

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 8, 2016

**National Storage Affiliates Trust**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation)

**001-37351**  
(Commission  
File Number)

**46-5053858**  
(IRS Employer  
Identification No.)

**5200 DTC Parkway**  
**Suite 200**  
**Greenwood Village, Colorado 80111**  
(Address of principal executive offices)

**(720) 630-2600**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 2.02. Results of Operations and Financial Condition.**

On August 8, 2016, National Storage Affiliates Trust (the "Company"), issued an earnings release and supplemental schedules announcing its financial results for the quarter ended June 30, 2016. A copy of the earnings release and supplemental schedules are attached hereto as Exhibit 99.1 and is incorporated by reference herein. The Company will hold its second quarter 2016 earnings conference call on Tuesday, August 9, 2016 at 1:00 p.m. Eastern Daylight Time. You may join the conference call through an Internet webcast accessed through the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com). Alternatively, you may join the conference call by telephone by dialing 877-407-9711, or 412-902-1014 for international callers. If you wish to participate, please call approximately five minutes before the conference call is scheduled to begin.

If you are unable to join the live conference call, you may access the replay for one week through Tuesday, August 16, 2016, by dialing 877-660-6853, or 201-612-7415 for international callers, and using Conference ID 13613621, or you may access the webcast replay for 30 days through the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com). The full text of the earnings release and supplemental schedules are also available through the Company's website at <http://ir.nationalstorageaffiliates.com/quarterly-reporting>. The information contained on the Company's website is not incorporated by reference herein.

**ITEM 9.01. Financial Statements and Exhibits.**

The following exhibits are furnished with this report:

| Exhibit Number | Description                                               |
|----------------|-----------------------------------------------------------|
| 99.1           | Second Quarter 2016 Earnings Release dated August 8, 2016 |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 8, 2016

NATIONAL STORAGE AFFILIATES TRUST

By: /s/ TAMARA D. FISCHER

Tamara D. Fischer

Executive Vice President and Chief Financial Officer

# PROFORMANCE



Second Quarter 2016  
Earnings Release & Supplemental Financial Information



**NATIONAL STORAGE**  
— AFFILIATES —





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August 8, 2016

## **National Storage Affiliates Trust Reports Second Quarter 2016 Results; Net Income Increases \$5.9 million; Core FFO per Share Increases 27.3%; Same Store NOI Increases 10.8%; Acquired 25 Self Storage Properties**

GREENWOOD VILLAGE, Colo. - (BUSINESS WIRE) - National Storage Affiliates Trust ("NSA" or the "Company") (NYSE: NSA) today reported the Company's second quarter 2016 results.

### **Second Quarter 2016 Highlights**

- Net income was \$6.0 million for the second quarter of 2016, an increase of \$5.9 million compared to \$0.1 million for the second quarter of 2015.
- Core funds from operations ("Core FFO") was \$14.7 million, or \$0.28 per share, for the second quarter of 2016, an increase of 27.3% per share compared to \$8.5 million, or \$0.22 per share, for the second quarter of 2015.
- Same store revenues were \$31.8 million for the second quarter of 2016, an increase of 8.5% compared to \$29.3 million for the second quarter of 2015.
- Same store NOI was \$21.6 million for the second quarter of 2016, an increase of 10.8% compared to \$19.5 million for the second quarter of 2015.
- Acquired 25 self storage properties during the second quarter of 2016 for approximately \$199 million.

Arlen Nordhagen, Chief Executive Officer, commented, "Our second quarter results continue to demonstrate the benefit of our high quality portfolio and differentiated strategy that drives both internal and external growth. On the property operations front, second quarter same store average occupancy was up 340 basis points year-over-year, which drove second quarter same store revenue growth of 8.5% and same store NOI growth of 10.8%. Additionally, our unique PRO structure continues to lend itself to our highly accretive acquisitions, which were instrumental in driving very strong FFO per share growth, up more than 27% over the same period last year."

Mr. Nordhagen continued, "We also took steps to strengthen the Company's balance sheet by expanding and extending our credit facility, and closing on an additional \$100 million term loan with a seven-year maturity. In early July, we completed our first follow-on offering of our common shares, generating over \$230 million of net proceeds which will provide NSA additional capital for continued growth. Finally, given our portfolio's significant growth over the past year, we have increased our second quarter 2016 common share dividend by 10% compared to the first quarter of 2016."



## Financial Results

| (\$ in thousands, except per share and unit data)                                                         | Three Months Ended June 30, |                 |
|-----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                                                           | 2016                        | 2015            |
| <b>Net income</b>                                                                                         | <b>\$ 6,045</b>             | <b>\$ 93</b>    |
| <b>Funds From Operations ("FFO")<sup>(1)</sup></b>                                                        | <b>\$ 12,830</b>            | <b>\$ 6,838</b> |
| Add back acquisition costs, organizational and offering expenses and loss on early extinguishment of debt | 1,844                       | 1,633           |
| <b>Core FFO<sup>(1)</sup></b>                                                                             | <b>\$ 14,674</b>            | <b>\$ 8,471</b> |
| <b>Earnings (loss) per share - basic</b>                                                                  | <b>\$ 0.32</b>              | <b>\$ 0.22</b>  |
| <b>Earnings (loss) per share - diluted</b>                                                                | <b>\$ 0.08</b>              | <b>\$ —</b>     |
| <b>FFO per share and unit<sup>(1)</sup></b>                                                               | <b>\$ 0.25</b>              | <b>\$ 0.18</b>  |
| <b>Core FFO per share and unit<sup>(1)</sup></b>                                                          | <b>\$ 0.28</b>              | <b>\$ 0.22</b>  |

(1) Non-GAAP financial measures, including FFO, Core FFO and NOI, are reconciled to their most directly comparable GAAP measure and defined (together with other words and phrases used herein) in the Schedules to this press release and in the supplemental financial information.

Year-over-year, second quarter 2016 basic earnings per share increased \$0.10 per share and diluted earnings per share increased \$0.08 per share. The increases in basic and diluted earnings per share primarily resulted from a \$5.9 million increase in net income, driven by incremental NOI generated by self storage properties acquired subsequent to July 1, 2015 and same store NOI growth, partially offset by increases in depreciation and amortization, interest expense, and acquisition costs.

Year-over-year, second quarter 2016 FFO per share increased 38.9% and Core FFO per share increased 27.3%. The increases in FFO and Core FFO were primarily the result of \$8.0 million of incremental NOI from 73 self storage properties acquired between July 1, 2015 and June 30, 2016 and same store NOI growth of \$2.1 million, partially offset by a \$3.0 million increase in distributions to subordinated performance unitholders and a \$1.0 million increase in interest expense.

## Total Portfolio Operating Results

| (\$ in thousands, except per square foot data)                    | Three Months Ended June 30, |                  |              |
|-------------------------------------------------------------------|-----------------------------|------------------|--------------|
|                                                                   | 2016                        | 2015             | Growth       |
| Total revenue                                                     | \$ 47,284                   | \$ 31,650        | 49.4%        |
| Property operating expenses                                       | 15,457                      | 10,826           | 42.8%        |
| <b>Net Operating Income (NOI)</b>                                 | <b>\$ 31,827</b>            | <b>\$ 20,824</b> | <b>52.8%</b> |
| <b>Average Occupancy</b>                                          | <b>90.4%</b>                | <b>87.7%</b>     | <b>2.7%</b>  |
| <b>Average annualized rental revenue per occupied square foot</b> | <b>\$ 10.98</b>             | <b>\$ 10.58</b>  | <b>3.8%</b>  |

NSA's total portfolio included 318 self storage properties, approximately 18.7 million rentable square feet, with period-end occupancy of 91.6% as of June 30, 2016.



Year-over-year, second quarter 2016 total revenues increased 49.4%, driven by \$12.0 million of incremental revenues from 73 self storage properties acquired between July 1, 2015 and June 30, 2016 and a \$2.5 million increase in same store total revenues, as discussed in greater detail below.

Second quarter 2016 total property operating expenses increased 42.8% year-over-year, resulting from \$4.1 million of incremental property operating expenses generated by 73 self storage properties acquired between July 1, 2015 and June 30, 2016, and an increase of \$0.4 million in same store property operating expenses.

