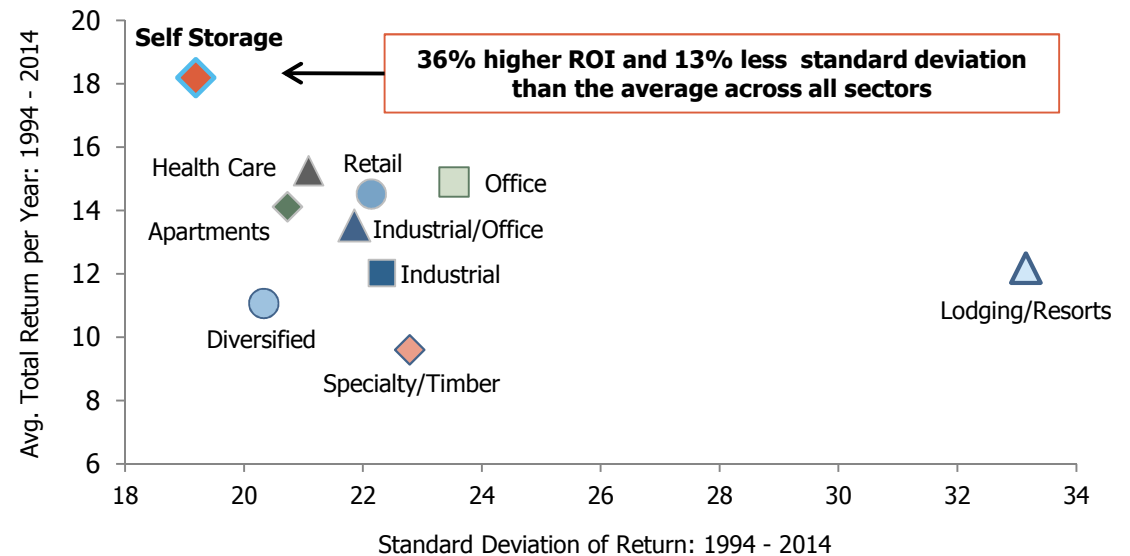
(3) National projections are developed by the Bureau of Labor Statistics, U.S. Department of Labor. The US average projection period for employment is 2012-2022 for all states. The Employment Security Agency for each state reports occupational employment data in cooperation with the Bureau of Labor Statistics. The projection period for employment is 2012-2022 for all individual states except for AZ, NC and TX which is 2010-2020.

Self Storage Has Consistently Outperformed

Self Storage Has Outperformed Over Last 20 Years on Total Return With Less Volatility

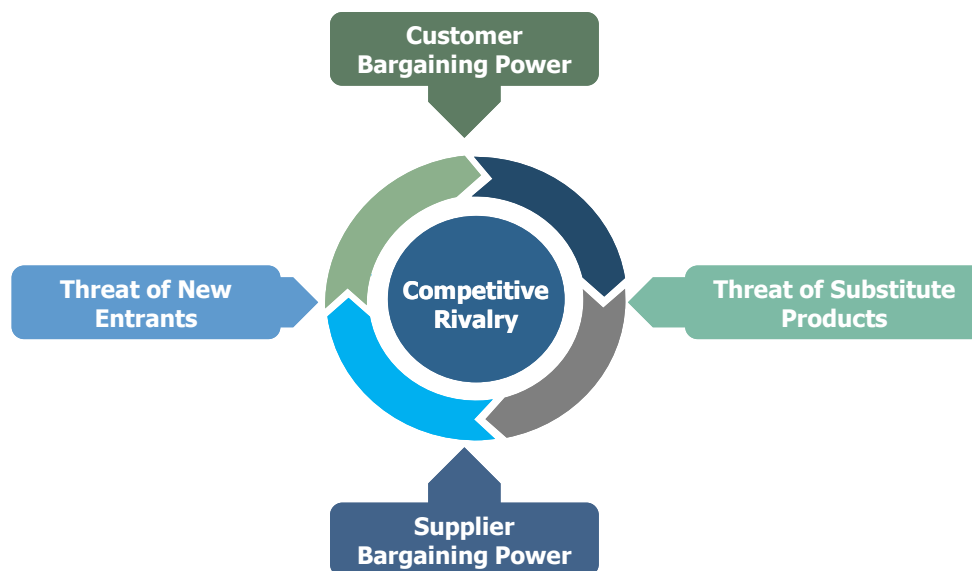
Since 1994, total returns for self storage have outperformed all other equity REIT sectors while experiencing the least volatility

- The industry is expected to continue to generate substantial NOI growth
- Savings expected through improved scale, new technology and centralized infrastructure



Source: NAREIT.

