

## Public Storage, Inc.

# 2024 same store guidance better than expected; reiterate Buy rating

Reiterate Rating: BUY | PO: 348.00 USD | Price: 288.62 USD

## PSA believes we've seen the bottom; positive view on '24

PSA kicked off Self Storage earnings with a beat driven by strong core and non-same store results. While 2024 FFO/sh guidance implies flat earnings growth and missed Street expectations, SS revenue guidance of -1 to +1% was better than expected and the stock reacted positively. Buy side consensus was more cautious estimating -1% to -3%. 2024 SS guidance was mainly in line with our assumptions but we were slightly higher on SS revenues. We are raising our PO to \$348 from \$344. See page 3 for valuation and more detail on our updated estimates.

## Cautious on sector read throughs given divergent views

While PSA beat its initial 2023 guidance by 0.9%, it's hard to say this year's guidance is conservative. The midpoint reflects stabilization but for SS to decline in the 1H and improve in the 2H. We see this as a key risk to watch given how difficult it is to forecast Storage let alone over the past few years. That said, PSA has a great operating track record and we're encouraged to hear YTD metrics are showing Y/Y improvement. We reiterate our Buy on PSA but hesitate to say PSA's guide is a good read through across the entire Storage sector. Our reasoning is over the past 1 to 1 ½ years there has been divergent views across the management teams on what they are seeing. Therefore, we still see risk to guidance for the rest to report which is CUBE, EXR and NSA.

## Stronger than expected 4Q23 with improving YTD metrics

Overall, we are positive on PSA's results given 1) 4Q finished stronger than expected; 2) move-in volumes were up +9% Y/Y despite a price sensitive customer in 2023 and a softer housing market; 3) PSA stated they have greater visibility today and feel better about the YTD start than this time last year; 4) more growth expected in 2024 from acquisitions (\$500mn expected in '24) and a ramp-up in development spending (\$450mn vs. \$362.9mn in 2023). PSA is the only public Storage REIT with a development platform; & 5) continued growth from non-same store pool another unique driver of growth vs. peers. PSA achieved 25% of non-SS NOI growth in 2023. Through its acquisition / development pipeline, management believes it is positioned to grow its non-SS NOI by 36.5% in 2024 at the midpoint of guidance and will continue to grow in 2025.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
FFO / Share (Reported)	15.92	16.89	16.90	17.73	18.17
GAAP EPS	23.49	11.06	10.10	10.72	10.92
FFO / Share Change (YoY)	23.1%	6.1%	0%	4.9%	2.5%
DPS	21.15	12.00	12.15	12.76	13.40
FFO / Share (Normalized)	15.92	16.89	16.90	17.73	18.17
AFFO / Share	13.56	14.43	14.34	15.12	15.50
<b>Valuation (Dec)</b>					
P/FFO (Reported)	18.1x	17.1x	17.1x	16.3x	15.9x
GAAP P/E	12.3x	26.1x	28.6x	26.9x	26.4x
Distribution Rate	7.3%	4.2%	4.2%	4.4%	4.6%
EV / EBITDA	21.1x	19.4x	18.8x	18.0x	17.5x
P/FFO (Normalized)	18.1x	17.1x	17.1x	16.3x	15.9x
P/AFFO	21.3x	20.0x	20.1x	19.1x	18.6x
NAV / Share	248.79	220.83	302.82	NA	NA

The distribution rate may include non-income items, such as return of principal or loans proceeds or borrowings.

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Timestamp: 22 February 2024 12:01AM EST

22 February 2024

### Equity

#### Key Changes

(US\$)	Previous	Current
Price Obj.	344.00	348.00

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**REITs Team**  
BofAS

[See Team Page for List of Analysts](#)

### Stock Data

Price	288.62 USD
Price Objective	348.00 USD
Date Established	21-Feb-2024
Investment Opinion	B-1-7
52-Week Range	233.18 USD - 316.48 USD
Mrkt Val (mn) / Shares Out (mn)	50,662 USD / 175.5
Free Float	89.8%
Average Daily Value (mn)	210.88 USD
BofA Ticker / Exchange	PSA / NYS
Bloomberg / Reuters	PSA US / PSA.N
ROE (2024E)	44.7%
Net Dbt to Eqty (Dec-2023A)	86.4%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

