



5 July 2016

*Not for release or distribution in the United States*

## ASX ANNOUNCEMENT

### NATIONAL STORAGE REIT RETAIL ENTITLEMENT OFFER

National Storage REIT ("NSR") is pleased to offer eligible retail securityholders the opportunity to participate in the retail component ("Retail Entitlement Offer") of the 3 for 10 pro-rata accelerated non-renounceable entitlement offer of new ordinary stapled securities in NSR ("New Securities") at a fixed price of \$1.58 per New Security.

Attached is a copy of the Retail Offer Booklet in connection with the Retail Entitlement Offer.

The Retail Offer Booklet will be despatched to eligible retail securityholders on Tuesday, 5 July 2016. The Retail Entitlement Offer will open from today, Tuesday 5 July 2016 to Friday, 15 July 2016. Early Retail Entitlement Offer acceptances are due by 5:00pm (AEST) on Friday, 8 July 2016 and will result in an earlier allotment on Tuesday, 12 July 2016. Retail Entitlement Offer Acceptances received by 5:00pm (AEST) on Friday, 15 July 2016 will be allotted New Securities on Friday, 22 July 2016.

#### Further information

Eligible retail securityholders who have any questions regarding the Retail Entitlement Offer should contact the Offer Information Line on 1300 784 157 (within Australia) or on +61 3 9415 4127 (outside Australia) at any time between 8.30am to 5.00pm (AEST) Monday to Friday before the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016.

Yours sincerely

Claire Fidler  
Company Secretary

## ENDS

National Storage is one of the largest self-storage providers in Australia and New Zealand, with 103 centres providing tailored storage solutions to over 35,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

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### NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)  
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for  
National Storage Property Trust (ARSN 101 227 712)



# **NATIONAL STORAGE REIT**

## **Retail Entitlement Offer**

**3 for 10 accelerated non-renounceable pro rata entitlement offer  
of new National Storage REIT stapled securities at  
\$1.58 per New Security**

**Retail Entitlement Offer closes: 5.00pm (AEST) on Friday, 15 July 2016**

**OR**

**You may accept early by: 5.00pm (AEST) on Friday, 8 July 2016**

**(This will enable you to be allotted New Securities at the same time as Institutional Investors)**

**The Entitlement Offer is fully underwritten**

If you are an Eligible Retail Securityholder, this is an important document that requires your immediate attention. It is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. This document is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions. You can also contact the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period if you have any questions about the details of the Retail Entitlement Offer.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**



## IMPORTANT NOTICES

This Information Booklet has been prepared by National Storage REIT comprising National Storage Holdings Limited (ACN 166 572 845) (**NSH**) and National Storage Financial Services Limited (ACN 600 787 246 and AFSL 475228) as responsible entity for the National Storage Property Trust (ARSN 101 227 712) (**NSPT**). National Storage REIT may also (as the context requires) refer to either NSH or NSPT or both of them.

This Information Booklet is dated Tuesday, 5 July 2016 and a copy was lodged with the Australian Securities Exchange on that date. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Retail Entitlement Offer is made in accordance with sections 708AA and 1012DAA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a prospectus or product disclosure statement. This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision.

The information in this Information Booklet does not constitute financial product advice. To the extent that this Information Booklet contains any general advice in connection with NSH shares that advice is provided by NSH. NSH does not hold an Australian financial services licence, and is not licenced to provide financial product advice in relation to NSH shares (or any other financial products). To the extent that this Information Booklet contains any general advice in connection with NSPT units, that advice is provided by NSPT. This Information Booklet does not take into account your investment objectives, financial situation or particular needs and does not purport to contain all the information you may require in evaluating a possible acquisition of New Securities.

This Information Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Without limiting the generality of the foregoing, you should:

- read the Information Booklet in conjunction with National Storage REIT's other periodic and continuous disclosure announcements, including National Storage REIT's annual reports and half and full year results presentations, and announcements which may be made by National Storage REIT after publication of this Information Booklet, each of which are available at [www.asx.com.au](http://www.asx.com.au) and [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au);
- read the Investor Presentation and ASX announcements in respect of the Entitlement Offer which are set out in section 3 of this Information Booklet;
- conduct your own independent review, investigation and analysis of National Storage REIT and the New Securities; and
- obtain any professional advice you require to evaluate the merits and risks of investing in National Storage REIT before making any investment decision.

### **New Zealand**

The New Securities are not being offered or sold to the public within New Zealand other than to existing Securityholders of National Storage REIT with registered addresses in New Zealand to whom the offer of New Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain. The NZX accepts no responsibility for any statement in this Information Booklet. It is a term of this offer that the offer of securities to the public in New Zealand is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer that apply in Australia.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Securities through BPAY®<sup>1</sup> in accordance

with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

### **No offering outside Australia and New Zealand**

This Information Booklet, the accompanying Entitlement and Acceptance Form and any accompanying ASX announcement and Investor Presentation do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Information Booklet is not to be distributed in, and no offer of New Securities is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions, including those set forth in the "Foreign Jurisdictions" section of the Investor Presentation that is included in section 3 of this Information Booklet. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Securities is subject to all requisite authorities and clearances being obtained for National Storage REIT to lawfully receive your Application Monies.

Eligible Retail Securityholders holding Securities on behalf of persons who are residents outside Australia and New Zealand are responsible for ensuring that taking up their Entitlement does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an application (whether by returning a completed Entitlement and Acceptance Form and Application Monies or making a payment by BPAY) will constitute a representation and warranty that there has been no breach of such laws or regulations.

### **United States disclaimer**

This Information Booklet, the accompanying Entitlement and Acceptance Form and any accompanying ASX announcement and Investor Presentation do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. Neither this Information Booklet nor the accompanying Entitlement and Acceptance Form or any accompanying ASX announcement and Investor Presentation may be distributed (directly or indirectly) to, persons in the United States.

The New Securities have not been, nor will be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Entitlements may not be taken up by persons in the United States or by persons who are, acting for the account or benefit of, persons in the United States. New Securities may not be offered or sold or resold in the United States or to, or for the account or benefit of, persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities law. The New Securities to be offered and sold to Eligible Retail Securityholders in the Retail Entitlement Offer may only be sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance of Regulation S under the US Securities Act.

### **Definitions and time**

Defined terms used in this Information Booklet are contained in section 6. All references to time are to AEST, unless otherwise indicated.

### **Foreign exchange**

All references to '\$' are to Australian dollars (AUD) unless otherwise noted.

### **Taxation**

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Securities. Section 5 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the

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<sup>1</sup> ® registered to BPAY Pty Ltd ABN 69 079 137 518.

Retail Entitlement Offer for Eligible Retail Securityholders. The guide does not take account of the individual circumstances of particular Eligible Retail Securityholders and does not constitute tax advice. National Storage REIT recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

#### **Privacy**

National Storage REIT collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Security holding in National Storage REIT.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to National Storage REIT (directly or through the Registry). National Storage REIT collects, holds and will use that information to assess your Application. National Storage REIT collects your personal information to process and administer your Security holding in National Storage REIT and to provide related services to you. National Storage REIT may disclose your personal information for purposes related to your Security holding in National Storage REIT, including to the Registry, National Storage REIT's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that National Storage REIT holds about you. To make a request for access to your personal information held by (or on behalf of) National Storage REIT, please contact National Storage REIT through the Registry.

#### **Governing law**

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

#### **No representations**

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by National Storage REIT or any of its officers. Except as required by law, and only to the extent so required, none of National Storage REIT, or any other person, warrants or guarantees the future performance of National Storage REIT or any return on any investment made pursuant to the Entitlement Offer.

#### **Past performance**

Investors should note that National Storage REIT's past performance, including past security price performance, cannot be relied upon as an indicator of (and provides no guidance as to) National Storage REIT's future performance including National Storage REIT's future financial position or security price performance.

#### **Future performance**

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of National Storage REIT, including the outcome and effects of the Entitlement Offer, and certain plans and objectives of the management of National Storage REIT. Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", "potential", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

These forward-looking statements contained in this Information Booklet are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither National Storage REIT, the Underwriters nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-

looking statement will actually occur, and expressly disclaims all responsibility and liability for these forward-looking statements. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of National Storage REIT. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

#### **Risks**

Refer to the "Key Investment Risks" section of the Investor Presentation included in section 3 of this Information Booklet for a summary of general and specific risk factors that may affect the performance of National Storage REIT or the value of an investment in National Storage REIT.

#### **Trading New Securities**

National Storage REIT will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by National Storage REIT or the Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

#### **Other general matters**

Please read carefully section 4 of this Information Booklet for other important notices, disclaimers and acknowledgements.



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## Chairman's letter

Tuesday, 5 July 2016

Dear Securityholder

As a valued Securityholder of National Storage REIT, I am pleased to offer you the opportunity to participate in National Storage REIT's recently announced fully underwritten 3 for 10 accelerated non-renounceable pro rata entitlement offer of new National Storage REIT stapled securities<sup>2</sup> (**New Securities**) at an offer price of \$1.58 (**Offer Price**) per New Security (the **Entitlement Offer**).

### Equity Raising and use of proceeds

On Tuesday, 28 June 2016, National Storage REIT announced its intention to raise approximately \$260 million through a placement to Institutional Investors (**Institutional Placement**) of \$101 million and the Entitlement Offer of \$159 million (together, the **Equity Raising**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Institutional Placement (together, the **Institutional Offer**) were successfully completed before trading in our Securities recommenced on Thursday, 30 June 2016.

Attached to this letter is the information booklet (**Information Booklet**) relating to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The proceeds of the Equity Raising will be applied to finance the proposed acquisition by National Storage REIT of the remaining 90% interest in the Southern Cross JV (**SX Acquisition**).<sup>3</sup> The funds will also be used to finance the acquisition of the New Centres in Perth and Cairns, strengthen the balance sheet and to fund other potential acquisitions in line with the National Storage REIT acquisition strategy.

The Equity Raising is fully underwritten on the terms of the Underwriting Agreement.

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Securityholders have the opportunity to invest at the same price as the Institutional Investors who participated in the Institutional Entitlement Offer. The number of New Securities for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders on Tuesday, 5 July 2016. The Offer Price of \$1.58 per New Security represents a 6.0% discount to Theoretical Ex-Rights Price (**TERP**)<sup>4</sup> and 8.7% discount to the closing price of National Storage REIT Securities of \$1.731 per Security on Monday, 27 June 2016, adjusted for the FY2016 distribution of \$0.044 cents per Security.

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<sup>2</sup> A stapled security in National Storage REIT comprises a fully paid ordinary share in National Storage Holdings Limited (ACN 166 572 845) (**NSH**) stapled to a fully paid ordinary unit in National Storage Property Trust (ARSN 101 227 712) (**NSPT**). Refer to section 6 for relevant definitions.

<sup>3</sup> The NS APAC Trust (a subsidiary of NSPT) currently holds a 10% interest in the Southern Cross Storage Trust (**SCST**) and Southern Cross Storage Operations Pty Limited (**SCSO**). National Storage (Operations) Pty Ltd (ACN 095 053 179) will acquire all of the issued shares in SCSO and the SCST properties will be acquired directly and held within the NSPT Group.

<sup>4</sup> The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Securities should trade immediately after the ex-date for the Entitlement Offer and is calculated by reference to National Storage REIT's closing price on Monday, 27 June 2016 of A\$1.731 per Security (adjusted for the theoretical impact of payment of the FY2016 distribution), being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which National Storage REIT's Securities trade immediately after the ex-date of the Entitlement Offer and the ex-distribution date will depend on many factors and may differ from TERP. TERP has been calculated as if the New Securities offered under the Institutional Placement had been issued as at the ex-date.



If you are an Eligible Retail Securityholder and wish to take up your Entitlement you can participate in the Retail Entitlement Offer and be issued New Securities at the same time as Eligible Institutional Securityholders on Tuesday, 12 July 2016 if you apply to take up your Entitlement before 5.00pm (AEST) on Friday, 8 July 2016. If you do not apply to take up your Entitlement before 5.00pm (AEST) on Friday, 8 July 2016, you can participate and be issued New Securities on Friday, 22 July 2016 if you apply to take up your Entitlement before the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016. If you do not wish to participate in the Retail Entitlement Offer you can do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you take up your full Entitlement, you may also apply for Additional New Securities in excess of your Entitlement up to a maximum of 50% of your Entitlement, at the Offer Price **(Top Up Facility)**. The allocation of Additional New Securities will be subject to the availability of New Securities under the Entitlement Offer. National Storage REIT retains the flexibility to scale back applications for Additional New Securities at its discretion (refer to section 4 of this Information Booklet for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements. I encourage you to consider this offer carefully.

### **Other information**

This Information Booklet contains important information, including:

- ASX announcements relating to the Equity Raising and SX Acquisition, including the Investor Presentation included in section 3 of this Information Booklet, which was released to the ASX on Tuesday, 28 June 2016, and provides information on National Storage REIT, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so (including the Early Retail Entitlement Offer), and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY or by cheque.

If you decide to take this opportunity to increase your investment in National Storage REIT please ensure that, before 5.00pm (AEST) on Friday, 15 July 2016, you have paid your Application Monies preferably via BPAY pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Registry.

**The Early Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 8 July 2016 and the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016.**

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Please read in full the details on how to submit your application which are set out in this Information Booklet. For further information regarding the Retail Entitlement Offer, please call 1300 784 157 (inside Australia) and +61 3 9415 4127 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday, or visit our website at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au).

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the board of National Storage REIT, I invite you to consider this investment opportunity and thank you for your ongoing support of National Storage REIT.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L Brindle', written in a cursive style.

**Laurence Brindle**  
Chairman

## Summary of Equity Raising

Institutional Placement	
<b>Offer Price</b>	\$1.58 per New Security
<b>Size</b>	63.6 million New Securities
<b>Gross proceeds</b>	\$101 million
Entitlement Offer	
<b>Ratio</b>	3 New Securities for every 10 existing National Storage REIT Securities
<b>Offer Price</b>	\$1.58 per New Security
<b>Size</b>	100.9 million New Securities
<b>Gross proceeds</b>	\$159 million, comprising approximately \$111.9 million under the Institutional Entitlement Offer and approximately \$47.5 million under the Retail Entitlement Offer
<b>Total gross proceeds of the Equity Raising</b>	<b>\$260 million</b>

## Key dates

Activity	Date
Announcement of the Equity Raising	Tuesday, 28 June 2016
Ex date for FY2016 distribution (June)	Wednesday, 29 June 2016
Record Date for Entitlement Offer and FY2016 distribution	7.00pm (AEST) Thursday, 30 June 2016
Information Booklet lodged with ASX	Tuesday, 5 July 2016
Information Booklet and Entitlement and Acceptance Form dispatched	Tuesday, 5 July 2016
Retail Entitlement Offer opens	Tuesday, 5 July 2016
<b>Early Retail Acceptance Date</b> (payment by BPAY)	5.00PM (AEST) Friday, 8 July 2016
Allotment of New Securities under the Institutional Offer and Retail Entitlement Offer in respect of applications received by the Early Retail Acceptance Date	Tuesday, 12 July 2016
New Securities issued under the Institutional Entitlement Offer, Institutional Placement and Retail Entitlement Offer for BPAY applications received by the Early Retail Acceptance Date commence trading on a normal basis	Tuesday, 12 July 2016
<b>Retail Entitlement Offer closes</b>	5.00pm (AEST) Friday, 15 July 2016
Allotment of New Securities issued under the Retail Entitlement Offer	Friday, 22 July 2016
Normal ASX trading for New Securities issued under the Retail	Monday, 25 July 2016

Entitlement Offer commences	
Dispatch of holding statements for New Securities issued under the Retail Entitlement Offer	Tuesday, 26 July 2016

*This Timetable above is indicative only and may change. National Storage REIT reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules, the Underwriting Agreement and other applicable laws. In particular, National Storage REIT reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Securities.*

*National Storage REIT also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Securities. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.*

## **Enquiries**

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Telephone: 1300 784 157 (inside Australia) and +61 3 9415 4127 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday.

Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

## 1 Summary of options available to you

If you are an Eligible Retail Securityholder<sup>5</sup>, you may take one of the following actions:

- take up all of your Entitlement and also apply for Additional New Securities under the Top Up Facility;
- take up all of your Entitlement but not apply for any Additional New Securities under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

In taking up your Entitlements you have the option to participate in the Early Retail Entitlement Offer by applying for your Entitlement by the Early Retail Acceptance Date.

If you are a retail Securityholder that is not an Eligible Retail Securityholder, you are an “**Ineligible Retail Securityholder**”. Ineligible Retail Securityholders are not entitled to participate in the Entitlement Offer. See section 4.1 for further detail on eligibility for the Retail Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none"><li>• You may elect to purchase New Securities at the Offer Price (see section 2 for instructions on how to take up your Entitlement).</li><li>• The New Securities will rank equally in all respects with Existing Securities (including rights to distributions) on and from their allotment date. However, New Securities (including Additional New Securities to the extent any are allotted under the Top Up Facility and New Securities allotted under the Early Retail Entitlement Offer) will be allotted after the FY2016 distribution record date and will therefore not be eligible to receive the FY2016 distribution payment.</li><li>• The Early Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 8 July 2016.</li><li>• The Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016.</li><li>• If you take up all of your Entitlement, you may also apply for Additional New Securities under the Top Up Facility. There is no guarantee that you will be allocated any Additional New Securities under the Top Up Facility.</li></ul>
2. Take up part of your Entitlement only	<ul style="list-style-type: none"><li>• If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for Additional New Securities under the Top Up Facility.</li><li>• You may take up part of your Entitlement early by participating in the Early Retail Entitlement Offer.</li><li>• If you do not take up your Entitlement in full you will not receive any payment or value for those</li></ul>

<sup>5</sup> See section 4.1

	<p>Entitlements not taken up.</p> <ul style="list-style-type: none"> <li>If you do not take up your Entitlement in full, you will have your percentage holding in National Storage REIT reduced as a result of the Entitlement Offer.</li> </ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"> <li>If you do not take up your Entitlement, you will not be allocated New Securities and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</li> <li>If you do not take up your Entitlement, you will have your percentage holding in National Storage REIT reduced as a result of the Entitlement Offer.</li> </ul>

## 2 How to apply

### 2.1 Important information

You should read the enclosed carefully and in their entirety before making a decision about your Entitlement:

- Important Notices;
- Chairman's letter;
- ASX announcements, including the Investor Presentation<sup>6</sup> (section 3);
- Additional Information (section 4);
- personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is despatched to you; and
- other information made publicly available by National Storage REIT.