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

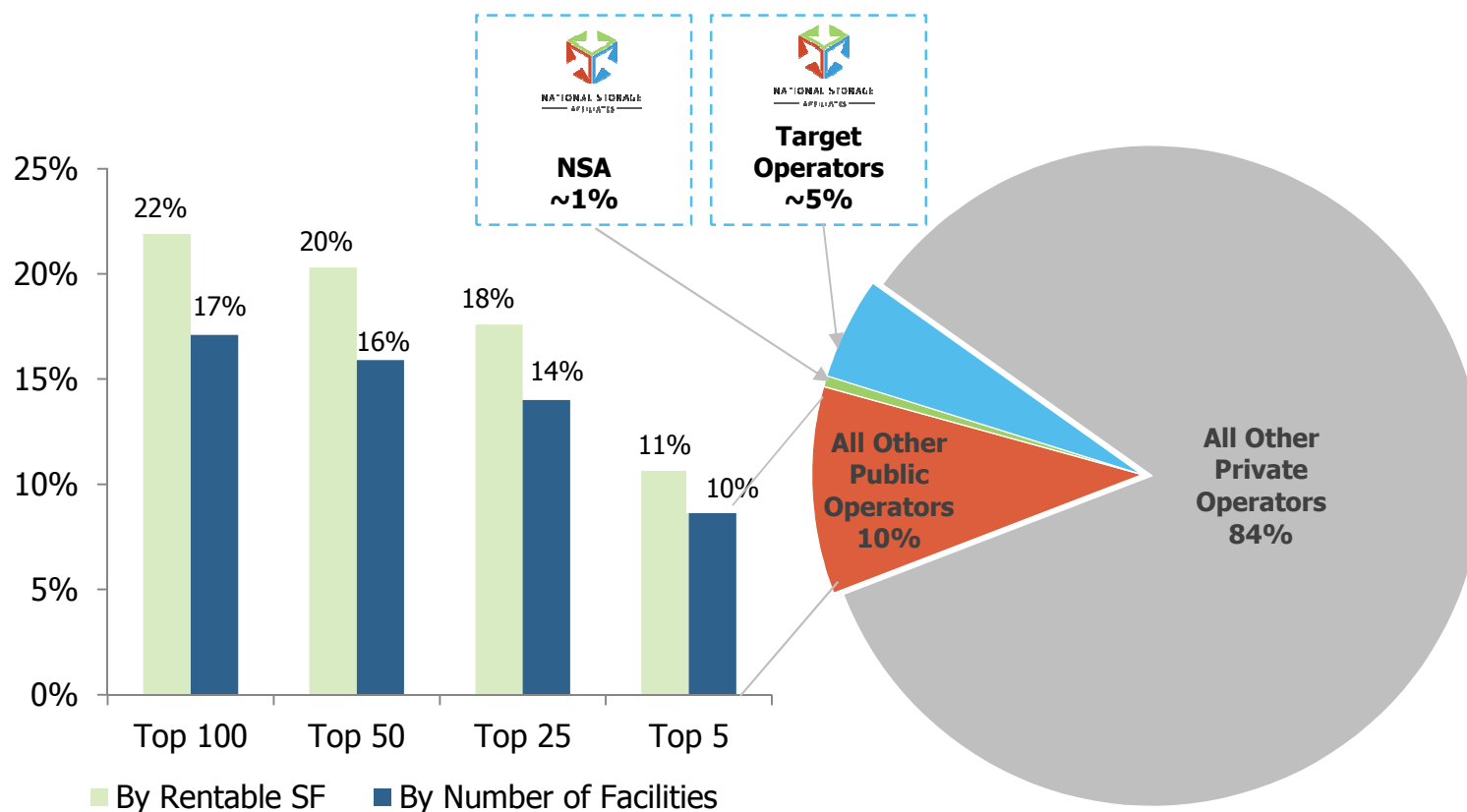
Meaningful Opportunity to Consolidate

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⁽¹⁾



Top 40 Operators

- Public Storage
- Extra Space
- U-Haul International
- CubeSmart
- Sovran Self Storage
- National Storage Affiliates
- SmartStop Self Storage
- Simply Self Storage
- StorageMart
- W.P. Carey
- The William Warren Group
- Metro Storage
- US Storage Centers
- The Nicholson Companies
- Absolute Storage
- The Jenkins Organization
- Lock Up Self Storage
- Dahn Corporation
- TnT Self Storage
- Self Storage Consulting
- Devon Self Storage
- LAACO Ltd
- Platinum Storage Group
- Pegasus Group
- Universal Storage Group
- A-AAAKey Mini Storage
- Metro Mini Storage
- Caster Properties
- Security Public Storage
- Virtus Real Estate Capital
- Storage Pros Management
- Urban Self Storage
- Compass Self Storage
- Landvest Corporation
- Brookwood Properties
- Pogoda Companies
- Strat Prop Management
- Storage Etc
- Morningstar Properties
- Advantage Storage

