

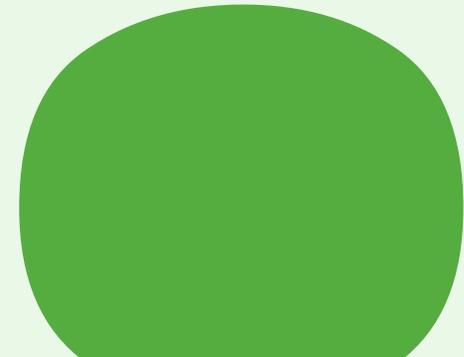


Hospitality Real Estate
Investments: **Using Data**
to Make Smarter Decisions



The Entrust Group ("Entrust") does **not** provide investment advice or endorse any products.

All information and materials are for **educational purposes only**. All parties are encouraged to consult with their attorneys, accountants and financial advisors before entering any type of investment.



Today's *Agenda*

- ❖ Reviewing the Hospitality Real Estate Cycle
- ❖ Explaining Catalysts Shaping the Market
- ❖ Comparing Performance Across Industries
- ❖ Learning Risks and How to Best Mitigate
- ❖ Optimizing Strategies with Technology
- ❖ Q&A Time





Meet *Your Host*



Tony Unkel



9 Years at Entrust



Educates investors and professionals on tax-preferred retirement accounts and alternative investments



