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GENERATING LIQUIDITY

LEITBOX STORAGE PARTNERS IS HOT IN A FROZEN TUNDRA

Leitbox brings an innovative approach to self-storage investment, often emphasizing the integration of mixed-use elements and leveraging our proprietary technology for site selection. We employ a multifaceted "Market Up" Strategy, which including programmatic development, mixed use developments, and acquisitions.



Executive Summary

In today's investment climate, liquidity has become a scarce commodity. The "All In Podcast" recently highlighted that even the most renowned investors face immense challenges in generating liquidity, with private equity players extending fund lives to a decade or more. Secondly, exits remain extremely depressed, falling from \$711B in 2021 to estimated \$95B in 2024, an 87% drop. Lastly, distributions as a share of NAV are down from 35% in 2021 to less than 5% in 2024.

The message is clear: generating liquidity is a rare skill, and those who master it stand out in an increasingly crowded market. Since its formation in 2016, Leitbox Storage Partners' strategy places a meaningful emphasis and premium on maintaining liquidity. Leitbox held a short term investment cycle, returning capital through recurring exits, launching niche, sharpshooter fund structures was the differentiator to overcome the capital market's growing black swan. In 2024, the black swan of liquidity has grown from a concern, such as redemption risk, to a systemic landscape across most, if not all, venture capital and private equity sectors. Leitbox's long term commitment to focusing on the investor's capital and a mandate to "not store their capital" but invest it and return it.

In its 9th year, Leitbox will defend its thesis with a historically proven strategy, product structure, and national platform that seeks to create value quickly and generates liquidity during the investment period.

**WE HAVE RE-ENVISIONED SELF-STORAGE,
MODELING OUR BUSINESS APPROACH AFTER
RETAIL - REALIZING OPERATIONAL AND
DEVELOPMENT EFFICIENCIES GAINED BY
REPETITION AND DUPLICATION.**

**Bill Leitner, Founder and Principal,
Leitbox Storage Partners, LLC**

The Liquidity Challenge

Big private equity players and venture capital funds struggle to generate liquidity, extending fund lives from the traditional five years to an extended 10–12 years. As the cost of leverage has increased, firms are increasingly focusing on operational improvements within portfolio companies to create value. This shift means that returns are less reliant on financial engineering and more on organic growth which takes much more time to realize. Money is trapped, returns are delayed, and the ability to generate liquidity is diminishing. This challenge makes investors question where liquidity may be found and how it may be unlocked.

Leitbox has not only identified this issue but designed its structure to address it head-on. As a niche player in the self-storage sector, Leitbox leverages its proprietary demographic technology for deal origination, the sector's historical economic resilience, and integration of mixed-use into its self-storage developments, coupled with a scalable process that intends to unlock liquidity in ways that more prominent players cannot replicate.

Leitbox Storage Partners: The Solution

Demographic Trends: Investing Where Demand Is Growing

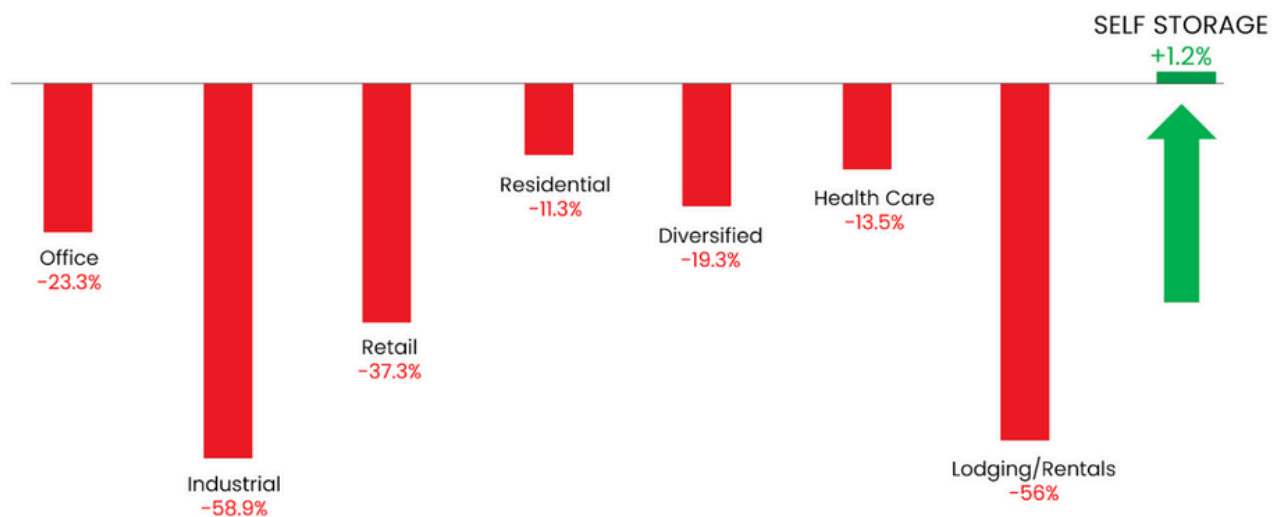
Traditionally, self-storage is a sector driven by demographic shifts, and Leitbox is uniquely positioned to attempt to capitalize on these trends. The self-storage customer is expanding, with one in nine Americans and one in five renters using self-storage (STORAGE CAFÉ, October 2023). Factors such as shorter job tenures, smaller home sizes, and the rise of apartment living have made America either on the move, or in the need for a storage solution.

