



Strategic Storage Trust, Inc.

# First Quarter Update

May 21, 2013

# Disclaimer and Risk Factors

## Disclaimers

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in this material, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We intend for all such forward looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about our plans, strategies, and prospects and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the Securities and Exchange Commission. We cannot guarantee the accuracy of any such forward looking statements contained in this material, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Any such forward-looking statements are subject to risks, uncertainties, and other factors and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive, and market conditions, all of which are difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations and provide distributions to stockholders, and our ability to find suitable investment properties, may be significantly hindered. All forward-looking statements should be read in light of the risks identified in our prospectus and supplements.

## Risk Factors

- See our Form 10-K, Form 10-K/A and recent Form 10-Q for specific risks associated with an investment in Strategic Storage Trust, Inc.
- As of March 31, 2013, our accumulated deficit was approximately \$64.1 million, and our operations will not be profitable in 2013.
- No public market currently exists for shares of our common stock and we may not list our shares on a national securities exchange before three to five years after completion of this offering, if at all. It may be difficult to sell your shares. If you sell your shares, it will likely be at a substantial discount.
- We have paid distributions from sources other than our cash flows from operations, including from the net proceeds from our initial public offering. We are not prohibited from undertaking such activities by our charter, bylaws or investment policies, and we may use an unlimited amount from any source to pay our distributions. Until we generate operating cash flows sufficient to pay distributions to you, we may pay distributions from the net proceeds of this offering or from borrowings in anticipation of future cash flows. We also may be required to sell assets or issue new securities for cash in order to pay distributions. Any such actions could reduce the amount of capital we ultimately invest in assets and negatively impact the amount of income available for future distributions.
- We have no employees and must depend on our advisor to select investments and conduct our operations, and there is no guarantee that our advisor will devote adequate time or resources to us.
- Our board of directors may change any of our investment objectives, including our focus on self storage facilities.
- We will pay substantial fees and expenses to our advisor, its affiliates and participating broker-dealers, which will reduce cash available for investment and distribution.
- There are substantial conflicts of interest among us and our sponsor, advisor, property manager and dealer manager.
- We may fail to remain qualified as a REIT, which could adversely affect our operations and our ability to make distributions.
- We may incur substantial debt, which could hinder our ability to pay distributions to our stockholders or could decrease the value of your investment.
- Future distribution declarations are at the sole discretion of our board of directors and are not guaranteed. Since our inception, our cumulative distributions have exceeded cumulative GAAP earnings. We cannot assure you that we will achieve any of our investment objectives.
- We encourage you to review our SEC filings at [www.sec.gov](http://www.sec.gov).

# Strategic Storage Trust, Inc.

## About Us

- First and only publicly registered non-traded REIT focused on self storage
- Sponsor was ranked 7th in Mini-Storage Messenger's Top Operators List in 2012
- As of 3/31/13, SSTI wholly owned 110 properties in 17 states and Ontario, Canada with approximately 70,000 units and approximately 9.2 million rentable square feet

# Investment Philosophy

## Stabilized Properties

- 70% occupancy
- More predictable income

## Lease-Up Properties

- Occupancy below 70%
- Greater opportunity for growth

Stabilized + Lease Up Properties  
=

Income + Growth  
=

Stockholder Value

# Agenda

- Performance Highlights
- Portfolio Update
- Self Storage Operations – Why it Works
- Vision



# Performance Highlights

## Cash Flow from Operations

- \$2 Million for Three Months Ended 3/31/2012
- \$4 Million for Three Months Ended 3/31/2013

↑ 103%

## IPA Modified Funds from Operations

- \$1.1 Million for Three Months Ended 3/31/2012
- \$4.6 Million for Three Months Ended 3/31/2013

↑ 315%

# Performance Highlights

## **IPA Modified Funds From Operations**

- 10% increase in Q1 2013 vs. Q4 2012
- 74% increase in Q1 2013 vs. Q3 2012
- 373% increase in Q1 2013 vs. Q2 2012
- 315% increase in Q1 2013 vs. Q1 2012



