1Q20 SELF STORAGE REIT REPORT

INTRODUCTION

Same store operating performance for the self storage sector remained positive in the first quarter of 2020, as non-weighted average NOI growth and non-weighted average same store revenue growth both came in at 2.08%. Despite moderation from historical year-over-year quarterly growth, NOI growth did surpass fourth quarter 2019 results by 18 basis points and several operators achieved or surpassed the high end of guidance in FFO per share growth. As the sector has had to rapidly adapt to the operating environment of a pandemic and "stay-at-home" orders, the REITs have demonstrated the incredible fortitude of the self storage sector. While the MSCI US REIT Index is down over 22% YTD (as of May 8th) the Self Storage REITs sector is only down 11.5%, and Self Storage REITs have been the fourth best performing REIT sector in 2020 behind data centers, industrial, and manufactured housing.

Excluding joint venture acquisitions and mergers, wholly owned acquisition activity for the quarter totaled 54 properties across the five REITs for an aggregate volume of nearly $571.4 million. With a level nearly approaching first quarter of 2019 acquisition volume, which saw 61 properties acquired for $586.7 million, acquisitions were quite robust in the first quarter despite potential for deals to drop off given the uncertainty raised by the COVID pandemic. In addition to the wholly owned acquisitions, there was strong joint venture activity among the REITs as well as continued expansion of third-party managed properties to supplement revenue streams, provide additional data to revenue management systems and to continue to expand the REIT's geographic footprint. Not unexpectedly, the REITs have indicated they are moderating external growth forecasts to allow time for more clarity into pricing and rent collection trends. Given the overall strength of the REIT's balance sheets, the volume of available capital and de minims debt maturities through 2022, expectations are that the REITs will be very acquisitive once the key datapoints become clearer.

Although annual guidance has been withdrawn due to the wide-ranging uncertainty in timing and market conditions from the COVID pandemic, the REITs earnings calls focused heavily on recent April and May performance. Though still early in this recession, promising signs of the industry's pandemic resiliency included strong collections in April rent of 93-95%, which varied among the REITs from in-line with prior year to down 5%. When factoring in that these results were achieved with curtailed auctions and, depending on the REIT, without actively pursuing collection efforts suggests a more promising outlook. Certainly, the consensus sentiment was for collections to continue improving with some REITs noting May to-date values were up over April.

Rental activity was certainly impacted by stay-at-home orders and decreased foot traffic; however, stores across the nation were able to maintain operations as an essential business. Following an early bump in March rentals, predominantly due to accelerated college move-ins as a result of school closures, rental move-ins declined in April while move-outs also declined. May will be a strong indicator whether there is an increase in pent-up move-out volume as stay-at-home orders are lifted, but early trends suggest customer behaviors are not changing with net-change in occupancy continuing to perform well and move-outs remaining down.

An important factor that remains to be seen is how long suspended existing customer rate increases (ECRIs) and lien sales will last, as several REITs mentioned beginning to re-institute these measures as municipalities lift stay-at-home orders. Because rate increases to existing tenants are a significant source of revenue growth, and with the current suppressed street rate environment resulting in reduced revenue from newer tenants, every month that ECRIs are delayed compounds the strain on same store revenue growth.
A major enabler of continued operations during the current crisis, and often touted as the differentiators to the REITs performance in

1Q20 SELF STORAGE REIT REPORT

INTRODUCTION - Continued

the storage sector, are the online digital rental platforms integrated with data analytics and revenue management systems which the REITs employ. With the need for social distancing, contactless rental and digital lease platforms have become the standard modus operandi in an increasingly technologically driven CRE sector. With Life Storage releasing the second iteration of their digital rental platform, RentNow 2.0, and CubeSmart developing and bringing to service their SmartRental platform, the continued integration of technology may lead to further optimization of operating fundamentals and personnel costs. Life Storage did note they experienced further reduction in payroll expenses as a result of staffing optimizations from the digital platform while CubeSmart noted the potential exists to modify their customer engagement model and blend self-service with more direct customer service.

The headline topic prior to the pandemic was the issue of elevated new supply in numerous markets and its effect on sector fundamentals. While stores in early lease-up, or currently under construction, are certainly expected to experience a protracted challenging revenue environment, one beneficial impact of the current situation is an accelerated halt to the latest development cycle; a trend that already was taking hold prior to COVID-19 but one that certainly has been augmented since mid-March. With construction on pause in several markets and municipal offices closed to reviewing new plans and construction inspections, many projects that have not already started are likely to be put on hold and some will be abandoned altogether.

