

RENO STUDENT HOUSING, DST OPPORTUNITY

STRATEGIC
1031 PROPERTIES, LLC




PRIVATE PLACEMENT MEMORANDUM

October 21, 2016

Reno Student Housing, DST

Reno Student Housing, DST, a newly formed Delaware statutory trust (the "Trust") and an affiliate of SmartStop Asset Management ("SAM"), is offering (the "Offering") to sell to certain qualified, accredited Investors (the "Investors") pursuant to this Confidential Private Placement Memorandum (the "Memorandum") up to \$42,900,000 of beneficial interests (the "Interest") in the Trust.

Financial Professionals Call

 877.327.3485

 info@sam.com

 SAM.com

This material does not constitute an offer or solicitation by anyone in any jurisdiction for the purchase or sale of securities. Offers and sales shall be made only to persons who qualify as accredited Investors under applicable federal law and only pursuant to the Memorandum and subscription documents setting forth definitive terms of the offering and the investment opportunity. This material has not been approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of statements in this material. Any representation to the contrary is a criminal offense. Investment involves a high degree of risk and is speculative as described in detail in the Memorandum and subscription documents. Before investing, you are responsible for conducting your own due diligence of the Trust and the Offering, and you should review the entire Memorandum, including the "Risk Factors" beginning on page 53, in its entirety before investing. This material does not constitute tax advice to any prospective Investor. Prospective Investors must consult with their own tax advisors regarding the tax consequences to them of acquiring and owning an investment. Investment in the Trust will not be suitable for some Investors. The Trust may accept or reject any investment in whole or in part in its sole and absolute discretion. Nothing herein shall be considered to be an endorsement, guarantee of returns or performance, authorization or approval of SAM or any of its affiliates.



The Property

The Trust will acquire a newly constructed, 99% leased, Class “A”, purpose-built student housing property located at 2780 Enterprise Road, Reno, Nevada 89512 commonly known as The Summit (“The Summit”). The Summit is a seven building LEED Certified Silver, 186 Unit /709 bed student housing community on 8.95 acres located one block from the University of Nevada, Reno (“UNR”) campus. The Units are fully furnished including energy efficient appliances, interior washer/dryer, and condominium finishes with granite countertops, pendant lighting, espresso finish cabinets and wood vinyl plank flooring. The property contains fiber optic

cable with 1 Gigabit of bandwidth capacity offering students the benefit of very fast and reliable internet connectivity and ability to stay connected to multiple devices to support their academic and entertainment needs.

The Summit offers an extraordinary amenities package including a two-story clubhouse with a fitness center, game lounge, pool, spa, computer room and business center, M-F campus shuttle service, common area BBQ’s, tanning room, security, 14 private study rooms, covered parking, gated access and covered bike storage areas.

Investment Objectives

The objective of this investment is to acquire a newly constructed, Class “A”, purpose-built Student Housing property located near the University of Nevada, Reno; retain a highly regarded student housing management services firm; and hold for cash flow and future appreciation. Located one block from the UNR campus, this seven-building,

state-of-the art architectural design offers students a sense of community and connectedness that will make this property attractive to resident/students for many years to come. In addition, the LEED Silver Certification is expected to provide both property tax and loan incentives that would enhance the anticipated cash-on-cash returns to Investors.

Investment Summary⁽¹⁾

Investment Product:	Purpose-Built Student Housing		
Location:	One block from the University of Nevada, Reno		
Address:	2780 Enterprise Rd, Reno, NV 89512		
Enrollment:	Division I University with +/- 21,000 Students		
Year Built:	New Construction, Completed Q3 2016		
Occupancy:	99% Leased		
Total Units / Beds:	186 / 709 Fully Furnished		
Community Amenities:	+1 Gigabit High Speed Internet, 14 Private Study Rms, Computer Business Center, Pool, Spa, Gated Access Parking, Enhanced Privacy - All but two Units have 1 Bedroom and 1 Bathroom parity		
Interior Finishes:	Granite Countertops, GE Energy Star® Appliances, Espresso Finish Cabinets & Wood Vinyl Plank Flooring		
Green Amenities:	LEED Silver Certification, Energy Efficient HVAC, High Grade Air Filters, Drought-Tolerant Landscaping & Energy Efficient Lighting		
Minimum Investment:	1031 Exchange Investor:	\$100,000	
	Cash Investor:	\$25,000	
Fully-Loaded LTV:	44.93%		
Reserves:	\$1,000,000 Up Front for Future Capital Expenditures and Unforeseen Repairs. An Additional \$90,000 Per Year Will be Reserved for FFE (Furniture, Fixtures and Equipment) Replacement and Scheduled Repairs and Maintenance		
Loan Terms:	10 year Fannie Mae, with 3 year interest only, 30 year amort thereafter		
Interest Rate:	1.60% spread over 10 year Treasury rate		
Equity Offering:	\$42,900,000 of beneficial interests in the Trust		