### Same Store Operating Results

| (\$ in thousands, except per square foot data)                    | Three Months Ended June 30, |                  |              |
|-------------------------------------------------------------------|-----------------------------|------------------|--------------|
|                                                                   | 2016                        | 2015             | Growth       |
| Total revenue                                                     | \$ 31,787                   | \$ 29,306        | 8.5%         |
| Property operating expenses                                       | 10,219                      | 9,834            | 3.9%         |
| <b>Net Operating Income (NOI)</b>                                 | <b>\$ 21,568</b>            | <b>\$ 19,472</b> | <b>10.8%</b> |
| <b>NOI Margin</b>                                                 | <b>67.9%</b>                | <b>66.4%</b>     | <b>1.5%</b>  |
|                                                                   |                             |                  |              |
| <b>Average Occupancy</b>                                          | <b>90.9%</b>                | <b>87.5%</b>     | <b>3.4%</b>  |
| <b>Average annualized rental revenue per occupied square foot</b> | <b>\$ 11.03</b>             | <b>\$ 10.55</b>  | <b>4.5%</b>  |

NSA's same store portfolio included 222 self storage properties, approximately 12.3 million rentable square feet, with period-end occupancy of 92.2% as of June 30, 2016.

Year-over-year, second quarter 2016 same store total revenues increased 8.5%. Second quarter 2016 revenue increases were driven by a 340 basis point increase in average occupancy, combined with a 4.5% increase in average annualized rental revenue per occupied square foot. Same store property operating expenses were \$10.2 million for the second quarter of 2016, an increase of 3.9% compared to \$9.8 million for the second quarter of 2015.

### Investment Activity

During the second quarter of 2016, NSA invested approximately \$199 million in the acquisition of 25 self storage properties located throughout nine states. These second quarter acquisitions encompass approximately 1.9 million rentable square feet configured in over 19,000 storage units. These acquisitions included a portfolio of 14 self storage properties from parties related to Hide-Away Storage Services, Inc. ("Hide-Away") of Sarasota, Florida, culminating in the addition of Hide-Away as the Company's seventh PRO.

Subsequent to June 30, 2016, NSA acquired 26 additional self storage properties for a total investment of approximately \$167.6 million encompassing approximately 1.8 million rentable square feet configured in over 15,000 storage units.



## Capitalization Activity

On May 6, 2016, NSA entered into an agreement with a syndicated group of lenders to modify its credit facility, increasing total capacity to \$675 million, bringing terms to market and extending maturities, including the reallocation of \$325 million of NSA's credit facility borrowings to five and six year term loan tranches. As of June 30, 2016, NSA's credit facility had an outstanding principal balance of \$434.9 million, including \$109.9 million outstanding under its revolving line of credit. NSA's credit facility had a weighted average effective interest rate of 2.55% as of June 30, 2016.

In addition, on June 30, 2016, NSA entered into an agreement with a syndicated group of lenders for a \$100 million term loan that matures in seven years, with an effective interest rate of 3.08% as of June 30, 2016.

On July 6, 2016, NSA closed a follow-on offering of 12,046,250 of its common shares, which included 1,571,250 common shares sold upon the exercise in full by the underwriters of their option to purchase additional common shares, at a public offering price of \$20.75 per share, resulting in net proceeds to NSA of approximately \$237 million. NSA used the net proceeds from the offering to repay outstanding amounts under its revolving line of credit and to acquire self storage properties.

## Dividends

On May 26, 2016, NSA's Board of Trustees declared a quarterly cash dividend of \$0.22 per common share, which represented a 10% increase over the Company's first quarter 2016 dividend of \$0.20 per common share. The dividend was paid on June 30, 2016 to holders of record on June 15, 2016.

## 2016 Guidance Update

The following table outlines updates to NSA's guidance estimates for the year ended December 31, 2016:

|                                                                           | Ranges for Full Year 2016 |         |
|---------------------------------------------------------------------------|---------------------------|---------|
|                                                                           | Low                       | High    |
| Same store operations (222 stores)                                        |                           |         |
| Total revenues                                                            | 7.0%                      | 7.5%    |
| Property operating expenses                                               | 3.0%                      | 4.0%    |
| NOI                                                                       | 8.5%                      | 9.5%    |
| General and administrative expenses (as a percent of revenue)             |                           |         |
| General and administrative expenses (excluding equity-based compensation) | 9.0%                      | 9.5%    |
| Equity-based compensation                                                 | 1.0%                      | 1.5%    |
| Subordinated performance unit distributions, in millions                  | \$21.0                    | \$23.0  |
| Acquisitions, in millions                                                 | \$600.0                   | \$750.0 |
| Core FFO per share <sup>(1)</sup>                                         | \$1.06                    | \$1.08  |



(1) The following table provides a reconciliation of the range of estimated earnings (loss) per share - diluted to estimated Core FFO per share and unit:

|                                                                                                                                                            | Ranges for Full Year 2016 |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|
|                                                                                                                                                            | Low                       | High           |
| <b>Earnings (loss) per share - diluted</b>                                                                                                                 | <b>\$ 0.18</b>            | <b>\$ 0.32</b> |
| Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method | 0.26                      | 0.11           |
| Add real estate depreciation and amortization                                                                                                              | 0.91                      | 0.92           |
| FFO attributable to subordinated performance unitholders                                                                                                   | (0.36 )                   | (0.37 )        |
| Add acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt                                                      | 0.07                      | 0.10           |
| <b>Core FFO per share and unit</b>                                                                                                                         | <b>\$ 1.06</b>            | <b>\$ 1.08</b> |

## Supplemental Financial Information

The full text of this earnings release and supplemental financial information, including certain financial information referenced in this release, are available on NSA's website at <http://ir.nationalstorageaffiliates.com/quarterly-reporting> and as exhibit 99.1 to the Company's Form 8-K furnished to the SEC on August 8, 2016.

## Non-GAAP Financial Measures & Glossary

This press release contains certain non-GAAP financial measures. These non-GAAP measures are presented because NSA's management believes these measures help investors understand NSA's business, performance and ability to earn and distribute cash to its shareholders by providing perspectives not immediately apparent from net income (loss). These measures are also frequently used by securities analysts, investors and other interested parties. The presentation of FFO, Core FFO and NOI in this press release are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, NSA's method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similar measures as calculated by other companies that do not use the same methodology as NSA. These measures, and other words and phrases used herein, are defined in the Glossary in the supplemental financial information and, where appropriate, reconciliations of these measures and other non-GAAP financial measures to their most directly comparable GAAP measures are included in the Schedules to this press release and in the supplemental financial information.

## Quarterly Teleconference and Webcast

The Company will host a conference call at 1:00pm Eastern Time on Tuesday, August 9, 2016 to discuss its financial results. At the conclusion of the call, management will accept questions from certified financial analysts. All other participants are encouraged to listen to a webcast of the call by accessing the link found on the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

Conference Call and Webcast:

Date/Time: Tuesday, August 9, 2016, 1:00pm ET

Webcast available at: [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com)

Domestic (Toll Free US & Canada): 877.407.9711

International: 412.902.1014

Replay:



Domestic (Toll Free US & Canada): 877.660.6853

International: 201.612.7415

Conference ID: 13613621

A replay of the call will be available for one week through Tuesday, August 16, 2016. A replay of the webcast will be available for 30 days on NSA's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

### **Upcoming Industry Conference**

NSA management is scheduled to participate in the upcoming BMO Capital Markets 11th Annual Real Estate Conference in Chicago, Illinois on September 19 - 20, 2016.

### **About National Storage Affiliates Trust**

National Storage Affiliates Trust is a Maryland real estate investment trust focused on the ownership, operation and acquisition of self storage properties located within the top 100 metropolitan statistical areas throughout the United States. The Company currently owns and operates 344 self storage properties located in 18 states with approximately 20.5 million rentable square feet. NSA is the sixth largest owner and operator of self storage properties among public and private companies in the U.S. For more information, please visit the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com). NSA is included in the MSCI US REIT Index (RMS/RMZ) and the Russell 2000 Index of Companies.