# Performance Highlights

## Same Store Performance

- First Quarter 2013 vs. 2012

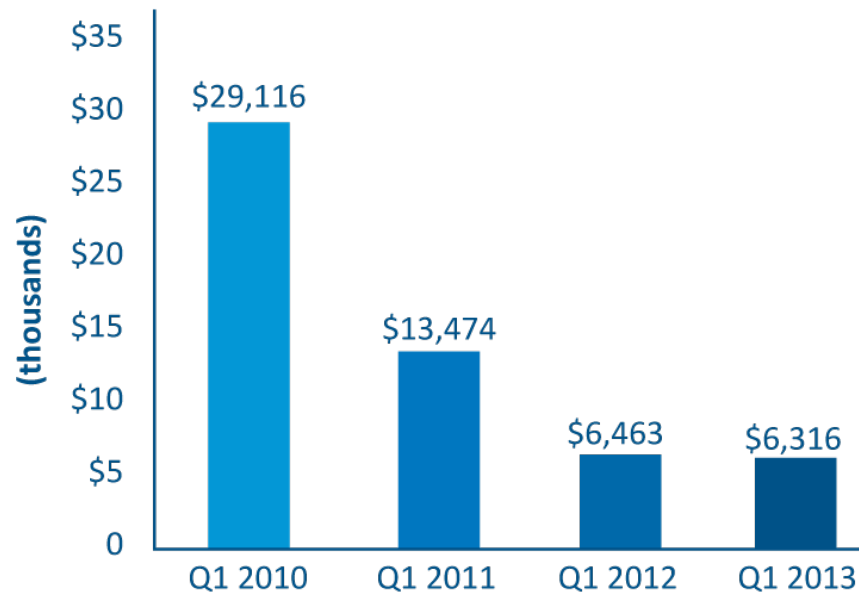
- Revenues  9.0%
- Net Operating Income  19.0%

	<u>2013</u>	<u>2012</u>
• Property Operating Expenses as a Percentage of Revenue	39.9%	45%
• Number of Facilities	90	90
• Occupancy	81%	73%



# Performance Highlights

## G&A Per Property by Quarter



### G&A Per Property

Q1	2010	\$29,116	
Q1	2011	\$13,474	(53.7% decrease)
Q1	2012	\$6,463	(52.0% decrease)
Q1	2013	\$6,316	(2.3% decrease)

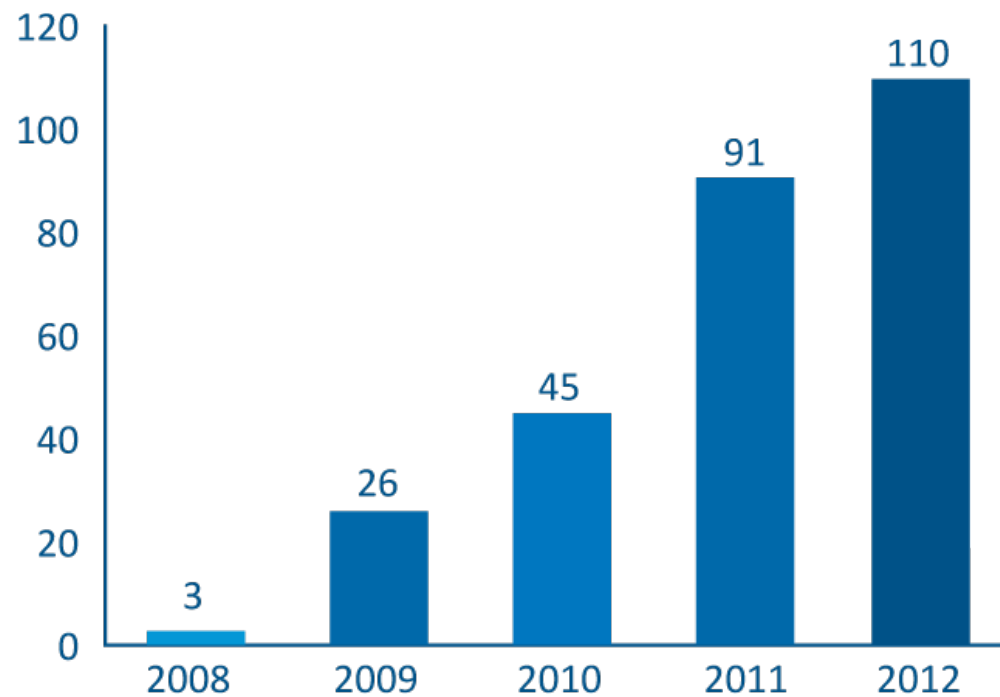
# Agenda

- Performance Highlights
- **Portfolio Update**
- Self Storage Operations – Why it Works
- Vision