Estimated Return on Equity⁽¹⁾⁽²⁾

	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Average %
Est. Monthly Cash Flow to Investors:	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Est. Annual Bonus Rent to Investors:	0.37%	0.87%	0.95%	0.00%	0.10%	0.21%	0.45%	0.71%	0.97%	1.23%	0.59%
Return from Principal Amort:	0.00%	0.00%	0.00%	1.54%	1.61%	1.67%	1.73%	1.78%	1.85%	1.92%	1.21%
Est. Total Return on Equity:	5.37%	5.87%	5.95%	6.54%	6.71%	6.88%	7.18%	7.49%	7.82%	8.15%	6.80%

⁽¹⁾ The information set forth above are estimates only that are subject to certain qualifications, assumptions and risks as further described in the Memorandum, and actual results may differ materially from those set forth above.

⁽²⁾ Estimated cash flow is based on an assumed interest rate of 3.50%.
See Exhibit E in the Memorandum for estimated tax equivalent yield.



The Location

The University of Nevada Reno (UNR) was founded in 1874 as the State University of Nevada in Elko, Nevada, about 300 miles northeast of its present-day campus in Reno. Today, the University is known as one of the nation’s top public research universities and is ranked as a National Tier 1 University by U.S. News & World Report. Home to 20,898 students and 1,166 instructional faculty, UNR is the oldest and most academically prestigious University in the state. Since 2010, total enrollment

has increased 21.94%, averaging 3.66% growth a year. Over the next five years, by 2020, UNR is projecting another 13.9% increase in the total enrollment on campus, averaging 2.78% growth annually. Moreover, by 2025 the University projects that total enrollment will be approximately 25,439 students, an increase of 4,541 students over 2015 enrollment, averaging approximately 2% per year over the next decade.

The University of Nevada-Reno offers students more than 145 degree programs across a variety of subjects and disciplines. UNR takes a hands-on approach to academics through its comprehensive academic vision. In recent years, several of the University’s academic programs have gained national recognition. UNR’s part-time Masters in Business Administration program is consistently recognized for its quality yet affordability and is currently ranked by Bloomberg BusinessWeek as one of the Top 25 “Best Part Time” programs. The College of Education, College of Engineering, and School of Medicine are all ranked by U.S. News and World Report among the best graduate schools in

the nation. The Reynolds School of Journalism has also produced six Pulitzer Prize winners to date. In the past ten years, research funding at the University has doubled. UNR is known throughout the globe as a premier expert on renewable energy, seismology, geology, geodesy, and civil engineering; the University is home to one of the largest earthquake-simulation laboratories. Furthermore, students are able to actively participate in serious academic research and are able to experience a hands-on approach to learning.



UNR Student Housing Supply

The 2016 total enrollment at UNR stands at 20,898 undergraduate and graduate students. As of Fall 2016, there are 3,200 on-campus beds that are 100% leased, meaning the school only has capacity to house 16% students on campus.

There are approximately 2,369 beds off-campus which collectively are 99.4% leased. There are two student housing projects under construction, one on-campus and one off-campus that are expected to deliver approximately 551 beds in 2017-2018 academic year.

Why Student Housing?

Purpose-Built Student Housing. Purpose-Built student housing is typically an amenities-rich, multi-housing property specifically designed to house students. Contemporary-designed student housing typically provides each resident with their own private bedroom, bathroom and walk-in closet within suites and floorplans designed for two to five occupants. This enhanced privacy coupled with high speed internet access, high end interior finishes such as granite countertops, pendant lighting, Energy Star® Appliances, in-unit washer and dryer, resident only business centers, private study areas, fitness center, pool, common area BBQ's and tanning beds. Students can be academically productive and enjoy the amenities in their purpose-built housing while being close to campus. Students don't need cars as most projects are located within a half mile from campus and have access to a campus shuttle service or bike sharing program. Further, Investors are hiring nationally-respected property management firms that specialize in student housing. This means that accounting, reporting, property maintenance, marketing, lease renewal and technology best practices are being implemented to ensure property upkeep and stable occupancies.