About Entrust



Self-Directed IRA Administrators



Knowledgeable Staff with
CISP Certifications



Monthly Educational Webinars





About Entrust



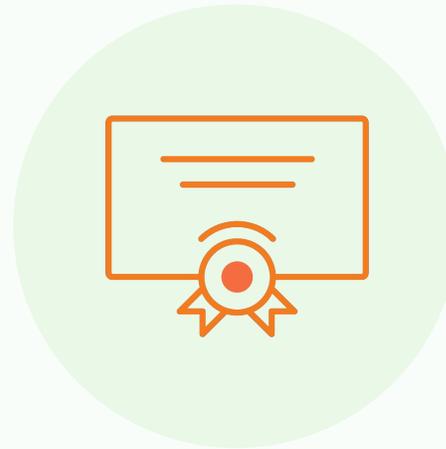
\$5B

Assets Under
Administration



24k+

Active
Investors



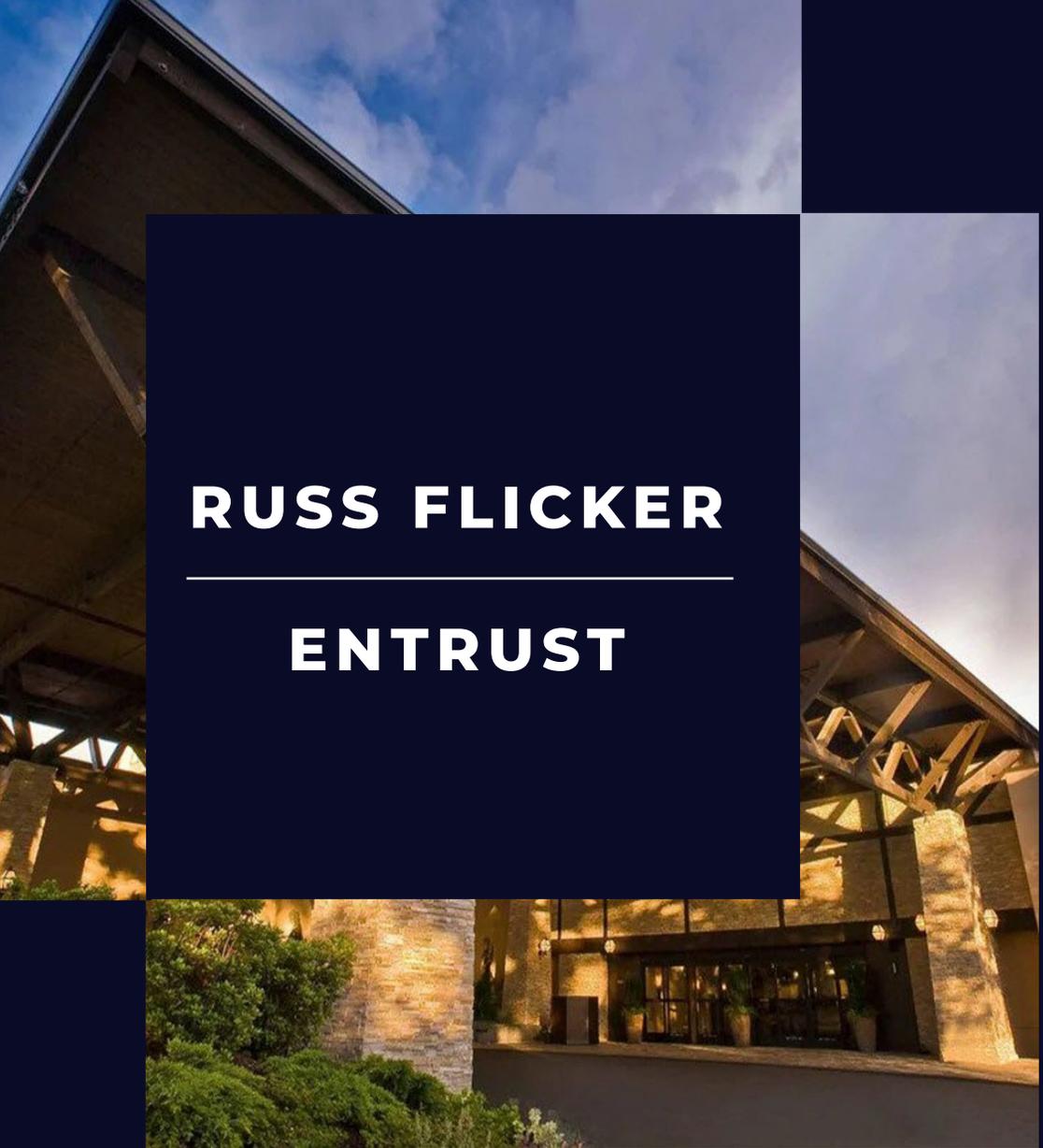
40+

Years of
Service



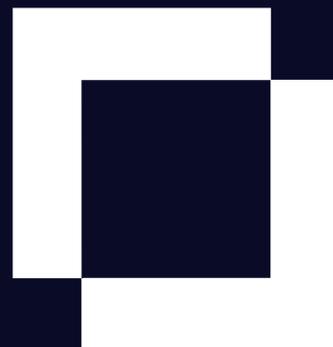
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Point of
Contact



