ASHFORD

Opportunities in Lodging Real Estate

There are no guarantees or assurances that similar performance will be experienced or that any of the forecasts included in this brochure will be accurate.

For educational and informational purposes only

The Case for Alternative Real Estate

KEY WEST, FL
PIER HOUSE
BRAEMAR HOTELS & RESORTS

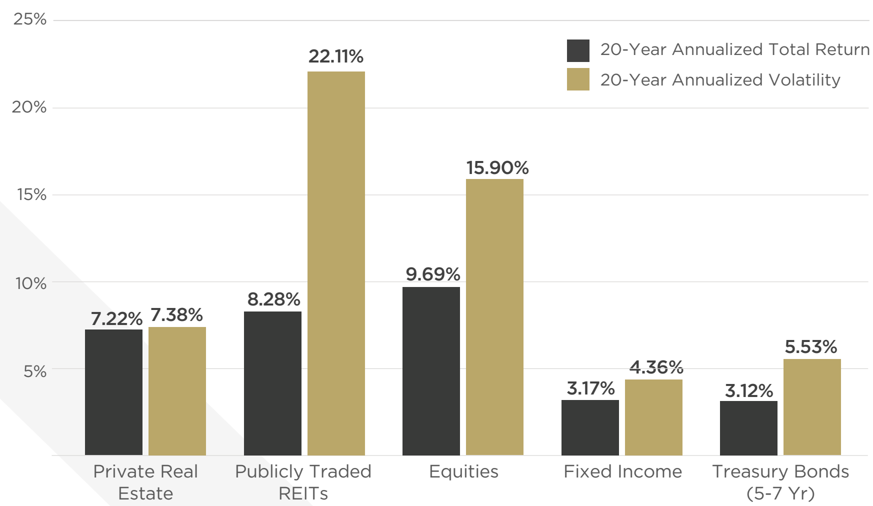
BROADENING THE INVESTMENT HORIZON

Historically dominated by institutional investors, the alternative investments sector is becoming increasingly accessible to individual investors. Whereas traditional alternatives required investing large sums of money into funds and leaving it untouched for years, new registered alternative investment vehicles offer the potential for liquidity and better transparency around how investments are performing and being managed, attracting individual investors and driving future growth.

These new alternative vehicles have the potential to benefit investment portfolios, especially amid market uncertainty and macroeconomic shifts. They provide diversification potential and have historically reduced volatility, given that traditional investment and public market performance has less influence on them. Additionally, alternatives include numerous investment opportunities — such as the ~$19 trillion private real estate market[1] — resulting in potential enhanced returns.

PRIVATE REAL ESTATE HAS DELIVERED STRONG RETURNS WITH LOW VOLATILITY

Total Return and Volatility Comparison (2004-2023)[2]



[1] Source: Yahoo! Finance, "REITs Vs. Private Market Real Estate," April 8, 2024.

[2] Morningstar Direct. 20-year period ending December 31, 2023. Private real estate is represented by the NCREIF Open-End Diversified Core (NFI-ODCE) Index, which is a capitalization-weighted, gross-of-fee, time-weighted return index with an inception date of January 1, 1978. Published reports may also contain equal-weighted and net-of-fee information. The term Diversified Core Equity style typically reflects lower-risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties diversified across regions and property types. There is no public market for the Texas Strategic Growth Fund limited partnership interests. Equities are represented by the S&P 500 Index and are subject to market risk. Publicly Traded REITs are represented by NAREIT All Equity Index. Treasury Bonds are represented by the Barclays US Treasury 5-7 Yr Index and is subject to interest rate risk. Fixed Income is represented by the Barclays US Aggregate Bond Index and is subject to credit risk. Government bonds are guaranteed as to the timely payment of principal and interest. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. The indices presented represent investments that have material differences from an investment in a non-listed REIT, including those related to investment objectives, risks, fees and expenses, liquidity, and tax treatment. Past performance does not guarantee future results.