# iQprofile<sup>SM</sup> Public Storage, Inc.

## Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Rental Revenue	3,078	3,319	3,341	3,507	3,626
Property Net Operating Income (NOI)	3,129	3,357	3,494	3,677	3,798
EBITDA (Adjusted)	3,055	3,337	3,429	3,585	3,701
<b>Net Income (Adjusted)</b>	<b>7,023</b>	<b>2,698</b>	<b>2,629</b>	<b>2,763</b>	<b>2,801</b>
<b>Funds From Operations (FFO)</b>	<b>2,901</b>	<b>2,924</b>	<b>2,980</b>	<b>3,126</b>	<b>3,204</b>
% Change	23.6%	0.8%	1.9%	4.9%	2.5%
<b>Normalized Funds from Operations (FFO)</b>	<b>2,807</b>	<b>2,976</b>	<b>2,980</b>	<b>3,126</b>	<b>3,204</b>
% Change	23.6%	6.0%	0.1%	4.9%	2.5%
Fully Diluted Shares (Year Average)	176	176	176	176	176

## Cash Flow Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Funds from Operation (FFO)	2,901	2,924	2,980	3,126	3,204
Capital Expenditure	(452)	(460)	(492)	(502)	(512)
Straight Line Rent / FAS 141	NA	NA	NA	NA	NA
Adjusted FFO	2,354	2,515	2,488	2,624	2,692
Dividends	-3,729	-2,114	-2,142	-2,249	-2,362
Free Cash Flow	-1,374	402	346	375	331
Issue (Purchase) Equity	NA	NA	NA	NA	NA
Share / Issue Repurchase	NA	NA	NA	NA	NA
Cost of Dividends Paid	(3,729)	(2,114)	(2,142)	(2,249)	(2,362)
Change in Debt	0	0	0	0	0

## Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Marketable Securities	775	370	105	0	0
Properties at Cost	NA	NA	NA	NA	NA
<b>Total Assets</b>	<b>17,552</b>	<b>19,809</b>	<b>20,057</b>	<b>20,573</b>	<b>21,230</b>
Total Debt	6,871	9,103	9,103	9,400	9,903
<b>Total Liabilities</b>	<b>7,386</b>	<b>9,702</b>	<b>9,702</b>	<b>9,999</b>	<b>10,502</b>
Preferred Stock	4,350	4,350	4,350	4,350	4,350
Total Equity	10,167	10,107	10,355	10,573	10,728
Total Equity & Liabilities	17,552	19,809	20,057	20,573	21,230

## Key Metrics (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Acquisitions	778	2,675	500	500	500
Cap Rate	3.7%	4.7%	5.5%	5.5%	5.5%
Developments	373	357	280	445	500
Cap Rate	7.5%	8.0%	8.0%	8.0%	8.0%
Dispositions	0	0	0	0	0
Cap Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Same Store Revenue Growth	NA	NA	NA	NA	NA

## Performance Metrics (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Invested Capital (ROIC)	NA	NA	NA	NA	NA
Operating Margin	74.8%	74.3%	73.6%	74.0%	74.2%
Interest Cover	22.4x	16.6x	12.0x	12.0x	11.0x

## Company Sector

REITs

## Company Description

Public Storage is a fully integrated, self-administered and self-managed real estate investment trust that primarily acquires, develops, owns and operates self-storage facilities. PSA has interests in over 2,700 self-storage facilities located in 39 states with approximately 199 million net rentable square feet in the United States, an approximate 35% common equity interest in Shurgard Self-Storage SA and an approximate 41% common equity interest in PS Business Parks, Inc.

## Investment Rationale

PSA is the largest publicly traded Storage REIT. The company drives shareholder value by instilling operating efficiencies into a highly fragmented and commoditized sector. PSA's competitive advantages are an experienced senior management team, a large and diversified portfolio as well as a well-capitalized balance sheet.