The forthcoming transaction landscape is shaping up to become a tale of two markets – lease-up deals vs. cash flowing deals. Valuations for cash flowing properties will see little adjustment. Return expectations are unlikely to expand and, in core markets and major MSAs, could see some compression with strong demand for less risk. In contrast, because lease-up and C/O properties are so dependent upon street rates, and with additional stress on net-revenue from lease-up discounts to soak up as much demand as possible, valuations for these type properties will be conservative due to the extreme unknowns regarding stabilized rental rates. That being said, lease-up assets with meaningful occupancy will possess some clarity to where leasing demand and rental rates converge so valuations will be more aggressive for assets that meet this profile. Markets like Boston, San Francisco, the Boroughs of New York, Washington D.C. and the-like will continue to be very attractive long-term markets and will see little downside to overall valuations.

The amount of capital trying to deploy into self storage has never been higher and with the significant drop in retail, hospitality and other CRE sectors, additional groups will look to reallocate capital to alternative property types and storage's more stable performance will attract some of this capital. Based upon the recent performance, and past recession resilience, the self storage sector remains extremely well positioned to continue to deliver strong operating metrics on both a relative basis as well as on an actual basis.

The following pages summarize the information for the first quarter of 2020 reported by the five publicly traded self storage REITs, along with some comparisons between the industry and macro-market benchmarks. Links to the investor relations page of each REIT's website are also included.

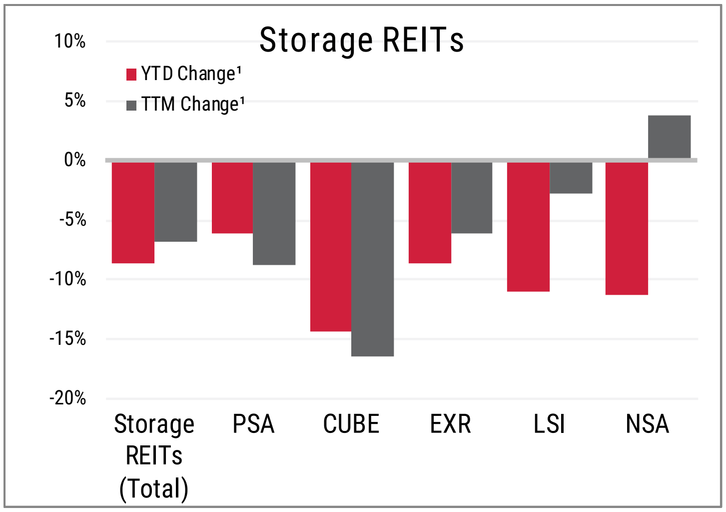
In addition to this quarterly REIT summary, a weekly email from the NKF Capital Market's Self Storage Group delineates key benchmark rates for the capital markets, near-term expectations for transactions and interpretive opinions of broader market questions.