### ***NOTE REGARDING FORWARD LOOKING STATEMENTS***

Certain statements contained in this press release constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These forward-looking statements include information about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. Changes in any circumstances may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: market trends in the Company's industry, interest rates, the debt and lending markets or the general economy; the Company's business and investment strategy; and the acquisition of properties, including the timing of acquisitions. For a further list and description of such risks and uncertainties, see the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 10, 2016, and the other documents filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking statements are not predictions of future events. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **CONTACT:**

#### **National Storage Affiliates Trust**

#### **Investor/Media Relations**

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**National Storage Affiliates Trust**  
**Consolidated Statements of Operations**  
(in thousands, except per share amounts)  
(unaudited)

|                                                                     | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |           |
|---------------------------------------------------------------------|--------------------------------|-----------|------------------------------|-----------|
|                                                                     | 2016                           | 2015      | 2016                         | 2015      |
| <b>REVENUE</b>                                                      |                                |           |                              |           |
| Rental revenue                                                      | \$ 45,784                      | \$ 30,632 | \$ 84,285                    | \$ 58,050 |
| Other property-related revenue                                      | 1,500                          | 1,018     | 2,648                        | 1,891     |
| Total revenue                                                       | 47,284                         | 31,650    | 86,933                       | 59,941    |
| <b>OPERATING EXPENSES</b>                                           |                                |           |                              |           |
| Property operating expenses                                         | 15,457                         | 10,826    | 28,734                       | 20,668    |
| General and administrative expenses                                 | 4,837                          | 4,187     | 9,172                        | 7,800     |
| Depreciation and amortization                                       | 13,088                         | 9,974     | 23,980                       | 19,851    |
| Total operating expenses                                            | 33,382                         | 24,987    | 61,886                       | 48,319    |
| Income from operations                                              | 13,902                         | 6,663     | 25,047                       | 11,622    |
| <b>OTHER INCOME (EXPENSE)</b>                                       |                                |           |                              |           |
| Interest expense                                                    | (5,844)                        | (4,824)   | (10,785)                     | (11,806)  |
| Loss on early extinguishment of debt                                | (136)                          | (914)     | (136)                        | (914)     |
| Acquisition costs                                                   | (1,708)                        | (719)     | (2,996)                      | (1,318)   |
| Organizational and offering expenses                                | —                              | —         | —                            | (58)      |
| Non-operating expense                                               | (169)                          | (113)     | (283)                        | (204)     |
| Other income (expense)                                              | (7,857)                        | (6,570)   | (14,200)                     | (14,300)  |
| <b>Net income (loss)</b>                                            | 6,045                          | 93        | 10,847                       | (2,678)   |
| Net loss (income) attributable to noncontrolling interests          | 1,325                          | 3,371     | (1,267)                      | 6,142     |
| <b>Net income attributable to National Storage Affiliates Trust</b> | \$ 7,370                       | \$ 3,464  | \$ 9,580                     | \$ 3,464  |
| <b>Earnings (loss) per share - basic</b>                            | \$ 0.32                        | \$ 0.22   | \$ 0.42                      | \$ 0.44   |
| <b>Earnings (loss) per share - diluted</b>                          | \$ 0.08                        | \$ —      | \$ 0.15                      | \$ —      |
| <b>Weighted average shares outstanding - basic</b>                  | 23,078                         | 15,517    | 23,041                       | 7,802     |
| <b>Weighted average shares outstanding - diluted</b>                | 73,531                         | 52,565    | 70,763                       | 26,327    |

**National Storage Affiliates Trust**  
**Consolidated Balance Sheets**  
(dollars in thousands, except per share amounts)  
(unaudited)

|                                                                                                                                                                                                               | June 30,<br>2016 | December 31,<br>2015 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                                                                 |                  |                      |
| Real estate                                                                                                                                                                                                   |                  |                      |
| Self storage properties                                                                                                                                                                                       | \$ 1,432,118     | \$ 1,147,201         |
| Less accumulated depreciation                                                                                                                                                                                 | (86,891)         | (68,100)             |
| Self storage properties, net                                                                                                                                                                                  | 1,345,227        | 1,079,101            |
| Cash and cash equivalents                                                                                                                                                                                     | 9,939            | 6,665                |
| Restricted cash                                                                                                                                                                                               | 3,916            | 2,712                |
| Debt issuance costs, net                                                                                                                                                                                      | 3,103            | 1,923                |
| Other assets, net                                                                                                                                                                                             | 14,141           | 8,648                |
| Total assets                                                                                                                                                                                                  | \$ 1,376,326     | \$ 1,099,049         |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                                                 |                  |                      |
| Liabilities                                                                                                                                                                                                   |                  |                      |
| Debt financing                                                                                                                                                                                                | \$ 754,661       | \$ 567,795           |
| Accounts payable and accrued liabilities                                                                                                                                                                      | 24,755           | 9,694                |
| Deferred revenue                                                                                                                                                                                              | 7,390            | 5,513                |
| Total liabilities                                                                                                                                                                                             | 786,806          | 583,002              |
| Equity                                                                                                                                                                                                        |                  |                      |
| Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 23,230,243 and 23,015,751 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively | 232              | 230                  |
| Additional paid-in capital                                                                                                                                                                                    | 252,741          | 236,392              |
| Retained (deficit) earnings                                                                                                                                                                                   | (120)            | 11                   |
| Accumulated other comprehensive loss                                                                                                                                                                          | (662)            | —                    |
| Total shareholders' equity                                                                                                                                                                                    | 252,191          | 236,633              |
| Noncontrolling interests                                                                                                                                                                                      | 337,329          | 279,414              |
| Total equity                                                                                                                                                                                                  | 589,520          | 516,047              |
| Total liabilities and equity                                                                                                                                                                                  | \$ 1,376,326     | \$ 1,099,049         |

## Supplemental Schedule 1

### Funds From Operations and Core Funds From Operations

(in thousands, except per share and unit amounts) (unaudited)

### Reconciliation of Net Income (Loss) to FFO and Core FFO

|                                                                                           | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                   |
|-------------------------------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|-------------------|
|                                                                                           | 2016                           | 2015            | 2016                         | 2015              |
| <b>Net income (loss)</b>                                                                  | <b>\$ 6,045</b>                | <b>\$ 93</b>    | <b>\$ 10,847</b>             | <b>\$ (2,678)</b> |
| Add (subtract):                                                                           |                                |                 |                              |                   |
| Real estate depreciation and amortization                                                 | 12,935                         | 9,889           | 23,714                       | 19,695            |
| FFO attributable to subordinated performance unitholders <sup>(1)</sup>                   | (6,150)                        | (3,144)         | (10,493)                     | (6,419)           |
| <b>FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>      | <b>12,830</b>                  | <b>6,838</b>    | <b>24,068</b>                | <b>10,598</b>     |
| Add:                                                                                      |                                |                 |                              |                   |
| Acquisition costs                                                                         | 1,708                          | 719             | 2,996                        | 1,318             |
| Organizational and offering expenses                                                      | —                              | —               | —                            | 58                |
| Loss on early extinguishment of debt                                                      | 136                            | 914             | 136                          | 914               |
| <b>Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b> | <b>\$ 14,674</b>               | <b>\$ 8,471</b> | <b>\$ 27,200</b>             | <b>\$ 12,888</b>  |
| <b>Weighted average shares and units outstanding - FFO and Core FFO: <sup>(2)</sup></b>   |                                |                 |                              |                   |
| Weighted average shares outstanding - basic                                               | 23,078                         | 15,517          | 23,041                       | 7,802             |
| Weighted average restricted common shares outstanding                                     | 19                             | —               | 18                           | —                 |
| Weighted average OP units outstanding                                                     | 24,733                         | 20,208          | 23,484                       | 19,710            |
| Weighted average DownREIT OP unit equivalents outstanding                                 | 1,835                          | 1,415           | 1,835                        | 1,401             |
| Weighted average LTIP units outstanding <sup>(3)</sup>                                    | 2,558                          | 1,553           | 2,507                        | 781               |
| <b>Total weighted average shares and units outstanding - FFO and Core FFO</b>             | <b>52,223</b>                  | <b>38,693</b>   | <b>50,885</b>                | <b>29,694</b>     |
| <b>FFO per share and unit</b>                                                             | <b>\$ 0.25</b>                 | <b>\$ 0.18</b>  | <b>\$ 0.47</b>               | <b>\$ 0.36</b>    |
| <b>Core FFO per share and unit</b>                                                        | <b>\$ 0.28</b>                 | <b>\$ 0.22</b>  | <b>\$ 0.53</b>               | <b>\$ 0.43</b>    |

(1) Amounts represent distributions declared for subordinated performance unitholders and DownREIT subordinated performance unitholders for the periods presented.

(2) NSA combines OP units and DownREIT OP units with common shares because, after the applicable lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at NSA's option, exchangeable for common shares on a one-for-one basis and DownREIT OP units are also redeemable for cash or, at NSA's option, exchangeable for OP units in our operating partnership on a one-for-one basis, subject to certain adjustments in each case. Subordinated performance units, DownREIT subordinated performance units, and LTIP units may also, under certain circumstances, be convertible into or exchangeable for common shares (or other units that are convertible into or exchangeable for common shares). See footnote <sup>(4)</sup> for additional discussion of subordinated performance units, DownREIT subordinated performance units, and LTIP units in the calculation of FFO and Core FFO per share and unit.