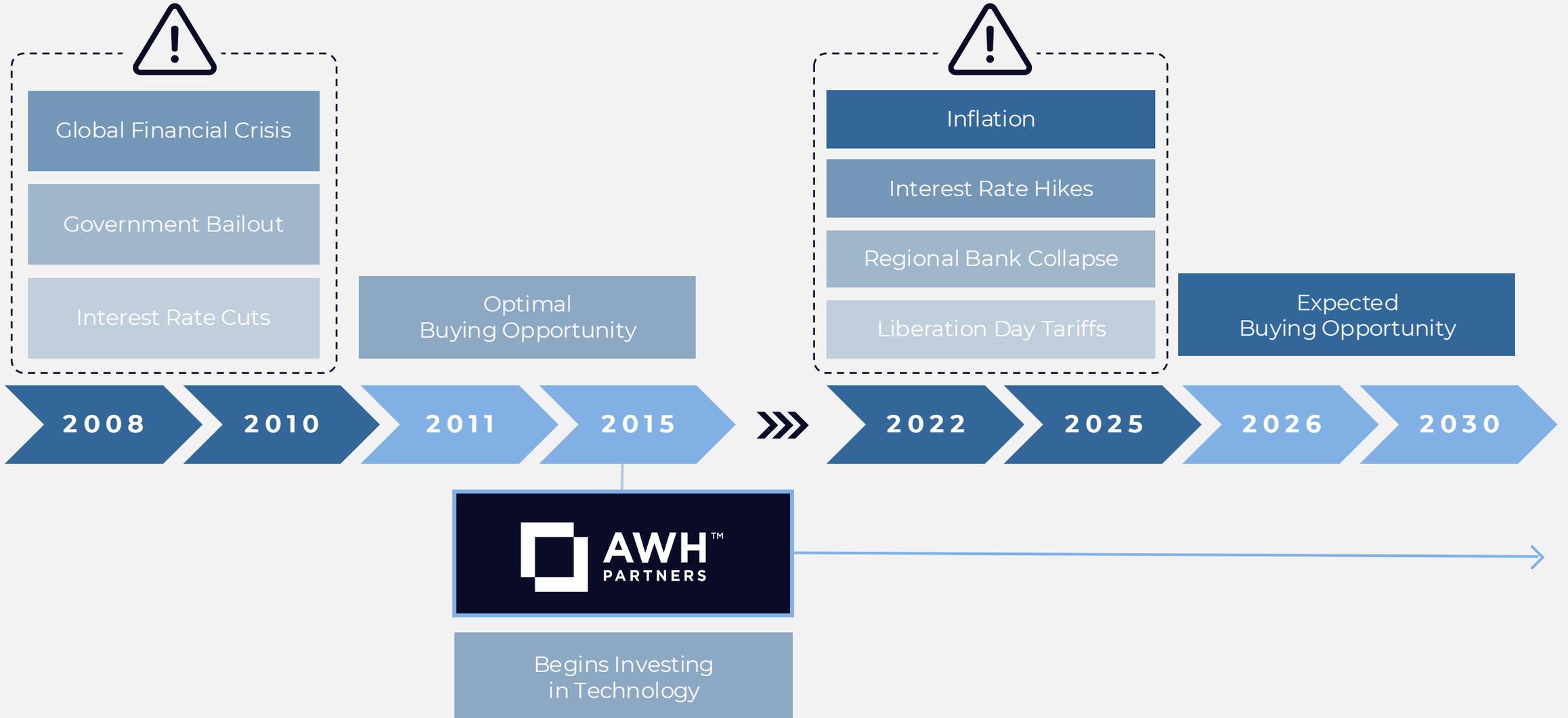
RUSS FLICKER

ENTRUST

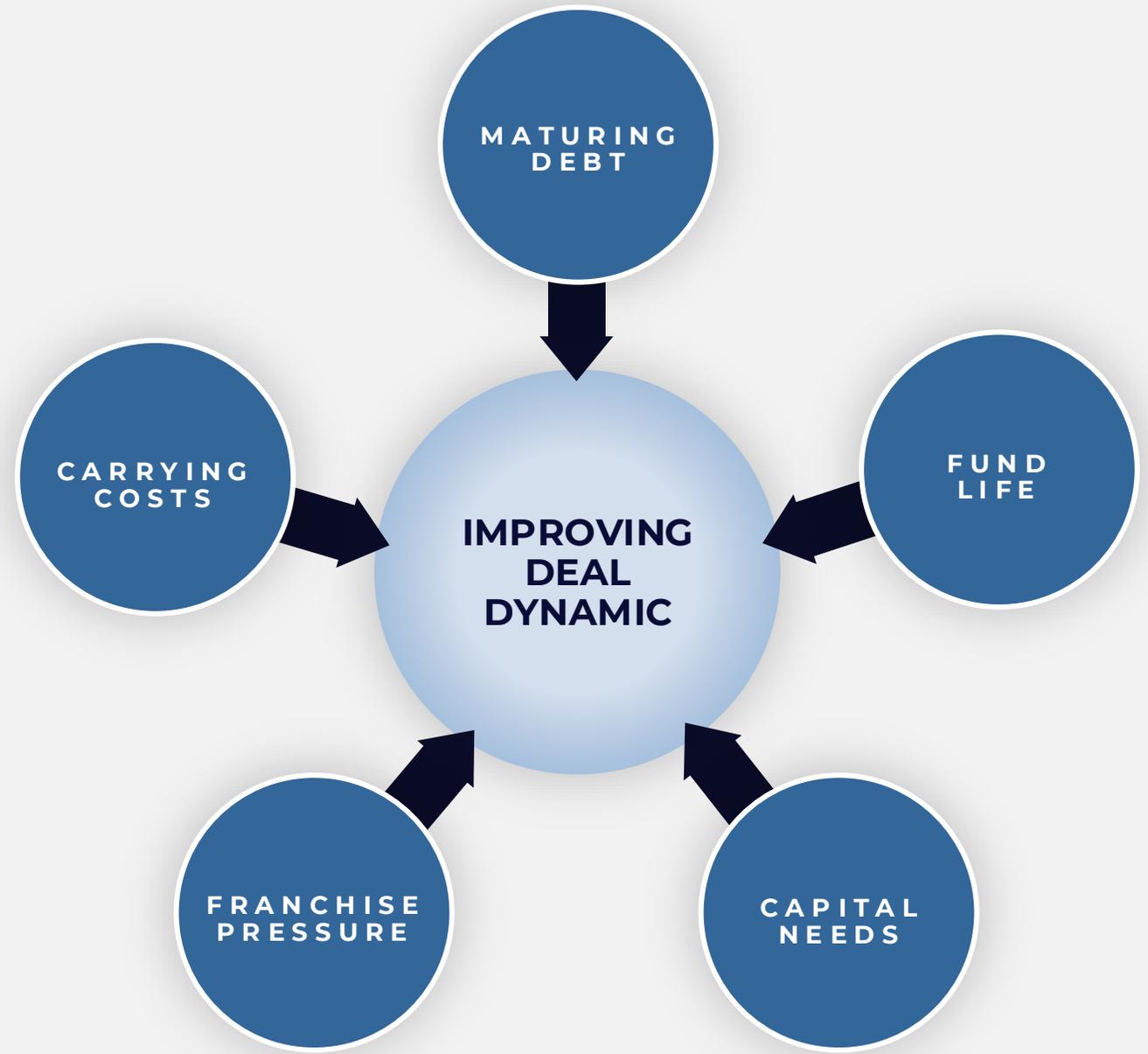


AWH™
PARTNERS

HISTORICALLY CYCLICAL MARKET CREATING OPPORTUNITY



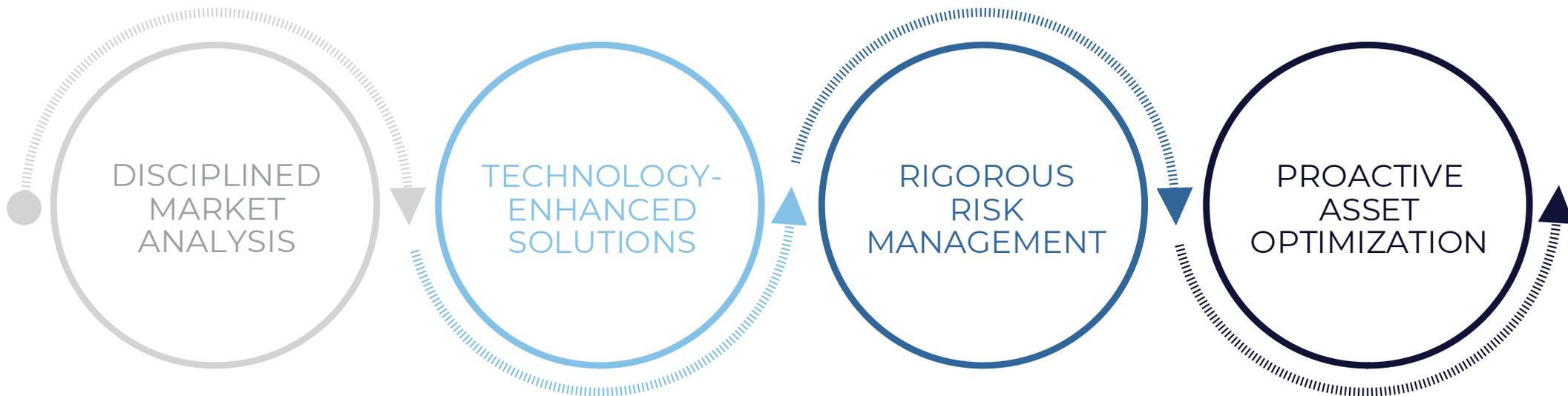
KEY CATALYSTS
SHAPING TODAY'S
BUYING OPPORTUNITIES



INVESTMENT APPROACH

Advanced Analytics Meets Hospitality Expertise

INVESTING WITH FORESIGHT AND CONTROL



BEST-IN CLASS
REPORTING/TRANSPARENCY



INSTITUTIONAL-GRADE
COMPLIANCE MONITORING

MARKET OPPORTUNITIES

Turning Market Challenges into Strategic Advantages