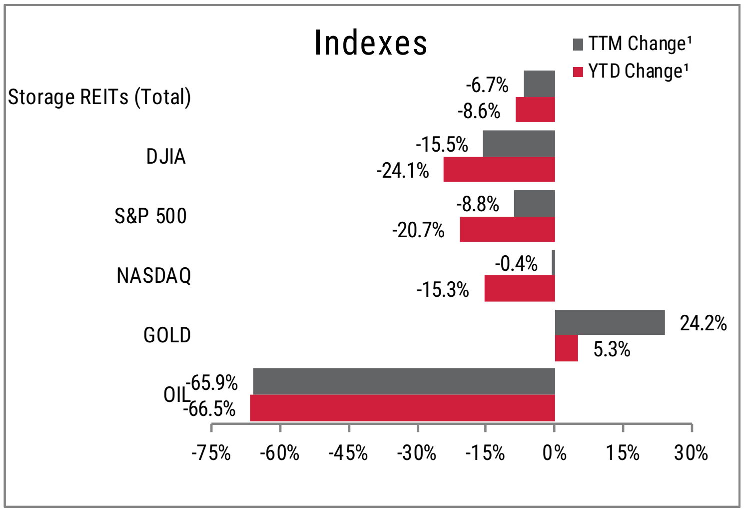
Self Storage REIT Highlights

Newmark Knight Frank

MARKET INDEX

	3/29/19	1/2/20	3/31/20	YTD Change[1]	TTM Change[1]
Storage REITs (Total)	$477.51	$487.06	$445.31	-8.57%	-6.74%
PSA	217.78	211.42	198.61	-6.06%	-8.80%
CUBE	32.04	31.28	26.79	-14.35%	-16.39%
EXR	101.91	104.73	95.76	-8.56%	-6.03%
LSI	97.27	106.26	94.55	-11.02%	-2.80%
NSA	28.51	33.37	29.60	-11.30%	3.82%
DJIA	25,928.68	28,868.80	21,917.16	-24.08%	-15.47%
S&P 500	2,834.40	3,257.85	2,584.59	-20.67%	-8.81%
NASDAQ	7,729.32	9,092.19	7,700.10	-15.31%	-0.38%
GOLD	1,295.40	1,528.10	1,608.95	5.29%	24.20%
OIL	60.19	61.18	20.51	-66.48%	-65.92%
U.S. 10 YEAR	2.41%	1.88%	0.70%	-62.77%	-70.95%
10 YEAR SWAP	2.41%	1.85%	0.69%	-62.70%	-71.37%





[1] Excludes dividends

Sources: Yahoo! Finance, U.S. Department of the Treasury, U.S. Energy Information Administration, Barchart (SWAADY10.RT), Bloomberg, World Gold Council

Self Storage REIT Highlights

PUBLIC STORAGE (NYSE:PSA)

- For the three months ended March 31, 2020, net income allocable to our common shareholders was $313.1 million or $1.79 per diluted common share, compared with $301.7 million, or $1.73 per diluted common share in 2019 representing an increase of $11.4 million or $0.06 per diluted common share.
- Revenues for same-store facilities increased 1.2% or $7.2 million in the three months ended March 31, 2020 as compared with 2019, primarily because of higher realized annual rent per occupied square foot.
- For the three months ended March 31, 2020, funds from operations (FFO) was $2.61 per diluted common share.
- Acquired 9 self-storage facilities (two each in California, New York and Tennessee and one each in Indiana, Massachusetts and Nebraska) with 0.7 million net rentable square feet for $186.2 million.
- Declared a regular common quarterly dividend of $2.00 per common share.

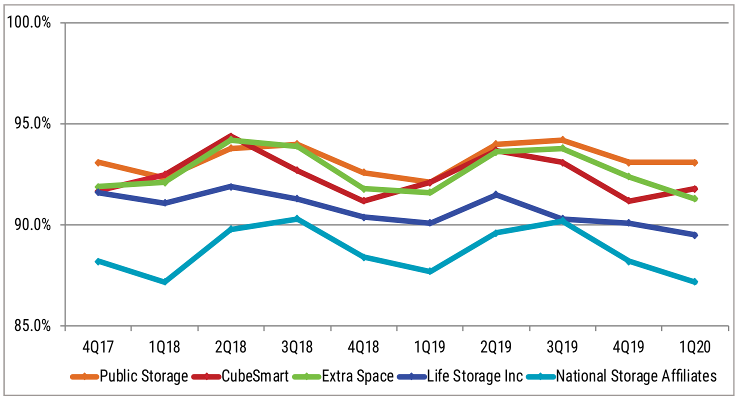
CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS

EXTRA SPACE (NYSE:EXR)

- Achieved net income attributable to common stockholders of $0.83 per diluted share, representing a 12.2% increase compared with the same period in 2019.
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of $1.24 per diluted share. FFO, excluding adjustments for non-cash interest (Core FFO), remains $1.24 per diluted share, representing a 6.9% increase compared with the same period in 2019.
- Increased same-store revenue by 1.9% and same-store net operating income (NOI) by 1.2% compared with the same period in 2019.
- Reported same-store occupancy of 91.3% as of March 31, 2020, compared with 91.4% as of March 31, 2019.
- Acquired one operating store and one store at completion of construction (a Certificate of Occupancy store or C of O store) for a total cost of approximately $19.4 million.
- In conjunction with joint venture partners, acquired one operating store and two C of O stores for a total cost of approximately $40.6 million, of which the company invested $9.7 million.
- Added 48 stores (gross) to the company's third-party management platform. As of March 31, 2020, the company managed 676 stores for third parties and 249 stores in joint ventures, for a total of 925 managed stores. Repurchased 653,597 shares of common stock, at an average price of $79.85 per share, for a total cost of $52.2 million.
- Paid a quarterly dividend of $0.90 per share.