Opportunities in Lodging Real Estate

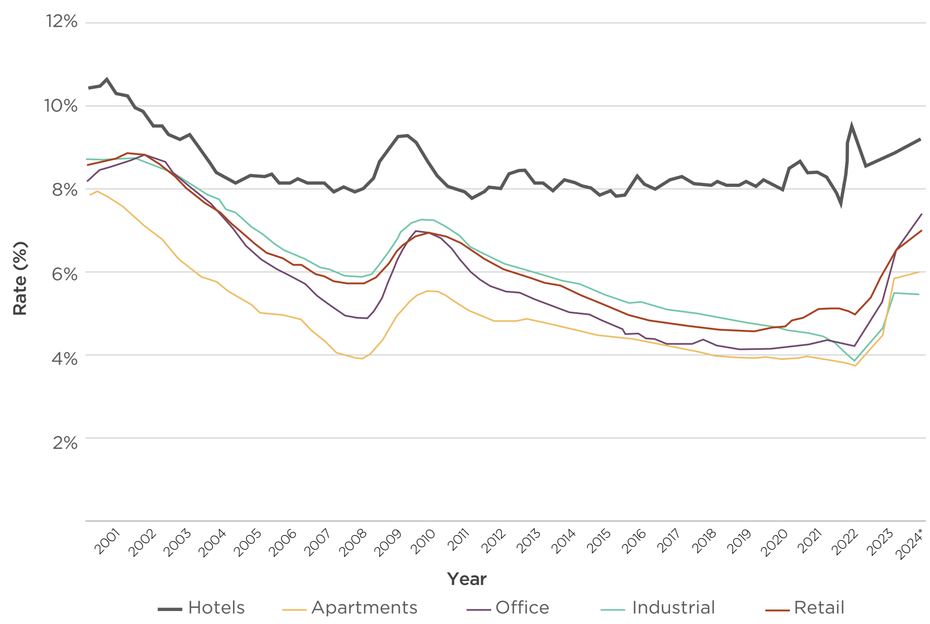
HIGH CAP RATES AND ATTRACTIVE ACQUISITION OPPORTUNITIES

Hotels typically offer high rates of return, or cap rates, compared to other real estate sectors.[1] The difference between hotel cap rates and borrowing costs is smaller than other real estate property sectors, making hotel assets relatively attractive.

As interest rates decline, hotel cap rates are also expected to decrease, which could reduce the gap between the prices sellers want and what buyers are willing to pay for hotels.[2] This shift may create more opportunities for sellers of hotels, as lower cap rates typically lead to higher property values.

HOTEL CAP RATES HISTORICALLY HIGHER THAN OTHER PROPERTY SECTORS[1]

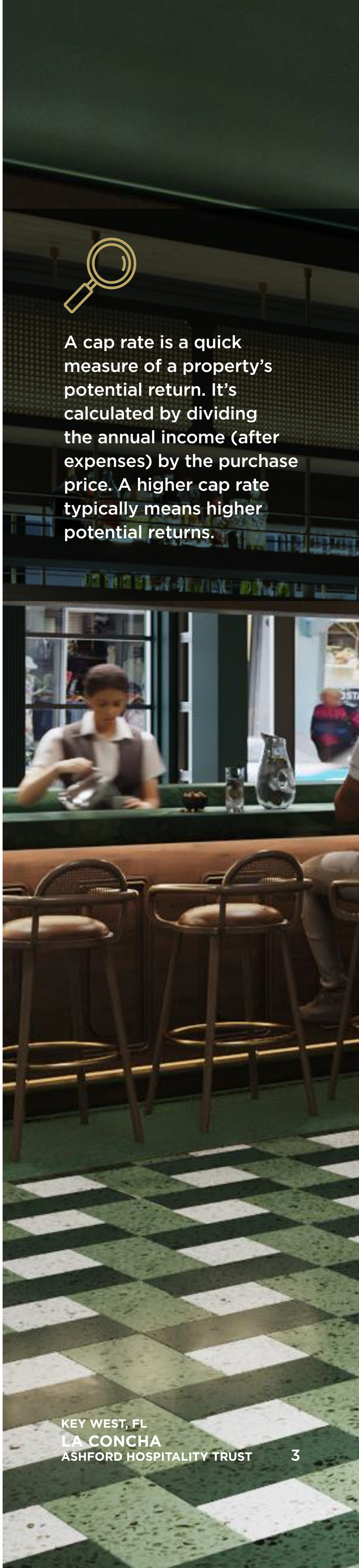
2001-2024



* Apartments, Office, Industrial, and Retail are forecasts for 2024.

[1] Source: STR, Real Capital Analytics, Lodging Analytics Research & Consulting, Statista Research, February 2025..

[2] JLL Hotels and Hospitality, U.S. Hotels | Chart of the Week. Source: JLL Research, FRED, Kensington Advisors; November 2024.



A cap rate is a quick measure of a property's potential return. It's calculated by dividing the annual income (after expenses) by the purchase price. A higher cap rate typically means higher potential returns.