	  CAPITAL MARKET DISLOCATIONS	  PROFITABLE OPERATIONAL CHALLENGES	  UNDER-CAPITALIZED	  VALUE-DRIVEN LOWER VALUATIONS	  MARGIN-RICH DISTRESSED SALES
PAIN POINTS	<p>Pandemics, market disruption interrupted demand.</p>	<p>Inflationary cost pressure payroll, taxes, utilities.</p>	<p>High rates limit investment funds.</p>	<p>Interest hikes reduce asset values.</p>	<p>Financial pressure forces asset sales.</p>
OPPORTUNITY	<p>Market turbulence creates strategic buying windows.</p>	<p>Resolve inefficiencies to unlock margin.</p>	<p>Capex-starved asset ready for revival.</p>	<p>Purchase prices drop below replacement cost</p>	<p>Cash shortages yield below-market acquisitions.</p>

POSITIVE LEVERAGE IN HOSPITALITY: HOW HOTELS OUTPERFORM OTHER ASSET CLASSES

A comparative assessment of leverage opportunities across major CRE sectors.

Hospitality investments offer investors Positive Leverage, meaning that going in yield, on average, is higher than market interest rates

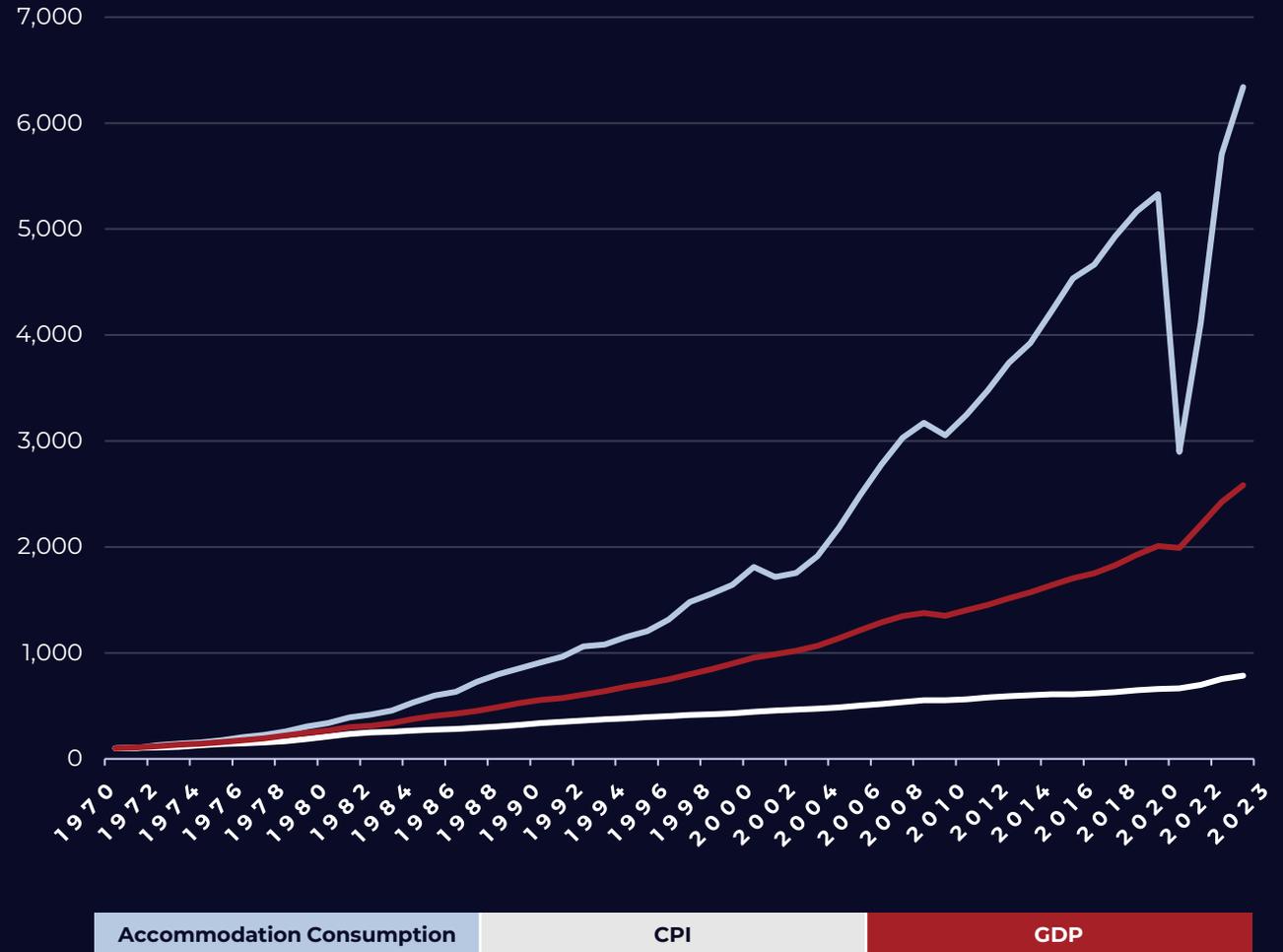
This dynamic increases the overall return on equity, allowing more revenue to flow to investors rather than to service debt