Source: Public company filings as of December 31, 2014, Self Storage Association and 2015 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 Creates Alignment with our PROs

PROs Are Heavily Invested

- Contribute a large portion of career's work via property equity
- PROs own more than 40% of NSA⁽¹⁾

PROs Are Incentivized to Outperform

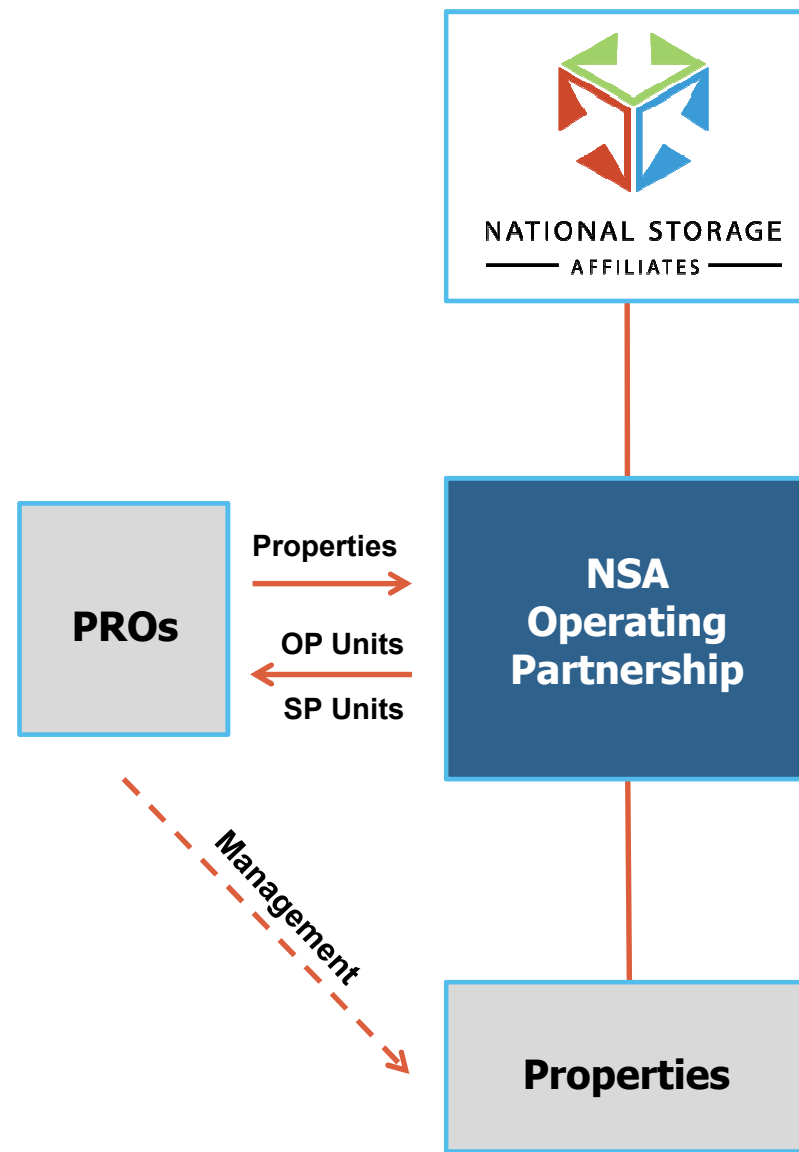
- PROs equity value tied to performance of contributed properties
- SP unit holders receive their allocation of operating cash flow on unreturned capital contributions only AFTER paying a priority allocation on unreturned capital attributable to OP unit holders and then share equally in the allocation of any excess with OP unit holders⁽²⁾

Capital for Growth

- NSA has access to lower cost public capital
- Alignment encourages disciplined acquisitions

Penalties for Underperformance

- PROs equity and cash flow are subordinated
- Poor performance disproportionately affects PROs
- Ability to replace manager



(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.