KEY WEST, FL
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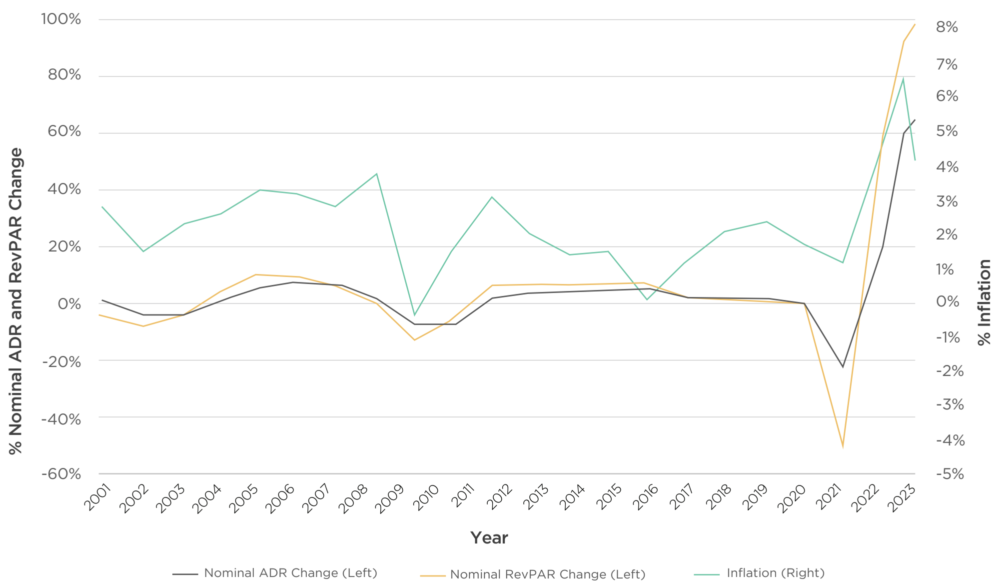
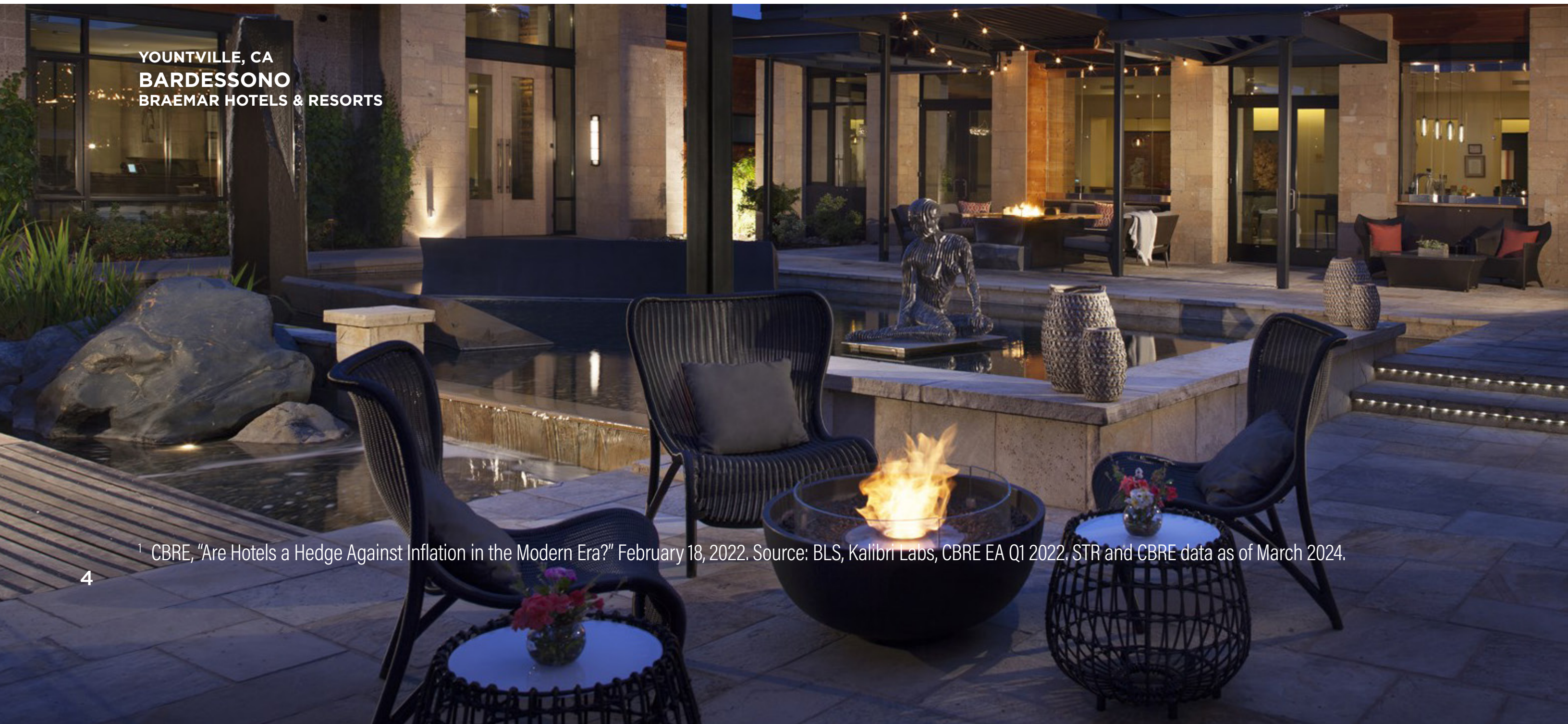
Daily Leases Serve as an Inflation Hedge