## Stock Data

Average Daily Volume 730,658

## Quarterly Earnings Estimates

	2023	2024
Q1	4.08A	4.02E
Q2	4.28A	4.24E
Q3	4.33A	4.29E
Q4	4.20A	4.34E

# Additional takeaways from earnings

## Guidance surprisingly in line

Management introduced 2024 Core FFO/sh of \$16.60-17.20 or \$16.90 at the midpoint, below BofA (\$16.97) and St (\$16.98). Guidance assumes SS revenue growth of -1 to 1% (vs BofA: 1.2% & St: 2.0%) and SS NOI growth of -2.4 to +0.7% (-0.85% at the midpoint vs BofA: 0.6% & St: 1.73%). During 2024, PSA expects to acquire \$500mn of assets, in line with BofA estimates and plans to develop \$450mn of facilities vs BofA: \$450mn & St: \$400mn.

## Key points from the earnings call:

During the 4Q23 earnings call, management made several key comments to help bridge 2023 to 2024 assumptions: 1) The spread between move in and move out rents will be higher in 1Q, smaller in 2Q/3Q and increase slightly in 4Q, 2) midpoint of guidance assumes that PSA will reach 0% Y/Y growth at the end of 1H24 for move in rents and 3) assumes that the gap between 2024 occupancy changes' peak and trough will be around 200bp.

## Price Objective Change Summary

**PSA (B-1-7):** After updating our model for 4Q23 earnings, we are raising our Price Objective to \$348 from \$344. Our \$348 price objective for PSA represents a +15.0% premium (vs. +10% prior) to our forward NAV estimate as we give greater acknowledgement to earnings visibility, PSA's balance sheet (strongest in the space), and management team. We derive our NAV estimate by applying a +5.3% (unchanged) cap rate to our forward NOI estimate. Our adjusted cap rate is based on a softer outlook for interest rates over the next year and current market/transaction comps.

### Exhibit 1: Stock Mentioned

Stock prices and ratings mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
PSA	PSA US	Public Storage	US\$ 288.62	B-1-7
CUBE	CUBE US	CubeSmart	US\$ 43.69	B-2-7
EXR	EXR US	Extra Space Storage	US\$ 143.11	B-2-7
NSA	NSA US	National Storage	US\$ 36.71	B-3-7

Source: BofA Global Research

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## Price objective basis & risk

### CubeSmart (CUBE)

Our forward NAV derived PO of \$50 trades at a 5% premium to our forward NAV estimate. We derive our NAV from applying a 5.5% cap rate to our forward NOI estimate. We use a 5.5% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of CUBE. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are a loosening of the debt markets and a better-than-expected fundamental performance driven by increased consumer demand for self storage space.

### Extra Space Storage, Inc. (EXR)

Our price objective for EXR of \$170 trades in line with our forward NAV/share estimate given limited earnings visibility. We apply a 5.4% cap rate to our forward nominal NOI estimate to calculate our NAV. We apply this cap rate based on our view of private market/transaction comps, and the market concentration of EXR. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are more than forecast accretive acquisitions and a better-than-expected fundamental performance driven by increased consumer demand for self-storage space.

### National Storage Affiliates Trust (NSA)

Our price objective for NSA of \$32 trades at a -10% discount to our forward NAV estimate given our view of risk exposure to NSA's secondary/tertiary markets from weaker macroeconomic conditions and challenges to operating an internally/externally managed platform through these conditions. We apply a 6.7% cap rate to our forward nominal NOI estimate of \$627M to calculate our NAV. We apply this cap rate based on NSA's current market implied cap rate, our view of private market/transaction comps, and the market concentration of NSA.

Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are more than forecast accretive acquisitions and a better-than-expected fundamental performance driven by increased consumer demand for self-storage space.

### Public Storage, Inc. (PSA)

Our \$348 PO is at a +15% premium to our forward NAV estimate. We apply a 5.3% cap rate to our forward nominal NOI estimate to calculate our NAV. We use a 5.3% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of PSA. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are a loosening of the debt markets and a better-than-expected fundamental performance driven by increased consumer demand for self storage space.