(3) LTIP units have been excluded from the calculations of weighted average shares and units outstanding prior to April 28, 2015 because such units did not participate in distributions prior to the Company's initial public offering.

## Supplemental Schedule 1 (continued)

### Funds From Operations and Core Funds From Operations

(in thousands, except per share and unit amounts) (unaudited)

### Reconciliation of Earnings (Loss) Per Share - Diluted to FFO and Core FFO Per Share and Unit

|                                                                                                                   | Three Months Ended<br>June 30, |                | Six Months Ended<br>June 30, |                |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------|------------------------------|----------------|
|                                                                                                                   | 2016                           | 2015           | 2016                         | 2015           |
| <b>Earnings (loss) per share - diluted</b>                                                                        | <b>\$ 0.08</b>                 | <b>\$ —</b>    | <b>\$ 0.15</b>               | <b>\$ —</b>    |
| Impact of the difference in weighted average number of shares <sup>(4)</sup>                                      | 0.04                           | —              | 0.06                         | —              |
| Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method <sup>(5)</sup> | —                              | —              | —                            | (0.08)         |
| Add real estate depreciation and amortization                                                                     | 0.25                           | 0.26           | 0.47                         | 0.66           |
| FFO attributable to subordinated performance unitholders                                                          | (0.12)                         | (0.08)         | (0.21)                       | (0.22)         |
| <b>FFO per share and unit</b>                                                                                     | <b>0.25</b>                    | <b>0.18</b>    | <b>0.47</b>                  | <b>0.36</b>    |
| Add acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt             | 0.03                           | 0.04           | 0.06                         | 0.07           |
| <b>Core FFO per share and unit</b>                                                                                | <b>\$ 0.28</b>                 | <b>\$ 0.22</b> | <b>\$ 0.53</b>               | <b>\$ 0.43</b> |

(4) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the company's restricted common shares, the treasury stock method for certain unvested LTIP units, and includes the assumption of a hypothetical conversion of subordinated performance units and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information around the conversion of subordinated performance units and DownREIT subordinated performance units into OP units, see Note 8 in Item 1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.

(5) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests and the application of the two-class method and treasury stock method, as described in footnote <sup>(4)</sup>.

## Supplemental Schedule 2

### Other Non-GAAP Financial Measurements

(dollars in thousands) (unaudited)

#### Net Operating Income

|                                      | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                   |
|--------------------------------------|--------------------------------|------------------|------------------------------|-------------------|
|                                      | 2016                           | 2015             | 2016                         | 2015              |
| <b>Net income (loss)</b>             | <b>\$ 6,045</b>                | <b>\$ 93</b>     | <b>\$ 10,847</b>             | <b>\$ (2,678)</b> |
| Add:                                 |                                |                  |                              |                   |
| General and administrative expenses  | 4,837                          | 4,187            | 9,172                        | 7,800             |
| Depreciation and amortization        | 13,088                         | 9,974            | 23,980                       | 19,851            |
| Interest expense                     | 5,844                          | 4,824            | 10,785                       | 11,806            |
| Loss on early extinguishment of debt | 136                            | 914              | 136                          | 914               |
| Acquisition costs                    | 1,708                          | 719              | 2,996                        | 1,318             |
| Organizational and offering expenses | —                              | —                | —                            | 58                |
| Non-operating expense                | 169                            | 113              | 283                          | 204               |
| <b>Net Operating Income</b>          | <b>\$ 31,827</b>               | <b>\$ 20,824</b> | <b>\$ 58,199</b>             | <b>\$ 39,273</b>  |

#### EBITDA and Adjusted EBITDA

|                                                  | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                   |
|--------------------------------------------------|--------------------------------|------------------|------------------------------|-------------------|
|                                                  | 2016                           | 2015             | 2016                         | 2015              |
| <b>Net income (loss)</b>                         | <b>\$ 6,045</b>                | <b>\$ 93</b>     | <b>\$ 10,847</b>             | <b>\$ (2,678)</b> |
| Add:                                             |                                |                  |                              |                   |
| Depreciation and amortization                    | 13,088                         | 9,974            | 23,980                       | 19,851            |
| Interest expense                                 | 5,844                          | 4,824            | 10,785                       | 11,806            |
| Loss on early extinguishment of debt             | 136                            | 914              | 136                          | 914               |
| <b>EBITDA</b>                                    | <b>25,113</b>                  | <b>15,805</b>    | <b>45,748</b>                | <b>29,893</b>     |
| Add:                                             |                                |                  |                              |                   |
| Acquisition costs                                | 1,708                          | 719              | 2,996                        | 1,318             |
| Organizational and offering expenses             | —                              | —                | —                            | 58                |
| Equity-based compensation expense <sup>(1)</sup> | 630                            | 1,083            | 1,228                        | 1,721             |
| <b>Adjusted EBITDA</b>                           | <b>\$ 27,451</b>               | <b>\$ 17,607</b> | <b>\$ 49,972</b>             | <b>\$ 32,990</b>  |

(1) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in our consolidated statements of operations.



### Supplemental Schedule 3

#### Self Storage Property Portfolio

(dollars in thousands) (unaudited)

#### Total Portfolio

| State                             | Stores at Period End<br>June 30, |            | Units at Period End June<br>30, |                | Rentable Square Feet at<br>Period End June 30, |                   | Occupancy at Period End June 30, |              |              |
|-----------------------------------|----------------------------------|------------|---------------------------------|----------------|------------------------------------------------|-------------------|----------------------------------|--------------|--------------|
|                                   | 2016                             | 2015       | 2016                            | 2015           | 2016                                           | 2015              | 2016                             | 2015         | Growth       |
| Oregon                            | 52                               | 50         | 21,240                          | 19,646         | 2,707,189                                      | 2,466,432         | 96.0%                            | 95.7%        | 0.3 %        |
| Texas                             | 51                               | 46         | 20,022                          | 17,823         | 2,820,828                                      | 2,523,155         | 90.0%                            | 87.3%        | 2.7 %        |
| California                        | 49                               | 28         | 28,903                          | 16,479         | 3,644,040                                      | 1,996,617         | 93.4%                            | 88.7%        | 4.7 %        |
| North Carolina                    | 30                               | 27         | 13,436                          | 12,019         | 1,655,181                                      | 1,490,258         | 89.2%                            | 88.1%        | 1.1 %        |
| Oklahoma                          | 29                               | 26         | 13,593                          | 12,227         | 1,846,840                                      | 1,630,374         | 87.9%                            | 90.1%        | (2.2)%       |
| Georgia                           | 19                               | 16         | 6,371                           | 5,290          | 837,467                                        | 676,776           | 95.9%                            | 92.9%        | 3.0 %        |
| Florida                           | 16                               | 2          | 13,331                          | 696            | 1,126,023                                      | 80,556            | 89.5%                            | 86.8%        | 2.7 %        |
| Washington                        | 14                               | 13         | 4,789                           | 4,517          | 602,290                                        | 569,945           | 92.4%                            | 92.7%        | (0.3)%       |
| Arizona                           | 14                               | 13         | 7,890                           | 7,314          | 924,092                                        | 835,842           | 88.8%                            | 82.2%        | 6.6 %        |
| Colorado                          | 9                                | 8          | 4,131                           | 3,740          | 503,696                                        | 453,166           | 98.3%                            | 97.6%        | 0.7 %        |
| New Hampshire                     | 9                                | 3          | 3,675                           | 1,334          | 444,400                                        | 165,850           | 93.1%                            | 93.4%        | (0.3)%       |
| Indiana                           | 6                                | —          | 3,164                           | —              | 462,366                                        | —                 | 86.2%                            | —            | —            |
| Louisiana                         | 8                                | 5          | 3,607                           | 2,192          | 493,648                                        | 298,710           | 86.2%                            | 88.0%        | (1.8)%       |
| South Carolina                    | 4                                | 3          | 1,210                           | 888            | 147,530                                        | 105,540           | 94.4%                            | 98.8%        | (4.4)%       |
| Other <sup>(1)</sup>              | 8                                | 6          | 3,740                           | 2,559          | 529,138                                        | 355,328           | 87.4%                            | 80.1%        | 7.3 %        |
| <b>Total/Weighted<br/>Average</b> | <b>318</b>                       | <b>246</b> | <b>149,102</b>                  | <b>106,724</b> | <b>18,744,728</b>                              | <b>13,648,549</b> | <b>91.6%</b>                     | <b>90.0%</b> | <b>1.6 %</b> |