While many types of real estate leases are measured in months or years, hotels have uniquely short lease periods of just days, which may help protect investors against inflation. Hotel managers can quickly adjust pricing to respond to short-term inflationary changes. This dynamic daily pricing strategy enables hotel owners to adapt to market demand and external events in real time. Daily pricing adaptability is reflected in RevPAR (Revenue Per Available Room), a key performance metric for hotels that captures both occupancy rates and average daily rates. As inflation rises, hotels can adjust their daily rates, potentially driving higher RevPAR and maintaining profitability despite increased costs.

HOTEL AVERAGE DAILY RATES (ADR) AND REVENUE PER AVAILABLE ROOM GENERALLY TRACK INFLATION

2001-2023[1]





YOUNTVILLE, CA
BARDESSONO
BRAEMAR HOTELS & RESORTS

[1] CBRE, "Are Hotels a Hedge Against Inflation in the Modern Era?" February 18, 2022. Source: BLS, Kalibri Labs, CBRE EA Q1 2022, STR and CBRE data as of March 2024.

Investing in Lodging

RESILIENCE AND INNOVATION DRIVE POST-PANDEMIC GROWTH

The hotel sector has experienced a remarkable resurgence over the past decade — most notably since 2021, when a surge in pent-up demand from the pandemic led to a particularly significant upturn. Compared to other asset classes during the COVID-19 pandemic, the hotel sector's resilience, adaptability to market trends and inflation, and industry innovation contributed to its survival and outperformance.

Incorporating hotel assets into investment portfolios allows investors to diversify their real estate holdings by adding exposure to a dynamic asset class influenced by tourism, business travel, and local economic trends. This diversification has the potential to mitigate risk by spreading exposure across multiple sectors, reducing the impact of market fluctuations in any single property type. For investors navigating uncertain markets, hotel assets can provide added stability and the potential for more balanced returns.

WAYS TO INVEST IN LODGING

There are several ways to invest in the lodging sector, such as purchasing hotel stocks, investing long-term in a private fund, buying a hotel franchise, or investing in a hotel real estate investment trust (REIT). Each option offers unique benefits and challenges. However, hotel REITs may be attractive for a wide range of investors seeking a balance of regular income potential, diversification, and liquidity.

PALM SPRINGS, CA
RENAISSANCE PALM SPRINGS
ASHFORD HOSPITALITY TRUST

PUBLIC EQUITIES

- Stock market risk
- Frequent imbalance between share and underlying asset value

PRIVATE INVESTMENT FUNDS

- Qualified purchases (>$5 million investments)
- No liquidity

ASSET PURCHASE

- Large capital requirements ($37.7 million avg. deal size)[1]
- Operational risk

REITs

- Semi-liquid[2]
- Diversified exposure to hotel brands and service categories

[1] Source: Globe Street, "Hotel Sales Dip But Category Remains Preferred Asset Class", February 5, 2024.
[2] A semi-liquid investment structure is designed to provide a balance between the liquidity and illiquidity of assets within a portfolio.

ORLANDO, FL
EMBASSY SUITES ORLANDO
ASHFORD HOSPITALITY TRUST

FORT WORTH, TX
HILTON FORT WORTH
ASHFORD HOSPITALITY TRUST

SANTA CRUZ, CA
HILTON SANTA CRUZ/SCOTTS VALLEY
ASHFORD HOSPITALITY TRUST

Types of Hotel Ownership

Two of the most common hotel ownership models are franchises and managed hotels.