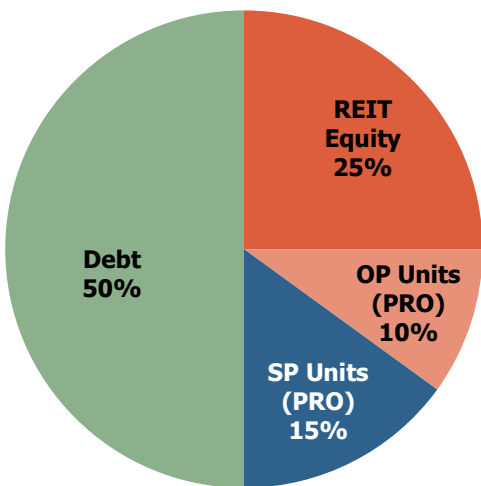
(2) This allocation of operating cash flow between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating cash flow that will be distributed on OP units (or paid as dividends on common shares). Any distribution of operating cash flow allocated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

Structure Incentivizes PROs to Perform

Key Assumptions

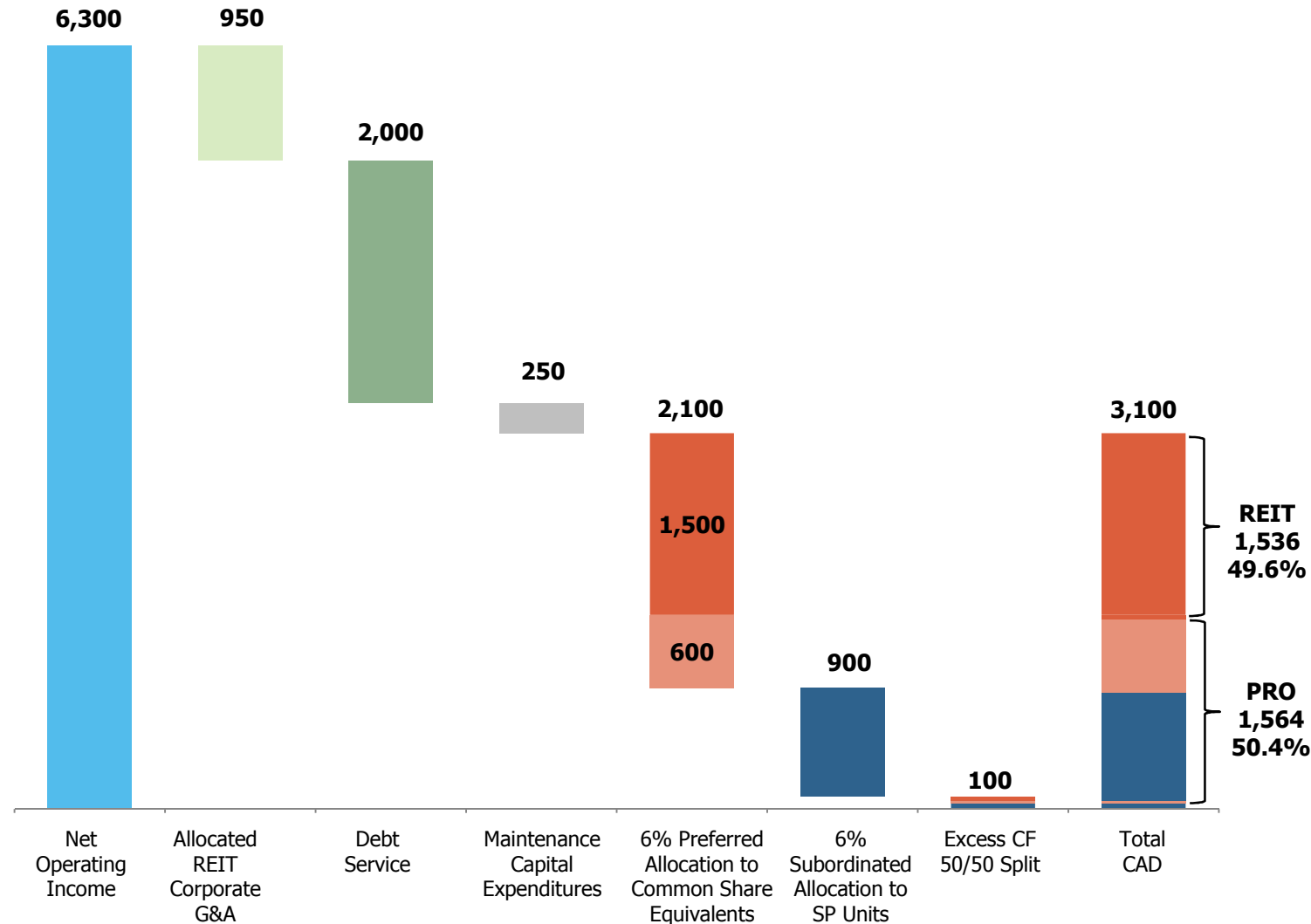
- \$100MM Purchase Price
- 6.3% Cap Rate
- 50% Funded with Debt
- 50% of Equity from PRO