Newly constructed, Class "A", purpose-built, student housing properties located near campus will be in greater demand than older "drive" properties located off campus, especially those properties that obtain a LEED Certification for energy efficient design and construction. Because of these demand factors, Investors in Class "A" student housing located near campus will achieve higher renewal rates, have the ability to grow rents annually and benefit from the stability of cash flows.

Student Housing: Recession Resistant. The student housing industry has proven to be a recession resistant sector, even when compared to other residential real estate. While revenue for publicly-listed apartment REITs declined during the Great Recession of 2008 – 2010, revenue for publicly-listed student housing REITs maintained positive revenue growth. When the economy reached the worst economic levels since the Great Depression, student housing was the beneficiary. More young students looked to improve their job prospects by pursuing secondary education, causing a direct increase in the demand for student housing.

Property Unit Mix

Bed Description	Bed Count	Unit Count	Unit Mix	SF	Total SF
2 Bed / 2.0 Bath	100	50	26.9%	821 SF	41,050 SF
3 Bed / 3.0 Bath	12	4	2.2%	1,440 SF	5,760 SF
3 Bed / 3.0 Bath*	12	2	1.1%	1,440 SF	2,880 SF
4 Bed / 4.0 Bath	260	65	34.9%	1,278 SF	83,070 SF
5 Bed / 5.0 Bath	325	65	34.9%	1,550 SF	100,750 SF
TOTALS AVERAGES	709	186	100%	1,255 SF	233,510 SF

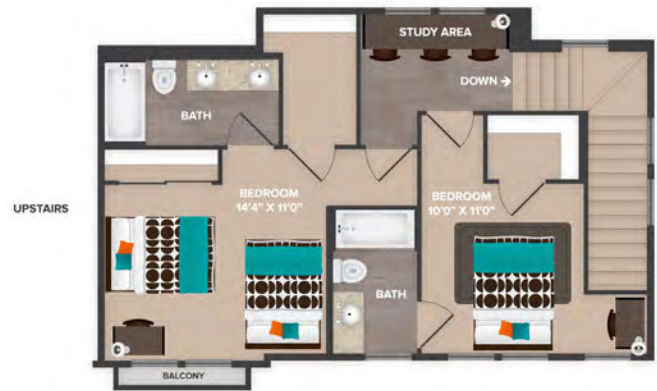
* Double Bed Units

Floor Plans

B1: 2 Bed | 2 Bath 821 SF

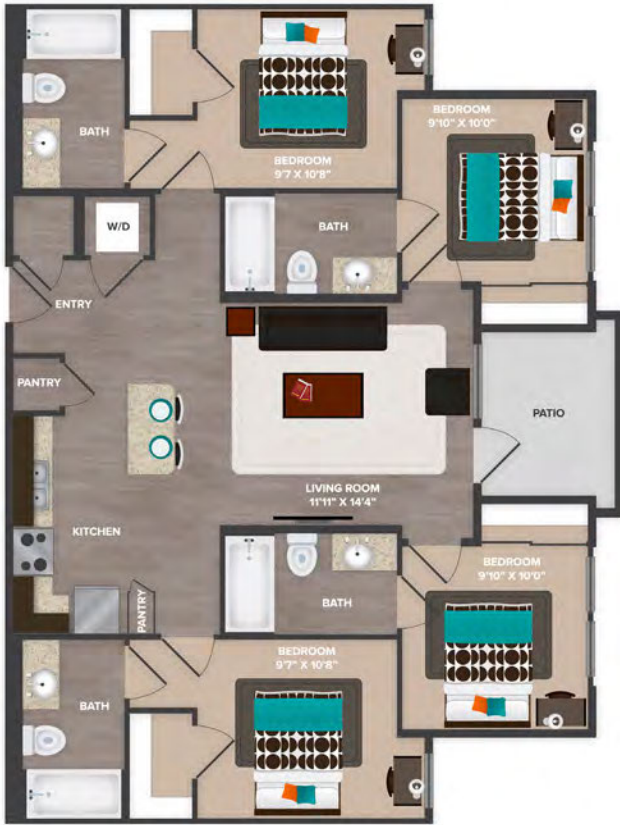


C1 Carriage: 3 Bed | 3 Bath 1,440 SF



D1: 4 Bed | 4 Bath 1,278 SF

E1: 5 Bed | 5 Bath 1,550 SF



Site Plan



Legend

- Amenities
- B1: 2BR - 2BA
- Carriage: 3BR - 3BA
- D1: 4BR - 4BA
- F1: 5BR - 5BA