FRANCHISE MODEL

Originally developed in 1954, the franchise model of hotel ownership is the most prevalent, offering a significant competitive advantage through brand recognition. Under this model, hotel owners pay fees to chains like Marriott or Hilton for using their names, logos, and brand protocols. Hotels can also access additional revenue streams through elements of recognized hotel brands, like their customer loyalty programs. Recent growth in franchise properties suggests that hotel owners and investors trust this business model to help deliver returns.

MANAGED HOTELS

In the managed hotel model, the property owner hires a third-party management company to bring expertise and experience to their hotel operations. Hotel management companies, such as Remington Hospitality (an affiliate of Ashford Inc.), handle day-to-day operations, including staffing, finances, and guest services. The management company is then paid a fee, which usually comprises a percentage of the hotel's revenue or operating profit. The fee structure can vary by contract, but it's often designed to incentivize the management company to increase the hotel's revenue.

WASHINGTON, DC
THE CHURCHILL HOTEL
ASHFORD HOSPITALITY TRUST

Lodging Real Estate Outlook

HIGH CONSTRUCTION COSTS CREATE ACQUISITION OPPORTUNITIES

The high cost of hotel construction continues to shape the lodging sector. Hotel development costs in 2024 have risen by a median of 3% compared to 2023, a significant deceleration in growth but still outpacing the cumulative change in RevPAR. In urban markets, development costs are roughly 50% higher than acquisition costs, creating a substantial gap between the cost-to-build and cost-to-buy.[1] This dynamic presents a compelling opportunity to acquire quality existing hotel assets at meaningful discounts to replacement costs.[1]

SIGNIFICANT INCREASE IN HOTEL DEVELOPMENT COSTS[2]

Median Per-Key

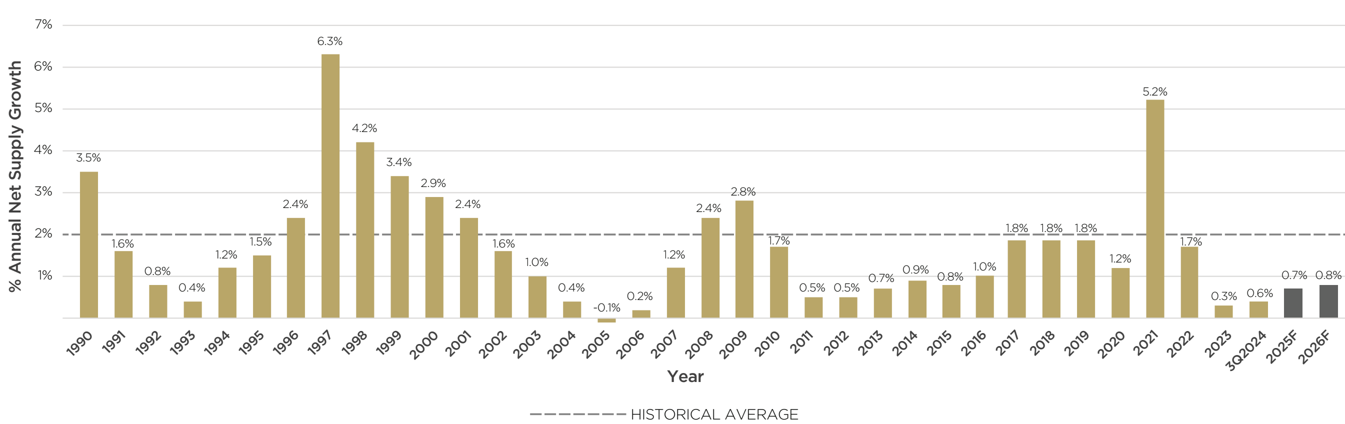
Hotel Type	Per-Key Development Cost Year-Over-Year	Growth compared to 2019
Luxury	+21%	56%
Full-Service	+7%	29%
Select-Service	+5%	30%
Midscale Extended-Stay	+3%	25%