Illustrative Capitalization



Illustrative Operating Cash Flow Allocation for Single Acquisition

(\$000s)

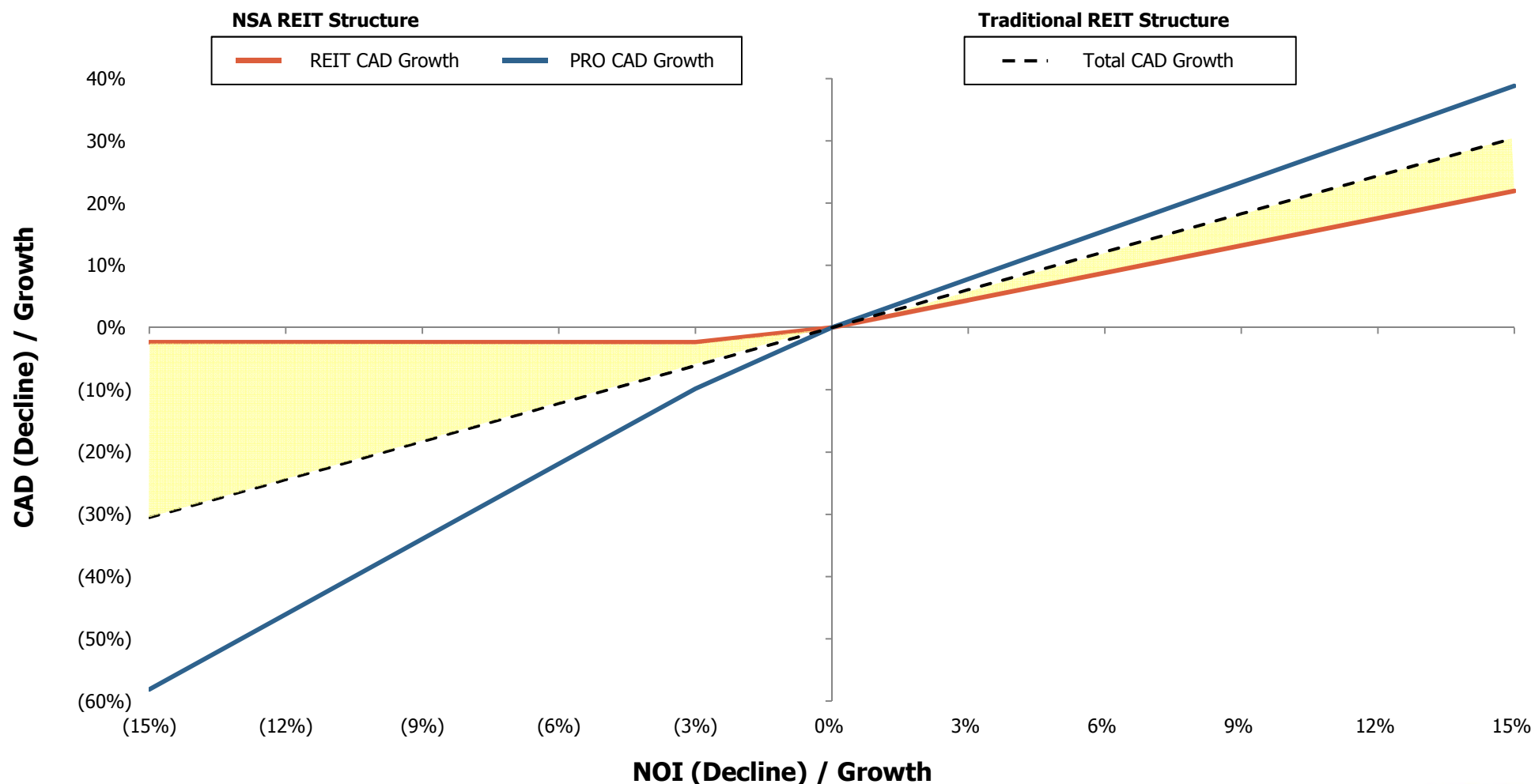


Note: Proportion of SP units and OP units in each acquisition will vary. In general, the number of OP units issued will be capped at a level intended to provide a minimal level of operating CF allocation on unreturned capital attributable to the OP units. Debt Service is reflective of interest expense 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⁽¹⁾



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.