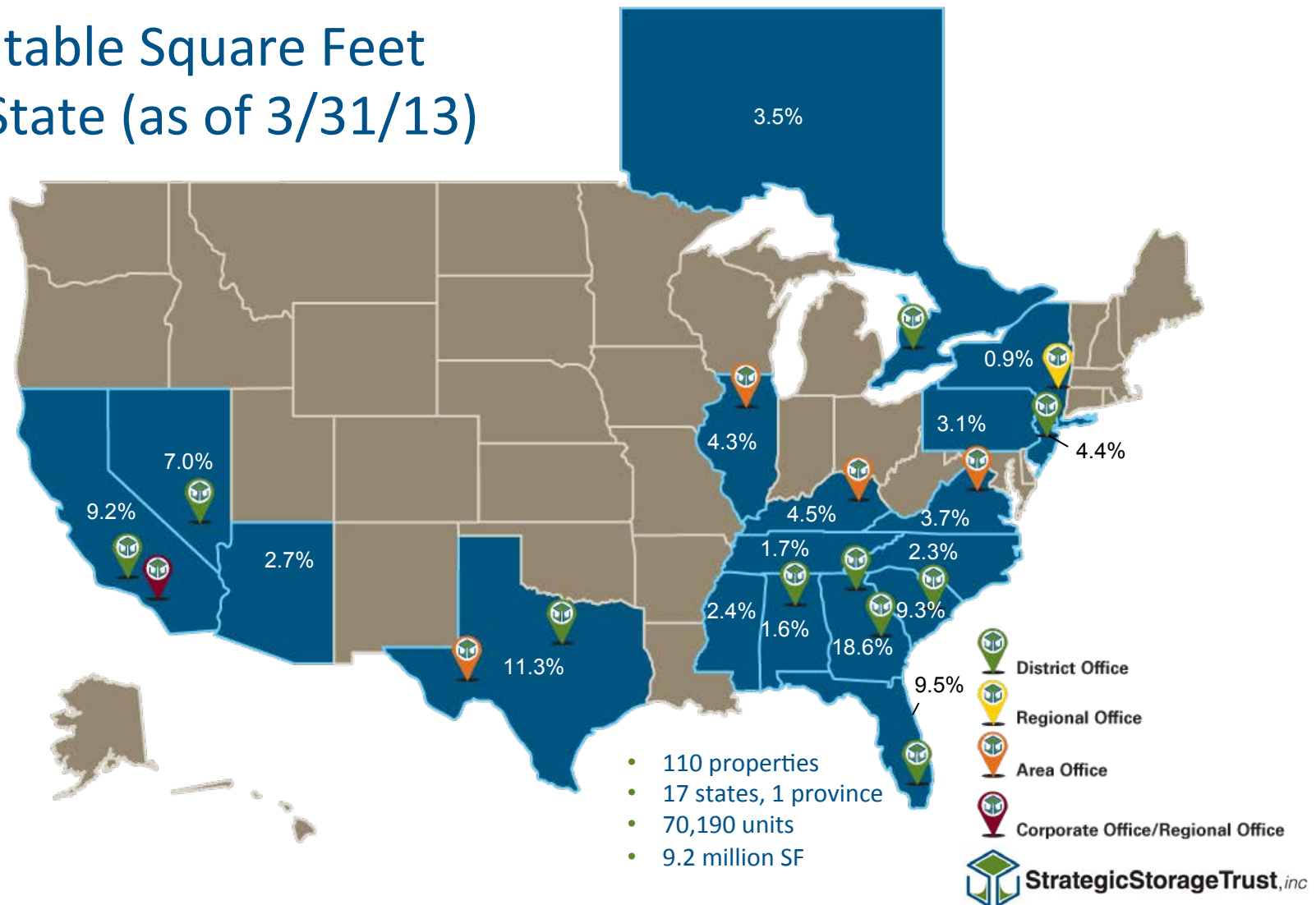
# Portfolio Update

## Wholly-Owned Properties by Year



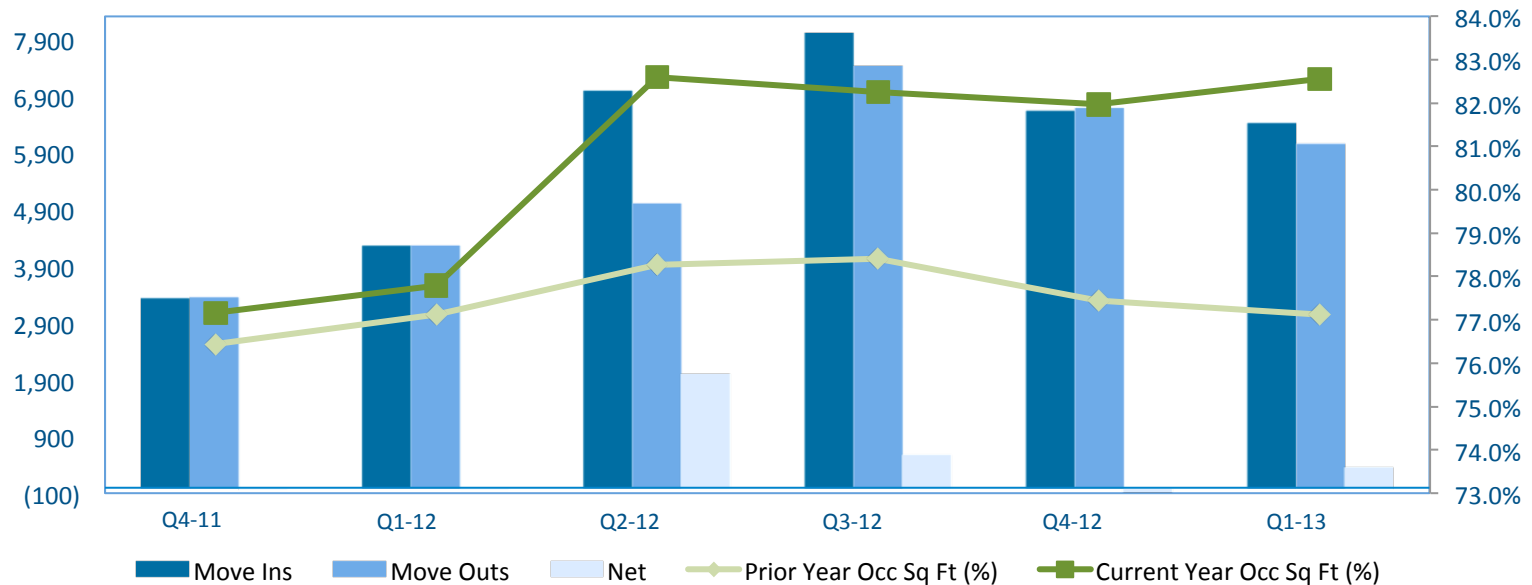
# Portfolio Update

## Rentable Square Feet by State (as of 3/31/13)