## Analyst Certification

I, Jeffrey Spector, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

## US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Agree Realty Corp	ADC	ADC US	Joshua Dennerlein
	Alexandria Real Estate Equities	ARE	ARE US	Joshua Dennerlein
	American Homes 4 Rent	AMH	AMH US	Jeffrey Spector
	Americold Realty Trust	COLD	COLD US	Joshua Dennerlein
	AvalonBay Communities Inc	AVB	AVB US	Joshua Dennerlein
	Boston Properties	BXP	BXP US	Jeffrey Spector
	Brixmor Property Group	BRX	BRX US	Jeffrey Spector
	COPT Defense Properties	CDP	CDP US	Camille Bonnel
	Cousins Properties Inc.	CUZ	CUZ US	Camille Bonnel
	EastGroup Properties	EGP	EGP US	Jeffrey Spector
	Empire State Realty Trust	ESRT	ESRT US	Camille Bonnel
	Equity Residential	EQR	EQR US	Jeffrey Spector
	Essential Properties	EPRT	EPRT US	Joshua Dennerlein
	Federal Realty	FRT	FRT US	Jeffrey Spector
	Invitation Homes Inc	INVH	INVH US	Joshua Dennerlein
	Kimco Realty	KIM	KIM US	Jeffrey Spector
	Kite Realty Group	KRG	KRG US	Jeffrey Spector
	Phillips Edison & Company	PECO	PECO US	Jeffrey Spector
	Prologis, Inc.	PLD	PLD US	Camille Bonnel
	Public Storage, Inc.	PSA	PSA US	Jeffrey Spector
	Regency	REG	REG US	Jeffrey Spector
	Rexford Industrial Realty	REXR	REXR US	Camille Bonnel
	Sabra Health Care	SBRA	SBRA US	Joshua Dennerlein
	Simon Property	SPG	SPG US	Jeffrey Spector
	Ventas, Inc.	VTR	VTR US	Jeffrey Spector
	Welltower	WELL	WELL US	Joshua Dennerlein
<b>NEUTRAL</b>				
	Acadia Realty Trust	AKR	AKR US	Jeffrey Spector
	CubeSmart	CUBE	CUBE US	Jeffrey Spector
	EPR Properties	EPR	EPR US	Joshua Dennerlein
	Equity LifeStyle Properties	ELS	ELS US	Jeffrey Spector
	Essex Property Trust, Inc.	ESS	ESS US	Joshua Dennerlein
	Extra Space Storage, Inc.	EXR	EXR US	Jeffrey Spector
	Getty Realty Corp.	GTY	GTY US	Joshua Dennerlein
	Highwoods Properties	HIW	HIW US	Camille Bonnel
	InvenTrust Properties	IVT	IVT US	Jeffrey Spector
	Kilroy Realty Corporation	KRC	KRC US	Camille Bonnel
	Macerich	MAC	MAC US	Jeffrey Spector
	OMEGA Healthcare	OHI	OHI US	Joshua Dennerlein
	Realty Income	O	O US	Jeffrey Spector
	Retail Opportunity Investments Corp.	ROIC	ROIC US	Jeffrey Spector
	SL Green Realty	SLG	SLG US	Camille Bonnel
	Sun Communities	SUI	SUI US	Joshua Dennerlein
	UDR, Inc.	UDR	UDR US	Joshua Dennerlein
	Veris Residential Inc	VRE	VRE US	Joshua Dennerlein
	Vornado Realty	VNO	VNO US	Camille Bonnel
<b>UNDERPERFORM</b>				
	American Assets Trust	AAT	AAT US	Camille Bonnel
	Armada Hoffer Properties	AHH	AHH US	Camille Bonnel
	Camden Property Trust	CPT	CPT US	Joshua Dennerlein
	Douglas Emmett	DEI	DEI US	Camille Bonnel
	Healthpeak Properties, Inc.	PEAK	PEAK US	Joshua Dennerlein
	Hudson Pacific Properties, Inc.	HPP	HPP US	Camille Bonnel
	Kennedy Wilson	KW	KW US	Joshua Dennerlein
	LXP Industrial Trust	LXP	LXP US	Camille Bonnel
	Medical Properties Trust, Inc.	MPW	MPW US	Joshua Dennerlein
	Mid-America Apartment Communities, Inc.	MAA	MAA US	Joshua Dennerlein
	National Storage Affiliates Trust	NSA	NSA US	Jeffrey Spector
	NetSTREIT	NTST	NTST US	Joshua Dennerlein
	NNN REIT Inc	NNN	NNN US	Joshua Dennerlein
	Paramount Group	PGRE	PGRE US	Camille Bonnel
	Peakstone Realty Trust	PKST	PKST US	Joshua Dennerlein
	STAG Industrial	STAG	STAG US	Camille Bonnel