LIMITED SUPPLY GROWTH DRIVES VALUE FOR EXISTING HOTELS

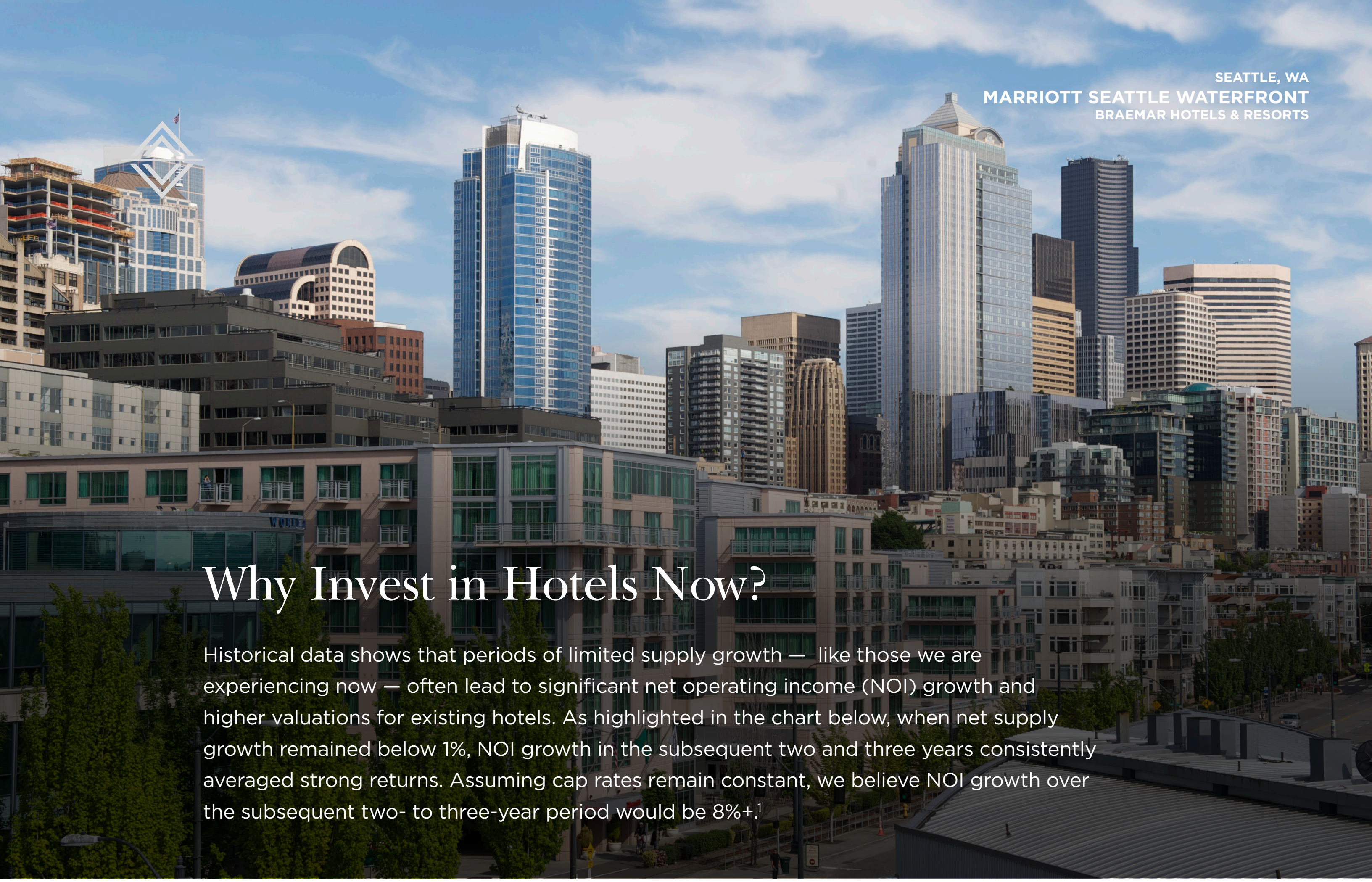
Limited supply growth further amplifies this opportunity. Supply growth is projected to remain below the historical average of 2%, primarily due to rising construction costs and financing challenges. Over the five years from 2023-2028, the expected compound annual growth rate (CAGR) of new hotel supply is just 1.1%.[3] This slow growth, coupled with strong RevPAR recovery, is expected to drive up average daily rates (ADR) well into the next decade, enhancing the value of existing hotels in a landscape where new developments face high barriers.

NEW HOTEL SUPPLY FORECASTED BELOW HISTORICAL AVERAGE[4]

Lodging Industry Annual Net Supply Growth



1 Source: JLL Research, RLB Construction Cost Report. January 7, 2024, JLL U.S. Hotel Investor Report.
2 Source: Baird Equity Research, Real Estate: Hotels, "Overheard in the Hotel Lobby", August 30, 2024. Note: The category growth is compared to pre-pandemic development costs.
3 Lodging Analytics Research & Consulting 3Q-2024 Market Intelligence Reports Release Webinar, September 10, 2024.
4 Source: STR; Bureau of Economic Analysis; S&P Global (forecast released May 2024); CoStar; PWC; CBRE.