# Portfolio Update

Same Store Occupancy  
Q4 - 2011 - Q1 - 2013

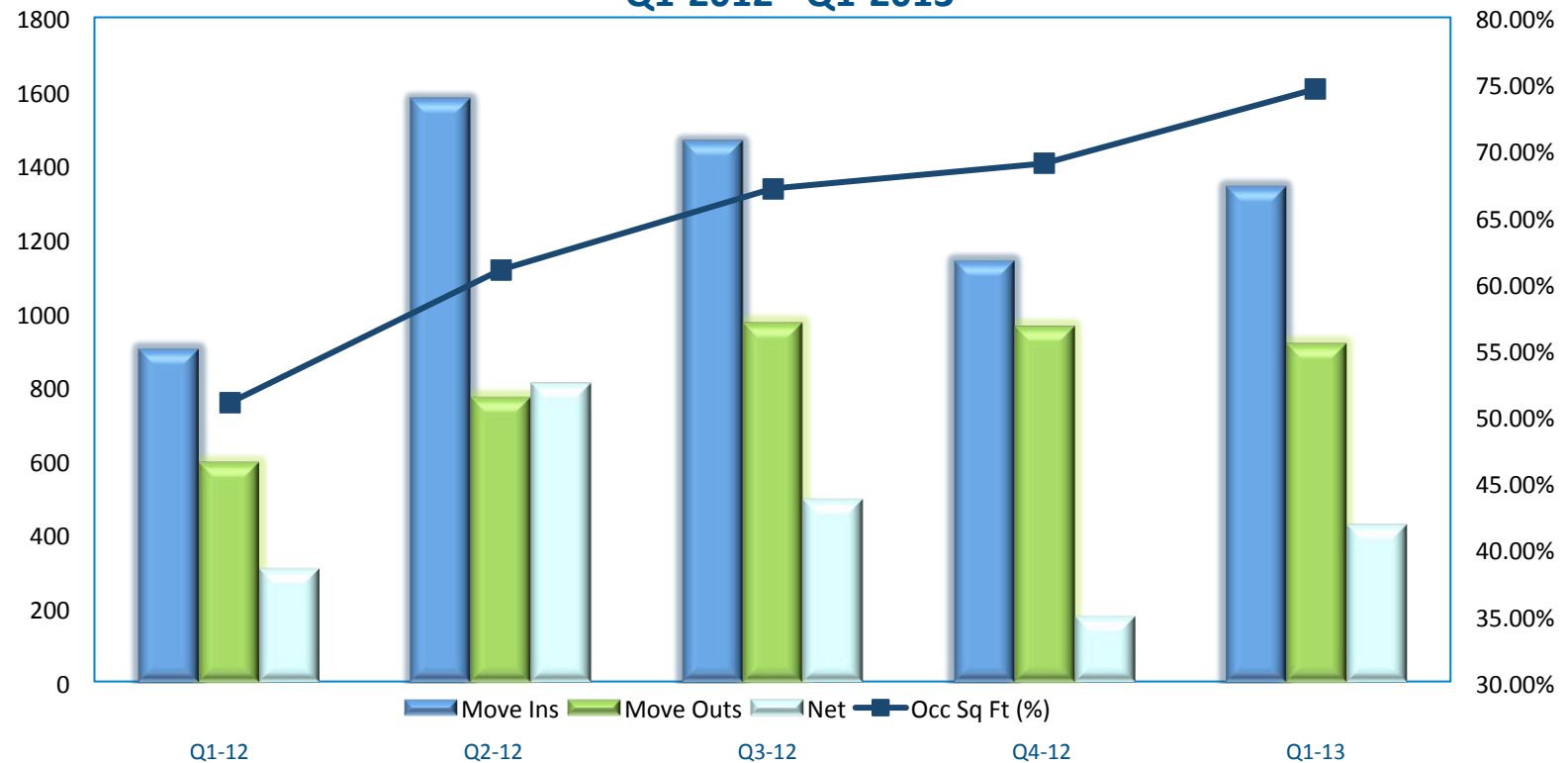


Prior Year Occ Sq Ft (%)	76.4%	76.1%	78.3%	78.4%	77.4%	73.3%
Current Year Occ Sq Ft (%)	77.2%	77.1%	82.6%	82.3%	82.0%	81.6%
No. of Properties	41	45	60	71	76	89

\* Note: Highest occupancy achieved in 2011 was 79.3% on 7/31/11.  
Does not include Canadian properties, but does include consolidated joint venture, SF property.