(1) This illustrative sensitivity graph reflects the capital structure of a single acquisition and operating CF allocation assumptions reflected on page 12. 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).

Structure Promotes External and Internal Growth



Structure 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
- GoStorageUnits.com
- Mobile marketing

Technology & Innovation

- Management information systems
- Streamlined operational processes

Regional & Local Operations

Acquisition Underwriting
& Sourcing

Property Management

Property Level
Accounting

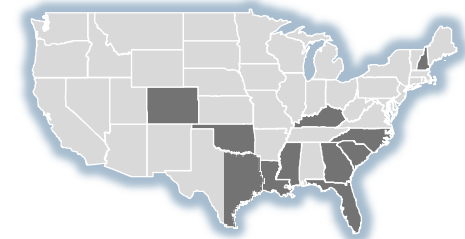
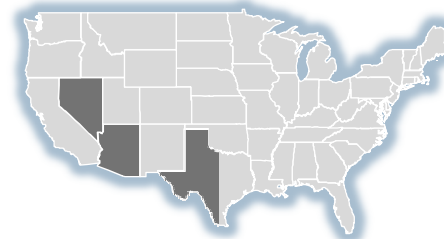
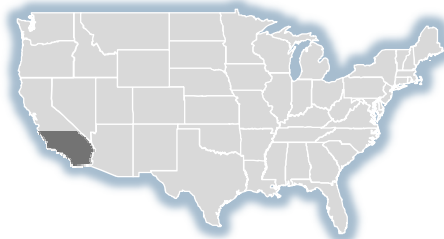
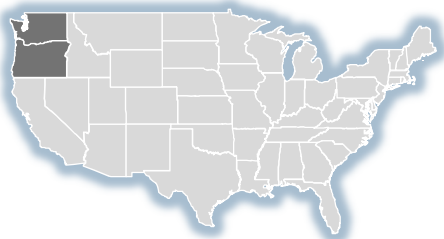
Local Branding &
Marketing

Northwest

Southern California

Southwest

Mountain / Southeast



Organic Growth Opportunities

3Q 2015, Same Store Revenue Growth was 10.0% and NOI Growth was 13.6%

1 Occupancy

- ✓ Continue to drive same store occupancy growth
 - Average occupancy in Q3 of 90.4%⁽¹⁾
 - Year-over-year average occupancy increase for Q3 2015 of 250 bps
- ✓ Maximize conversion opportunities from call center
- ✓ Additional lead generation from national marketing platform

3 Asset Optimization

- ✓ Redevelopment opportunities
- ✓ Expansion of existing facilities
- ✓ Configuration of optimal unit mix
- ✓ Cell towers

2 Revenue Growth

- ✓ Pilot test underway for proven revenue management software tailored for our platform
 - 25% of portfolio in pilot test for Q4 2015
- ✓ Improve tenant insurance penetration
- ✓ Enhanced portfolio analytics and real-time visibility will accelerate price movement and revenue gains