#### 2016 Acquisition Activity

| Acquisitions<br>Closed During the<br>Quarter Ended: | Stores    | Units         | Rentable<br>Square<br>Feet | Summary of Consideration |                       |                                       |                      |                     |
|-----------------------------------------------------|-----------|---------------|----------------------------|--------------------------|-----------------------|---------------------------------------|----------------------|---------------------|
|                                                     |           |               |                            | Cash                     | Value of OP<br>Equity | Liabilities<br>Assumed <sup>(2)</sup> | Other<br>Liabilities | Total<br>Investment |
| March 31, 2016                                      | 17        | 7,633         | 1,070,540                  | \$ 63,300                | \$ 19,068             | \$ 5,861                              | \$ 584               | \$ 88,813           |
| June 30, 2016                                       | 25        | 19,022        | 1,906,703                  | 61,263                   | 80,986                | 55,767                                | 1,212                | 199,228             |
| <b>Total 2016<sup>(3)</sup></b>                     | <b>42</b> | <b>26,655</b> | <b>2,977,243</b>           | <b>\$ 124,563</b>        | <b>\$ 100,054</b>     | <b>\$ 61,628</b>                      | <b>\$ 1,796</b>      | <b>\$ 288,041</b>   |

(1) Other states in our total portfolio include Alabama, Kentucky, Mississippi and Nevada.

(2) \$12.2 million of the mortgages assumed in connection with the self storage property acquisitions were subsequently repaid during the six months ended June 30, 2016.

(3) NSA acquired self storage properties located in Alabama, Arizona, California, Colorado, Florida, Georgia, Indiana, Louisiana, Mississippi, New Hampshire, Oklahoma, Oregon and Texas during 2016.

## Supplemental Schedule 4

### Debt and Equity Capitalization

As of June 30, 2016

(dollars in thousands) (unaudited)

### Debt Balances and Characteristics

|                                                       | Effective Interest Rate (1) | Weighted Average Maturity<br>(In Years) | Balance           |
|-------------------------------------------------------|-----------------------------|-----------------------------------------|-------------------|
| Credit Facility:                                      |                             |                                         |                   |
| Revolving line of credit                              | 1.87%                       | 3.85                                    | \$ 109,922        |
| Term loan - 5 year tranche                            | 2.61%                       | 4.85                                    | 225,000           |
| Term loan - 6 year tranche                            | 3.15%                       | 5.85                                    | 100,000           |
| Term loan - 7 year                                    | 3.08%                       | 7.00                                    | 100,000           |
| Fixed rate mortgages payable                          | 4.00%                       | 7.60                                    | 213,283           |
| <b>Total Principal/Weighted Average</b>               | <b>3.05%</b>                | <b>5.93</b>                             | <b>748,205</b>    |
| Unamortized debt issuance costs and debt premium, net |                             |                                         | 6,456             |
| <b>Total Debt</b>                                     |                             |                                         | <b>\$ 754,661</b> |

### Debt Maturities

|                                                       | Average Effective Interest<br>Rate on Maturing Debt (1) | Maturities as a Percent<br>of Total Principal | Maturities        |
|-------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|-------------------|
| 2016 3Q                                               | —                                                       | —                                             | —                 |
| 2016 4Q                                               | 2.45%                                                   | 0.9%                                          | 6,854             |
| Total Remainder of 2016                               | 2.45%                                                   | 0.9%                                          | 6,854             |
| 2017 1Q                                               | 2.57%                                                   | 1.5%                                          | 11,086            |
| 2017 2Q                                               | —                                                       | —                                             | —                 |
| 2017 3Q                                               | 2.55%                                                   | 0.3%                                          | 1,897             |
| 2017 4Q                                               | —                                                       | —                                             | —                 |
| Total 2017                                            | 2.57%                                                   | 1.8%                                          | 12,983            |
| 2018                                                  | 2.93%                                                   | 0.8%                                          | 6,143             |
| 2019                                                  | —                                                       | —                                             | —                 |
| 2020                                                  | 2.38%                                                   | 20.0%                                         | 149,408           |
| 2021                                                  | 2.65%                                                   | 30.6%                                         | 229,055           |
| 2022                                                  | 3.15%                                                   | 13.4%                                         | 100,000           |
| 2023                                                  | 3.69%                                                   | 24.2%                                         | 181,254           |
| 2024                                                  | 4.21%                                                   | 2.7%                                          | 20,563            |
| Thereafter                                            | 4.10%                                                   | 5.6%                                          | 41,945            |
| <b>Total Principal/Weighted Average</b>               | <b>3.05%</b>                                            | <b>100.0%</b>                                 | <b>748,205</b>    |
| Unamortized debt issuance costs and debt premium, net |                                                         |                                               | 6,456             |
| <b>Total Debt</b>                                     |                                                         |                                               | <b>\$ 754,661</b> |

### Debt Ratios

|                                                        | Covenant | Amount |
|--------------------------------------------------------|----------|--------|
| Net Debt to Annualized Current Quarter Adjusted EBITDA | n/a      | 6.8x   |
| Trailing Twelve Month Fixed Charge Coverage Ratio      | > 1.5x   | 3.9x   |
| Total Leverage Ratio                                   | < 60.0%  | 43.9%  |

(1) Effective interest rate incorporates the stated rate plus the impact of interest rate cash flow hedges and discount and premium amortization, if applicable. For the revolving line of credit, the effective interest rate excludes fees which range from 0.15% to 0.25% for unused borrowings.

## Supplemental Schedule 4 (continued)

### Debt and Equity Capitalization

As of June 30, 2016

(unaudited)

### Equity Interests

|                                                                   | Outstanding       | If Converted      |
|-------------------------------------------------------------------|-------------------|-------------------|
| Common shares of beneficial interest                              | 23,211,153        | 23,211,153        |
| Restricted common shares                                          | 19,090            | 19,090            |
| <b>Total shares outstanding</b>                                   | <b>23,230,243</b> | <b>23,230,243</b> |
| Operating partnership units                                       | 24,722,135        | 24,722,135        |
| DownREIT operating partnership unit equivalents                   | 1,834,786         | 1,834,786         |
| <b>Total operating partnership units</b>                          | <b>26,556,921</b> | <b>26,556,921</b> |
| <b>Long-term incentive plan units <sup>(2)</sup></b>              | <b>2,567,465</b>  | <b>2,567,465</b>  |
| Subordinated performance units <sup>(3)</sup>                     | 10,909,094        | 15,163,641        |
| DownREIT subordinated performance unit equivalents <sup>(3)</sup> | 4,386,999         | 6,097,929         |
| <b>Total subordinated partnership units</b>                       | <b>15,296,093</b> | <b>21,261,570</b> |
| <b>Total shares and units outstanding</b>                         | <b>67,650,722</b> | <b>73,616,199</b> |

(2) Balances exclude 397,600 long-term incentive plan units which only vest and participate in dividend distributions upon the future contribution of properties from the PROs.

(3) If converted balance assumes that each subordinated performance unit (including each DownREIT subordinated performance unit) is convertible into OP units, notwithstanding the two-year lock-out period on conversions, and that each subordinated performance unit would on average convert on a hypothetical basis into an estimated 1.39 OP units based on historical financial information for the trailing twelve months ended June 30, 2016. The hypothetical conversions are calculated by dividing the average cash available for distribution, or CAD, per subordinated performance unit by 110% of the CAD per OP unit over the same period. The Company anticipates that as CAD grows over time, the conversion ratio will also grow, including to levels that may exceed these amounts.