Community Amenities

- Easy Access to Campus — One Block from UNR
- Two-Story Clubhouse with a Second Level Game Lounge featuring Outdoor Balcony overlooking Pool and Spa
- Luxury, Resort-Style Swimming Pool with Spa
- State-of-the-Art Fitness Center
- 14 Private Study Rooms
- Computer Room and Business Center
- Outdoor Courtyards featuring BBQ Area and Horse Shoe Pit
- Complimentary Wi-Fi in Clubhouse
- Gated Community with Access Control
- Tanning Room
- Covered Parking
- Bum-A-Bike Program
- Interior Bike Storage Areas

Green Amenities

- LEED Silver Certified by the US Green Building Council
- GE ENERGY STAR® Windows and Kitchen Appliances
- Energy-Efficient Lighting
- Low-Flow Water Fixtures
- High-Efficiency Toilets
- Drought-Tolerant Landscaping
- On-Site Recycling
- Green Cleaning Program
- Low VOC Finishes
- Green Label Plus Carpet and Padding in Bedrooms
- Environmentally Friendly and Recycled Materials/ Finishes

Interior Finishes

- Condominium Style Interior Finishes
- Fully Furnished Units and Bedrooms that include Couches, Arm Chairs, Coffee Tables, End Tables, Bar Stools, Desks and Chairs, Dresser and Mattress & Bed Frame with Head Board
- Granite Countertops
- GE ENERGY STAR® Appliances that include a Refrigerator, Electric Oven and Range, Microwave Oven and Dishwasher
- In-unit Washer and Dryer
- Wood Vinyl Plank Flooring
- Espresso Finish Cabinetry
- Pendant Lighting
- Bedroom Ceiling Fans
- 99% of all Units Provide Enhanced Privacy with 1 Bedroom and 1 Bathroom Parity
- Energy-Efficient Air Conditioning and Heating
- Programmable Thermostats
- Privacy peepholes in each Bedroom Door



Top 5 Reasons to invest in the Reno Student Housing, DST

- Opportunity to acquire a Class “A”, newly constructed, pedestrian-to-campus, purpose-built Student Housing property that is 99% leased and located one block from the UNR Campus
- State-of-the-Art architectural design that recently obtained a LEED Silver Certification for energy efficiency and use of sustainable construction materials. This “green certification” appeals both to the environmentally conscious student/resident and Investors who will benefit from lower property operating costs
- The Summit offers a tremendous value to the student/resident. All Units are fully furnished; all but two Units offer Private Bedrooms each with Private Bathrooms. All Units have condominium type interior finishes that are equipped with energy efficient appliances including a washer/dryer and 1 Gigabit Internet connectivity.
- Stabilized, core investment offering a projected year one 5% cash return
- Students have finite living options at UNR rendering them a captive audience



Risk Factors

NOTE THAT ALL CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANINGS ASSIGNED IN THE MEMORANDUM. THIS SECTION IS SUBJECT TO CHANGE BASED ON CHANGES TO THE MEMORANDUM. A WARNING ABOUT INVESTING IN THE INTERESTS.

Each prospective Investor should consult with the prospective Investor's own tax advisor regarding an investment in the Interests and the qualification of the prospective Investor's transaction under Section 1031 for the prospective Investor's specific circumstances. Each prospective Investor's specific circumstances may differ and, as a result, no assurances can be given and no legal opinion will be provided that the purchase of the Interests by any prospective Investor will qualify as a Section 1031 exchange. An investment in the Interests involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment and can afford to **lose their entire investment**. The risks involved with an investment in Interests include, but are not limited to:

- Investors have limited control over the Trust.
- The Trustees (as defined below) have limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments.
- Certain risks are inherent to the student housing industry, including an annual leasing cycle, short lease-up period, seasonal cash flows and changing University admission and housing policies.
- The Trust does not yet own the Property.
- The Trust will depend on the Master Tenant for revenue, and any default by the Master Tenant will adversely affect the Trust's operations.
- The Master Tenant and Trust depend on the Residents for revenue, and significant occupancy rate fluctuations or defaults by a significant number of the Residents will adversely affect the Trust's operations.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of the Master Tenant.
- There are certain risks to the Master Lease structure, including that the Master Tenant is an affiliate of the Sponsor that will have limited capital and may not pay rent or perform its other obligations under the Master Lease.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- The Loan Documents will contain various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- There is and will be no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 exchange.
- Various other risks as set forth in the Memorandum.