While some markets face concerns about oversupply, Leitbox's strategic positioning since 2016 has allowed it to thrive in this environment. By focusing on supply-demand anomalies in specific markets, Leitbox only invests where the opportunity meets the company's high standards. Secondly, Leitbox remains a niche, sharpshooter investment strategy; it's not designed for large capital allocation like many of the larger sponsors. Leitbox is meant for identifying "storied" investment opportunities, and exploiting these anomalies with precise execution.

Historical Economic Resilience: Meant for These Times

The self-storage sector has a proven track record of weathering economic storms. The sector's historical performance shows a tendency to perform during down cycles and up cycles. During the Great Financial Recession and the COVID-19 pandemic, self-storage outperformed other real estate classes, as the Pension Fund Real Estate Association noted. Of note, in any four (4) year period since 1994, self-storage is the only real estate sector, when compared to NAREIT real estate asset types to show a positive return outcome when looking at the lowest 4 years; that's during the Dot-com bust, Russian ruble crisis, 9/11, and varying political parties in the Presidency.

MINIMUM 4 YEAR RETURN BY REIT PROPERTY TYPE (1994 - 2023)



NAREIT Annual Price and Total Returns by Property Sector, 1994-2023

The sector's historical resilience complements Leitbox's strategy that seeks to enhance its ability to thrive in both good and challenging times.

Leitbox's Unique Approach: Unlocking Liquidity

Technological Integration: Leveraging Innovation for Profitability

Leitbox has developed a proprietary algorithm, the Leitbox SiteFinder, to identify potential prime trade areas with unmet demand. This technology is designed to take a “deeper dive” in the targeted trade area. Leitbox treats site selection in a similar manner to the nation’s leading retailers. Demographics drive outcomes in self-storage, no different than certain demographic profiles yield positive outcomes for retail fashion, spanning Lululemon to TJ Maxx. For Leitbox Sitefinder, the “proof is in the pudding”. This technology-driven approach has resulted in 50% of Leitbox’s assets have been sold the day they open (i.e. grand opening), often at significant premiums to their initial cost with no storage units leased! Additionally, operational efficiency and profitability were maximized by leveraging technology such as Leitbox Remote Management Solutions.

Mixed-Use Development: Securing Prime Locations Through Creativity

In its most basic form, self-storage is simply a rental closet. So, location, location, location is incredibly important for a positive customer experience. Similar to the mindset of many of the nation’s premier retailers, convenience and efficiency is paramount. To execute on this dynamic, Leitbox often integrates mixed-use components into its storage facilities, allowing access to high-barrier-to-entry locations. By incorporating retail spaces, Leitbox navigates zoning restrictions and enhances property value. Many better-in-breed municipalities will simply not allow self-storage in its precious urban core, without a mixed-use component. Leitbox recognized this nine (9) years ago and has used this unique capability to shoehorn its projects into high barrier locations. This innovative approach has been successfully deployed in various markets, showcasing Leitbox's historical adaptability and experience in creating appealing environments for self-storage and retail tenants.