# Portfolio Update

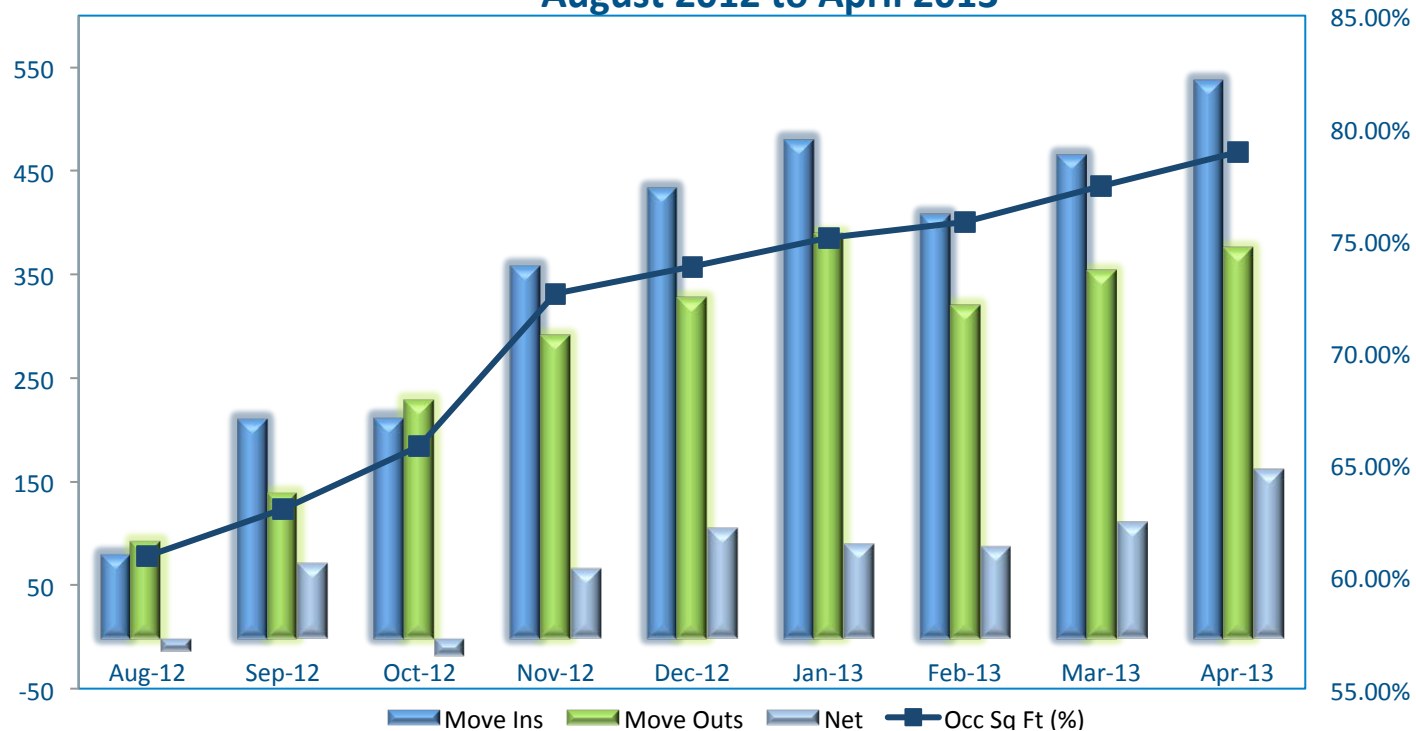
Former Homeland Stores Occupancy %  
Q1-2012 - Q1-2013




Occ Sq Ft(%)	51.00%	61.00%	67.10%	69.00%	74.60%
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# Portfolio Update

**Former Stockade Stores Occupancy %  
August 2012 to April 2013**



Note: At acquisition, the occupancy for the properties in this portfolio was 71.3% for combined 16 stores

No. of Properties	8	8	10	16	16	16	16	16	16
Occ Sq Ft (%) 	60.90%	63.00%	65.80%	72.60%	73.80%	75.10%	75.80%	77.40%	78.90%



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- **Self Storage Operations – Why it Works**
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# Self Storage Operations – Why it Works

## Self Storage Is An Operating Business

- ✓ Increasing Revenues
- ✓ Decreasing Expenses
- ✓ Increasing Occupancy

=

Increasing Net Operating Income

***Because We Can***

# Self Storage Operations – Why it Works

## Increasing Revenues

- Increasing rates based on dynamic pricing
  - Existing customers
  - Street (asking) rates
- Convenience fees
- Tenant insurance
- Ancillary sales
  - Merchandise sales
  - Truck rentals



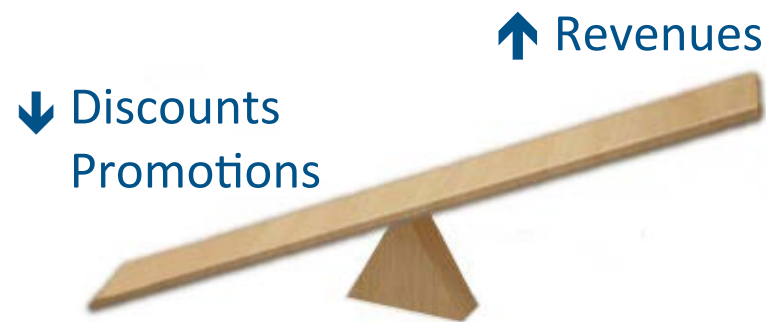
# Self Storage Operations – Why it Works

## Decreasing Expenses

- Largest Components
- Economies of Scale
- National Pricing Power

# Self Storage Operations – Why it Works

↑ Occupancy = ↑ Pricing Power



# Self Storage Operations – Why it Works

## Why it Works

- 167,000 Unit Code Permutations for Price Changes
- Asking Rents Higher Than in Place Leases
- Move Outs Lead to Higher Revenues