### 2.2 Overview

National Storage REIT intends to raise \$260 million (before transaction costs) under the Equity Raising. This includes a \$101 million Institutional Placement and a \$159 million Entitlement Offer of New Securities in National Storage REIT. The Entitlement Offer and Institutional Placement are fully underwritten by J.P. Morgan Australia Limited (ABN 55 002 888 011) and Morgan Stanley Australia Securities Limited (ABN 55 078 652 276) on the terms and conditions of the Underwriting Agreement (refer to section 4.6 for further detail).

National Storage REIT will use the proceeds of the Equity Raising to:

- fund the SX Acquisition<sup>7</sup>;

<sup>6</sup> The enclosed ASX announcements, including the Investor Presentation are current as at Tuesday, 28 June 2016. There may be other announcements that have been made by National Storage REIT after Tuesday, 28 June 2016 and, before the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by National Storage REIT before submitting an Application.

- the acquisition of the New Centres;
- strengthen the National Storage REIT balance sheet;
- provide funding for further potential acquisitions in line with National Storage REIT's acquisition strategy; and
- pay for the costs of the New Centres, SX Acquisition and the Equity Raising.

For more information on the use of the proceeds of the Equity Raising please refer to the Investor Presentation set out in section 3 of this Information Booklet.

The Entitlement Offer is an offer of approximately 100.9 million New Securities at \$1.58 per New Security.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Securityholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Securityholders as well as Entitlements of Ineligible Institutional Securityholders at the Offer Price was carried out, to raise approximately \$112 million; and
- (b) the Retail Entitlement Offer (to which this Information Booklet relates) – Eligible Retail Securityholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. In addition, Eligible Retail Securityholders who take up their full Entitlement may also participate in the Top Up Facility by applying for Additional New Securities in excess of their Entitlement up to a maximum of 50% of their Entitlement, at the Offer Price. The Retail Entitlement Offer including any New Securities issued pursuant to the Top Up Facility, is expected to raise approximately \$48 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

New Securities issued under the Retail Entitlement Offer are to be issued at the same price as New Securities issued under the Institutional Entitlement Offer (and also the Institutional Placement). In addition, Securityholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

## 2.3 Institutional Offer

Between 28 June 2016 and 29 June 2016, National Storage REIT conducted an Institutional Entitlement Offer in which it received binding commitments to raise approximately \$112 million from Eligible Institutional Securityholders at an Offer Price of \$1.58 per New Security. National Storage REIT also raised approximately \$101 million under the Institutional Placement, at \$1.58 per New Security.

Under the Institutional Entitlement Offer, Eligible Institutional Securityholders were invited to take up all or part of their Entitlement and, together with certain other Institutional Investors, were also invited to apply for New Securities in excess of their entitlement under the Institutional Entitlement Offer.

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<sup>7</sup> The NS APAC Trust (a subsidiary of NSPT) currently holds a 10% interest in the Southern Cross Storage Trust (**SCST**) and Southern Cross Storage Operations Pty Limited (**SCSO**). National Storage (Operations) Pty Ltd (ACN 095 053 179) will acquire all of the issued shares in SCSO and the SCST properties will be acquired directly and held within the NSPT Group.

New Securities equivalent to the number not taken up by Eligible Institutional Securityholders under the Institutional Entitlement Offer, together with any New Securities which would have been offered to Ineligible Institutional Securityholders if they had been eligible to participate in the Institutional Entitlement Offer, were offered to Eligible Institutional Securityholders who applied in excess of their Entitlement, as well as to certain other Institutional Investors.

New Securities are expected to be issued under the Institutional Entitlement Offer and the Institutional Placement on Tuesday, 12 July 2016 on a normal settlement basis. The National Storage REIT ASX announcement of Thursday, 30 June 2016, in relation to completion of the Institutional Placement and Institutional Entitlement Offer, is set out in section 3.

## **2.4 Retail Entitlement Offer**

The Retail Entitlement Offer constitutes an offer to Eligible Retail Securityholders, who are invited to apply for 3 New Securities for every 10 Securities held on the Record Date. The Offer Price of \$1.58 per New Security represents a discount of 6.0% to TERP.

Eligible Retail Securityholders who have been sent this Information Booklet together with a personalised Entitlement and Acceptance Form are required to decide whether to take up all, part or none of their Entitlement. Eligible Retail Securityholders may also apply for Additional New Securities in excess of their Entitlement under the Top Up Facility.

Eligible Retail Securityholders who apply for Additional New Securities in excess of their Entitlement will be offered New Securities from the pool of New Securities that are not taken up by Eligible Retail Securityholders together with any New Securities which would have been offered to Ineligible Retail Securityholders had they been eligible to participate in the Retail Entitlement Offer. If you apply for Additional New Securities there is no guarantee that you will be allocated any Additional New Securities, or all of the Additional New Securities you applied for.

The Retail Entitlement Offer is being made pursuant to sections 708AA and 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a prospectus or product disclosure statement, provided certain conditions are satisfied.

As a result, this offer is not being made under a prospectus or product disclosure statement and it is important for Eligible Retail Securityholders to read and understand the information on National Storage REIT and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 3, National Storage REIT's interim and annual reports, other announcements made available at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au) or [asx.com.au](http://asx.com.au) (including National Storage REIT's half year report for the six months ended 31 December 2015 released to ASX on 8 February 2016 and the annual report for the year ended 30 June 2015 released to ASX on 26 August 2015) and all other parts of this Information Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of. If you take no action with respect to the Entitlement Offer you will not be allocated your Entitlement.

The Retail Entitlement Offer opens on Tuesday, 5 July 2016. This is also the date when the Information Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Securityholders.



**The Retail Entitlement Offer is expected to close at 5.00pm (AEST) on Friday, 15 July 2016. The Early Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 8 July.<sup>8</sup> Note that National Storage REIT reserves the right to change dates in relation to your Entitlement.**

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 3 New Securities for every 10 Securities held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Securities) will accompany this Information Booklet when it is despatched to Eligible Retail Securityholders. Eligible Retail Securityholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

The Entitlement stated on your Entitlement and Acceptance Form may exceed the actual Entitlement you may be permitted to take up where, for example, you are holding Securities on behalf of a person who is not an Eligible Retail Securityholder.

Eligible Retail Securityholders may apply for Additional New Securities under the Top Up Facility in excess of their Entitlement, up to a maximum of 50% of their Entitlement. Any New Securities not taken up by the Closing Date may be made available to those Eligible Retail Securityholders who took up their full Entitlement and applied for Additional New Securities. There is no guarantee that such Securityholders will receive the number of New Securities applied for under the Top Up Facility, or any. New Securities will only be allocated to Eligible Retail Securityholders if available and then only if and to the extent that National Storage REIT so determines, in its absolute discretion.

All Securityholders, including those Eligible Retail Securityholders who participate in the Retail Entitlement Offer, may have their percentage Security holding in National Storage REIT reduced due to the Institutional Placement, subject to allocations under the Top Up Facility.

Eligible Retail Securityholders should be aware that an investment in National Storage REIT involves risks. The key risks identified by National Storage REIT are set out in the section entitled "Key Investment Risks" from page 26 of the Investor Presentation (enclosed in section 3).

## **2.5 Options available to you**

The number of New Securities to which Eligible Retail Securityholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this Information Booklet when it is dispatched to you. Eligible Retail Securityholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for Additional New Securities under the Top Up Facility (refer to section 2.6);
- (b) take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to section 2.7); or
- (c) allow their Entitlement to lapse (refer to section 2.8).

Ineligible Retail Securityholders may not take up any of their Entitlements.

National Storage REIT reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (AEST) on Friday, 15 July 2016** (however, that date may be varied by National Storage REIT, in

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<sup>8</sup> Refer to section 2.5 below for further details on the Early Retail Entitlement Offer.

accordance with the Corporations Act, Listing Rules and the Underwriting Agreement). The closing date for Applications under the Early Retail Entitlement Offer is **5.00pm (AEST) on Friday, 8 July 2016**.

## **2.6 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility**

If you wish to take up all or part of your Entitlement, payment must be made via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form or online at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au).

Payment is due by no later than 5.00pm (AEST) on Friday, 15 July 2016 unless you wish to be allotted New Securities early under the Early Retail Entitlement Offer, in which case payment is due by no later than 5.00pm (AEST) on Friday, 8 July 2016. If you apply to take up all of your Entitlement, you may also apply for Additional New Securities under the Top Up Facility.

If you wish to take up part or all of your entitlement before the Early Retail Acceptance Date you must apply by paying your Application Monies via BPAY before the Early Retail Acceptance Date. If your Application Monies are received via BPAY before the Early Retail Acceptance Date you will be allotted all or part of your Entitlement (as applied for) on Tuesday, 12 July 2016. However, any allotment of Additional New Securities will occur on Friday, 22 July 2016 even if Application Monies are paid prior to the Early Retail Acceptance Date. Any Applications submitted with payment via cheque will not be allotted New Securities until Friday, 22 July 2016.

If your application and Application Monies are received after 5.00pm (AEST) on the Early Retail Acceptance Date, but before 5.00pm (AEST) on the final day of the Retail Entitlement Offer Period, being Friday, 15 July 2016, you will be allotted your New Securities on Friday, 22 July 2016. All allotments of Additional New Securities will occur on Friday, 22 July 2016.

If you are a New Zealand Securityholder who does not have an Australian bank account or is otherwise unable to pay by BPAY, please call the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) (and refer to section 2.12 below).

Amounts received by National Storage REIT in excess of the Offer Price multiplied by your Entitlement may be treated as an Application to apply for as many Additional New Securities as your Application Monies will pay for in full, up to a maximum of 50% of your Entitlement.

If you apply for Additional New Securities under the Top Up Facility and if your Application is successful (in whole or in part), your New Securities will be issued to you at the same time that other New Securities are issued under the Retail Entitlement Offer on Friday, 22 July 2016. New Securities will only be allocated to Eligible Retail Securityholders if available and then up to an additional 50% of their Entitlement.

If you apply for Additional New Securities, there is no guarantee that you will be allocated any Additional New Securities. Additional New Securities will only be allocated to Eligible Retail Securityholders if there are sufficient New Securities from Eligible Retail Securityholders who do not take up their full Entitlement or from New Securities which would have been offered to Ineligible Retail Securityholders if they had been entitled to participate in the Retail Entitlement Offer, subject to any scale-back that National Storage REIT may apply in its absolute discretion.

Refund amounts, if any, (and where that amount is greater than \$1.00) will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the Security register as at the Closing Date or by cheque sent by ordinary

post to your address as recorded on the Security register (the registered address of the first-named in the case of joint Securityholders). If you wish to advise or change your banking instructions with the Registry you may do so by going to [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au) and logging into the Registry.

## **2.7 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If you are a New Zealand Securityholder who does not have an Australian bank account or is otherwise unable to pay by BPAY, please call the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) (and refer to section 2.12 below). If National Storage REIT receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Securities as your Application Monies will pay for in full.

## **2.8 Allowing your Entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

## **2.9 Consequences of not accepting all or part of your Entitlement**

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Securities for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Securities that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriters (or their affiliates) or any sub-underwriters or by Eligible Retail Securityholders under the Top Up Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Securities had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in National Storage REIT will also be further diluted.

## **2.10 Payment**

Payment should be made using BPAY if possible. New Zealand Securityholders who do not have an Australian bank account will be able to pay by cheque (see below at 2.12).

Cash payments will not be accepted. Receipts for payment will not be issued.

National Storage REIT will treat you as applying for as many New Securities as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Securities (including any Additional New Securities) will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded. It is not practical to refund amounts of less than \$1.00 and these will be retained.

If you are unable to pay by BPAY please call the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) and refer below to section 2.12.

## **2.11 Payment by BPAY**

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form or online at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au). You can only make

payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

If you are paying by BPAY, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form or accessed online at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au). If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that by paying by BPAY:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 2.13; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00pm (AEST) on Friday, 8 July 2016 if you wish to participate in the Early Retail Entitlement Offer or by 5.00pm (AEST) on Friday, 15 July 2016 being the expected closing date of the Retail Entitlement Offer. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

## **2.12 If you are unable to pay by BPAY**

National Storage REIT encourages payments by BPAY if possible.

For payment by cheque or bank draft, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'National Storage REIT Retail Offer' and crossed 'Not Negotiable'. If you make payment via cheque, or bank draft, you should mail your completed personalized Entitlement and Acceptance Form together with Application Monies to:

National Storage REIT Retail Offer  
C/-Computershare Investor Services Pty Limited  
GPO Box 505, Melbourne VIC 3001

It is your responsibility to ensure that your cheque is received by the Registry by no later than 5.00pm (AEST) on Friday, 8 July 2016 if you wish to participate in the Early Retail Entitlement Offer or by 5.00pm (AEST) on Friday, 15 July 2016 being the expected closing date of the Retail Entitlement Offer.

You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline. Entitlement and Acceptance Forms and Application Monies will not be accepted at National Storage REIT's registered or corporate offices.

Your cheque must be:

- (a) for an amount equal to \$1.58 multiplied by the number of New Securities that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Securityholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Securities you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Securities as your cleared Application Monies will pay for (and to have specified that number of New Securities on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

If you are unable to pay by BPAY please call the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia).

## **2.13 Entitlement and Acceptance Form is binding**

A payment made through BPAY or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Securities. National Storage REIT's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, Entitlement and Acceptance Form, the provisions of this Information Booklet, and the provisions of the constitutions of NSH and NSPT;
- (c) you authorise National Storage REIT to register you as the holder(s) of New Securities allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once National Storage REIT receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via Bpay, you may not withdraw your Application or funds provided except as allowed by law;

- (g) you agree to apply for and be issued up to the number of New Securities specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via Bpay, at the Offer Price per New Security;
- (h) you authorise National Storage REIT, the Underwriters, the Registry and their respective officers or agents to do anything on your behalf necessary for New Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Securities indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Information Booklet is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in National Storage REIT and is given in the context of National Storage REIT's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Key Investment Risks" section of the Investor Presentation included in section 3 of this Information Booklet, and that investments in National Storage REIT are subject to risk;
- (m) you acknowledge that none of National Storage REIT, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of National Storage REIT, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Securities on the Record Date;
- (o) you authorise National Storage REIT to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you acknowledge and agree that determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by National Storage REIT and/or the Underwriters, having reference to a number of matters which are to be considered in accordance with relevant legal and regulatory requirements. These matters include the number of Securityholders in certain foreign jurisdictions and the number and value of the New Securities which those Securityholders would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places;
- (q) you acknowledge and agree that each of National Storage REIT and the Underwriters, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (r) you represent and warrant (for the benefit of National Storage REIT, the Underwriters and their respective related bodies corporate and affiliates) that you

did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;

- (s) you represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Securities and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) you are an Eligible Retail Securityholder and are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Securities under the Retail Entitlement Offer;
- (u) you acknowledge that the New Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Securities may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, any person in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities law; and
- (v) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (w) you agree that if in the future you decide to sell or otherwise transfer the New Securities, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States; and
- (x) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States, and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

## **2.14 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Retail Securityholders who accept their Entitlement. No stamp duty is payable for subscribing for New Securities under the Retail Entitlement Offer or for Additional New Securities under the Top Up Facility.

## **2.15 Notice to nominees and custodians – no offer to Institutional Investors**

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Securityholder.

Nominees and custodians who hold Securities as nominees or custodians will have received, or will shortly receive, a letter from National Storage REIT. Nominees and

custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Securities who would not satisfy the criteria for an Eligible Retail Securityholder;
- (b) Eligible Institutional Securityholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Securityholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Securityholders who are not eligible under any applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, a person in the United States or any person that is acting for the account or benefit of a person in the United States, or to any person outside Australia and New Zealand except to beneficial securityholders who are institutional or professional investors in the jurisdictions (excluding the United States) listed in, and to the extent permitted under, the "Foreign Jurisdictions" section of the Investor Presentation set out in section 3 of this Information Booklet.

National Storage REIT is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Securities. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. National Storage REIT is not able to advise on foreign laws.

## **2.16 Withdrawal of the Entitlement Offer**

Subject to applicable law, National Storage REIT reserves the right to withdraw all or part of the Entitlement Offer at any time before the issue of New Securities, in which case National Storage REIT will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants. In circumstances where New Securities have been allotted under the Institutional Entitlement Offer, provided it is able to obtain any necessary regulatory relief, National Storage REIT will only be able to withdraw the Entitlement Offer with respect to New Securities to be issued under the Retail Entitlement Offer.

## **2.17 Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Equity Raising, please contact the Registry on 1300 784 157 (within Australia) and +61 3 9415 4127 (outside of Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Securityholders should be aware that an investment in National Storage REIT involves risks. The key risks identified by National Storage REIT are set out from page 26 of the Investor Presentation (set out in section 3 of this Information Booklet).







**30 June 2016**

## **ASX ANNOUNCEMENT**

### **NATIONAL STORAGE REIT COMPLETES PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER TO RAISE APPROXIMATELY A\$212 MILLION**

National Storage REIT ("NSR") is pleased to announce it has successfully completed the institutional placement ("Placement") and institutional component ("Institutional Entitlement Offer") of the 3 for 10 pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer") of new stapled securities in NSR ("New Securities") at a fixed price of A\$1.58 per New Security ("Offer Price").