Prototype Development: Efficiency Through Standardization

Leitbox believes the development process requires an assembly line approach. This is possible with self-storage because construction requires approximately nine (9) different subcontractors; while office, retail, and multifamily may require multitudes of varying contractors, subcontractors, and vendors. So, Leitbox designs a project with recurring design elements seeking to decrease risk and enhance speed by repetition and duplication of process. Just like Elon Musk reduce the Henry Ford assembly line from 118 milestones steps to 40 milestone steps, Leitbox believes this efficiency enhances the odds for on-time, on-budget delivery in a meaningful way.

Relatedly, the outcome may also be an increase in project ROI. Leitbox's unique steel package design and unit mix layout often allows for approximately 8% more self-storage units per building than the industry standard, potentially driving higher returns through creating more units per building layout.

The private equity (PE) and venture capital (VC) industries are undergoing significant transformations, characterized by extended investment periods, longer fund lifecycles, and challenges in returning capital to investors. This evolution presents both challenges and opportunities for the industry, necessitating adaptations in fund structures, investor expectations, and overall strategy.

Scalability: Creating Micro-Monopolies in Key Markets

Leitbox has specifically designed its platform for diversity in its approach. Leitbox executes its ground-up development prototype in top performing markets throughout the United States. However, a correlated strategy is to also acquire existing Mom-and-Pop facilities that are under-managed or under-performing. Coupling this with Leitbox's extensive history in retail development, Leitbox often secures a first look at many anchor tenant locations that are closing, opening up an attractive path for conversions. When these sub-strategies are incorporated, the result is often the manifestation of small micro-monopolies in its markets. By way of example, Leitbox acquired a smaller Mom-and-Pop facility in the Stuart Florida MSA, then acquired a nearby parcel of land for its fifth generation prototype, and lastly, acquired another Mom-and-Pop less than two miles away. The net result was 72% market share and a highly attractive exit to one of Wall Street's best known hedge funds. By strategically acquiring and developing multiple properties within targeted markets, Leitbox believes these micro-monopolies can drive profitability and exit optionality. This approach allows Leitbox to attempt to leverage economies of scale, share operational costs, increase buying power, and foster brand loyalty, all while striving to enhance the overall value of its investment portfolio.

Optionality of Capital: Leveraging Relationships to Strive for Higher Returns

One of Leitbox's most distinguishing features is its access to varying capital channels. Leitbox leverages unique co-investment programs with top-tier institutional partners, with balance sheets spanning \$130B to almost \$1T; these institutional investors are 115+ year old firms. These relationships allow Leitbox to attempt to optimize each acquisition's capital stack structure, leverage equity returns, and mitigate risk, offering investors attractive partnerships with firms known for extensive and professional due diligence and investment acumen.

The Leitbox Advantage

Leitbox Storage Partners stands out as a beacon of liquidity in a market where it is increasingly rare. Leitbox has created a platform that seeks to generate value and liquidity sooner and throughout the investment period. The liquidity premium is manifested in its highly differentiated, niche approach, high barrier to entry investment target (allowing sales at grand opening), and a long term philosophy to return capital to investors much sooner than most other similar investment products. Leitbox does not store money, its mandate is to execute quickly and return capital quickly.

For accredited investors seeking an opportunity that combines market insight, economic resilience, and strategic execution, Leitbox Storage Partners offers a compelling platform that delivers liquidity.

Are you ready to explore this investment opportunity? Contact us today to learn how Leitbox Storage Partners may be able to add liquidity to your investment portfolio, even in today's challenging market.

Interested parties are encouraged to contact our sales and distribution team, Access Capital Group, for further details at **AccessCapitalGroup.com** or at (650) 862-2820.

For more information about Leitbox Portfolio Partners and its investment opportunities, please visit **Leitbox.com**, call (855) 888-2786, or email admin@leitbox.com.

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As with any investment, there are inherent risks. While Leitbox Storage Partners believes in the strength and stability of the self-storage sector, we encourage all investors to carefully review the detailed risk disclosures in our offering materials. Our team is dedicated to transparency. It is here to assist you in making informed decisions.

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- Illiquidity – These assets are commonly offered through private placement offerings and are illiquid securities. There is no secondary market for these investments.
- Reduction or Elimination of Monthly Cash Flow Distributions – Like any investment in real estate, if a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions;
- Impact of fees/expenses – Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits
- Stated tax benefits – Any stated tax benefits are not guaranteed and are subject to changes in the tax code. Speak to your tax professional prior to investing.