



# Nontraded REIT Industry Review: Second Quarter 2014

## Strategic Storage Trust, Inc.

Total Assets.....	\$714.1 Million
Real Estate Assets .....	\$666.9 Million
Cash .....	\$23.7 Million
Securities .....	\$0.0 Million
Other .....	\$23.5 Million



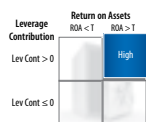
Cash to Total Assets Ratio: .....	3.3%
Asset Type: .....	Storage
Number of Properties: .....	126
Square Feet / Units / Rooms / Acres: .....	10.5 Million Sq. Ft.; 80,325 Units
Percent Leased: .....	88.3%
Weighted Average Lease Term Remaining: .....	Not Applicable
LifeStage: .....	Maturing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	56,809,884

Initial Offering Date: .....	March 17, 2008
Offering Close Date: .....	September 22, 2013
Current Price per Share: .....	\$10.79
Reinvestment Price per Share: .....	\$10.25
Cumulative Capital Raised during Offering (including DRP): .....	\$549.0 Million



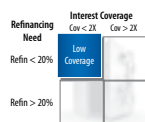
### Performance Profiles

#### Operating Performance



The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### Financing Outlook



The REIT's interest coverage ratio is below the 2.0X benchmark but the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, but may need to increase earnings to provide lenders with sufficient interest coverage.

#### Cumulative MFFO Payout



The REIT has not yet reached full coverage of cash distributions with an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

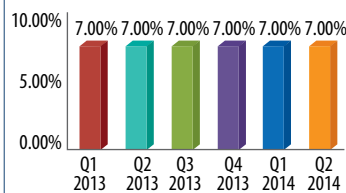
#### Summary

The REIT's return on assets was 8.03% for the last four quarters, well above the yield on 10-Year Treasuries, and its leverage contribution was positive, given its estimated weighted average cost of debt of 5.50% and 55.8% debt ratio. The interest coverage ratio was 1.9X for the last four quarters, below the 2.0X benchmark, and 10.1% of debt was maturing in the next two years. Unhedged variable rate debt was 15.9% of the total, so there are only modest refinancing needs. The REIT has improved the ratio of cash distributions (excluding DRP proceeds) to MFFO to 81% for the last four quarters, but is still at 119% since inception.

### Contact Information

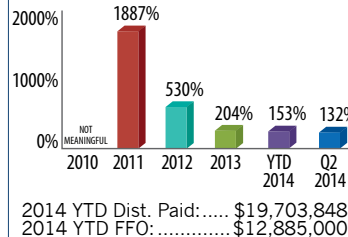
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 111 Corporate Drive,  
 Suite 120  
 Ladera Ranch, CA 92694  
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### Historical Distribution



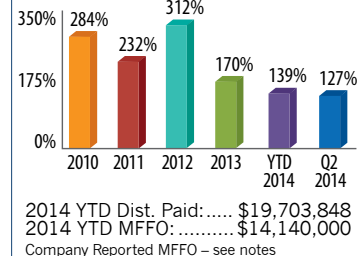
\*See Notes

### Historical FFO Payout Ratio



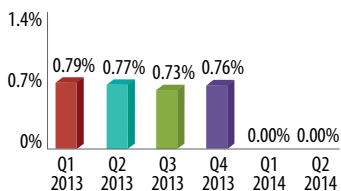
2014 YTD Dist. Paid:..... \$19,703,848  
 2014 YTD FFO:..... \$12,885,000

### Historical MFFO Payout Ratio

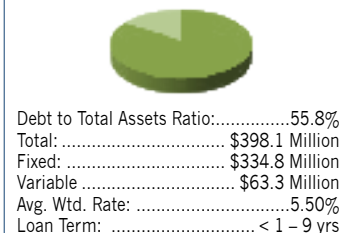


2014 YTD Dist. Paid:..... \$19,703,848  
 2014 YTD MFFO:..... \$14,140,000  
 Company Reported MFFO – see notes

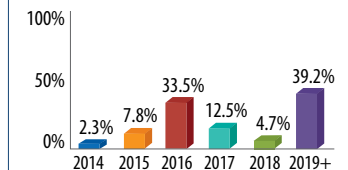
### Redemptions



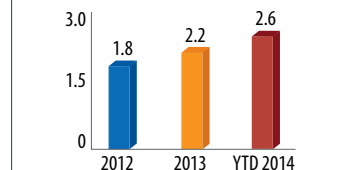
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- The 7.00% distribution yield above is based upon the original \$10.00 share price. Shares sold for \$10.79 have a distribution yield of 6.50%.
- During 2Q 2014 the Company acquired one property for \$3.44 million. The parcel of land is in Toronto, Canada. The REIT intends to develop the land into a self storage facility with approximately 870 units.
- On July 31, 2014 the Hawthorne property, a net leased industrial property in California, was sold to an unaffiliated third party. The REIT owned a 12% interest in Westport LAX LLC, the joint venture that owned the Hawthorne Property.
- The REIT's Cash to Total Assets ratio decreased to 3.3% as of 2Q 2014 compared to 5.3% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio increased to 55.8% as of 2Q 2014 compared to 54.2% as of 2Q 2013.
- The Company had hedged \$45 million of its variable rate debt as of June 30, 2014.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the three months ended June 30, 2014, the Company paid \$5.377 million in cash distributions and had \$4.619 million reinvested via the DRP. For the six months ended June 30, 2014, the source of distributions was 74.7% cash flows provided by operations and 25.3% offering proceeds from the distribution reinvestment plan.