*And We Are Just Now Getting to Busy Season!*

# Self Storage Operations – Why it Works

## Time

- Properties Maturing
- Key People in Place
- Training Initiatives
- Economies of Scale

## Technology Driven Marketing

- Pay Per Click Specific to Time of Day
- Relevant Search Engine Optimization
- Reservation Marketing – Sense of Urgency



# Self Storage Operations – Why it Works

## Technology Size Advantage

- Reservation system
- Real time analytics dashboard
- Logic based operating system for dynamic unit pricing
  - Over 15,000 price changes in 2012
  - Sense of urgency
- Reservation management
  - Improved conversion



# Marketing - It's All About Reservations!

## Lead Generation

### DIRECT

- Direct Mail
- Email
- Telephone (Call Center)
- Aggregators
- Walk-ins

### Advertising

- Print
- Digital
- E-Marketing
- Website

### PR

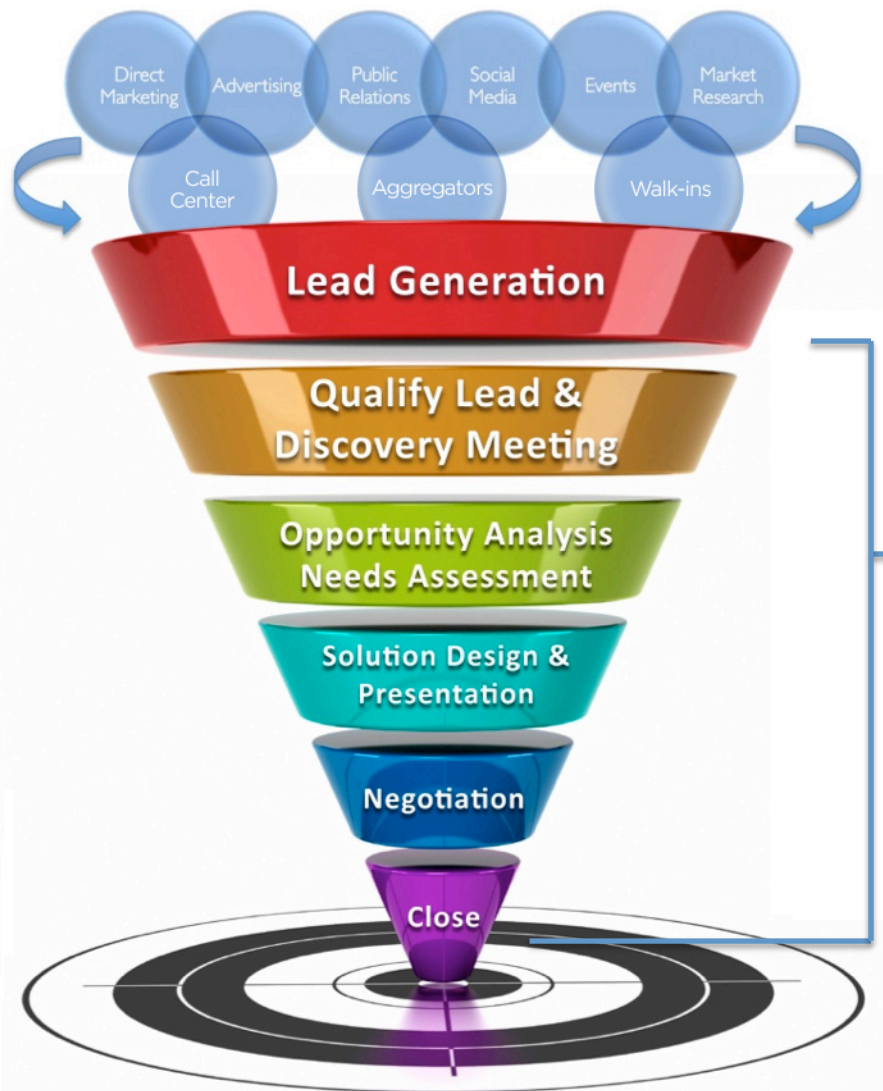
- Press Releases
- Speaking Engagements
- Articles (Published)

### Social Media

- Blogs
- Network Sites

### Market Research

- Paid Search Tools
- Organic Search



# Website

The screenshot shows the SmartStop Self Storage website. The header includes the SmartStop logo, a McAfee SECURE badge, a phone number (1-888-977-8672), a chat icon, and navigation links for Locations, Login, Pay Online, and English. A main navigation bar contains links for Self Storage Units, Moving Supplies, SmartStop Way™, About Us, and Blogs.