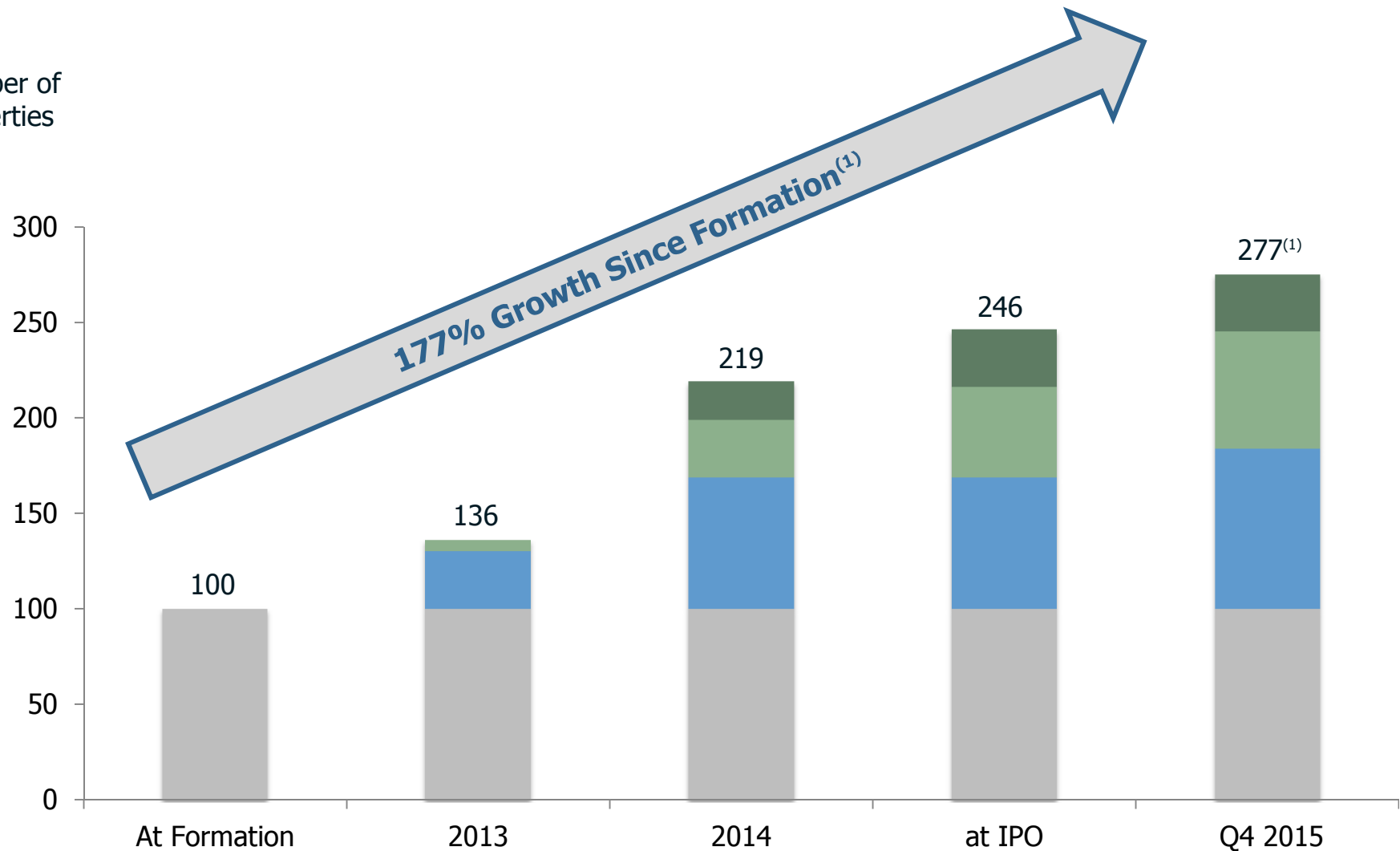
4 Cost Savings

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

(1) Occupancy data is for the properties owned as of September 30, 2015.

Proven Track Record of Long Term External Growth

Number of Properties



Acquisition of Captive Pipeline Properties

Off-Market Local Acquisitions

Recruitment of New PROs

(1) Property count as of December 31, 2015. As of September 30, 2015, NSA owned 261 properties, and has subsequently closed on the acquisition of an additional 16 properties.

Significant Growth Opportunities

1 Acquisition of Captive Pipeline Properties (PRO Managed Assets)

- ✓ Approximately 95 additional assets located in ten states totaling over \$650MM in asset value⁽¹⁾
- ✓ 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 Sourcing 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 \$100MM of third party acquisitions closed in seven states since IPO
- ✓ Focus on institutional quality assets with strong operational performance that are synergistic to existing operations and geography

3 Recruitment of 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.

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	✓		

Post-IPO External Growth

Acquired 31 properties valued at over \$175mm since IPO⁽¹⁾

- **Post-IPO acquisitions have focused on Top 100 MSAs**
- **15 properties were sourced from our captive pipeline**
- **16 properties were 3rd party acquisitions**

	In Place Portfolio at IPO		Post IPO Acquisitions		Q4 2015 Portfolio ⁽¹⁾	
	<i>Stores</i>	<i>%</i>	<i>Stores</i>	<i>%</i>	<i>Stores</i>	<i>%</i>
Oregon	50	20%	1	3%	51	18%
Texas	46	19%	2	6%	48	17%
California	28	11%	20	65%	48	17%
North Carolina	27	11%	3	10%	30	11%
Oklahoma	26	11%	0	0%	26	9%
Georgia	16	7%	2	6%	18	7%
Arizona	13	5%	0	0%	13	5%
Washington	13	5%	1	3%	14	5%
Colorado	8	3%	0	0%	8	3%
Louisiana	5	2%	0	0%	5	2%
Other	14	6%	2	6%	16	6%
Total	246		31		277	

(1) Property count as of December 31, 2015. As of September 30, 2015, NSA owned 261 properties, and has subsequently closed on the acquisition of an additional 16 properties.