- The Placement raised gross proceeds of approximately A\$101 million
- The Institutional Entitlement Offer raised gross proceeds of approximately A\$112 million and saw strong take-up from existing institutional securityholders, with the majority of eligible institutional securityholders taking up at least their entitlements
- The Placement and Institutional Entitlement Offer shortfall were significantly oversubscribed by existing and new securityholders
- The Retail Entitlement Offer to eligible retail securityholders will open from Tuesday 5 July 2016 to Friday 15 July 2016 and will be conducted at the same offer price of A\$1.58 per New Security. Early Retail Entitlement Offer acceptances are due by 5:00pm (AEST) on Friday, 8 July 2016

Completion of the Placement and Institutional Entitlement Offer represents completion of the first stage of NSR's fully underwritten A\$260 million equity raising which was announced on Tuesday 28 June 2016. The Placement and Institutional Entitlement Offer will together raise gross proceeds of approximately A\$212 million.

The New Securities to be issued as part of the Placement and Institutional Entitlement Offer will be issued on Tuesday 12 July 2016 with trading on ASX expected to commence on the same day. On issue, the New Securities will rank pari passu in all regards with existing NSR stapled securities. The New Securities will not be entitled to the estimated FY16 final distribution (record date 30 June 2016).

Managing Director Andrew Catsoulis said "We are extremely humbled by the high level of ongoing support demonstrated for National Storage by institutional investors, which we believe highlights the market's continued confidence in National Storage and our growth strategy. We thank our existing investors for their ongoing support and are pleased to welcome a number of new, high quality institutional investors to the register".

The retail component of the Entitlement Offer ("Retail Entitlement Offer") will be open from Tuesday 5 July 2016 to Friday 15 July 2016 with early retail entitlement offer acceptances due by 5:00pm (AEST) on Friday, 8 July 2016. The Retail Entitlement Offer is expected to raise

#### **NATIONAL STORAGE REIT (NSR)**

National Storage Holdings Limited (ACN 166 572 845)  
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for  
National Storage Property Trust (ARSN 101 227 712)

P | 1800 683 290  
A | Level 1, 10 Felix Street, Brisbane QLD 4000  
P | GPO Box 3239 QLD 4001  
E | [invest@nationalstorage.com.au](mailto:invest@nationalstorage.com.au)  
[nationalstorage.com.au](http://nationalstorage.com.au)



approximately A\$48 million. Retail investors who hold NSR securities as at 7.00pm (AEST) on Thursday 30 June 2016 and have a registered address in Australia and New Zealand ("Eligible Retail Securityholders") are being offered the opportunity to participate in the Retail Entitlement Offer at the same Offer Price, and at the same offer ratio (of 3 for 10), as offered under the Institutional Entitlement Offer. Existing Eligible Retail Securityholders will also have the opportunity to apply for additional securities above their entitlement as part of the Retail Entitlement Offer up to a maximum of 100% of their entitlement at the same Offer Price.

Further details will be communicated to existing securityholders and lodged with ASX on Tuesday, 5 July 2016.

NSR securities are expected to resume trading from market open today.

## **ENDS**

National Storage is one of the largest self-storage providers in Australia and New Zealand, with 100 centres providing tailored storage solutions to over 35,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

For further information:

Andrew Catsoulis  
Managing Director  
07 3218 8100

Makala French Castelli  
General Manager - Marketing & Corporate  
07 3218 8116 | 0481 001 330

## **NATIONAL STORAGE REIT (NSR)**

National Storage Holdings Limited (ACN 166 572 845)  
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for  
National Storage Property Trust (ARSN 101 227 712)



# NATIONAL STORAGE REIT

## PORTFOLIO ACQUISITION AND \$260M EQUITY RAISING

28 JUNE 2016

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

# IMPORTANT NOTE AND DISCLAIMER



This investor presentation ("Presentation") has been prepared by National Storage Holdings Limited (ACN 166 572 845) ("NSH") and National Storage Financial Services Limited (ACN 600 787 246; AFSL 475228) ("NSFS") in its capacity as responsible entity for the National Storage Property Trust (ARSN 101 227 712) ("NSPT") (together, "**National Storage REIT**" or "**NSR**"). NSR has stapled securities on issue each comprising one unit in NSPT stapled to one share in NSH ("**Stapled Securities**"). The Stapled Securities are quoted on the ASX (ASX: NSR).

This Presentation has been prepared in relation to:

- (a) a placement of new Stapled Securities ("**New Securities**") to institutional and sophisticated investors ("**Placement**"); and
  - (b) a pro rata accelerated non-renounceable entitlement offer of New Securities to be made to:
    - (i) eligible institutional holders of Stapled Securities ("**Institutional Entitlement Offer**"); and
    - (ii) eligible retail holders of Stapled Securities with registered addresses in Australia or New Zealand ("**Retail Entitlement Offer**"). (together, the "**Entitlement Offer**").
- to be made under sections 708A, 708AA, 1012DA and 1012DAA of the Corporations Act 2001 (Cth) ("**Corporations Act**") as amended or modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC relief obtained in relation to the Entitlement Offer (collectively, the "**Offer**"). Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of NSR and the underwriters (being J.P. Morgan Australia Limited (ACN 002 888 011) and Morgan Stanley Australia Securities Limited (ACN 078 652 276) and (together, the "**Underwriters**"). NSR and the Underwriters disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.
- Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including the assumptions, uncertainties and contingencies which may affect NSR's future operations and the value and impact that future outcomes may have on NSR.
- By accepting, assessing or reviewing this Presentation, or attending any presentation or briefing in connection with the Offer, you agree to be bound by the following conditions.

## **Not retail offer booklet**

The retail offer booklet for the Retail Entitlement Offer will be made available to eligible retail holders of Stapled Securities ("**Eligible Retail Investors**") following its lodgement with the Australian Securities Exchange ("**ASX**"). Any Eligible Retail Investor who wishes to participate in the Retail Entitlement Offer should read and consider the retail offer booklet when deciding whether to participate in the Retail Entitlement Offer. Any Eligible Retail Investor who wishes to apply for New Securities as part of the Retail Entitlement Offer will be required to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and acceptance forms.

This Presentation will not form part of any contract for the acquisition of New Securities.

## **Not a prospectus or product disclosure statement**

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law (including the Corporations Act) or under any other law. This Presentation has not been, nor will it be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

## **Summary Information**

This Presentation contains summary information about the current activities of NSR and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature, is subject to change and does not purport to be complete. This Presentation does not purport to nor does it contain all the information that an investor should consider or may require when making an investment decision nor does it contain all of the information that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. The historical information in this Presentation is, or is based on, information that has been released to ASX. Accordingly, this Presentation should be read in conjunction with NSR's other periodic and continuous disclosure announcements including NSR's financial results for the six months to 31 December 2015 which were released to the ASX on 8 February 2016 and other announcements given to the ASX which are available at [www.asx.com.au](http://www.asx.com.au) or [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au).

Statements made in this Presentation are made only as of the date of this Presentation. The information in this Presentation remains subject to change without notice.

The distribution of this Presentation outside Australia may be restricted by law. Persons who come into possession of information in this Presentation who are not in Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **Not an Offer**

This Presentation is for information purposes only and should not be considered as a solicitation, offer or invitation for subscription, purchase or sale of New Securities or any other financial products in any jurisdiction, or to any person to whom it would not be lawful to make such an offer or invitation. No action has been taken to register the New Securities, or otherwise permit a public offering of New Securities, in any jurisdiction outside Australia, except as set out in this Presentation. For further information please refer to the "Foreign Jurisdictions" section on pages 24 and 25 of this Presentation.

## **Licensing and advice**

This Presentation is not, and nothing in this Presentation constitutes, financial product advice or investment, legal, tax or other advice, or a recommendation to acquire New Securities. This Presentation has been prepared without taking account of the objectives, financial situation or particular needs of individuals.

Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including legal, financial, accounting and taxation advice appropriate to their jurisdiction. NSH is not licensed to provide financial product advice in respect of New Securities. NSFS is licensed to provide financial product advice however it is not providing any such advice in respect of the Offer or New Securities.

Cooling off rights do not apply to the acquisition of New Securities.

## **Risk**

An investment in Stapled Securities (including New Securities) is subject to investment and other known and unknown risks, some of which are beyond the control of NSR. NSR does not guarantee any particular rate of return or the performance of NSR or the Stapled Securities (including New Securities), nor does it guarantee the repayment of capital from NSR or any particular tax treatment. For further information please refer to the "Key Investment Risks" section on pages 26 to 28 of this Presentation for a summary of certain general and NSR specific risk factors that may affect NSR.



# IMPORTANT NOTE AND DISCLAIMER

## Financial Data

All dollar values or references to dollars and cents in this document are expressed in Australian dollars unless otherwise stated. Totals may vary due to rounding and all financial data is presented as at the date of this Presentation unless otherwise stated. The financial information contained in this Presentation includes National Storage REIT's historical financial information and pro forma historical financial information being:

- The condensed historical balance sheet as at 31 December 2015 (the "**Historical Financial Information**"); and
- The condensed pro forma historical balance sheet as at 31 December 2015 assuming completion of the following:
  - the acquisition of 6 centres post 31 December 2015 and associated transaction costs of \$3.6m; and
  - securities issued pursuant to the distribution re-investment plan (refer to Appendix 3B lodged with the ASX on 29 February 2016) (collectively the "**Post Dec15 Transactions**") and
  - the Offer (net of associated transaction costs);
  - the acquisition of the New Centres;
  - the Acquisition (as defined on slide 5);
  - the additional debt draw down of \$100m; and
  - the repayment of existing debt

(collectively, the "**Other Pro Forma Transactions**") (the "**Pro Forma Historical Financial Information**").

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as "**Financial Information**". The Financial Information has been included in this Presentation in relation to the Offer and should not be used for any other purpose.

The Pro Forma Historical Financial Information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should be aware that certain financial data included in this Presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and may also be "non-GAAP financial information" within the meaning given under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. The non-IFRS financial information in this Presentation includes EBITDA, EBITDA margin, free cash flow and all measures identified as "underlying" or "proportional".

Non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards ("**AAS**"). Accordingly, the non-IFRS financial information in this Presentation: (i) may not be comparable to similarly titled measures presented by other entities; (ii) should not be construed as an alternative to other financial measures determined in accordance with AAS; and (iii) is not a measure of performance, liquidity or value under the IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation. This Presentation includes financial information for the joint venture entity comprising the Southern Cross Storage Trust and Southern Cross Operations Pty Limited (ACN 152 503 163) which, as at the date of this Presentation is currently owned by NS APAC Pty Ltd (ACN 152 619 451) (10%) and entities owned by Heitman LLC (90%) ("**Southern Cross**").

Financial information for Southern Cross in this Presentation has been derived from financial statements and other financial information made available by

Southern Cross in connection with the Acquisition.

The Historical Financial Information was derived from the financial statements of National Storage REIT for the period ended 31 December 2015, which were reviewed by the group's auditors and on which an unqualified review conclusion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of AAS and presented in an abbreviated form. The Historical Financial Information does not contain all of the disclosures and notes applicable to annual reports as required by AAS and the Corporations Act.

The Pro Forma Historical Financial Information has been derived from the financial statements of National Storage REIT for the period ended 31 December 2015, after adjusting for the Post Dec15 Transactions and the Other Pro Forma Transactions (collectively, the "**Pro Forma Adjustments**"). The Pro Forma Historical Financial Information has been prepared using the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2015.

The Pro Forma Historical Financial Information is presented in an abbreviated form and does not contain all of the disclosures and notes applicable to annual reports as required by AAS and the Corporations Act.

## Future Performance

This Presentation may contain certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", "project", "opinion" and other similar expressions within the meaning of securities laws of applicable jurisdictions and may include, but are not limited to, the outcome and effects of the Offer and the use of proceeds. Indications of, and guidance on, future earnings and financial position, distributions, dividends and performance are also forward looking statements, and include statements in this Presentation regarding the conduct and outcome of the transactions outlined in this Presentation, NSR's outstanding debt, the market outlook, the future operation of Southern Cross and NSR's future developments.

Any forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks (including the risks set out in the "Key Investment Risks" section of this Presentation on pages 26 to 28), uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of NSR, its subsidiaries and each of their officers, employees, agents, associates, partners and advisors (the "**NSR Parties**"), and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct and which may cause actual results to differ materially from those expressed or implied in such statements.

Investors should not place undue reliance on forward looking statements, opinions and estimates provided in this Presentation as there can be no assurance that actual outcomes will not differ materially from those expressed or implied in forward looking statements and the assumptions on which those statements are based. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.



# IMPORTANT NOTE AND DISCLAIMER

Further, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of NSR to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward looking statements including projections or guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements are based on information available to NSR as at the date of this Presentation. None of the Underwriters nor any independent third party has reviewed the reasonableness of the forward looking statements or any underlying assumptions. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise is disclaimed. The NSR Parties disclaim any responsibility to update or revise any forward looking statement to reflect any change in NSR's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

## Past Performance

Past performance and pro forma historical financial information included in this Presentation is given for illustrative purposes only and should not be relied on and is not an indication of, and provides no guidance as to, future performance, including future Stapled Security price performance.

## Stapled Securities

Investors should note that ASX reserves the right (without limiting its absolute discretion) to remove NSH and/or NSPT from the official list of ASX if any of the securities comprising the Stapled Securities cease to be stapled together, or any equity securities are issued by NSH or NSPT which are not stapled to corresponding securities in the other entity.

## Not for distribution or release in the United States

This Presentation has been prepared for publication in Australia and may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States, or to, or for the account or benefit of, any person in the United States. The New Securities have not been, nor will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Securities may not be offered or sold, directly or indirectly, to any person in the United States or any person who is acting for the account or benefit of a person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act of 1933 and any other applicable United States state securities laws.

## NSR and the Underwriters

Neither the Underwriters, nor any of their or NSR's respective advisers or any of their respective affiliates, related bodies corporate directors, officers, partners, employees and agents (the "Limited Parties"), have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, the NSR Parties and the Limited Parties:

(i) exclude and expressly disclaim all liability, including for any expenses, losses, damages or costs in respect of, and make no representation or warranties regarding, and take no responsibility for, any part of this Presentation or arising from the use of this Presentation, its contents being inaccurate or incomplete in any way for any reason or otherwise in connection with it, including, without limitation, any liability arising from the fault or negligence on the part of any of the NSR Parties or the Limited Parties; and (ii) make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the statement or the information in this Presentation and the Limited Parties take no responsibility for any part of (including any omissions from) this Presentation.

No party other than NSR has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied on as having been authorised by NSR in connection with the Offer.

The Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer and disclaim any fiduciary obligation to or relationship with any investor or potential investor in connection with the Offer or otherwise. By receiving this Presentation you represent, warrant and agree that you have not relied on any statements made by the Limited Parties in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The Underwriters and/or their affiliates are acting as lead managers and underwriters of the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. The Underwriters are acting for, and providing services to, NSR in relation to the Placement and the Entitlement Offer and will not be acting for or providing services to holders of Stapled Securities. The Underwriters have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with NSR. The engagement of the Underwriters by NSR is not intended to create any agency or other relationship between the Underwriters and holders of Stapled Securities.

The Underwriters, in conjunction with their affiliates, are acting in the capacity as such in relation to the Offer and will receive fees and expenses for acting in this capacity. The information in the Presentation remains subject to change without notice. NSR reserves the right to withdraw or vary the timetable for the Placement, Institutional Entitlement Offer and/or Retail Entitlement Offer without notice.

## Disclaimer

To the maximum extent permitted by law, the NSR Parties and the Limited Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and, with regards to the Limited Parties, take no responsibility for any part of this Presentation.