## Supplemental Schedule 5

### Same Store Performance Summary

(dollars in thousands, except per square foot data)  
(unaudited)

#### Three Months Ended June 30, 2016 compared to Three Months Ended June 30, 2015

| State                         | Stores     | Total Revenue   |                 |              | Operating Expenses |                 |              | Net Operating Income |                 |              | Net Operating Income Margin |              |              |
|-------------------------------|------------|-----------------|-----------------|--------------|--------------------|-----------------|--------------|----------------------|-----------------|--------------|-----------------------------|--------------|--------------|
|                               |            | 2Q              |                 |              | 2Q                 |                 |              | 2Q                   |                 |              | 2Q                          |              |              |
|                               |            | 2016            | 2Q 2015         | Growth       | 2Q 2016            | 2015            | Growth       | 2Q 2016              | 2Q 2015         | Growth       | 2016                        | 2015         | Growth       |
| Oregon                        | 49         | \$ 7,718        | \$ 6,866        | 12.4%        | \$ 2,011           | \$ 1,909        | 5.3 %        | \$ 5,707             | \$ 4,957        | 15.1%        | 73.9%                       | 72.2%        | 1.7 %        |
| Texas                         | 45         | 5,160           | 4,958           | 4.1 %        | 2,102              | 1,953           | 7.6 %        | 3,058                | 3,005           | 1.8%         | 59.3%                       | 60.6%        | (1.3)%       |
| California                    | 27         | 6,543           | 5,836           | 12.1%        | 1,984              | 1,908           | 4.0 %        | 4,559                | 3,928           | 16.1%        | 69.7%                       | 67.3%        | 2.4 %        |
| Oklahoma                      | 25         | 3,046           | 2,977           | 2.3 %        | 1,007              | 1,003           | 0.4 %        | 2,039                | 1,974           | 3.3%         | 66.9%                       | 66.3%        | 0.6 %        |
| North Carolina                | 19         | 2,089           | 2,012           | 3.8%         | 689                | 674             | 2.2 %        | 1,400                | 1,338           | 4.6%         | 67.0%                       | 66.5%        | 0.5 %        |
| Georgia                       | 16         | 1,393           | 1,263           | 10.3%        | 543                | 557             | (2.5)%       | 850                  | 706             | 20.4%        | 61.0%                       | 55.9%        | 5.1 %        |
| Washington                    | 13         | 1,605           | 1,472           | 9.0%         | 477                | 443             | 7.7 %        | 1,128                | 1,029           | 9.6%         | 70.3%                       | 69.9%        | 0.4 %        |
| Arizona                       | 10         | 1,805           | 1,664           | 8.5%         | 576                | 560             | 2.9 %        | 1,229                | 1,104           | 11.3%        | 68.1%                       | 66.3%        | 1.8 %        |
| Colorado                      | 8          | 1,292           | 1,221           | 5.8%         | 375                | 367             | 2.2 %        | 917                  | 854             | 7.4%         | 71.0%                       | 69.9%        | 1.1 %        |
| Other <sup>(1)</sup>          | 10         | 1,136           | 1,037           | 9.5%         | 455                | 460             | (1.1)%       | 681                  | 577             | 18.0%        | 59.9%                       | 55.6%        | 4.3 %        |
| <b>Total/Weighted Average</b> | <b>222</b> | <b>\$31,787</b> | <b>\$29,306</b> | <b>8.5 %</b> | <b>\$10,219</b>    | <b>\$ 9,834</b> | <b>3.9 %</b> | <b>\$21,568</b>      | <b>\$19,472</b> | <b>10.8%</b> | <b>67.9%</b>                | <b>66.4%</b> | <b>1.5 %</b> |

|                           |        |                            |                         |         |        |                   |         |        | Average<br>Annualized<br>Rental Revenue<br>per Occupied<br>Square Foot |
|---------------------------|--------|----------------------------|-------------------------|---------|--------|-------------------|---------|--------|------------------------------------------------------------------------|
| State                     | Units  | Rentable<br>Square<br>Feet | Occupancy at Period End |         |        | Average Occupancy |         |        | 2Q 2016                                                                |
|                           |        |                            | 2Q 2016                 | 2Q 2015 | Growth | 2Q 2016           | 2Q 2015 | Growth |                                                                        |
| Oregon                    | 19,635 | 2,467,249                  | 96.2%                   | 95.7%   | 0.5 %  | 94.4%             | 93.3%   | 1.1 %  | \$ 13.07                                                               |
| Texas                     | 17,466 | 2,471,403                  | 90.8%                   | 87.5%   | 3.3 %  | 88.9%             | 84.9%   | 4.0 %  | 9.10                                                                   |
| California                | 15,934 | 1,946,881                  | 92.8%                   | 88.4%   | 4.4 %  | 92.3%             | 86.1%   | 6.2 %  | 13.85                                                                  |
| Oklahoma                  | 11,813 | 1,573,596                  | 88.0%                   | 90.0%   | (2.0)% | 88.1%             | 88.2%   | (0.1)% | 8.56                                                                   |
| North Carolina            | 8,164  | 973,283                    | 87.2%                   | 85.7%   | 1.5 %  | 85.2%             | 83.5%   | 1.7 %  | 9.73                                                                   |
| Georgia                   | 5,279  | 676,656                    | 96.1%                   | 92.9%   | 3.2 %  | 94.8%             | 89.9%   | 4.9 %  | 8.36                                                                   |
| Washington                | 4,477  | 559,725                    | 92.3%                   | 92.7%   | (0.4)% | 92.5%             | 91.3%   | 1.2 %  | 12.13                                                                  |
| Arizona                   | 5,941  | 657,815                    | 88.6%                   | 81.8%   | 6.8 %  | 86.3%             | 79.3%   | 7.0 %  | 12.10                                                                  |
| Colorado                  | 3,738  | 453,166                    | 98.2%                   | 97.6%   | 0.6 %  | 96.6%             | 92.8%   | 3.8 %  | 11.50                                                                  |
| Other <sup>(1)</sup>      | 3,951  | 511,651                    | 92.5%                   | 84.3%   | 8.2 %  | 92.1%             | 82.0%   | 10.1 % | 9.41                                                                   |
| Total/Weighted<br>Average | 96,398 | 12,291,425                 | 92.2%                   | 89.9%   | 2.3 %  | 90.9%             | 87.5%   | 3.4 %  | \$ 11.03                                                               |

(1) Other states in NSA's same store portfolio include Mississippi, New Hampshire, Nevada and South Carolina.

## Supplemental Schedule 5

### Same Store Performance Summary

(dollars in thousands, except per square foot data)  
(unaudited)

#### Six Months Ended June 30, 2016 compared to Six Months Ended June 30, 2015

| State                         | Stores     | Total Revenue   |                 |             | Operating Expenses |                 |             | Net Operating Income |                 |              | Net Operating Income Margin |              |              |
|-------------------------------|------------|-----------------|-----------------|-------------|--------------------|-----------------|-------------|----------------------|-----------------|--------------|-----------------------------|--------------|--------------|
|                               |            | YTD 2016        | YTD 2015        | Growth      | YTD 2016           | YTD 2015        | Growth      | YTD 2016             | YTD 2015        | Growth       | YTD 2016                    | YTD 2015     | Growth       |
| Oregon                        | 49         | \$14,967        | \$13,285        | 12.7%       | \$ 4,051           | \$ 3,881        | 4.4%        | \$10,916             | \$ 9,404        | 16.1%        | 72.9%                       | 70.8%        | 2.1 %        |
| Texas                         | 45         | 10,198          | 9,767           | 4.4%        | 4,079              | 3,789           | 7.7%        | 6,119                | 5,978           | 2.4%         | 60.0%                       | 61.2%        | (1.2)%       |
| California                    | 27         | 12,830          | 11,470          | 11.9%       | 4,015              | 3,791           | 5.9%        | 8,815                | 7,679           | 14.8%        | 68.7%                       | 66.9%        | 1.8 %        |
| Oklahoma                      | 25         | 6,023           | 5,840           | 3.1%        | 1,997              | 1,964           | 1.7%        | 4,026                | 3,876           | 3.9%         | 66.8%                       | 66.4%        | 0.4 %        |
| North Carolina                | 19         | 4,086           | 3,962           | 3.1%        | 1,363              | 1,363           | —%          | 2,723                | 2,599           | 4.8%         | 66.6%                       | 65.6%        | 1.0 %        |
| Georgia                       | 16         | 2,729           | 2,465           | 10.7%       | 1,103              | 1,101           | 0.2%        | 1,626                | 1,364           | 19.2%        | 59.6%                       | 55.3%        | 4.3 %        |
| Washington                    | 13         | 3,173           | 2,869           | 10.6%       | 958                | 902             | 6.2%        | 2,215                | 1,967           | 12.6%        | 69.8%                       | 68.6%        | 1.2 %        |
| Arizona                       | 10         | 3,563           | 3,263           | 9.2%        | 1,138              | 1,091           | 4.3%        | 2,425                | 2,172           | 11.6%        | 68.1%                       | 66.6%        | 1.5 %        |
| Colorado                      | 8          | 2,496           | 2,344           | 6.5%        | 741                | 727             | 1.9%        | 1,755                | 1,617           | 8.5%         | 70.3%                       | 69.0%        | 1.3 %        |
| Other <sup>(1)</sup>          | 10         | 2,222           | 2,007           | 10.7%       | 915                | 901             | 1.6%        | 1,307                | 1,106           | 18.2%        | 58.8%                       | 55.1%        | 3.7 %        |
| <b>Total/Weighted Average</b> | <b>222</b> | <b>\$62,287</b> | <b>\$57,272</b> | <b>8.8%</b> | <b>\$20,360</b>    | <b>\$19,510</b> | <b>4.4%</b> | <b>\$41,927</b>      | <b>\$37,762</b> | <b>11.0%</b> | <b>67.3%</b>                | <b>65.9%</b> | <b>1.4 %</b> |