Flexible Capital Structure Supports Future Growth

Conservative Balance Sheet

- 31% Debt / Total Capitalization
- 6.0x Net Debt / EBITDA⁽¹⁾
- 4.8x Interest Coverage Ratio⁽²⁾

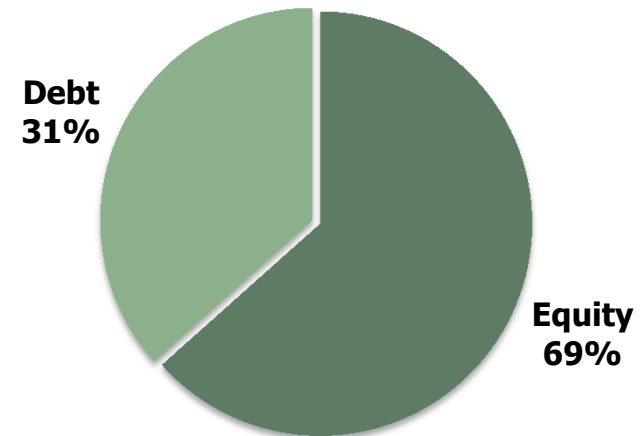
Capital for Growth

- \$550MM Unsecured Credit Facility
- OP Units & SP Units

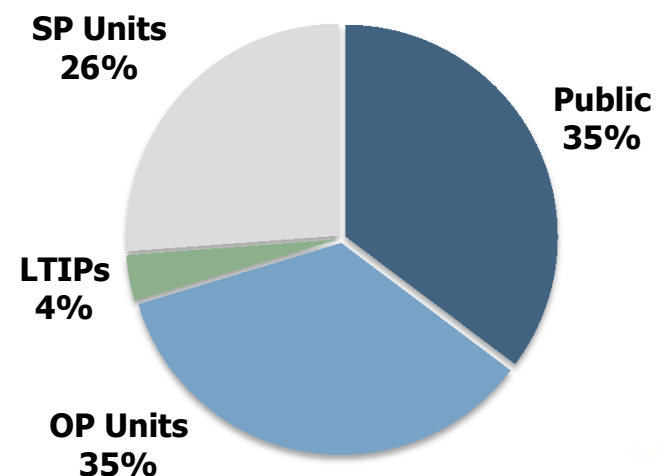
Attractive Dividend

- 4.7% Yield⁽³⁾

Total Capitalization: \$1.6 BN⁽⁴⁾



Significant Investment by Management & PROs⁽⁴⁾








(1) EBITDA is based on current quarter annualized for Q3 2015.

(2) Interest coverage is computed by dividing Q3 2015 Adjusted EBITDA by Q3 2015 Interest Expense.

(3) Yield calculation is based on current \$0.20 per share dividend annualized and divided by \$17.13 closing price on December 31, 2015.

(4) Calculations based on equity interests disclosed as of September 30, 2015 with SP units included on an as converted basis and the \$17.13 closing price on December 31, 2015.

Senior Management Team With Deep Industry Experience As Owner/Operators

-  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
Regional
President*



David Cramer
*Mountain /
Southeast
Regional
President*



Warren Allan
*Southwest
Regional
President*



John Minar
*Southern
California
Regional
President*



Tracy Taylor
*Texas Executive
Vice President*



Bill Bohannon
*Arizona
Executive Vice
President*

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Appendix

Net Operating Income Reconciliation

	<u>Three Months Ended September 30,</u>			
	<u>2015</u>		<u>2014</u>	
Net income (loss)	\$	2,109	\$	(5,025)
General and administrative expenses		4,056		2,315
Depreciation and amortization		10,341		6,777
Interest expense		4,246		5,459
Acquisition costs		2,874		3,092
Organizational and offering expenses		—		539
Gain on sale of self storage properties		—		(1)
Non-operating expense (income)		52		(3)
Net Operating Income	\$	23,678	\$	13,153

EBITDA & Adjusted EBITDA Reconciliation

	<u>Three Months Ended September 30,</u>			
	<u>2015</u>		<u>2014</u>	
Net income (loss)	\$	2,109	\$	(5,025)
Depreciation and amortization		10,341		6,777
Interest expense		4,246		5,459
EBITDA	\$	16,696	\$	7,211
Acquisition costs		2,874		3,092
Organizational and offering expenses		—		539
Gain on sale of self storage properties		—		(1)
Equity-based compensation expense ⁽¹⁾		654		316
Adjusted EBITDA	\$	20,224	\$	11,157

Source: Company financials.

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



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