# EXECUTIVE SUMMARY



## Purpose

- Acquisition of the Southern Cross Portfolio for a net consideration of \$285m (the "Acquisition")<sup>1</sup>
- The geographically diversified and complementary property portfolio comprises 26 storage centres with a combined gross land area of 231,000 sqm, NLA of 126,000 sqm and 13,000 storage units
- Acquisition of four additional storage centres for a total consideration of \$16.1m – a three centre portfolio in Perth and a single centre in Cairns with combined NLA of 15,800 sqm and 1,360 storage units (the "New Centres")
- The Acquisition and the New Centres underscore the most acquisitive year in NSR's history, with 18 additional acquisitions already completed since 1 July 2015 exceeding \$129m<sup>7</sup> (excl. transaction costs)

## Equity Raising and Debt Facility

- Fully underwritten \$260m equity raising comprising:
  - Institutional Placement of \$101m; and
  - 3-for-10 accelerated non-renounceable Entitlement Offer of \$159m
- The Offer price per New Security has been set at \$1.58<sup>2</sup>, which represents an 8.7% discount to the distribution-adjusted last closing price of \$1.73<sup>3</sup> on 27 June 2016 and a 6.0% discount to TERP<sup>4</sup>
- Renegotiated existing debt facilities increasing limits by \$130m to \$424m
  - Extended tenor
  - Improved covenants

## Transaction Impact, FY16 Outlook and FY17 Guidance

- The Acquisition and New Centres will be accretive to FY17 underlying earnings, and will not impact FY16 earnings
- FY16 EPS guidance of 8.7 – 8.8 cents per Stapled Security re-affirmed, with 2H16 estimated final distribution of 4.4 cents per Stapled Security, bringing the total estimated distribution for FY16 to 8.7 cents per Stapled Security
- Factoring in the Acquisition, Offer and New Centres, NSR expects FY17 underlying earnings to be within a range of 9.2 – 9.4 cents per Stapled Security, representing 5.7% – 8.0% growth on FY16 guidance
- Following the Pro Forma Adjustments (including the Acquisition, Offer and New Centres), NSR's gearing will reduce to 32.6%<sup>5,6</sup>, and NTA will increase by 5.4% to \$1.18<sup>6</sup> per Stapled Security (from \$1.12 at 1H16)

1. Consideration for Southern Cross portfolio net of NSR's equity accounted holding, excluding transaction costs. Settlement scheduled to occur in August 2016. Acquisition facilitated by conditional contracts.  
 2. New Securities issued under the Placement and Entitlement Offer will be issued after the record date for the 30 June 2016 estimated distribution and therefore will not be entitled to the estimated final distribution of 4.4 cents per Stapled Security.  
 3. Last closing price of \$1.78 per Stapled Security as at 27 June 2016, on an ex-distribution basis (adjusting for the 30 June 2016 estimated final distribution of 4.4 cents per Stapled Security).  
 4. TERP of \$1.68 per Stapled Security on an ex-distribution basis (adjusting for the 30 June 2016 estimated final distribution of 4.4 cents per Stapled Security), including New Securities issued under the Placement. For further information regarding TERP refer note 2 on slide 17.  
 5. Pro forma gearing calculated by applying the gearing covenant calculations to the Pro Forma Historical Financial Information.  
 6. Excludes the impact of any re-valuations at 30 June 2016.  
 7. Applies a NZD AUD exchange rate of 1.05



# TRANSACTION HIGHLIGHTS



1

Secures long-term ownership of strategically important assets and expands property base, underpinning NSR's strong market position

2

Highly complementary to NSR's existing property portfolio and already integrated into the NSR platform

3

Further potential to unlock value as centres continue to mature, with potential for upside from further expansion / development or redevelopment of some assets

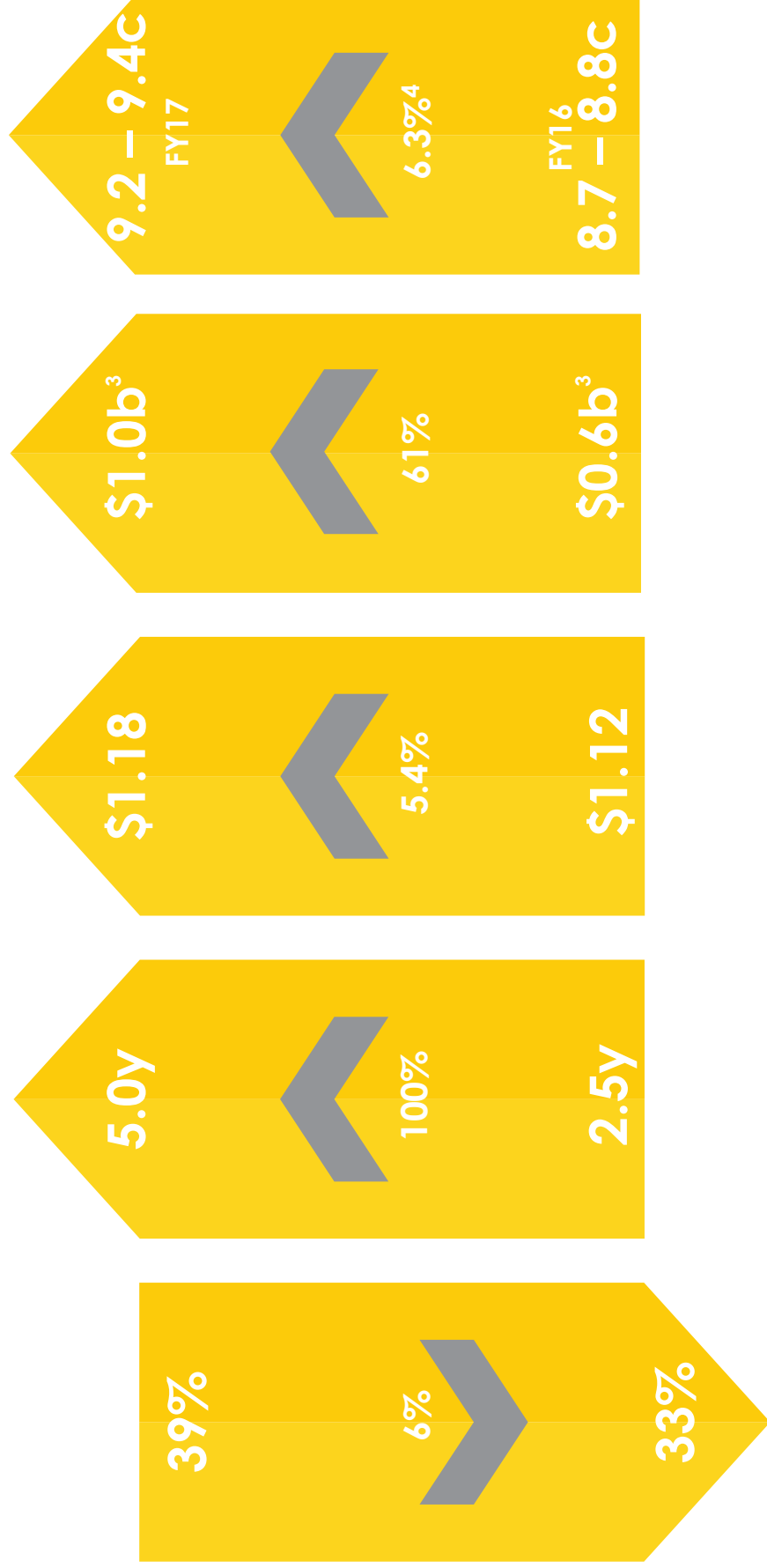
4

Consistent with NSR's growth strategy, underscoring the most acquisitive year in NSR's history

5

Resets balance sheet with significant NTA accretion (+5.4%), extends weighted average debt tenor to 5 years and provides \$120m in balance sheet capacity to pursue strong pipeline of potential acquisitions

# IMPROVED METRICS + \$1 BILLION IN ASSETS



Gearing <sup>1,2</sup>	Debt Tenor <sup>1</sup>	NTA <sup>1,2</sup> per stapled security	Total Assets <sup>1,2</sup> pro-forma Dec 15	EPS guidance per stapled security
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1. For gearing, NTA and total asset reference periods refer to slide 19. Debt tenor is as at 28 June 2016.

2. Forecasts exclude the impact of any re-valuations at 30 June 2016.

3. Net of finance lease liability associated with leasehold assets.

4. Calculated using mid-points of guidance ranges.



# OVERVIEW OF ACQUISITIONS





# MOST ACTIVE ACQUISITION YEAR

- Announced 23 acquisitions across Australia and New Zealand in FY16 (excluding the Southern Cross portfolio)
  - Total combined purchase price of FY16 acquisitions to date \$145m<sup>1,2</sup> at a weighted average passing yield of 8.2%
- Active growth strategy to consolidate highly fragmented industry, leveraging fully-integrated scalable platform
- Strong potential acquisition pipeline with a further \$100m of assets currently under consideration
- Advanced negotiations underway for a further \$30m of assets

	State	Announcement Date	NLA (sqm)	Storage Units	Purchase Price <sup>1</sup>
H 1 F Y 1 6	Belfast, Opawa, Ferrymead, Hornby & Redwood	August 2015	17,000	1,350	\$21.9m (NZ\$23.0m)
	Pymble, Camperdown & Seven Hills	October 2015	13,600	1,400	\$11.1m
	Frankton	November 2015	5,400	520	\$7.0m (NZ\$7.4m)
	Earlville	November 2015	5,200	550	\$9.9m
	Croydon South	December 2015	4,250	390	\$4.7m
	Dee Why	December 2015	4,500	575	\$3.2m
	Highett	March 2016	4,600	700	\$17.0m
	Darwin	April 2016	5,800	600	\$10.8m
	Gosford	April 2016	4,900	400	\$7.2m
	South Wharf	May 2016	4,800	725	\$12.5m
	Newtown & Hutt City	May 2016	8,100	1,450	\$23.8m (NZ\$25.0m)
H 2 F Y 1 6	Edmonton	June 2016	8,500	600	\$7.1m
	Bayswater, Malaga & Welshpool	June 2016	7,300	760	\$9.0m
	Butler (Leasehold) <sup>3</sup>	June 2016	5,100	480	-
	<b>Total (since 1 July 2015) - 23 Centres</b>		<b>99,050</b>	<b>10,500</b>	<b>\$145.3m<sup>2</sup></b>
	<b>Total (since 1 January 2016) - 11 Centres</b>		<b>49,100</b>	<b>5,715</b>	<b>\$87.4m<sup>2</sup></b>

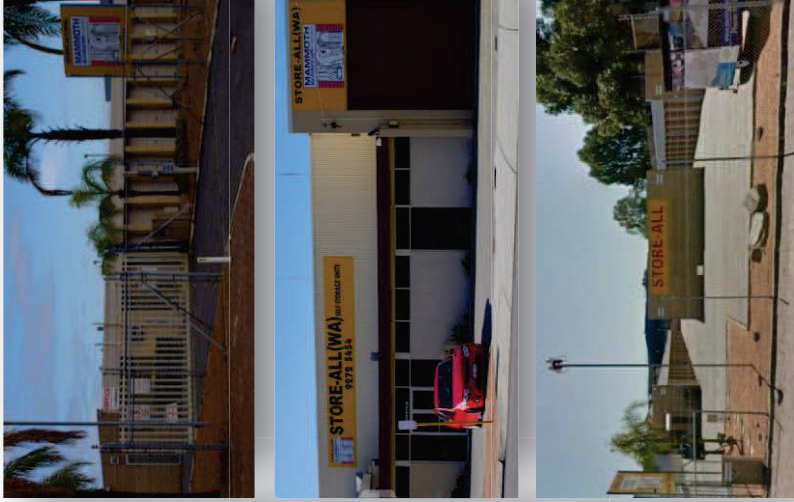
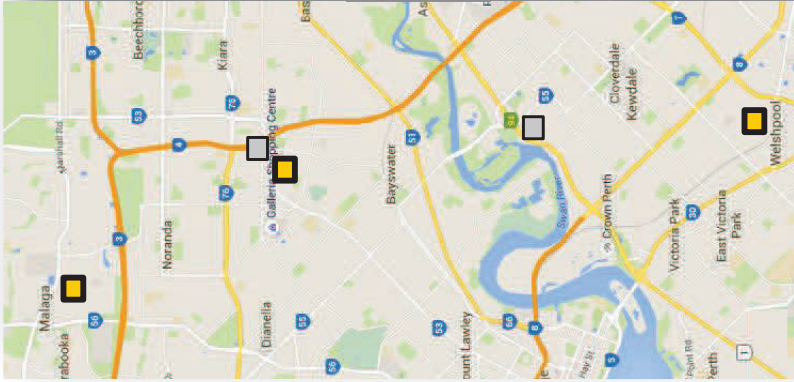
1. Excluding transaction costs.  
2. Applying a NZD/AUD exchange rate of 1.05.  
3. Part of the Perth Development Portfolio – greenfield development centre with option to acquire.



# NEW CENTRES OVERVIEW

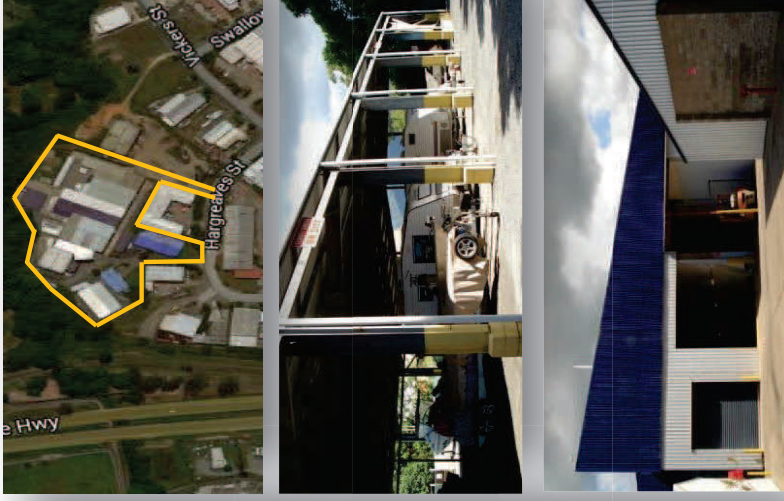
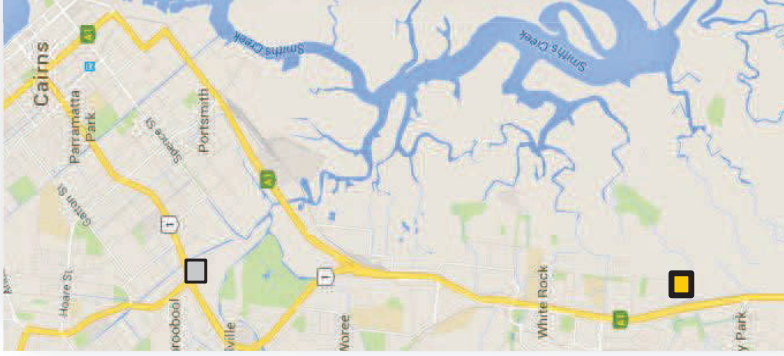


## PERTH



- Three centres with a combined NLA of 7,300 sqm
- Strategic countercyclical opportunity
- Purchase price \$9.0m
- Fits within NSR's target yield range
- Settlement expected June 2016

## CAIRNS



- 8,500 sqm NLA across 22,500 sqm GLA
- Second storage asset in Cairns
- Purchase price \$7.1m
- Fits within NSR's target yield range
- Settlement expected July 2016

# SOUTHERN CROSS PORTFOLIO OVERVIEW



## Portfolio Description

### Physical Statistics

- Number of centres: 26
  - 24 self storage centres
  - 2 dedicated wine storage centres
- Total gross land area: 231,000 sqm
- Total storage units: 13,000 units
- Total net lettable area: 126,000 sqm

### Operating Statistics

- Current occupancy<sup>1</sup>: 74%
- Current average rate<sup>2</sup>: \$253 / sqm
- REVPA<sup>2</sup>: \$182 / sqm

### Valuation Details

- Portfolio valuation: \$293m
- Portfolio cap rate: 8.3%
- Forecast FY17 EBITDA<sup>3</sup>: \$17.5m
- Forecast FY17 operating yield: 6.0%
- Supported by independent valuation

## Example Properties

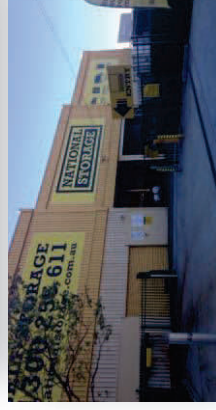
Fortitude Valley, QLD



Chatswood, NSW



Gladesville, NSW



Collingwood, VIC



Browns Plains, QLD



St Mary's, NSW



Montrose, TAS



Tullamarine, VIC



1. As at 31 May 2016.

2. As at 31 March 2016 (financial information provided at quarter end). REVPA is the rate achieved per available metre of storage space leased.

3. Projected FY17 EBITDA (pre management fees) based on occupancy growth of 2.3%, rate growth of 3.0% and growth of other revenue and expenditure items of 2.5% - 5.0%.



# SOUTHERN CROSS ACQUISITION HIGHLIGHTS



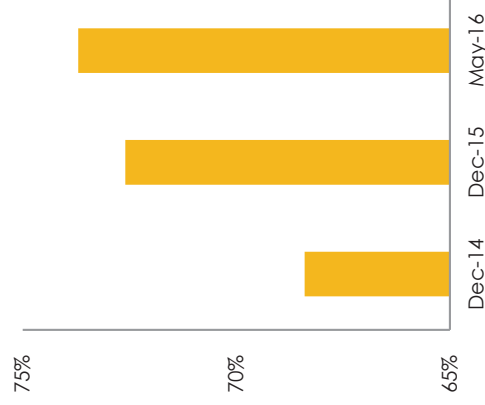
## Strong income upside

- Attractive portfolio cap rate of 8.3% and FY17 operating yield of 6.0%
- Potential to drive occupancy and rate per sqm
- Deep familiarity having managed centres since 2011
- Minimal integration risk and costs given centres already form part of platform and brand

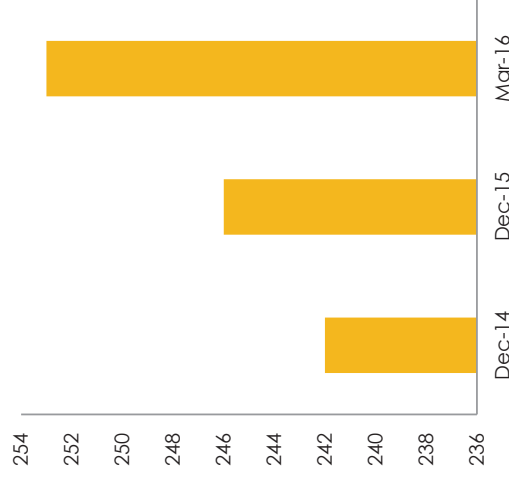
## Highly complementary to existing NSR portfolio

- Enhances geographic spread and improves diversification
- Strategic locations with future expansion / development / portfolio recycling potential
- Attractive locations with high population densities within the surrounding catchments
- Potential for further value accretion as portfolio continues to mature<sup>2</sup>

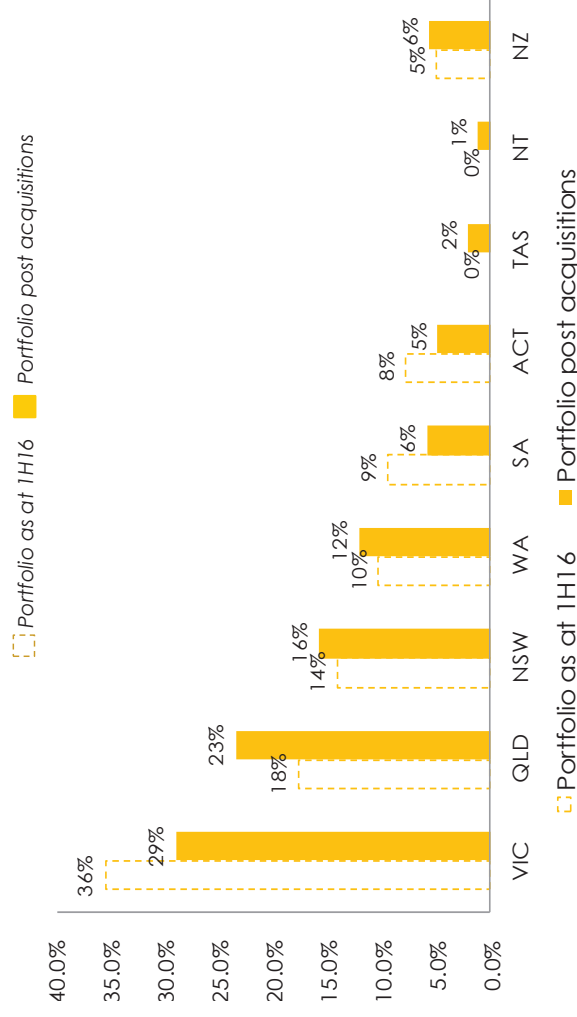
**Southern Cross Portfolio Occupancy (%)**