| State                         | Units         | Rentable Square Feet | Average Occupancy |              |             | Average Annualized Rental Revenue per Occupied Square Foot |
|-------------------------------|---------------|----------------------|-------------------|--------------|-------------|------------------------------------------------------------|
|                               |               |                      | YTD 2016          | YTD 2015     | Growth      |                                                            |
| Oregon                        | 19,635        | 2,467,249            | 93.3%             | 91.7%        | 1.6%        | \$ 12.84                                                   |
| Texas                         | 17,466        | 2,471,403            | 88.3%             | 83.7%        | 4.6%        | 9.05                                                       |
| California                    | 15,934        | 1,946,881            | 91.5%             | 85.0%        | 6.5%        | 13.70                                                      |
| Oklahoma                      | 11,813        | 1,573,596            | 88.1%             | 87.4%        | 0.7%        | 8.48                                                       |
| North Carolina                | 8,164         | 973,283              | 84.0%             | 82.5%        | 1.5%        | 9.66                                                       |
| Georgia                       | 5,279         | 676,656              | 94.0%             | 88.6%        | 5.4%        | 8.27                                                       |
| Washington                    | 4,477         | 559,725              | 92.3%             | 90.3%        | 2.0%        | 11.98                                                      |
| Arizona                       | 5,941         | 657,815              | 84.9%             | 78.8%        | 6.1%        | 12.15                                                      |
| Colorado                      | 3,738         | 453,166              | 94.8%             | 90.2%        | 4.6%        | 11.36                                                      |
| Other <sup>(1)</sup>          | 3,951         | 511,651              | 91.1%             | 80.5%        | 10.6%       | 9.31                                                       |
| <b>Total/Weighted Average</b> | <b>96,398</b> | <b>12,291,425</b>    | <b>90.1%</b>      | <b>86.3%</b> | <b>3.8%</b> | <b>\$ 10.91</b>                                            |

(1) Other states in NSA's same store portfolio include Mississippi, New Hampshire, Nevada and South Carolina.

## Supplemental Schedule 6

### Reconciliation of Same Store Data and Net Operating Income to Income from Operations

(dollars in thousands) (unaudited)

|                                                                      | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                  |
|----------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|------------------|
|                                                                      | 2016                           | 2015            | 2016                         | 2015             |
| <b>Rental revenue</b>                                                |                                |                 |                              |                  |
| Same store portfolio                                                 | \$ 30,815                      | \$ 28,358       | \$ 60,425                    | \$ 55,461        |
| Non-same store portfolio                                             | 14,969                         | 2,274           | 23,860                       | 2,589            |
| Total rental revenue on our statements of operations                 | 45,784                         | 30,632          | 84,285                       | 58,050           |
| <b>Other property-related revenue</b>                                |                                |                 |                              |                  |
| Same store portfolio                                                 | 972                            | 948             | 1,862                        | 1,811            |
| Non-same store portfolio                                             | 528                            | 70              | 786                          | 80               |
| Total other property-related revenue on our statements of operations | 1,500                          | 1,018           | 2,648                        | 1,891            |
| <b>Property operating expenses</b>                                   |                                |                 |                              |                  |
| Same store portfolio                                                 | 10,219                         | 9,834           | 20,360                       | 19,510           |
| Non-same store portfolio                                             | 5,238                          | 992             | 8,374                        | 1,158            |
| Total property operating expenses on our statements of operations    | 15,457                         | 10,826          | 28,734                       | 20,668           |
| <b>Net operating income for:</b>                                     |                                |                 |                              |                  |
| Same Store Properties                                                | 21,568                         | 19,472          | 41,927                       | 37,762           |
| Non-same store Properties                                            | 10,259                         | 1,352           | 16,272                       | 1,511            |
| <b>Net operating income</b>                                          | <b>31,827</b>                  | <b>20,824</b>   | <b>58,199</b>                | <b>39,273</b>    |
| <b>General and administrative expenses</b>                           | <b>4,837</b>                   | <b>4,187</b>    | <b>9,172</b>                 | <b>7,800</b>     |
| <b>Depreciation and amortization</b>                                 | <b>13,088</b>                  | <b>9,974</b>    | <b>23,980</b>                | <b>19,851</b>    |
| <b>Income from operations on our statements of operations</b>        | <b>\$ 13,902</b>               | <b>\$ 6,663</b> | <b>\$ 25,047</b>             | <b>\$ 11,622</b> |

## Supplemental Schedule 7

### Selected Financial Information

(in thousands, except per square foot data) (unaudited)

|                                                                            | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|----------------------------------------------------------------------------|--------------------------------|------------------|------------------------------|------------------|
|                                                                            | 2016                           | 2015             | 2016                         | 2015             |
| <b>Average Annualized Rental Revenue Per Occupied Square Foot</b>          |                                |                  |                              |                  |
| Same store                                                                 | \$ 11.03                       | \$ 10.55         | \$ 10.91                     | \$ 10.46         |
| Total portfolio                                                            | \$ 10.98                       | \$ 10.58         | \$ 10.76                     | \$ 10.49         |
| <b>Total Portfolio Capital Expenditures</b>                                |                                |                  |                              |                  |
| Recurring capital expenditures                                             | \$ 994                         | \$ 575           | \$ 1,506                     | \$ 1,079         |
| Revenue enhancing capital expenditures                                     | 930                            | 406              | 930                          | 693              |
| Acquisitions capital expenditures                                          | 1,519                          | 55               | 1,675                        | 142              |
| <b>Total Portfolio Capital Expenditures</b>                                | <b>\$ 3,443</b>                | <b>\$ 1,036</b>  | <b>\$ 4,111</b>              | <b>\$ 1,914</b>  |
| Total portfolio square feet                                                | 18,745                         | 13,649           | 18,745                       | 13,649           |
| <b>Recurring Capital Expenditures Per Square Foot</b>                      | <b>\$ 0.05</b>                 | <b>\$ 0.04</b>   | <b>\$ 0.08</b>               | <b>\$ 0.08</b>   |
| <b>Property Operating Expenses Detail</b>                                  |                                |                  |                              |                  |
| Store payroll and related costs                                            | \$ 4,678                       | \$ 3,163         | \$ 8,696                     | \$ 6,076         |
| Property tax expense                                                       | 3,418                          | 2,399            | 6,379                        | 4,562            |
| Other property operating expenses                                          | 7,361                          | 5,264            | 13,659                       | 10,030           |
| <b>Property operating expenses on our statements of operations</b>         | <b>\$ 15,457</b>               | <b>\$ 10,826</b> | <b>\$ 28,734</b>             | <b>\$ 20,668</b> |
| <b>General and Administrative Expenses Detail</b>                          |                                |                  |                              |                  |
| Supervisory and administrative expenses                                    | \$ 2,659                       | \$ 1,774         | \$ 4,880                     | \$ 3,392         |
| Equity-based compensation expense                                          | 630                            | 1,083            | 1,228                        | 1,721            |
| Other general and administrative expenses                                  | 1,548                          | 1,330            | 3,064                        | 2,687            |
| <b>General and administrative expenses on our statements of operations</b> | <b>\$ 4,837</b>                | <b>\$ 4,187</b>  | <b>\$ 9,172</b>              | <b>\$ 7,800</b>  |

# Glossary

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*This Earnings Release and Supplemental Information include certain financial and operating measures used by NSA management that are not calculated in accordance with accounting principles generally accepted in the United States, or GAAP. NSA's definitions and calculations of these non-GAAP financial and operating measures and other terms may differ from the definitions and methodologies used by other real estate companies and, accordingly, may not be comparable. These non-GAAP financial and operating measures should not be considered an alternative to GAAP net income or any other GAAP measurement of performance and should not be considered an alternative measure of liquidity.*

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**ANNUALIZED RENTAL REVENUE:** Annualized rental revenue is annualized quarterly total revenue per our statements of operations (which includes fees and is net of any discounts).