Why Invest in Hotels Now?

Historical data shows that periods of limited supply growth — like those we are experiencing now — often lead to significant net operating income (NOI) growth and higher valuations for existing hotels. As highlighted in the chart below, when net supply growth remained below 1%, NOI growth in the subsequent two and three years consistently averaged strong returns. Assuming cap rates remain constant, we believe NOI growth over the subsequent two- to three-year period would be 8%+.[1]

HISTORICALLY, LOWER NET SUPPLY GROWTH PUSHES NOI GROWTH HIGHER[1]

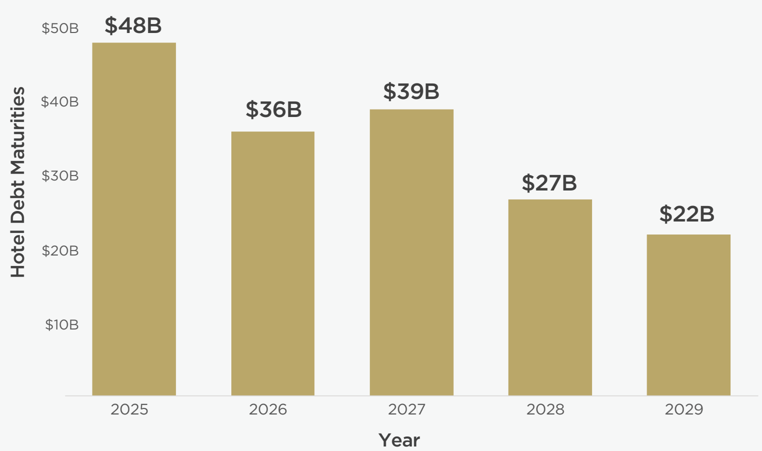
Years With Net Supply Growth < 1%

	Year	Net Supply Growth	Annual NOI Growth Next 2 Years	Annual NOI Growth Next 3 Years
PERIOD 1	**1992**	0.90%	14.27%	15.07%
PERIOD 2	**2003**	0.93%	13.81%	13.46%
	2004	0.26%	15.01%	11.74%
	2005	0.24%	8.98%	5.44%
	2006	0.66%	1.77%	-10.63%
PERIOD 3	**2010**	0.89%	11.29%	11.26%
	2011	0.28%	10.35%	11.14%
	2012	0.41%	11.97%	10.34%
	2013	0.50%	9.91%	7.87%
	2014	0.60%	5.43%	5.09%
PERIOD 4	**2023**	0.40%	-	-
	Average	**0.55%**	**10.28%**	**8.08%**
	Median	**0.50%**	**10.82%**	**10.74%**

[1] Source: CBRE and LWHA historical supply growth data. The 10 years in the chart represent three distinct periods of low supply, rather than single one-off years. There can be no assurance that similar performance will be experienced or that the forecasts will be accurate. The years not listed in the table above had net supply growth of 1.0% or greater.

Adding to this favorable environment, a record $172 billion of U.S. hotel loans are set to mature over the next five years, creating unique opportunities for transaction activity. This wave of loan maturities is likely to prompt property sales as owners face refinancing challenges, especially in a higher interest rate environment. Additionally, investors seeking to reposition or repurpose assets will find increased availability of properties, further fueling transaction volumes.

$172 BILLION IN HOTEL DEBT MATURITIES EXPECTED TO FUEL TRANSACTION VOLUME[1]



Motivated by attractive cap rates and upcoming debt maturities, many hotel property owners have finalized post-pandemic strategies and property improvements, positioning assets for potential sale. Combined with slow supply growth, rising ADR, and a favorable economic outlook, these factors create an attractive environment for investors. With NOI growth projected to drive an 8%+ increase in hotel values over the next few years, the market offers a timely opportunity to capitalize on the sector's recovery and resilience.

The appeal of lodging investments becomes even clearer when considering the sector's revenue-generating performance. Supported by population growth, increasing travel demand, and urban revitalization efforts, the hotel sector is expected to grow at a rate exceeding inflation in the years ahead, reinforcing its long-term investment potential.

[1] JLL Research Hotels & Hospitality, U.S. Hotel Investment Trends, May 2024. Sources: JLL Research, RCA. Note: Based on independent reports of properties and portfolios of $2.5 million and greater. Loan maturities include all lender types. Data updated through June 2024 (the latest available) and believed to be accurate but not guaranteed. The forecasts provided were not produced by Ashford Securities or any of its affiliates. There can be no assurance that similar performance will be experienced or that the forecasts will be accurate.