**Southern Cross Portfolio Average Rate (\$ / sqm)**



**Geographic Breakdown (by Value<sup>1</sup>)**



1. Excludes the impact of any re-valuations at 30 June 2016

2. On conclusion of Acquisition, NSR's management contract (and revenue) will terminate

# TRANSACTION HIGHLIGHTS



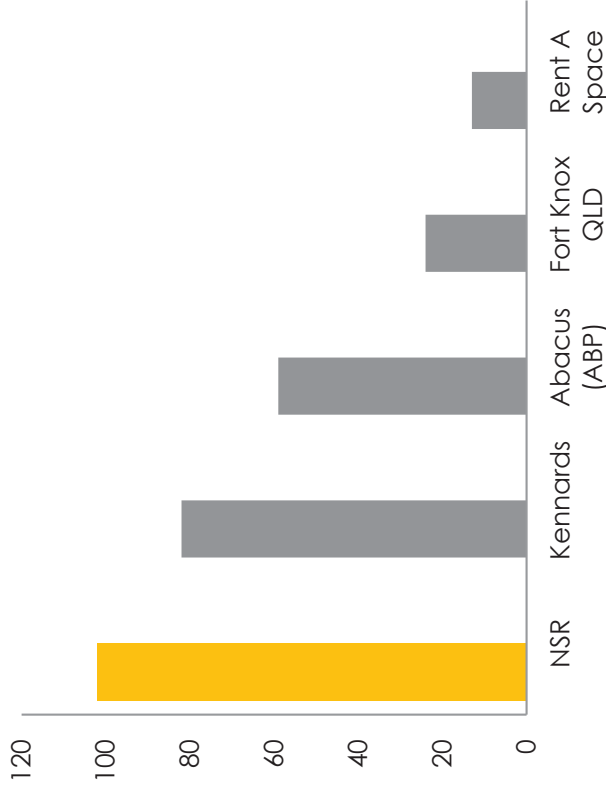
## Reinforces strong market position

- Reinforces sector leadership and primary consolidator position
- Provides capacity in key areas to grow occupancy
- Improves geographic diversification of property portfolio

## Strengthens balance sheet and improves metrics

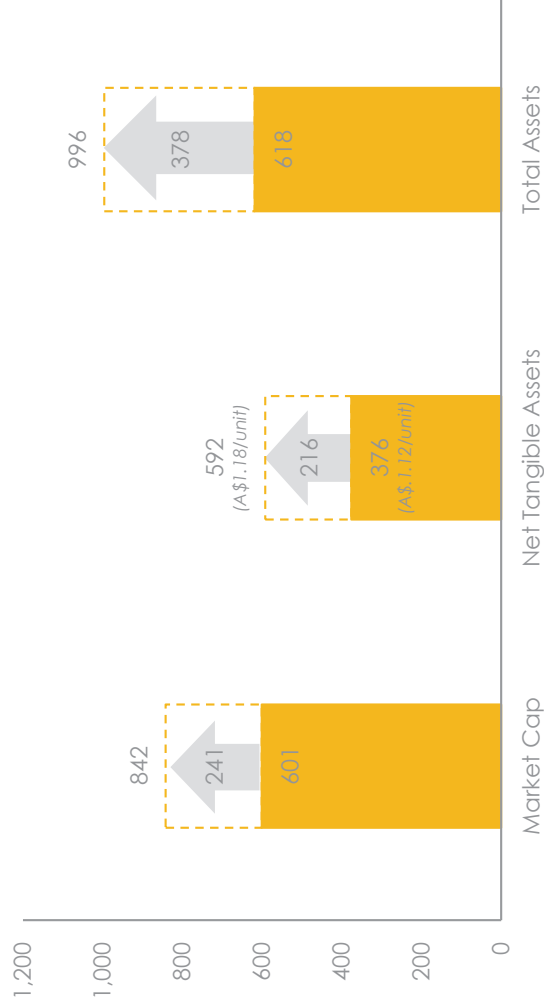
- Greater scale strengthens NSR's balance sheet and improves access to and cost of capital
- Increases market capitalisation by ~41%<sup>1</sup>
- Resets pro-forma gearing at 32.6% providing over \$120m in acquisition capacity to facilitate further growth
- Boosts NTA by 5.4%<sup>2</sup>

Centres by Ownership



Market Capitalisation<sup>1</sup>, NTA<sup>2</sup> and Total Assets<sup>2,3</sup> (\$m)

■ Portfolio as at 1H16 ■ Portfolio post acquisitions



1. Post acquisition market capitalisation calculated by multiplying the estimated TERP of \$1.68 per security by the total securities outstanding post equity raising of 501.0m.

2. Excludes impact of any re-valuations at 30 June 2016

3. Total Assets net of Finance Lease Liability





# OPERATIONAL UPDATE



# OPERATIONAL UPDATE



## Occupancy

- NSR portfolio currently trading at 72% with further potential upside as key markets improve
- Positive gains in other states offset occupancy decline in Perth demonstrating portfolio resilience and benefits of diversification

## Rate per sqm

- Phase One of the multiple signal revenue management system recently completed
- Early results show positive impact in key markets
- Phase Two targeting existing customer rates scheduled for 1H FY17
- Continued focus on rate per square metre improvements
- Focus on driving rate achieved per available metre (REVPAM)

## Capital Management

- Renegotiated existing debt facilities, increasing limits by ~\$130m to \$424m and improved overall covenants including increased gearing covenant to 55%
- New \$100m debt facility to fund the Southern Cross portfolio acquisition
- Weighted average tenor extended to 5.0 years, up from 2.5 years as at 31 December 2015, with the shortest maturity date being December 2019
- Weighted average facility margin increased by 0.34% to 1.59% reflecting significant increase in tenor and current market conditions
- Gearing range expanded to 25% – 40% (from 25% – 35%) to provide flexibility and ability to act on acquisition opportunities



# EQUITY RAISING OVERVIEW



# EQUITY RAISING OVERVIEW



## Offer Structure and Size

- Fully underwritten \$260m Offer comprising:
  - An institutional Placement of \$101m; and
  - A 3-for-10 accelerated non-renounceable Entitlement Offer of \$159m
- 164.6m New Securities to be issued (equivalent to ~48.9% of existing Stapled Securities on issue)

## Offer Price

- The Offer will be conducted at \$1.58<sup>1</sup> per New Security, implying:
  - 8.7% discount to the distribution-adjusted last closing price of \$1.73 on 27 June 2016
  - 6.0% discount to TERP<sup>2</sup>
- At the \$1.58 Offer price and based on NSR's guidance for FY17, the New Securities issued under the Offer will generate an estimated FY17 EPS yield of 5.9%<sup>3</sup>

## Use of Proceeds

- Proceeds will be used to fund the Acquisition, New Centres and reduce gearing levels to ensure sufficient headroom for growth and flexibility

## Ranking

- New Securities will not be entitled to the estimated final distribution of 4.4 cents per Stapled Security for the 6 months ending 30 June 2016, but will rank pari passu with existing Stapled Securities from allotment

## Underwriting

- The Offer is fully underwritten by J.P. Morgan Australia Limited and Morgan Stanley Securities Australia Limited as Joint Lead Managers and Underwriters

## Transaction Impact, FY16 Outlook and FY17 Guidance

- The Acquisition and New Centres (subject to completion) will be accretive to FY17 underlying earnings, and will not impact FY16 underlying earnings
- FY16 EPS guidance of 8.7 – 8.8 cents per Stapled Security re-affirmed, with 2H16 estimated final distribution of 4.4 cents per Stapled Security, bringing the total estimated distribution for FY16 to 8.7 cents per Stapled Security
- Factoring in the Acquisition, New Centres and Offer, NSR expects FY17 underlying earnings to be within a range of 9.2 – 9.4 cents per Stapled Security, representing 5.7% – 8.0% growth on FY16 guidance
- Following Pro Forma Adjustments (including the Acquisition, Offer and New Centres), NSR's gearing will reduce to 32.6%<sup>4</sup>, and NTA will increase by 5.4% to \$1.18<sup>5</sup> per Stapled Security (from \$1.12 at 1H16)

1. New Stapled Securities issued under the Placement and Entitlement Offer will be issued after the record date for the 30 June 2016 estimated distribution and therefore will not be entitled to the estimated distribution of 4.4 cents per Stapled Security.

2. TERP of \$1.68 per security calculated on an ex-distribution basis (adjusting for the 30 June 2016 estimated final distribution of 4.4 cents per Stapled Security), including Stapled Securities issued under the institutional Placement. "TERP" is the theoretical price at which Stapled Securities will trade after the ex-date for the distribution for the period ending 30 June 2016. It is a theoretical calculation only and the actual price at which Stapled Securities will trade immediately after the ex-date for the distribution will depend on many factors and may not be equal to the TERP.

3. Based on mid point of FY17 EPS guidance.

4. Pro forma gearing calculated by applying the gearing covenant calculations to the Pro Forma Historical Financial Information.



# SOURCES AND USES



## Sources (\$m)

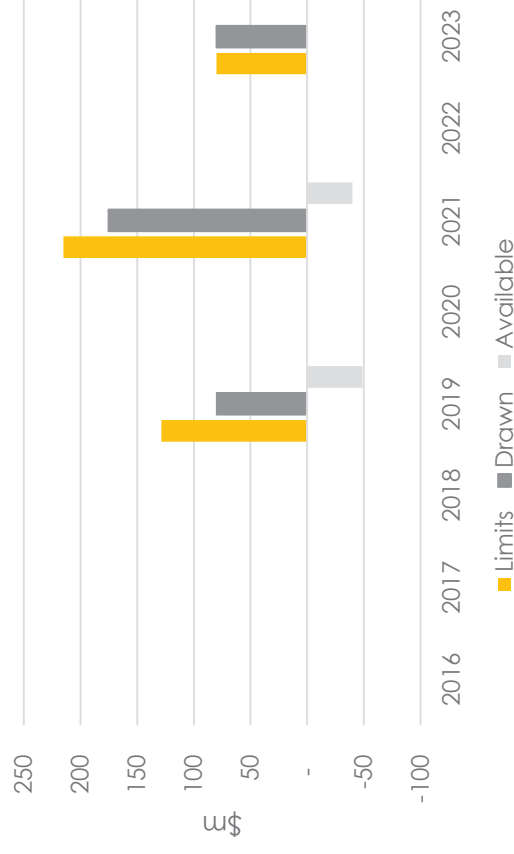
Placement Proceeds	101
Entitlement Offer Proceeds	159
Additional Debt	100
<b>Total</b>	<b>360</b>

## Uses (\$m)

Acquisition of Southern Cross <sup>3</sup>	281
Acquisition of New Centres	17
Repayment of Debt	44
Transaction Costs	18
<b>Total</b>	<b>360</b>

## Debt Facilities<sup>1</sup>

- \$424 million in facilities
- \$331 million drawn<sup>2</sup>
- 32.6% pro-forma gearing<sup>2</sup>
- Weighted average tenor 5.0 years
- Gearing range expanded to 25% – 40%
- Gearing covenant 55%



1. Amounts in AUD applying a NZD/AUD exchange rate of 1.05.

2. Post settlement of the Acquisition and New Centres. Excludes any impact of re-valuations as at 30 June 2016.

3. Consideration for Southern Cross portfolio net of NSR's equity accounted holding and business adjustments.



# BALANCE SHEET IMPACT

## Condensed Historical and Pro-forma Historical Balance Sheet as at 31 December 2015<sup>(4,5)</sup>

\$m, unless otherwise stated	Historical Dec 15 <sup>6</sup>	Adjustments – Post Dec 15 Transactions <sup>1</sup>	Historical Dec 15 Adjusted	Adjustments - Other Pro Forma Transactions <sup>2</sup>	Pro-forma Historical Dec 15 <sup>7</sup>
Cash	10.2	-	10.2	-	10.2
Investment Properties	735.8	75.5	811.3	285.3	1,096.6
Equity Accounted Investments	14.8	-	14.8	(8.4)	6.4
Intangibles Assets	14.4	-	14.4	25.5	39.9
Other Assets	10.2	-	10.2	-	10.2
<b>Total Assets</b>	<b>785.4</b>	<b>75.5</b>	<b>860.9</b>	<b>302.3</b>	<b>1,163.2</b>
Debt	196.3	79.1	275.4	55.9	331.3
Finance Lease Liabilities	167.1		167.1	0.3	167.4
Other Liabilities	32.0	(2.8)	29.2	3.3	32.5
<b>Total Liabilities</b>	<b>395.4</b>	<b>76.3</b>	<b>471.7</b>	<b>59.5</b>	<b>531.2</b>
<b>Net Assets</b>	<b>390.0</b>	<b>(0.8)</b>	<b>389.2</b>	<b>242.8</b>	<b>632.0</b>
Contributed equity	335.6	2.8	338.4	254.8	593.2
Retained earnings and Other Reserves	54.4	(3.6)	50.8	(12.0)	38.8
<b>Equity</b>	<b>390.0</b>	<b>(0.8)</b>	<b>389.2</b>	<b>242.8</b>	<b>632.0</b>

### Key Metrics

	Historical Dec 15	Adjustments – Post Dec 15 Transactions <sup>1,3</sup>	Historical Dec 15 Adjusted	Adjustments - Other Pro Forma Transactions <sup>2</sup>	Pro-forma
Stapled Securities on Issue (m)	334.5	2.0	336.4	164.6	501.0
NTA per Security (\$)	1.12		1.11		1.18
Gearing	30.6%		38.8%		32.6%
Total Assets net of Finance Lease Liability	618.3	75.5	693.8	302.0	995.8

1. Pro forma adjustments to reflect the impact of the Post Dec 15 Transactions (as defined on page 3).
2. Pro forma adjustments to reflect the impact of the Other Pro Forma Transactions (as defined on page 3).
3. Securities issued pursuant to the distribution re-investment plan (refer to Appendix 3B as at 29 February 2016).
4. Refer to slide 3 for the basis of preparation of the condensed historical balance sheet and condensed pro forma historical balance sheet.
5. Excludes the impact of any re-valuations at 30 June 2016
6. This is the Historical Financial Information as defined on page 3.

# EQUITY RAISING TIMETABLE



Event	Date <sup>1</sup>
Trading halt and announcement of Offer	Tuesday 28 June
Institutional Placement and Institutional Entitlement Offer conducted	Tuesday 28 to Wednesday 29 June
Trading halt lifted – stapled securities recommence trading on ASX on an 'ex-entitlement' basis	Thursday 30 June
Record date for determining entitlement to subscribe for new stapled securities and final 30 June 2016 distribution record date	Thursday 30 June
Retail Entitlement Offer opens	Tuesday 5 July
Retail Offer Booklet despatched	Tuesday 5 July
Early Retail Entitlement Offer period closes	Friday 8 July
Settlement of Institutional Placement and Institutional Entitlement Offer	Monday 11 July
Allotment and normal trading of new stapled securities under the Institutional Placement, Institutional Entitlement Offer, and Early Retail Entitlement Offer	Tuesday 12 July
Retail Entitlement Offer closes	Friday 15 July
Settlement of Retail Entitlement Offer	Thursday 21 July
Allotment of new stapled securities issued under Retail Entitlement Offer	Friday 22 July
Normal trading of new stapled securities issued under the Retail Entitlement Offer	Monday 25 July
Holding Statements dispatched to retail securityholders	Tuesday 26 July

<sup>1</sup> All dates and times are indicative only and may be changed without notice.