The main content area features a 'Find Self Storage' section with a search bar for zip code or city and state, and a dropdown for type of storage. Below this is a 'Reserve Today' section offering a 15% discount on the \$10 deposit, with a note that restrictions apply. To the right, a large image of a cardboard box being packed is accompanied by the text 'The Smarter Way to Pack™' and a description of the service. Below the image are links for Self Storage Tips, Locks, Truck Rentals, Boxes, and Packing Supplies.

A three-step process bar is shown: 01 Picking your space, 02 Packing your space, and 03 SmartStop® your space.

The footer section includes three promotional banners: 'TEAM SMARTSTOP PROFESSIONAL CYCLING TEAM' with details for a live event on April 20, 2013; 'SMART DEALS' with a link to learn about smart savings; and a promotion for the SmartStop App, encouraging users to keep track of their valuables and providing a download link.

test News / [SmartStop Secures Major Sponsor](#) / [Strategic Storage Trust, Inc. Reports Third Quarter 2012 Results](#) / [View All News](#)

# Website

The screenshot shows the SmartStop Self Storage website for the Terrace Rd location. The header includes the SmartStop logo, a 'Medfirst SECURE' badge, a chat icon, and navigation links for Locations, Login, Pay Online, English, Self Storage Units, Moving Supplies, SmartStop Way, and About Us.

**Find Self Storage**

Zip code or city and state  
Type of storage

**Reserve Today**  
15% Off Only \$10 Deposit  
\*Restrictions Apply

**How much space do you need?**  
Learn about the [Space Estimator](#)

**Hear from our customers!**  
View our [testimonials](#)

**SmartStop® Terrace Rd**  
30 Terrace Rd.  
Ladera Ranch, CA 92694 USA  
(949) 347-8488  
[Get Directions](#)

**Free Truck with Rental\***

[Home](#) » [All Locations](#) » [California](#) » [Ladera Ranch](#) » SmartStop® Terrace Rd

\*Restrictions Apply

If you live or work near Ladera Ranch and you're looking for a smarter self-storage experience, give us a call. At SmartStop® we do everything possible to make your storage easy, convenient and secure, from surveillance video cameras to keypad entry. We also have packing supplies and truck rentals so you can get moving right away. SmartStop® Self Storage in Ladera Ranch is located conveniently on 30 Terrace Rd.. Stop by and find out why we really are "the smarter way to store."

**Personal & Business Storage (15)** **Vehicle Storage (1)**

**Filter by:**

- ☐ 5' x 5' (boxes, small furniture)
- ☐ 5' x 10' (studio or 1 bed apt)
- ☐ 5' x 15' (1 bed apt)
- ☐ 10' x 10' (1 or 2 bed apt)
- ☐ 10' x 15' (2 or 3 bed house)
- ☐ 10' x 20' (3 or 4 bed house)
- ☐ 10' x 25' or larger

**Legend**

- First Floor Access
- Drive-Up Access
- Climate Control
- Air-Cooled

**Available Units**

Unit Size	Price	Features	Action
5' x 5'	\$59.00 per month (50% Off First Month!)	Inside Upstairs access via Elv	Select
5' x 7'	\$66.00 per month (50% Off First Month!)	Inside Upstairs access via Elv	Select
5' x 5'	\$75.00 per month (\$1 Move In Special!)	Climate Controlled Inside 1st Floor	Select

**Map** **Satellite**

Enter your starting address... [Get Directions](#)

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# Strategic Vision

## PUBLICLY TRADED SELF STORAGE REITS

	Market Cap <sup>(1)</sup>
	\$28.69 (Billion)
	\$4.93 (Billion)
	\$2.29 (Billion)
	\$2.16 (Billion)

## PUBLIC NON-TRADED SELF STORAGE REIT



# Questions?



# Recap

## Property Performance

- *Strategy is Working*

## Financials

- *Double Digit Same Store NOI Increase*

## Portfolio Update

- *Buying for Income AND Growth*

## Vision

- *We Are on Path*



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