**AVERAGE ANNUALIZED RENTAL REVENUE PER OCCUPIED SQUARE FOOT:** Average annualized rental revenue per occupied square foot is computed by dividing annualized rental revenue by average occupied square feet.

**AVERAGE OCCUPANCY:** Average occupancy is calculated based on the average of the month-end occupancy immediately preceding the period presented and the month-end occupancies included in the respective period presented.

## CAPITAL EXPENDITURES DEFINITIONS

**ACQUISITIONS CAPITAL EXPENDITURES:** Acquisitions capital expenditures represents the portion of capital expenditures capitalized during the current period that were identified and underwritten prior to a property's acquisition.

**RECURRING CAPITAL EXPENDITURES:** Recurring capital expenditures represents the portion of capital expenditures that are deemed to replace the consumed portion of acquired capital assets and extend their useful lives.

**REVENUE ENHANCING CAPITAL EXPENDITURES:** Revenue enhancing capital expenditures represents the portion of capital expenditures that are made to enhance the revenue and value of an asset from its original purchase condition.

**EBITDA:** We define EBITDA as net income (loss), as determined under GAAP, plus interest expense, loss on early extinguishment of debt, income taxes, depreciation and amortization expense. We define **ADJUSTED EBITDA** as EBITDA plus acquisition costs, organizational and offering expenses, equity-based compensation expense, losses on sale of properties, and impairment of long-lived assets; and by subtracting gains on sale of properties and debt forgiveness. These further adjustments eliminate the impact of items that we do not consider indicative of our core operating performance. In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present EBITDA and Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. EBITDA and Adjusted EBITDA have limitations as an analytical tool. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures, contractual commitments or working capital needs;
- EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;



- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- Adjusted EBITDA excludes equity-based compensation expense, which is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period;
- EBITDA and Adjusted EBITDA do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income (loss). EBITDA and Adjusted EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, income from operations, and net income (loss).

**FUNDS FROM OPERATIONS:** Funds from operations, or FFO, is a widely used performance measure for real estate companies and is provided here as a supplemental measure of our operating performance. The April 2002 National Policy Bulletin of NAREIT, which we refer to as the White Paper, as amended, defines FFO as net income (as determined under GAAP), excluding gains (or losses) from sales of real estate and related impairment charges, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We include amortization of customer in-place leases in real estate depreciation and amortization in the calculation of FFO because we believe the amortization of customer in-place leases is analogous to real estate depreciation, as the value of such intangibles is inextricably connected to the real estate acquired. Distributions declared on subordinated performance units and DownREIT subordinated performance units represent our allocation of FFO to noncontrolling interests held by subordinated performance unitholders and DownREIT subordinated performance unitholders for the purpose of calculating FFO attributable to common shareholders, OP unitholders, and LTIP unitholders. We define CORE FFO as FFO, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance. These further adjustments consist of acquisition costs, organizational and offering costs, gains on debt forgiveness and gains (losses) on early extinguishment of debt.

Management uses FFO and Core FFO as a key performance indicator in evaluating the operations of our properties. Given the nature of our business as a real estate owner and operator, we consider FFO and Core FFO as key supplemental measures of our operating performance that are not specifically defined by GAAP. We believe that FFO and Core FFO are useful to management and investors as a starting point in measuring our operational performance because FFO and Core FFO exclude various items included in net income (loss) that do not relate to or are not indicative of our operating performance such as gains (or losses) from sales of self storage properties and depreciation, which can make periodic and peer analyses of operating performance more difficult. Our computation of FFO and Core FFO may not be comparable to FFO reported by other REITs or real estate companies.

FFO and Core FFO should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income (loss). FFO and Core FFO do not represent cash generated from operating activities determined in accordance with GAAP and are not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO and Core FFO should be compared with our reported net income (loss) and considered in addition to cash flows computed in accordance with GAAP, as presented in our consolidated financial statements.

**LONG-TERM INCENTIVE PLAN UNITS:** Long-term incentive plan units, or LTIP units, are a special class of partnership interest in our operating partnership that allow the holder to participate in the ordinary and

liquidating distributions received by holders of the operating partnership units (subject to the achievement of specified levels of profitability by our operating partnership or the achievement of certain events). Upon vesting, and after achieving parity with operating partnership units, vested LTIP units may be converted into an equal number of operating partnership units, and thereafter have all the rights of operating partnership units, including redemption rights.

**NET DEBT TO ANNUALIZED CURRENT QUARTER ADJUSTED EBITDA:** We calculate net debt to Adjusted EBITDA as total debt (inclusive of \$11.9 million of fair value of debt adjustments and \$5.5 million of debt issuance costs) less cash and cash equivalents, divided by annualized current quarter Adjusted EBITDA.

**NET OPERATING INCOME:** We define net operating income, or NOI, as net income (loss), as determined under GAAP, plus general and administrative expense, depreciation and amortization, interest expense, loss on early extinguishment of debt, acquisition costs, organizational and offering expenses, impairment of long-lived assets, losses on the sale of properties and non-operating expense and by subtracting gains on sale of properties, debt forgiveness, and non-operating income. NOI is not a measure of performance calculated in accordance with GAAP.

We believe NOI is useful to investors in evaluating our operating performance because:

- NOI is one of the primary measures used by our management and our PROs to evaluate the economic productivity of our properties, including our ability to lease our properties, increase pricing and occupancy and control our property operating expenses;
- NOI is widely used in the real estate industry and the self storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods, the book value of assets, and the impact of our capital structure; and
- We believe NOI helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of the cost basis of our assets from our operating results.

There are material limitations to using a non-GAAP measure such as NOI, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net loss. We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income (loss). NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, income from operations and net loss.

**NET OPERATING INCOME MARGIN:** The ratio of NOI divided by total revenue.

**NON-SAME STORE PORTFOLIO:** Non-same store portfolio comprises those properties that do not meet the Same Store portfolio property definition.

**OCCUPANCY AT PERIOD END:** Represents total occupied rentable square feet divided by total rentable square feet at period end.

**OPERATING PARTNERSHIP UNITS:** Operating partnership units, or OP Units, are Class A common units of limited partner interest in our operating partnership which are economically equivalent to our common shares. We also own certain of our self storage properties through other consolidated limited partnership subsidiaries of our operating partnership, which we refer to as "DownREIT partnerships." The DownREIT partnerships issue certain units of limited partner or limited liability company interest that are intended to be economically equivalent to our OP units, which we define as **DOWNREIT OPERATING PARTNERSHIP UNIT EQUIVALENTS**, or DownREIT OP units.



**PROs:** Participating regional operators, or "PROs", are our experienced regional self storage operators with local operational focus and expertise. As of June 30, 2016, our Company had seven PROs, SecurCare Self Storage, Northwest Self Storage, Optivest Properties, Guardian Storage Centers, Move It Self Storage, Storage Solutions, and Hide-Away.

**RENTABLE SQUARE FEET:** Rentable square feet includes all enclosed self storage units but excludes commercial, residential, and covered parking space.

**RESTRICTED COMMON SHARES:** Restricted common shares are common shares that are subject to restrictions on transferability subject to vesting and such other restrictions. Generally, a participant granted restricted common shares has all of the rights of a shareholder, including, without limitation, the right to vote and the right to receive dividends on the restricted common shares. Holders of restricted common shares are prohibited from selling such shares until they vest.

**SAME STORE PORTFOLIO:** Our same store portfolio is defined as those properties owned and operated for the entirety of the applicable periods presented, excluding any properties we sold or where we completed a storage space expansion which caused the property's year-over-year operating results to no longer be comparable. Our 2016 same store portfolio consists of only those properties that were included in the Company's consolidated results since January 1, 2015, excluding one property where the Company completed a storage space expansion during the year ended December 31, 2015.

**SUBORDINATED PERFORMANCE UNITS:** Subordinated performance units, or SP Units, are Class B common units of limited partner interest in our operating partnership. SP units, which are linked to the performance of specific contributed portfolios, are intended to incentivize our PROs to drive operating performance and support the sustainability of the operating cash flow generated by the contributed self storage properties that they continue to manage on our behalf. Because subordinated performance unit holders receive distributions only after portfolio-specific minimum performance thresholds are satisfied, we believe SP units play a key role in aligning the interests of our PROs with us and our shareholders. The DownREIT partnerships also issue units of limited partner interest that are intended to be economically equivalent to our SP units, which we define as **DOWNREIT SUBORDINATED PERFORMANCE UNIT EQUIVALENTS**, or DownREIT SP units.