# APPENDIX

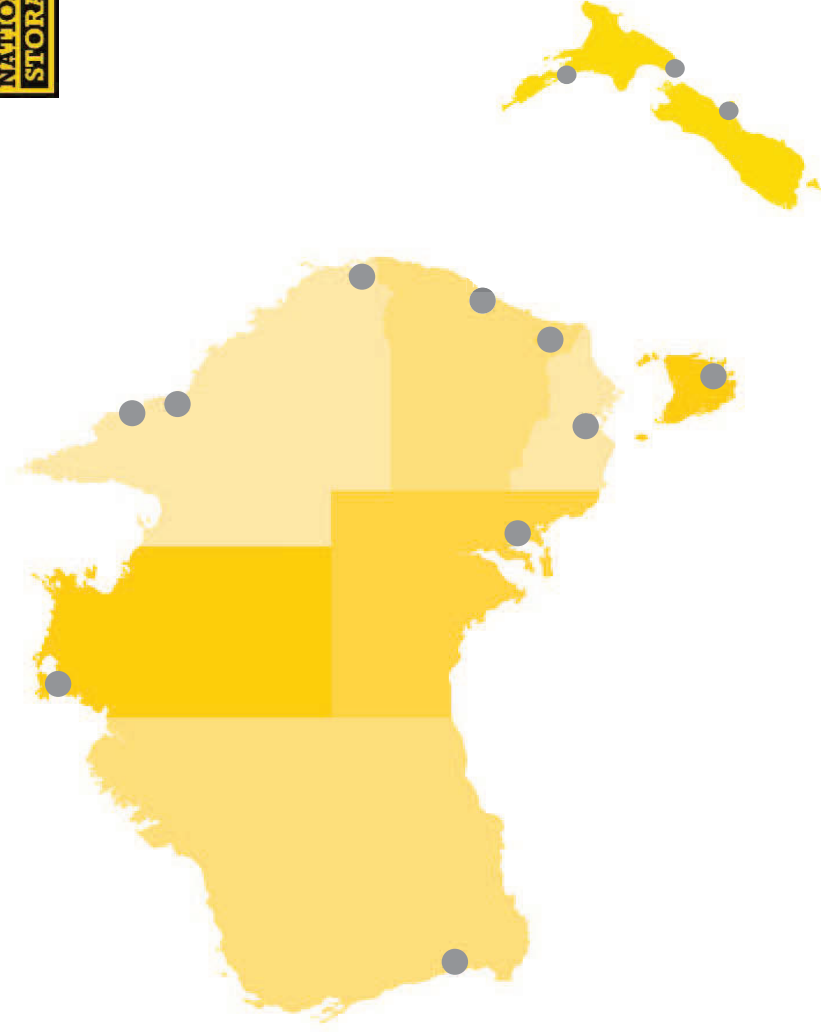




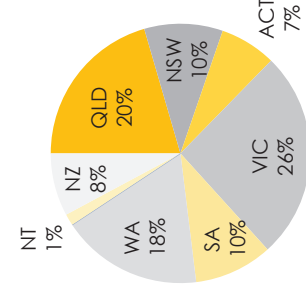
# PORTFOLIO OVERVIEW



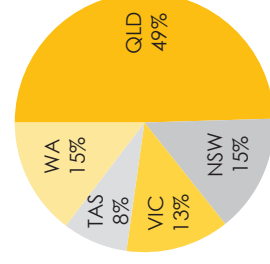
QLD	VIC	WA
Aspley Brisbane City <b>Browns Plains (SX)</b> <b>Caboolture Sth (SX)</b> <b>Cannon Hill (SX)</b> Capalaba <b>Coolum (SX)</b> Coorparoo <b>Curumbin (SX)</b> Earlville Edmonton <b>Fortitude Valley (SX)</b> <b>Hervey Bay (SX)</b> Indooroopilly <b>Kawana Waters (SX)</b> Kedron Macgregor Mt Gravatt <b>Nerang (SX)</b> <b>Oxley (SX)</b> Springwood Townsville Tweed Heads Virginia <b>Yandina (SX)</b>	Box Hill Breakwater Brooklyn (MGD) Brunswick <b>Collingwood (SX)</b> Croydon Croydon South Dandenong South Glen Iris Hawthorn Highett <b>Hoppers Crossing (SX)</b> Kilsyth Moolap Moorabbin Mulgrave Nth Melbourne Northcote Port Melbourne Prahran Richmond South Melbourne South Wharf Sunbury <b>Tullamarine (SX)</b>	Bayswater <b>Belmont (SX)</b> Butler Canning Vale Cockburn Embleton Forrestdale Guildford Jandakot (MGD) <b>Joondalup (SX)</b> Malaga Mandurah (MGD) O'Connor <b>Osborne Park (SX)</b> Perth Rockingham Subiaco Wangara Welshpool
SA	NSW	NT
Cheltenham Hindmarsh Klemzig Marion Port Adelaide Reynella	Artarmon <b>Alexandria (SX)</b> Belfield Camperdown <b>Chatswood (SX)</b> Dee Why <b>Gladesville (SX)</b> Gosford Hornsby <b>Minchinbury (SX)</b> Pymble <b>Seven Hills (SX)</b> <b>St Marys (SX)</b> Toongabbie	Coconut Grove
TAS	NZ	
<b>Moona (SX)</b> <b>Montrose (SX)</b> <b>Mornington (SX)</b>	Belfast Ferrymead Frankton Hillsborough Hornby Hutt City Newtown Redwood	



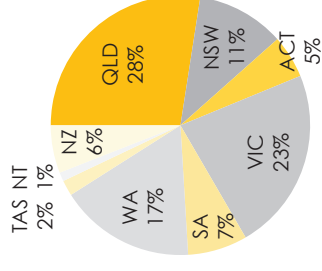
**Current NSR<sup>1</sup>**  
By NLA



**Southern Cross (SX)**  
By NLA



**Pro-forma NSR<sup>2</sup>**  
By NLA



1. Including all 2H1 6 acquisitions.  
2. Pro-forma includes Acquisition and New Centres

# PRO-FORMA PORTFOLIO METRICS



	31 December 2015			Pro-forma <sup>2</sup>		
	NSR	MANAGED	TOTAL	NSR	MANAGED	TOTAL
Freehold centres	50	29	79	86	3	89
Leasehold centres	15	-	15	16	-	16
Total centres	65	29	94	102	3	105
Freehold NLA (sqm)	277,000	141,000	418,000	445,000	15,000	460,000
Leasehold NLA (sqm)	73,000	-	73,000	78,000	-	78,000
Total NLA (sqm)	350,000	141,000	491,000	523,000	15,000	538,000
Average NLA	5,400	4,900	5,200	5,200	5,000	5,100
Storage units	40,000	14,000	54,000	56,000	1,200	57,200
REVPAM <sup>1</sup>	\$212	N/A	N/A	\$208	N/A	N/A
Assets under management	\$618m	\$268m	\$886m	\$996m	N/A	\$996m
Weighted average primary cap rate	8.40%	N/A	N/A	8.37%	N/A	N/A

1. REVPAM (Revenue per available square metre) – Excludes developing and New Zealand centres

2. Excludes the impact of any re-valuations at 30 June 2016

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This document does not constitute an offer of New Securities of National Storage REIT in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

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Other than in the Entitlement Offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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This document has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "**SFA**") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. National Storage REIT is not authorised or recognised by the MAS and the New Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA. This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Securities or the offering of New Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Securities or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Securities outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Securities.

National Storage REIT as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon National Storage REIT or its directors or officers. All or a substantial portion of the assets of National Storage REIT and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against National Storage REIT or such persons in Canada or to enforce a judgment obtained in Canadian courts against National Storage REIT or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars. *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Securities purchased pursuant to this document (other than: (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106); (b) the Business Development Bank of Canada; or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against National Storage REIT if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against National Storage REIT. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against National Storage REIT, provided that:

- National Storage REIT will not be liable if it proves that the purchaser purchased the New Securities with knowledge of the misrepresentation;
- in an action for damages, National Storage REIT is not liable for all or any portion of the damages that National Storage REIT proves does not represent the depreciation in value of the New Securities as a result of the misrepresentation relied upon; and
- in no case shall the amount recoverable exceed the price at which the New Securities were offered.
- Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:
  - in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
  - in the case of any action, other than an action for rescission, the earlier of:
    - 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or
    - three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to, and not in derogation from, any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

# KEY INVESTMENT RISKS



Investors should carefully consider the risk factors described below, in addition to the other information in this document and publicly available information of NSR, before making an investment decision. If you require further information regarding the appropriateness or potential risks of this investment, you should seek appropriate financial advice.

An investment in NSR is subject to risks, both specific to NSR and more general risks. Many of these risks are beyond the control of NSR and, if they were to eventuate, may impact adversely on the performance, or value, of an investment in NSR. This summary details some of the major risks that you should be aware of when investing in NSR, however it is not intended to be exhaustive.

Investors should be aware that the list of risks described below may not cover all possibilities and should also consider risks specific to their situation. Additional risk factors and uncertainties that are not known to NSR at the time of this Offer, or which are considered immaterial, may in the future materially impact NSR's assets, financial condition or operations and may have an adverse effect on an investment in NSR.

## Key risks relating to NSR

### 1.1 General commercial property risks

Risks commonly associated with commercial property investment apply equally to an investment in NSR, including levels of occupancy, capital expenditure requirements, development and refurbishment risk, environmental or compliance issues, changes to government and planning regulations, including zoning and damage caused by flood or other extreme weather (to the extent that it is not or could not be insured against).

### 1.2 Monthly storage agreements

Storage units are typically rented on a month to month basis. There is no guarantee that existing storage customers will not default under, or will renew, their storage agreements. Where an existing customer does not renew their storage agreement for whatever reason, there is no guarantee that other storage customers will be found.

### 1.3 Competition

The entry of new competing self-storage centres or discounting by existing competing self-storage centres may adversely affect the occupancy level and rental rates of the self-storage centres operated or managed by NSR.

### 1.4 Valuations

Valuations ascribed to NSR's assets will be influenced by a number of ongoing factors including supply and demand for self-storage centres and general property market conditions. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

### 1.5 Property liquidity

NSR may be required to dispose of some of its property assets in response to adverse business conditions. Given the relatively illiquid nature of property investments, NSR may not be able to realise the property assets in a timely manner or at an optimal sale price in line with the asset's valuation. This may affect NSR's net asset value or trading price per Stapled Security.

### 1.6 Exposure to Southern Cross

The management agreement in place with Southern Cross may be terminated in certain circumstances. If terminated, NSR will not receive distributions that are payable in

accordance with the investment agreement and the management fee income. Southern Cross has a first right to acquire additional self-storage centres subject to certain conditions. This may adversely affect NSR's ability to acquire additional self-storage centres in certain circumstances.

### 1.7 Exposure to Australian Prime Storage Fund ("APSF")

The management agreement in place with APSF may be terminated in certain circumstances. If terminated, NSR will not receive management fee income that would otherwise be payable in accordance with the management agreement in place in respect of APSF. APSF has a first right to acquire additional "prime" self-storage centres subject to certain conditions. This may adversely affect NSR's ability to acquire additional prime self-storage centres in certain circumstances.

### 1.8 Risk of joint venture development funds

NSR is currently a joint venture participant in Southern Cross (subject to completion of the Acquisition) and APSF. This imposes restrictions which would not apply if NSR was the 100% owner of the assets and operations of Southern Cross and APSF, including in relation to changes in relevant business plans, distribution policies, capital, borrowings and capital expenditure. For further information please refer to paragraphs 1.6 and 1.7 above.

### 1.9 Leasehold interests

NSR operates a number of self-storage centres from properties owned by third parties under lease arrangements. There is no guarantee that those leases will be able to be renewed or able to be renewed on suitable terms (including in relation to rent payable). The leases may also be subject to certain termination rights which, if triggered, may result in the lessor terminating the lease. This may adversely affect NSR's ability to continue to operate the self-storage centres at those locations, and the fair value attributed to them.

### 1.10 Insurance risk

There is no certainty that appropriate insurance will be available for all risks on acceptable commercial terms or that the cost of insurance premiums will not continue to rise. Some risks are not able to be insured at acceptable premiums. Examples of losses that are generally not insured against include war or acts of terrorism and natural phenomena such as earthquake or cyclone. If any of NSR's assets are damaged or destroyed by an event for which NSR does not have cover, or a loss occurs which is in excess of the insured amounts, NSR could incur a capital loss and lost income which could reduce returns for holders of Stapled Securities (including New Securities). Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect NSR's right of recovery under its insurance.

### 1.11 Future acquisitions and expansion

NSR may consider opportunities to make further acquisitions of self-storage assets. NSR may also develop and expand the lettable area at a number of NSR's centres. The rate at which NSR is able to expand will reflect market forces and the availability of capital at the time. Forecast distributions may be affected by such actions. The risks faced by NSR in relation to any future development projects will depend on the terms of the transaction at the time. There can be no assurance that NSR will successfully identify, acquire and integrate further self-storage assets, or successfully implement acquisitions on time and on budget. Furthermore, there is no guarantee that any acquisition will perform as expected. Future acquisitions may also expose NSR to unanticipated business risks and liabilities.



# KEY INVESTMENT RISKS (CONT'D)



## 1.12 Banking obligation risk

NSR is subject to a number of undertakings and financial covenants under its current debt facility arrangements, including in relation to gearing levels and interest cover ratios. An event of default can occur under its current debt facility if NSR fails to maintain these financial covenants. This may be caused by unfavourable movements in interest rates (to the extent rates are not hedged) or deterioration in the income or the value of NSR's properties and/or businesses. To the extent that an event of default occurs, the lender may require immediate repayment of the debt facility. NSR may need to dispose of assets at less than valuation, raise additional equity or reduce or suspend distributions in order to repay the debt facility, if this occurs.

## 1.13 Funding

NSR's ability to raise funds from either debt or equity sources in the future depends on a number of factors, including the state of debt and equity markets, the general economic and political climate and the performance, reputation and financial strength of NSR. Changes to any of these underlying factors could lead to an increase in the cost of funding, limit the availability of funding, and increase the risk that NSR may not be able to refinance its debt and/or interest rate hedges before expiry or may not be able to refinance them on substantially the same terms as the existing facility or hedge instruments. If alternative financing is not available, this could adversely affect NSR's ability to acquire new properties and to fund capital expenditure, and NSR may need to realise assets at less than valuation, which may result in financial loss to NSR.

Possible increases in the interest rate, the cost of interest rate hedges and the level of financial covenants required by lenders may adversely impact on the operational and financial results of NSR and the level of distributions available to holders of Stapled Securities (including the New Securities).

## 1.14 Environmental issues

Unforeseen environmental issues may affect the properties in the property portfolio owned by NSR. These liabilities may be imposed irrespective of whether or not NSR is responsible for the circumstances to which they relate. NSR may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. If NSR is not able to remediate the site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for future borrowings. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future, for example in relation to climate change.

## 1.15 Forecast distributions

No assurances can be provided in relation to the payment of future distributions. Future determination as to the payment of distributions by NSR will be at the discretion of NSR and will depend upon the availability of profits, the operating results and financial condition of NSR, future capital requirements, covenants in relevant debt facilities, general business and financial conditions and other factors considered relevant by NSR.

## 1.16 Stapled structure

There are inherent risks associated with a stapled structure. For example, the boards of NSH and NSFS may not agree on certain matters that involve the approval of each of these boards.

## 1.17 No assurance of liquidity or trading price

No assurances can be provided that the Stapled Securities (including the New Securities) will trade at any particular price or as to liquidity of trading or that any capital growth in NSR will translate into a higher price at which the Stapled Securities (including the New Securities) trade. The historical performance of Stapled Securities provides no guidance as to the future performance of Stapled Securities (including the New Securities).

## 1.18 Insolvency

In the event of any liquidation or winding up of NSR the claims of NSR's creditors will rank ahead of those of its investors. Under such circumstances NSR will first repay and discharge all claims of its creditors. Any surplus assets will then be distributed to NSR's investors. All investors will rank equally in their claim and will be entitled to an equal share per Stapled Security.

## 1.19 Employees

NSR's future performance is dependent on the ability to recruit, train, retain and motivate senior executives and employees. There is a risk that NSR may be unable to attract or retain key personnel and specialist skills and may lose corporate memory.

## 1.20 Occupational health and safety

There is a risk that liability arising from occupational health and safety matters at a property in NSR's portfolio may be attributable to NSR as the registered proprietor. To the extent that any liabilities may be incurred by NSR, this may impact upon the financial position and performance of NSR (to the extent not covered by insurance). In addition, penalties may be imposed upon NSR which may have an adverse impact on NSR.

## 1.21 Compliance

NSR is subject to strict regulatory and compliance arrangements under the Corporations Act, ASX and ASIC policy. If NSFS breaches the terms of its Australian Financial Services Licence, ASIC may take action to suspend or revoke the licence which would adversely impact the ability of NSFS to operate NSPT. Being listed on the ASX imposes various listing obligations with which NSR must comply on an ongoing basis.

## 1.22 Litigation, disputes and default

There is a risk that NSR or a member of the NSR group may become involved in litigation or disputes, which could adversely affect its financial performance.

## 2.0 Key risks relating to the Acquisition

### 2.1 Completion risk

NSR has entered into conditional agreements to acquire the portfolio of storage assets owned by Southern Cross, referred to in this document as the "Acquisition". Failure of a third party to comply with the agreements could result in a delay in, or failure to complete, the Acquisition. Further, if any of the conditions are waived and the Acquisition proceeds, there may be an adverse impact on the financial position and performance of NSR. If any of the conditions are not satisfied or waived within the time specified, the Acquisition may not proceed or may be delayed.

### 2.2 Post-acquisition performance

If the Acquisition is successful, the risks identified in this section in relation to NSR's ownership and operation of self-storage sites, including (but not limited to) "General Commercial Property Risks", "Environmental Issues" and "Occupational Health and Safety" will also apply to the Southern Cross assets acquired by NSR as part of the Acquisition.

# KEY INVESTMENT RISKS (CONT'D)

## 3.0 General market and regulatory risks

### 3.1 Economic and market conditions

NSR may be adversely impacted by many factors including fluctuations in general economic conditions including interest rates, inflation, consumer confidence levels which may adversely affect the demand for storage space and general market levels. A number of factors affect the performance of the stock markets, which could affect the price at which NSR's securities trade on the ASX. Among other things, movements of international and domestic stock markets, interest rates, exchange rates, inflation and inflationary expectations and overall economic conditions, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally as well as government taxation and other policy changes or changes in law may affect the demand for, and price of, Stapled Securities.

### 3.2 Interest rates

Unfavourable movements in interest rates relating to NSR's debt facility could lead to increased interest expense, to the extent that interest rates are not hedged. This could impact the level of distributions available to holders of Stapled Securities (including New Securities).

Further, the risk that changes in prevailing market interest rates and the strength of capital markets will influence NSR's interest costs and its ability to refinance debt respectively.

### 3.3 Inflation

Lower than expected inflation rates generally or specific to the sectors in which NSR operates could reduce the rate of increase in inflation-linked revenues. Higher than expected inflation is likely to increase operating and development costs. Such changes could adversely impact NSR's financial performance.

### 3.4 Derivatives

NSR uses derivative instruments to hedge its exposure to interest rates. The mark-to-market valuation of derivative instruments could change quickly and significantly. Such movements may have an adverse effect on the financial performance and financial position of NSR.

### 3.5 Dilution risk

Investors who do not participate in the Offer, or who do not take up all of their entitlement under the Offer, will have their investment in NSR diluted and receive no value for their entitlement. Further, and in addition to the Placement, NSR may issue securities to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of securityholders' interests in NSR and the proportional beneficial ownership in the underlying assets of NSR.