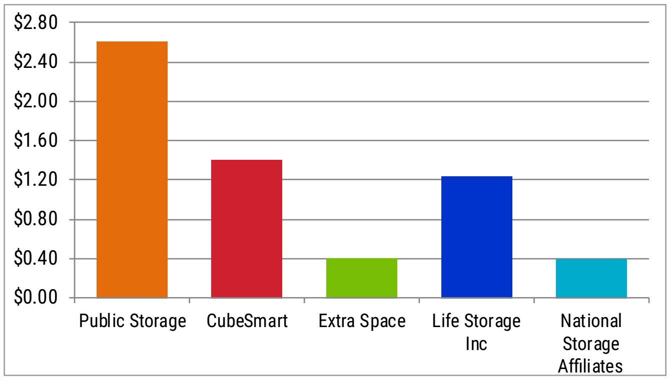
CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS

HISTORICAL QUARTERLY OCCUPANCY



Note: PSA, Cube, LSI and NSA are based on period-average occupancy. EXR is based on period end.
Note: Historical occupancy is based on original occupancy reported each quarter.
Source: PSA, LSI, Cube, EXR and NSA Investor Relations

ADJUSTED FUNDS FROM OPERATIONS PER DILUTED SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

1Q20
Self Storage REIT Highlights

CUBESMART (NYSE:CUBE)

- Reported earnings per share (EPS) attributable to the company's common shareholders of $0.20.
- Reported funds from operations (FFO) per share, as adjusted, of $0.41.
- Increased same-store (477 stores) net operating income (NOI) 0.8% year over year, driven by 1.7% revenue growth and a 3.8% increase in property operating expenses.
- Same-store occupancy during the quarter averaged 91.5% and ended the quarter at 91.8%.
- Closed on one property acquisition totaling $9.0 million.
- Established a 10% ownership position in a newly formed joint venture that acquired 14 stores for an aggregate purchase price of $135.3 million.
- Added 66 stores to our third-party management platform during the quarter, bringing our total third-party managed store count to 707.

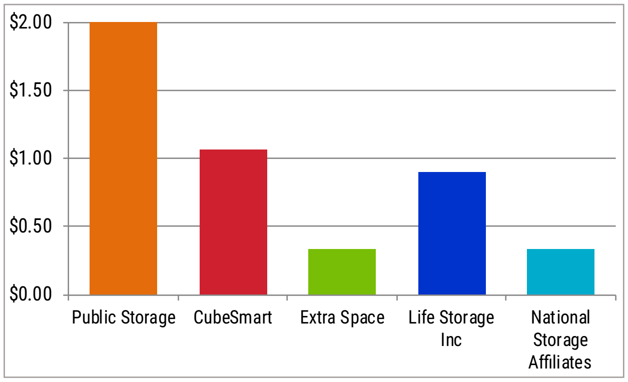
CLICK HERE TO VIEW CUBESMART INVESTOR RELATIONS

NATIONAL STORAGE AFFILIATES (NYSE:NSA)

- Reported net income of $15.8 million for the first quarter of 2020, an increase of 21.8% compared with the first quarter of 2019. Reported diluted earnings per share of $0.06 for the first quarter of 2020, primarily relating to the HLBV method for allocating net income among the various classes of equity.
- Reported core funds from operations (Core FFO) of $37.1 million, or $0.40 per share for the first quarter of 2020, an increase of 8.1% per share compared with the first quarter of 2019.
- Achieved same-store net operating income (NOI) growth of 3.5% for the first quarter of 2020 compared with the same period in 2019, driven by a 3.0% increase in same-store total revenues that was partially offset by a 2.1% increase in same-store property operating expenses.
- Acquired 36 wholly owned self storage properties for $222.8 million and two joint venture properties totaling $12.1 million during the first quarter of 2020. Capital sources for the acquisition activity included the issuance of approximately $7.2 million of OP equity and $4.5 million of common equity raised under the Company's at the market, or ATM, program at a combined weighted average price of $32.79 per share/unit, as well as borrowings under the Company's revolving line of credit.
- Closed on the previously announced merger and internalization of the management platform of the Company's largest PRO, SecurCare, on March 31, 2020.

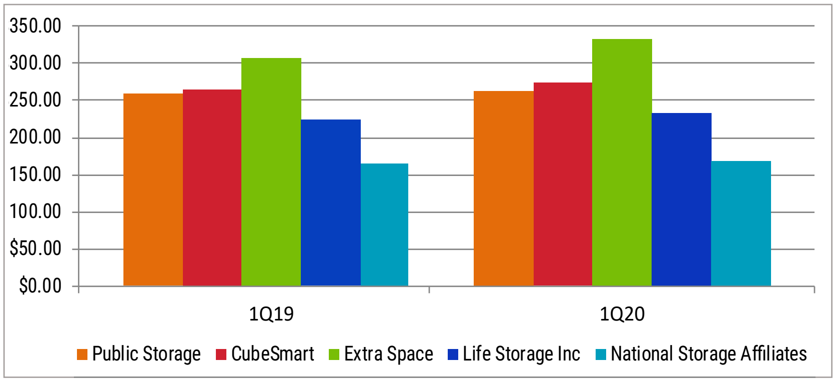
CLICK HERE TO VIEW NATIONAL STORAGE AFFILIATES INVESTOR RELATIONS

DIVIDEND PER SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

SAME-STORE REVENUE PER STORE



Note: EXR includes tenant reinsurance revenue.
Source: PSA, Cube, EXR, LSI and NSA Investor Relations