## US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Tanger Inc	SKT	SKT US	Jeffrey Spector
	WP Carey	WPC	WPC US	Joshua Dennerlein

**iQmethod<sup>SM</sup> Measures Definitions****Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

**Quality of Earnings**

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

**Valuation Toolkit**

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

**Numerator**

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

**Numerator**

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash &amp; Equivalents

EBIT

**Numerator**

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

**Denominator**

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

**Denominator**

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

**Denominator**

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

**iQmethod<sup>SM</sup>** is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of **iQmethod** are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

**iQdatabase<sup>®</sup>** is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

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# Disclosures

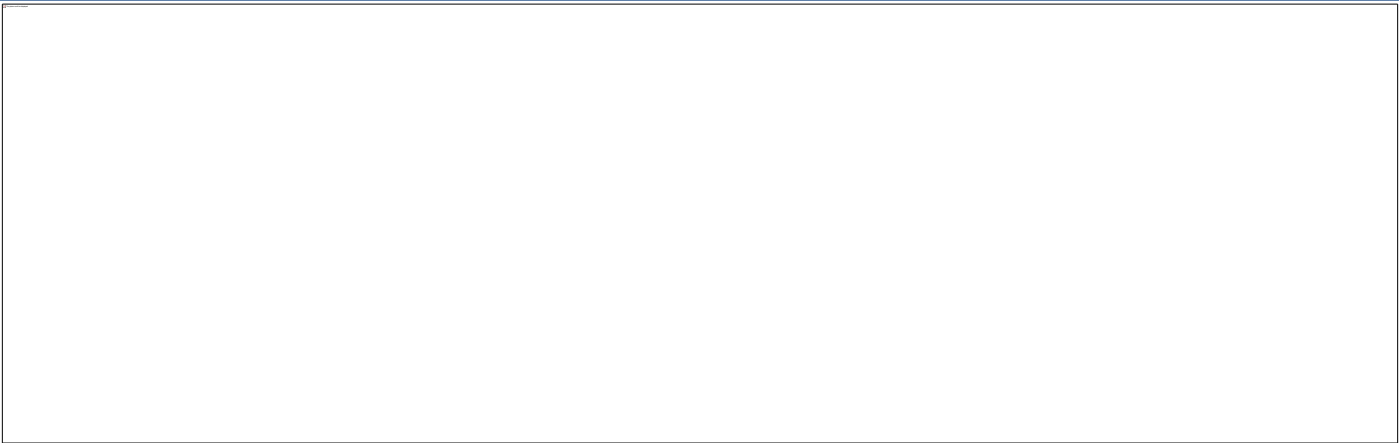
## Important Disclosures

Public Storage (PSA) Price Chart



The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

CubeSmart (CUBE) Price Chart



The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Extra Space Storage (EXR) Price Chart



The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.



## National Storage (NSA) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

## Equity Investment Rating Distribution: REITs (Real Estate Investment Trusts) Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	40	46.51%	Buy	33	82.50%
Hold	27	31.40%	Hold	21	77.78%
Sell	19	22.09%	Sell	16	84.21%

## Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

**INCOME RATINGS**, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. **Coverage Cluster** is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed.

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: CubeSmart, Extra Space Storage, National Storage, Public Storage.

BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Public Storage.

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