### 3.6 Changes in law

Changes in law, government legislation, regulation and policy in jurisdictions in which NSR operate may adversely affect the value of its portfolio and/or NSR's future earnings and performance as well as the value of NSR's securities quoted on the ASX.

### 3.7 Taxation risk

There may be tax implications arising from applications for Stapled Securities (including New Securities), the receipt of distributions (if any) and returns of capital from NSR, and on the disposal of Stapled Securities. Future tax reforms could impact on the distributions from NSR and the value of securities, possibly with retrospective effect. Investors should note that Australian tax laws are complex and constantly subject to change.

## 3.8 Accounting standards

The Australian Accounting Standards to which NSR adheres are set by the Australian Accounting Standards Board (AASB) and are consequently outside the control of NSR and the directors of NSH and NSFS. Changes to accounting standards issued by AASB or changes to the commonly held views on the application of those standards could materially and adversely affect the financial performance and position reported in NSR's financial statements.

## 3.9 Equity raising and underwriting risk

NSR has entered into an underwriting agreement under which the Underwriters have agreed to fully underwrite the Offer, subject to the terms and conditions of the underwriting agreement between the parties. If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Offer and NSR's sources of funding for the Acquisition. If the underwriting agreement is terminated NSR may not be able to complete the Acquisition, which may have a material adverse effect on NSR's financial performance, financial position and security price.

The Underwriters' obligations to underwrite the Offer are conditional on certain matters. The events which may trigger termination of the underwriting agreement include where:

- the agreement entered into in respect of the Acquisition being terminated or amended, or any party to the agreement breaching that agreement, in a material respect of amended in a material respect without the prior consent of the Underwriters;
- there are certain changes in the senior management of National Storage REIT;
- a National Storage group member breaches, or defaults under, a material debt or financial arrangement or related documentation, or a review event has occurred under these documents which allows the financier the right to accelerate repayment;
- a statement contained in the offer materials (including this Information Booklet and all ASX announcements made in connection with the Entitlement Offer) is or becomes misleading or deceptive, the offer materials omit required information or otherwise fail to comply with applicable laws;
- there is a material adverse change to the financial position, assets, liabilities or prospects of National Storage REIT;
- either of the S&P/ASX 200 Index or the S&P/ASX A-REIT index falls by 10% or more from the level of that index as at the close of trading on the day immediately prior to the date of the Underwriting Agreement;
- National Storage REIT withdraws all or part of the Entitlement Offer;
- National Storage REIT is prevented from issuing the New Securities under the Institutional Placement or Entitlement Offer;
- there are certain delays in the timetable for the Institutional Placement or the Entitlement Offer without the Underwriters' consent;
- National Storage REIT is in breach of or fails to perform any of its obligations under the Underwriting Agreement or National Storage REIT contravenes the Corporations Act, the Listing Rules or other applicable laws;
- National Storage REIT or any of its directors or officers engage in fraudulent conduct or activity (whether connected to the Entitlement Offer or not) or otherwise commit certain offences;
- National Storage REIT causes to be listed on the ASX or Securities are suspended from trading on, or being quoted on, the ASX; or
- there are certain disruptions to financial markets in specified jurisdictions, including a general moratorium on commercial banking activities, or a material suspension or limitation in trading on the ASX or NZX or the securities exchanges in the United States, London, Hong Kong or Tokyo.





# THANK YOU

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## **4 Additional information**

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### **4.1 Eligibility of retail Securityholders**

The Retail Entitlement Offer is being offered to Eligible Retail Securityholders only.

Eligible Retail Securityholders are Securityholders who, on the Record Date (being 7.00pm (AEST) on Thursday, 30 June 2016):

- (a) are registered as a holder of Existing Securities;
- (b) have a registered address in Australia or New Zealand or are a Securityholder that National Storage REIT has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Securityholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

National Storage REIT has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Securityholders because of: (a) the small number of such Securityholders; (b) the number and value of the New Securities which would be offered to Ineligible Retail Securityholders if they were Eligible Retail Securityholders; and (c) the cost of complying with the applicable legal requirements and requirements of regulatory authorities in the jurisdictions of the Ineligible Retail Securityholders.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible Securityholder is an Eligible Institutional Securityholder or an Eligible Retail Securityholder, is determined by National Storage REIT and/or the Underwriters, having reference to a number of matters which are to be considered in accordance with the relevant legal and regulatory requirements. These matters include the number of Securityholders in certain foreign jurisdictions and the number and value of the New Securities which those Securityholders would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. National Storage REIT and the Underwriters disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

National Storage REIT will notify all Ineligible Retail Securityholders of the Retail Entitlement Offer and advise them that National Storage REIT is not extending the Retail Entitlement Offer to them.

By returning a completed Entitlement and Acceptance Form and Application Monies, or making a payment by BPAY, you represent and warrant that you are an Eligible Retail Securityholder. See section 2 and section 4 of this Information Booklet for further details.

National Storage REIT reserves the right to reject any application that it believes comes from a person who is not an Eligible Retail Securityholder.

#### **4.2 No offer under the Retail Entitlement Offer to Institutional Investors**

For the avoidance of doubt, the Retail Entitlement Offer does not constitute an offer to:

- (a) any Eligible Institutional Securityholder (whether or not it participated in the Institutional Entitlement Offer)<sup>9</sup>;
- (b) a nominee or custodian for such an Eligible Institutional Securityholder, in respect of Existing Securities held for it;
- (c) any person allocated New Securities under the Institutional Entitlement Offer; or
- (d) any Ineligible Institutional Securityholder.

#### **4.3 Ranking of New Securities**

The New Securities issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Securities. New Securities (including Additional New Securities) will be allotted after the FY2016 distribution record date and therefore will not be eligible to receive the FY2016 distribution payment.

#### **4.4 Allotment**

National Storage REIT has applied for quotation of the New Securities on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Securities, National Storage REIT will repay all Application Monies (without interest).

Trading of New Securities will, subject to ASX approval, occur shortly after allotment. Subject to quotation, it is expected that allotment of the New Securities under the Early Retail Entitlement Offer will take place on Tuesday, 12 July 2016 and allotment of the New Securities under the Retail Entitlement Offer will take place on Friday, 22 July 2016. Application Monies will be held by National Storage REIT on trust for Applicants until the New Securities are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Securities allotted under the Early Retail Entitlement Offer will commence trading on Tuesday, 12 July 2016 and the New Securities under the Retail Entitlement Offer will commence trading on Monday, 25 July 2016.

It is the responsibility of Applicants to determine the number of New Securities allotted and issued to them prior to trading in the New Securities. The sale by an Applicant of New Securities prior to receiving their holding statement is at the Applicant's own risk.

#### **4.5 Reconciliation**

In any entitlement offer, investors may believe that they own more Existing Securities on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Securityholders have the opportunity to receive their full Entitlement.

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<sup>9</sup> An exception to this rule arises where, in accordance with the Underwriting Agreement, the Underwriters in consultation with National Storage REIT determine to treat a person who may be an Eligible Institutional Securityholder as an Eligible Retail Securityholder if that person has not provided a valid Securityholding declaration form, Securityholder application and renunciation form, or other document or information, in the manner and by the time required by the Underwriters.

National Storage REIT may need to issue a small quantity of Additional New Securities to ensure all Eligible Securityholders have the opportunity to receive their appropriate allocation of New Securities. The price at which these New Securities would be issued, if required, is the same as the Offer Price.

National Storage REIT also reserves the right to reduce the number of an Entitlement or New Securities allocated to Eligible Securityholders or persons claiming to be Eligible Securityholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Securityholders.

In that case, National Storage REIT may, in its discretion, require the relevant Securityholder to transfer excess New Securities to the Underwriters at the Offer Price per New Security. If necessary, the relevant Securityholder may need to transfer existing Securities held by them or purchase additional Securities on-market to meet this obligation. The relevant Securityholder will bear any and all losses and expenses so caused.

By applying under the Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by National Storage REIT in its absolute discretion. You acknowledge that there is no time limit on the ability of National Storage REIT to require any of the actions set out above.

#### **4.6 Underwriting**

The Equity Raising is fully underwritten by the Underwriters who have been appointed on an exclusive basis to act as joint lead managers, joint bookrunners and joint underwriters of the Entitlement Offer pursuant to the Underwriting Agreement. Customary with these types of arrangements:

- (a) National Storage REIT has provided various customary representations and warranties in connection with (amongst other things) the Equity Raising and the SX Acquisition;
- (b) National Storage REIT has agreed, subject to certain carve-outs, to indemnify the Underwriters, their affiliates, related bodies corporate, directors, officers, employees, partners, agents, advisers and representatives against their losses in connection with the Equity Raising;
- (c) each Underwriter may terminate its obligations under the Underwriting Agreement in certain circumstances, including if the Underwriter becomes aware of any of the following events prior to completion of the Entitlement Offer (among other things):
  - (i) the agreement entered into in respect of the SX Acquisition being terminated or amended, or any party to the agreement breaching that agreement, in a material respect or amended in a material respect without the prior consent of the Underwriters;
  - (ii) there are certain changes in the senior management of National Storage REIT;
  - (iii) a National Storage group member breaches, or defaults under, a material debt or financial arrangement or related documentation, or a review

event has occurred under these documents which allows the financier the right to accelerate repayment;

- (iv) a statement contained in the offer materials (including this Information Booklet and all ASX announcements made in connection with the Entitlement Offer) is or becomes misleading or deceptive, the offer materials omit required information or otherwise fail to comply with applicable laws;
  - (v) there is a material adverse change to the financial position, assets, liabilities or prospects of National Storage REIT;
  - (vi) either of the S&P/ASX 200 Index or the S&P/ASX A-REIT index falls by 10% or more from the level of that index as at the close of trading on the day immediately prior to the date of the Underwriting Agreement;
  - (vii) National Storage REIT withdraws all or part of the Entitlement Offer;
  - (viii) National Storage REIT is prevented from issuing the New Securities under the Institutional Placement or Entitlement Offer;
  - (ix) there are certain delays in the timetable for the Institutional Placement or the Entitlement Offer without the Underwriters' consent;
  - (x) National Storage REIT is in breach of or fails to perform any of its obligations under the Underwriting Agreement or National Storage REIT contravenes the Corporations Act, the Listing Rules or other applicable laws;
  - (xi) National Storage REIT or any of its directors or officers engage in fraudulent conduct or activity (whether connected to the Entitlement Offer or not) or otherwise commit certain offences;
  - (xii) National Storage REIT ceases to be listed on the ASX or Securities are suspended from trading on, or being quoted on, the ASX; or
  - (xiii) there are certain disruptions to financial markets in specified jurisdictions, including a general moratorium on commercial banking activities, or a material suspension or limitation in trading on the ASX or NZX or the securities exchanges in the United States, London, Hong Kong or Tokyo;
- (d) the ability of the Underwriter to terminate will in some instances be subject to the Underwriter (acting reasonably) determining that:
- (i) the event has had or is likely to have a material adverse effect on the marketing, outcome, success or settlement of the Equity Raising or the likely price at which the New Securities will trade on the ASX;
  - (ii) the event has given or would be likely to give rise to a liability for the Underwriters under any applicable law; or
  - (iii) the event has given or would be likely to give rise to a contravention by the Underwriters or to the Underwriters being involved in a contravention of the Corporations Act or any applicable law; and

- (e) the Underwriters will receive an underwriting fee of 1.40% and an management fee of 0.35% of the gross proceeds of the Equity Raising (to be shared between them equally). In addition, National Storage REIT will pay Morgan Stanley Australia Securities Limited an advisory fee of 0.25% of the gross process of the Equity Raising. The Underwriters will also be reimbursed for certain expenses.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information Booklet and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each of the Underwriters and their respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither each respective Underwriter nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Securities or the Entitlement Offer generally.

#### **4.7 No cooling off rights**

ASIC has confirmed that cooling-off rights do not apply to an investment in the New Securities. You cannot withdraw your Application once it has been accepted.

#### **4.8 Rounding off Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Securities.

#### **4.9 Continuous Disclosure**

National Storage REIT is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

National Storage REIT is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, National Storage REIT has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of National Storage REIT Securities. That information is available to the public from ASX.

#### **4.10 Not investment advice**

This Information Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. NSH is not licensed to provide financial product advice in respect of the New Securities. NSFS is licensed to provide financial product advice, however it is not providing any such advice in respect of the Equity Raising or New Securities. This Information Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Securities, nor does it purport to contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with National Storage REIT's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au) and [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au).

Before deciding whether to apply for New Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

#### **4.11 ASX Confirmation and waiver**

ASX has confirmed that the Entitlement Offer timetable described in section 7 of this Information Booklet is acceptable to ASX.

As part of the Equity Raising, the ASX has granted National Storage REIT a waiver of ASX Listing Rule 7.1 subject to customary conditions.

The purpose of the waiver is to permit National Storage REIT to calculate its placement capacity under Listing Rule 7.1 by including the number of New Securities to be issued under the Entitlement Offer in variable "A" of the formula in Listing Rule 7.1 without shareholder approval.

The waiver is subject to the condition that the New Securities issued under the Institutional Placement are included in variable "C" for the purposes of the formula in ASX Listing Rule 7.1 until 12 months has passed or their issue has been ratified by shareholders, and in the event that the full number of New Securities offered under the Entitlement Offer are not issued then the number of New Securities issued under the Institutional Placement is to be reduced accordingly.

#### **4.12 Information availability**

Eligible Retail Securityholders in Australia and New Zealand can obtain a copy of this Information Booklet during the period of the Retail Entitlement Offer on the National Storage website at [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au) or by calling the Offer Information Line on 1300 784 157 (within Australia) or +61 3 9415 4127 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet.

The electronic version of this Information Booklet on the National Storage website will not include a personalised Entitlement and Acceptance Form. A replacement of your personalized Entitlement and Acceptance Form can be requested by calling the Offer Information Line. Alternatively you can download a replacement of your personalised Entitlement and Acceptance Form via your online account at [www.computershare.com.au/investor](http://www.computershare.com.au/investor).

## **5 Australian taxation consequences**

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Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Securityholders that hold their New Securities or Additional New Securities acquired under the Top Up Facility on capital account. In addition, the guide below applies only to Eligible Retail Securityholders who are Australian resident individuals, companies or complying superannuation entities.

The guide does not take account of the individual circumstances of particular Eligible Retail Securityholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Securityholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9.00am (AEST) on Thursday, 5 July 2016. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

### **5.1 Issue of Entitlement**

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Retail Securityholder.

### **5.2 Exercise of Entitlement and applying for Additional New Securities**

New Securities will be acquired when the Eligible Retail Securityholder is issued New Securities pursuant to the Retail Entitlement Offer. Additional New Securities will be acquired when the Eligible Retail Securityholder is issued Additional New Securities pursuant to the Top Up Facility.

An Eligible Retail Securityholder should not derive any assessable income, or make any capital gain at the time of exercising their Entitlement under the Retail Entitlement Offer or being issued with New Securities or Additional New Securities.

Each New Security and each Additional New Security acquired will comprise two separate capital gains tax (**CGT**) assets; a share in NSH and a unit in NSPT. Eligible Retail Securityholders that acquire New Securities or Additional New Securities will need to determine their cost base for each of these CGT assets, on the basis of a reasonable apportionment of the Offer Price payable for each New Security or Additional New Security (plus a reasonable apportionment of any non-deductible incidental costs the Eligible Retail Securityholder incurs in acquiring the New Securities or Additional New Securities, respectively).

### **5.3 Lapse of Entitlement**

If an Eligible Retail Securityholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Securityholder will not receive any consideration for their Entitlement that is not taken up. Eligible Retail Securityholders should not derive any assessable ordinary income or make any capital gain from the lapse of the Entitlement.



## **5.4 Taxation in respect of distributions on New Securities and Additional New Securities**

Distributions on the New Securities and additional New Securities may comprise both dividends and trust distributions. Where distributions on a New Security or Additional New Security are paid by National Storage REIT, those distributions will generally constitute assessable income of an Eligible Retail Securityholder. Please note that New Securities (including Additional New Securities) will be allotted after the FY2016 distribution record date and therefore will not be eligible to receive the FY2016 distribution payment.

With respect to the dividend component of the distribution, an Eligible Retail Securityholder who is an individual or complying superannuation entity should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such Eligible Retail Securityholder should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a 'qualified person' (refer to comments in section 5.5 below). The tax offset can be applied to reduce the tax payable on the Eligible Retail Securityholder's taxable income. Where the tax offset exceeds the tax payable on the Eligible Retail Securityholder's taxable income, such Eligible Retail Securityholder should be entitled to a refund of the excess franking offsets.

A corporate Eligible Retail Securityholder is also required to include both the dividend and the associated franking credit as assessable income. A tax offset is then available up to the amount of the franking credit on the dividend. Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

Where a dividend paid by National Storage REIT is unfranked, the Eligible Retail Securityholder should include the unfranked amount in their assessable income and there will be no offset entitlement.

With respect to the trust distribution component of the distribution, an Eligible Retail Securityholder should include their proportionate share of NSPT's net income to which they are presently entitled to in their assessable income in the year in which the entitlement arises, rather than when the trust distribution is paid. The trust distribution should generally retain the character that the income had in the hands of NSPT. This may include rent, capital gains and foreign income tax offsets (**FITOs**).

Where an Eligible Retail Securityholder is entitled to a FITO, the FITO will be capped at the greater of \$1,000 or, effectively, the amount of Australian tax payable by the Eligible Retail Securityholder on foreign sourced income. The FITO (subject to the FITO cap) can be applied to reduce the tax payable on the Eligible Retail Securityholder's taxable income.

The FITO is non-refundable and, to the extent the foreign income tax offset is utilised, cannot be carried forward to future income years.