Self Storage REIT Highlights

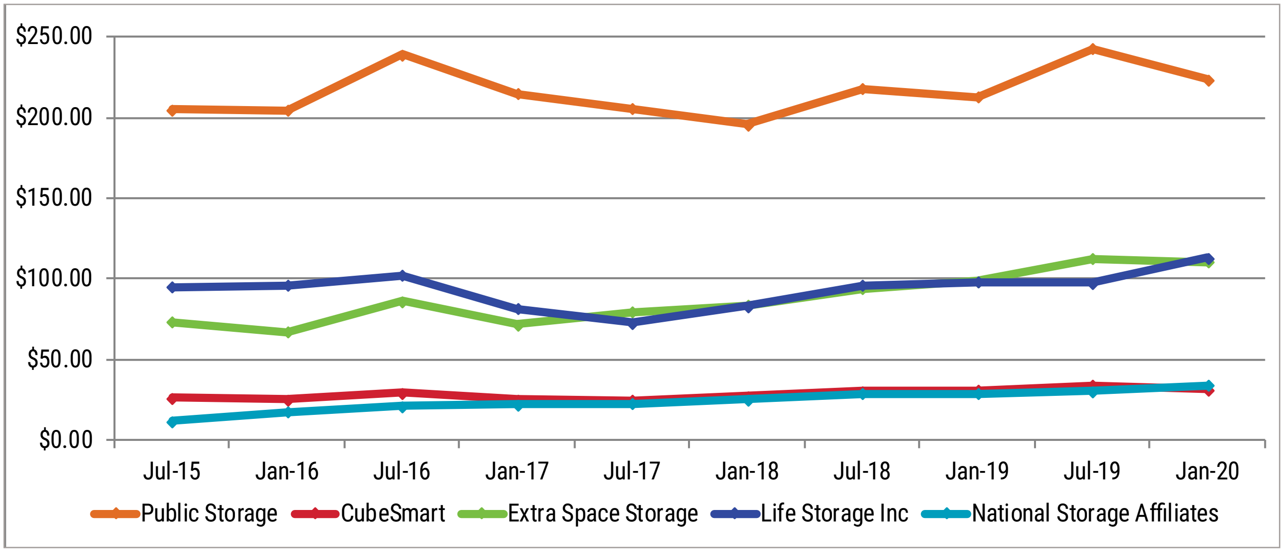
LIFE STORAGE INC. (NYSE:LSI)

- Generated net income attributable to common shareholders of $36.4 million, or $0.78 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of $1.40, a 6.9% increase over the same period in 2019.
- Increased same-store net operating income (NOI) by 4.8% and same-store revenue by 2.6% year over year.
- Grew management and acquisition fees by 43.0%.
- Acquired six stabilized stores in various California markets from a joint venture partner for a total purchase price of $134.0 million.
- Reported $20.7 million in cash and cash equivalents and $316.9 million in revolving line of credit availability as of March 31, 2020.
- Added 13 stores to the company's third-party management platform, bringing total managed stores at the end of the first quarter to 304.
- Launched Rent Now 2.0, the company's dynamic pricing, second generation, fully digital rental platform that allows customers to self-serve and move into their storage unit with no human interaction; the new pricing alternatives allow customers to select a storage unit from one of three convenience and pricing based tiers according to their individual needs and preferences.

CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 15	Jan 16	Jul 16	Jan 17	Jul 17	Jan 18	Jul 18	Jan 19	Jul 19	Jan 20
Public Storage	$205.18	$204.19	$238.92	$215.00	$205.57	$195.76	$217.83	$212.52	$242.76	$223.76
CubeSmart	$26.16	$25.26	$29.71	$25.13	$24.66	$27.53	$30.36	$30.95	$33.95	$31.67
Extra Space Storage	$73.52	$67.39	$86.02	$72.05	$79.50	$83.48	$93.97	$98.61	$112.39	$110.68
Life Storage Inc	$95.21	$96.28	$102.37	$81.45	$73.04	$83.10	$95.96	$98.27	$97.49	$113.18
National Storage Affiliates	$11.83	$17.39	$21.37	$22.25	$22.96	$25.37	$28.83	$29.10	$30.29	$34.15



Source: Yahoo! Finance

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