BEAVER CREEK, CO
PARK HYATT BEAVER CREEK
BRAEMAR HOTELS & RESORTS

The Ashford Advantage

EXPERIENCED HOTEL INVESTORS, OWNERS AND OPERATORS

With roots dating back to 1968, Ashford has a long history of investing in, owning, and operating lodging real estate. Ashford owns and/or manages more than 140 commercial real estate assets[1] and a portfolio of strategic operating businesses that provide services to the real estate industry. Ashford principals have a long track record of success and over 250 years of experience investing in and operating real estate.

$7+ Billion
GROSS ASSETS UNDER MANAGEMENT[1]

55+
YEARS OPERATING HISTORY

8,500+
EMPLOYEES ACROSS THE GLOBE

700+
PROPERTIES & CLIENTS

26+
COUNTRIES

Ashford Inc. company filings and data, as of 12/31/24.

In-House Hotel Development Expertise

During its more than 55 years as a real estate owner, operator, asset manager, and investor, Ashford has successfully invested in and managed properties through multiple economic cycles and developed deep industry relationships. Ashford's vertically integrated platform allows us to manage asset performance and drive investment returns.

To derive maximum value from each of our hotels, Ashford has abandoned the traditional approach of assigning one asset manager to all asset management functions. Instead, we've adopted a targeted revenue-optimization model, widely embraced by the industry's leading hotel brands, which leverages expertise from diverse specialist groups to unlock maximum value for each hotel.

[1] Includes property assets managed by Ashford Inc. and its affiliates, as well as hotels managed by Remington, a wholly-owned subsidiary of Ashford Inc. Source: Ashford Inc. Company filings, gross assets under management as of December 31, 2024.

A Vertically Integrated Real Estate Asset Manager

Ashford's comprehensive platform allows us to better control an investment from acquisition to asset management to capital improvements.

ASSET MANAGEMENT

One dedicated asset manager per property performs:

- Regular site visits
- Monthly P&L reviews
- Annual operating budget reviews
- Guest rating evaluations

REVENUE OPTIMIZATION

Specialist group works with each property to execute:

- Monthly revenue optimization calls with brand management
- Quarterly revenue optimization calls with Remington

CAPITAL IMPROVEMENT

Capital management team identifies and executes:

- Property improvement plans
- ROI projects
- Maintenance assessments

RISK, LEGAL, TAX & ANALYTICS

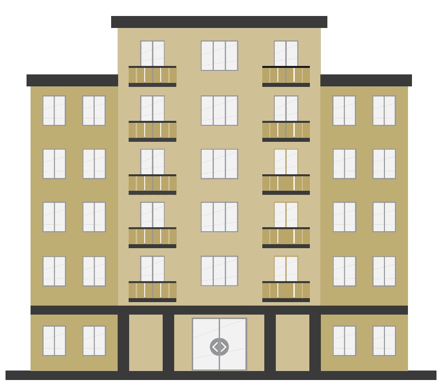
Team of experts manages key processes:

- Property tax assessments/appeals
- Insurance negotiations
- Claim handling
- Contract review

ASHFORD PORTFOLIO OF OPERATING COMPANIES

- Event Production Services
- Digital Key Services
- Construction, Development, Project Management, Architecture and Design
- Premium Wellness Rooms
- Property Management
- Resort and Watersport Services

HOTEL



ASHFORD

Our Investment Programs

Ashford Inc. serves as the advisor to two NYSE-listed real estate investment trusts (REITs) and offers commercial real estate private placements.

$1.51+ Billion DIVIDENDS PAID[1]	$664+ Million TOTAL CAPITAL RAISED[2]

For more information, please contact your Financial Advisor.

You can also reach out to Ashford Securities LLC at **888.490.4292** and learn more by visiting us at **ashfordsecurities.com**.

[1] Ashford Hospitality Trust, Braemar Hotels & Resorts and private placement programs total dividends paid include the inception of all securities and the total distribution of all dividends as of June 30, 2024. Dividends on our Ashford Hospitality Trust preferred stock are discretionary. We cannot guarantee that we will be able to pay dividends in the future or what the actual dividends will be for any future period. **Past performance is not indicative of future results.**

[2] Total capital raised across all investment products distributed by Ashford Securities as managing broker-dealer as of December 31, 2024.