## **5.5 New Securities and Additional New Securities held at risk**

The benefit of franking credits can be denied where an Eligible Retail Securityholder is not a 'qualified person' in which case the Eligible Retail Securityholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an Eligible Retail Securityholder must satisfy the holding period rule and, if necessary, the related payment rule. The holding period rule requires an Eligible Retail Securityholder to hold the New Securities and Additional New Securities 'at risk' for more than 45 days continuously (excluding the date of acquisition and date of disposal) within the holding period. The holding period should commence on the day after the Eligible Retail Securityholder acquires the New Securities and Additional New Securities (respectively) and ending on the 45th day after the New Securities and Additional New Securities (respectively) become ex-dividend. Any day on which an Eligible Retail Securityholder has a materially diminished risk of loss or opportunity for gain in respect of the New Securities or Additional New Securities (e.g. entering into a contract to sell the New Securities or Additional New Securities) will not be counted as a day on which the Eligible Retail Securityholder held the New Securities or Additional New Securities 'at risk'. This holding period rule should not apply where the total franking credits of an individual in a year of income do not exceed \$5,000.

Under the related payment rule, a different testing period applies where the Eligible Retail Securityholder has made, or is under an obligation to make, a related payment in relation to a dividend paid by National Storage REIT. The related payment rule requires the Eligible Retail Securityholder to have held the New Securities and Additional New Securities at risk for a period commencing on the 45th day before, and ending on the 45th day after, the day the New Securities and Additional New Securities become ex-dividend. Practically, this should not impact an Eligible Retail Securityholder who continues to hold New Securities and Additional New Securities and also does not pass the benefit of the dividend to another person. Eligible Retail Securityholders should obtain their own tax advice to determine if these requirements have been satisfied.

There are specific integrity rules to prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of a dividend washing scheme. Eligible Retail Securityholders should consider the impact of this measure given their own personal circumstances.

## **5.6 Disposal of New Securities or Additional New Securities**

The disposal of New Securities or Additional New Securities will constitute a disposal for CGT purposes.

On disposal of a New Security or an Additional New Securities, an Eligible Retail Securityholder should make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Security or Additional New Security. An Eligible Retail Securityholder should make a capital loss if the capital proceeds are less than the reduced cost base of the New Security or additional New Security.

Eligible Retail Securityholders that are individuals or complying superannuation entities and that have held their New Securities or Additional New Securities for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and 33.33% for complying superannuation entities.

For the purpose of determining whether the New Securities have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Retail Securityholders should have acquired them when they exercised their Entitlement under the Retail Entitlement Offer. For the purpose of determining whether the Additional New Securities acquired under the Top Up Facility have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Retail

Securityholders should have acquired them at the date the Additional New Securities were issued.

Eligible Retail Securityholders that make a capital loss can only use that capital loss to offset other capital gains. However, if the capital loss cannot be used in a particular income year, the capital loss can be carried forward to use in future income years, provided certain loss recoupment tests are satisfied.

## **5.7 Taxation of Financial Arrangements**

The application of the Taxation of Financial Arrangements (**TOFA**) provisions depends on the specific facts and circumstances of the Eligible Retail Securityholder. Eligible Retail Securityholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

## **5.8 GST**

The taking up of the New Securities and Additional New Securities will be classified as a “financial supply” for Australian GST purposes. Accordingly, the issue and taking up of the New Securities and Additional New Securities is likely to be input taxed, meaning that Australian GST will not be payable in respect of the acquisition of the New Securities or Additional New Securities. Eligible Retail Securityholders that are registered or required to be registered for Australian GST may not be entitled to claim an input tax credit for GST incurred on costs associated with the acquisition of New Securities or Additional New Securities acquired under the Top Up Facility and should seek their own independent advice in this regard.

## **5.9 Stamp duty**

Stamp duty will not be payable in respect of the taking up of New Securities or Additional New Securities on the assumption no Securityholder and associated person will hold an interest of 90% or more in National Storage REIT.

# **6 Definitions**

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**Additional New Securities** means any additional New Securities applied for by an Eligible Retail Securityholder in excess of their Entitlement under the Top Up Facility.

**AEST** means Australian Eastern Standard Time.

**Applicant** means an Eligible Retail Securityholder who has submitted a valid Application.

**Application** means the arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

**Application Monies** means the aggregate amount payable for the New Securities applied for through BPAY or in a duly completed Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and the securities exchange operated by it as the context requires.

**BPAY** means the electronic payment services operated by BPAY Pty Ltd (ABN 69 079 137 518).

**Business Day** has the same meaning as in the Listing Rules.

**Closing Date** means 5.00pm (AEST) on Friday, 15 July 2016, the day the Retail Entitlement Offer closes.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Early Retail Acceptance Date** means 5.00pm (AEST) on Friday, 8 July 2016 (or such other time or date as National Storage REIT may determine) being the last date for Eligible Retail Securityholders to lodge an Application via BPAY to participate in the Early Retail Entitlement Offer.

**Early Retail Entitlement Offer** means the offer to Eligible Retail Securityholders to be allotted New Securities in respect of their Entitlement at the same time as the allotment of New Securities under the Institutional Entitlement Offer by lodging an Application via BPAY by the Early Retail Acceptance Date.

**Eligible Institutional Securityholder** means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Securityholder on the Record Date who:

- (a) is not an Ineligible Institutional Securityholder; and
- (b) has successfully received an invitation from the Underwriters to participate in the Institutional Offer (either directly or through a nominee).

**Eligible Retail Securityholder** means a Securityholder on the Record Date who:

- (a) is registered as a holder of Existing Securities;
- (b) has a registered address in Australia or New Zealand or is a Securityholder that National Storage REIT has otherwise determined is eligible to participate;
- (c) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States;
- (d) was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Securityholder under the Institutional Entitlement Offer; and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

**Eligible Securityholders** means Eligible Institutional Securityholders and Eligible Retail Securityholders

**Entitlement** means the right to subscribe for 3 New Securities for every 10 Securities held by Eligible Securityholders on the Record Date, pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form that will accompany this Information Booklet when it is dispatched to Eligible Retail Securityholders.

**Entitlement Offer** means the Institutional Entitlement Offer and the Retail Entitlement Offer.

**Equity Raising** means the Entitlement Offer and the Institutional Placement.

**Existing Securities** means the Securities already on issue on the Record Date.

**FY2016** means the financial year ending 30 June 2016 and in respect of the FY2016 distribution means the distribution for the period ending on 30 June 2016.

**Ineligible Institutional Securityholder** means a Securityholder who is an institutional Securityholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that National Storage REIT and the Underwriters agree to whom Listing Rule 7.7.1 (a) applies.

**Ineligible Retail Securityholder** means a Securityholder (or beneficial holder of Securities) other than an Eligible Institutional Securityholder or an Ineligible Institutional Securityholder on the Record Date to whom the Underwriters agree ASX Listing Rule 7.7.1 (a) applies and who:

- (a) are in the United States or are acting for the account or benefit of a person in the United States;
- (b) has a registered address outside Australia and New Zealand; or
- (c) are otherwise not eligible under applicable securities laws to receive an offer under the Retail Entitlement Offer.

**Institutional Entitlement Offer** means the accelerated pro rata non-renounceable entitlement offer to Eligible Institutional Securityholders.

**Institutional Investor** means a person:

- (a) to whom an offer of New Securities may be made in Australia without a disclosure document or product disclosure statement (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; or
- (b) to whom an offer of New Securities may be made outside Australia without registration or lodgement of a formal disclosure document or other formal filing in accordance with the laws of that particular foreign jurisdiction (except to the extent that National Storage REIT is willing to comply with those requirements).

**Information Booklet** means this document.

**Institutional Offer** means the Institutional Entitlement Offer and the Institutional Placement.

**Institutional Placement** means the placement of 63.6 million New Securities to Institutional Investors to raise \$101 million, as announced on Tuesday, 28 June 2016.

**Investor Presentation** means the presentation to investors released to the ASX on Tuesday, 28 June 2016, incorporated in section 3 of this Information Booklet.

**Listing Rules** means the official listing rules of ASX.

**National Storage REIT** means the stapled entity comprising of NSH and NSPT and may (as the context requires) refer to either NSH or NSPT or both of them jointly.

**New Centres** means the four additional storage centres, including a three centre portfolio in Perth and a centre in Cairns, as disclosed in the Investor Presentation.

**New Securities** means Securities to be allotted and issued under the Equity Raising, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Underwriters or any sub-underwriters.

**NSFS** means National Storage Financial Services Limited (ACN 600 787 246) in its capacity as responsible entity of NSPT.

**NSH** means National Storage Holdings Limited (ACN 166 572 845).

**NSPT** means National Storage Property Trust (ARSN 101 227 712).

**NSPT Group** means NSPT and its sub-trusts.

**NZX** means NZX Limited and the securities exchange operated by it as the context requires.

**Offer Information Line** means the offer information line described in section 7 of this Information Booklet.

**Offer Price** means \$1.58 per New Security.

**Record Date** means 7.00pm (AEST) on Thursday, 30 June 2016.

**Registry** means Computershare Investor Services Limited (ABN 48 078 279 277).

**Retail Entitlement Offer** means the pro rata non-renounceable entitlement offer to Eligible Retail Securityholders to subscribe for 3 New Securities for every 10 Securities of which the Securityholder is the registered holder on the Record Date, at an Offer Price of \$1.58 per New Security pursuant to this Information Booklet.

**Retail Entitlement Offer Period** means the period from opening of the Retail Entitlement Offer on Tuesday, 5 July 2016 to the close of the Retail Entitlement Offer on Friday, 15 July 2016.

**Security** means a fully paid ordinary stapled security in the capital of National Storage REIT.

**Securityholder** means a holder of Securities (ACN 152 619 451).

**Southern Cross JV** means the joint venture entity comprising the Southern Cross Storage Trust and Southern Cross Storage Operations Pty Limited (ACN 152 503 163) which, as at the date of this Information Booklet is currently owned by NS APAC Pty Ltd (ACN 152 619 451) (10%) and entities owned by Heitman LLC (90%).

**SX Acquisition** means the proposed acquisition by National Storage REIT of the remaining 90% interest in the Southern Cross JV.

**TERP** means the theoretical price at which Securities should trade immediately after the ex-date of the Entitlement Offer and the ex-distribution date.



**Timetable** means the indicative table set out in the 'key dates' section of this Information Booklet.

**Top Up Facility** means the facility described in section 2.6 under which Eligible Retail Securityholders may apply for New Securities in excess of their Entitlement.

**Underwriters** means J.P. Morgan Australia Limited (ABN 52 002 888 011) and Morgan Stanley Australia Securities Limited (ABN 55 078 652 276).

**Underwriting Agreement** means the underwriting agreement dated Tuesday, 28 June 2016 between National Storage REIT and the Underwriters.

**US Securities Act** means the US Securities Act of 1933, as amended.

## **7 Corporate information**

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### **Company**

National Storage REIT  
Level 1  
10 Felix Street  
Brisbane QLD 4000

Tel +61 7 3218 8100  
[www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au)

### **Underwriters**

J.P. Morgan Australia Limited  
Level 18  
J.P. Morgan House  
85 Castlereagh Street  
Sydney NSW 2000

Morgan Stanley Australia Securities Limited  
Level 39  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

### **Registry**

Computershare Investor Services Pty Limited  
117 Victoria Street  
West End  
Brisbane QLD 4101

### **Legal Adviser**

King & Wood Mallesons  
Level 33, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

### **Offer Information Line**

Australia: 1300 784 157  
International: +61 3 9415 4127  
Open 8.30am to 5.00pm (AEST) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 15 July 2016.





National Storage Holdings Limited (ACN 166 572 845)  
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228)  
as responsible entity for  
National Storage Property Trust (ARSN 101 227 712)



## For all enquiries:

### Phone:



(within Australia) 1300 784 157  
(outside Australia) + 61 3 9415 4127

### Web:



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

NSR

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Make your payment:



See overleaf for details of the Entitlement Offer and how to make your payment

# Non-Renounceable Entitlement Offer - Entitlement and Acceptance Form



**Your payment must be received by 5:00pm (AEST) Friday, 15 July 2016**

This is an important document that requires your immediate attention. It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

The Retail Entitlement Offer is being made under the Information Booklet dated Tuesday, 5 July 2016.

The Information Booklet contains information about investing in New Securities. Before applying for New Securities, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge by calling the Offer Information Line on 1300 784 157 (within Australia), or +61 3 9415 4127 (outside Australia). The Offer Information Line is open from 8:30am to 5:00pm (AEST) Monday to Friday. Alternatively you can download an electronic version by going to [www.nationalstorageinvest.com.au](http://www.nationalstorageinvest.com.au). Capitalised terms have the meaning in the Information Booklet.

## Step 1: Registration Name & Offer Details

Details of the securityholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

## Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Securities up to a maximum 50% of your Entitlement. Enter the number of New Securities you wish to apply for and the amount of payment for those New Securities.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Offer Booklet dated Tuesday, 5 July 2016. If you wish to be allotted your New Securities at the same time as investors under the Institutional Entitlement Offer are allotted their New Securities, you must pay by BPAY by 5:00pm (AEST) on Friday, 8 July 2016. Otherwise, your Application and payment must be made by 5:00pm (AEST) on Friday, 15 July 2016.

Choose one of the payment methods shown below.

### Option 1: Paying by BPAY®

See overleaf. Do not return the payment slip with BPAY payment. National Storage REIT encourages payments by BPAY if possible

By paying by BPAY you will be deemed to have read and understood the Information Booklet (including the representations and warranties contained therein) and completed an Entitlement and Acceptance Form or the number of New Securities your Application Money will pay for.

### Option 2: If unable to pay by BPAY

If you are unable to pay by BPAY, complete the reverse side of the payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to "National Storage REIT Retail Offer" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Entitlement Offer**



National Storage REIT Non-Renounceable Entitlement Offer  
Payment must be received by 5:00pm (AEST) Friday, 15 July 2016

© Registered to BPAY Pty Limited ABN 69 079 137 518

## STEP 1

## Registration Name &amp; Offer Details

For your security keep your SRN/  
HIN confidential.

Registration Name:

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Entitlement No: 12345678

## Offer Details:

Existing securities entitled to participate as at 7:00pm (AEST) 30 June 2016:

4,000

Entitlement to New Securities on a 3 for 10 basis:

1

Amount payable on full acceptance at \$1.58 per New Security:

\$0.01

\* You may only apply for additional  
New Securities if you have applied for  
100% of your Entitlement\* Maximum additional New Securities for which you may apply (50% of your  
Entitlement):

1

Amount payable on full acceptance of Entitlement and application for the  
maximum additional New Securities:

\$0.01

## STEP 2

## Make Your Payment

Biller Code: 156836  
Ref No: 1234 5678 9123 4567 89

## If you are unable to pay by BPAY:

Make your cheque or bank draft payable to "National Storage REIT Retail Offer" and cross "Not  
Negotiable".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited  
GPO BOX 505 Melbourne Victoria 3001 AustraliaContact your financial institution to make your payment from  
your cheque or savings account.

## Lodgement of Acceptance

If you are applying for New Securities and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no  
later than 5:00pm (AEST) Friday, 15 July 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic  
payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor National Storage REIT  
accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY  
are received by this time.If you are paying by cheque or bank draft the payment slip below must be received by CIS by no later than 5:00pm (AEST) Friday, 15 July 2016. You should allow sufficient  
time for this to occur. A reply paid envelope is enclosed for Eligible Securityholders in Australia. Other Eligible Securityholders will need to affix the appropriate postage.  
Return the payment slip below with cheque attached. Neither CIS nor National Storage REIT accepts any responsibility if you lodge the payment slip below at any other  
address or by any other means.

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for  
the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may  
authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by  
contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the  
Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or  
companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon  
direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be  
located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further  
details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer  
at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

- - -

## National Storage REIT Acceptance Payment Details

Entitlement taken up (being not more than your Entitlement shown  
above):

--	--	--	--	--	--	--	--

A

Number of Additional New Securities applied for:

--	--	--	--	--	--	--	--

B

Total number of New Securities applied for (add A + B):

--	--	--	--	--	--	--	--

C

Amount enclosed at \$1.58 per New Security (multiplied by  
C):

A\$

--	--	--	--	--	--	--	--	--	--

Payment must be received by 5:00pm (AEST) Friday, 15 July 2016

## Contact Details

Contact  
NameDaytime  
Telephone

## Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

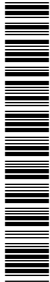


Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000



**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR ATTENTION BEFORE  
COMPLETING THE APPLICATION FORM**

- 
- (a) Terms used in this Form (which forms part of the application form accompanying the disclosure document<sup>\*</sup>) have the meanings given in the disclosure document (unless otherwise stated) lodged by the Issuer with the Australian Securities and Investments Commission.
  - (b) This electronic copy of the Form is an application for Securities or other financial products (**Securities**) offered under the disclosure document.
  - (c) Securities will only be issued on receipt of an application form (of which this disclaimer is part) issued together with the disclosure document. The disclosure document contains important information about investing in the Securities offered. You can access an electronic copy of the disclosure document on the ASX website, [www.asx.com.au](http://www.asx.com.au)
  - (d) You are advised to read the disclosure document carefully and in its entirety before deciding whether to invest.
  - (e) A person who gives another person access to the Form must at the same time and by the same means give the other person access to the disclosure document and any supplementary document.
  - (f) By accessing and/or completing this Form you confirm that you are a resident of Australia or New Zealand and you represent, warrant and agree that:
    - (i) you are not a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933 as amended) nor are you acting for the account or benefit of a U.S. person;
    - (ii) you will not make a copy of the disclosure document or the Form available to or distribute a copy of the disclosure document or the Form to, any such "U.S. person"; and
    - (iii) the state, territory or province and postcode provided by you for your primary residence in Australia or New Zealand are true and accurate.
  - (g) The Issuer will send paper copies of the disclosure document, any supplementary documents and the application form, on request, without charge. Please contact the Information Line as set out in the disclosure document.

**THIS IS A PERSONALISED FORM AND MUST NOT BE DISTRIBUTED TO OTHER  
PERSONS. THIS OFFER IS NOT FOR PERSONS OUTSIDE THE JURISDICTIONS  
OF AUSTRALIA AND NEW ZEALAND.**

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<sup>\*</sup> Prospectus or Product Disclosure Statement or both, as the case may be.