POSITIVE LEVERAGE IN HOSPITALITY		
	HOSPITALITY	MULTI FAMILY
Purchase Price	\$10,000,000	\$10,000,000
NOI	\$822,917	\$538,000
Cap Rate	8.23%	5.38%
Loan Amount	\$6,000,000	\$6,000,000
Equity Invested	\$4,000,000	\$4,000,000
Interest Rate	7.22%	6.67%
Annual Debt Service	\$433,200	\$400,200
Cash Flow After Debt Service	\$389,717	\$137,800
Cash on Cash	9.74%	3.45%

WHY HOSPITALITY

- Since 1970, accommodation spending has outpaced both US GDP and CPI
- Consumer spend on travel has proven resilient throughout market cycles

ACCOMODATION OUTPACES GENERAL GROWTH
Index to 1970 (1970=100)



— RISKS

- ❑ Submarket Growth
- ❑ Comparable Revenue Penetration
- ❑ Physical Plant
- ❑ Operating Cost Pressure
- ❑ Evolving Guest Preferences



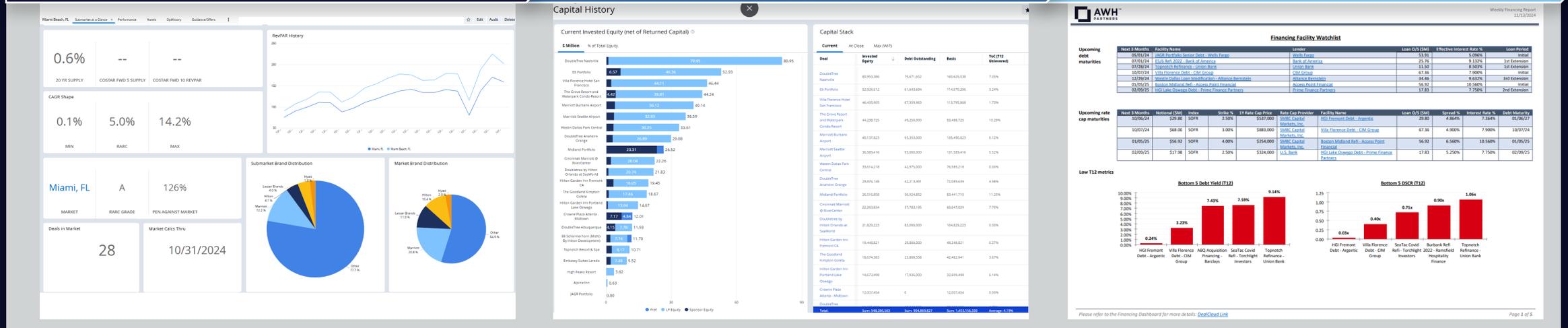
SEEKING TO OPTIMIZE STRATEGIES WITH ADVANCED TECHNOLOGY & DATA INTEGRITY

Working to Enhance Investment Selection Criteria, Asset Identification, Portfolio Management, Risk Assessment, Market Analysis, Regulatory Compliance, and Performance Monitoring through Collaborative Data Utilization

ASSET IDENTIFICATION & SELECTION

INVESTED CAPITAL MANAGEMENT

GOVERNANCE & COMPLIANCE TRACKING



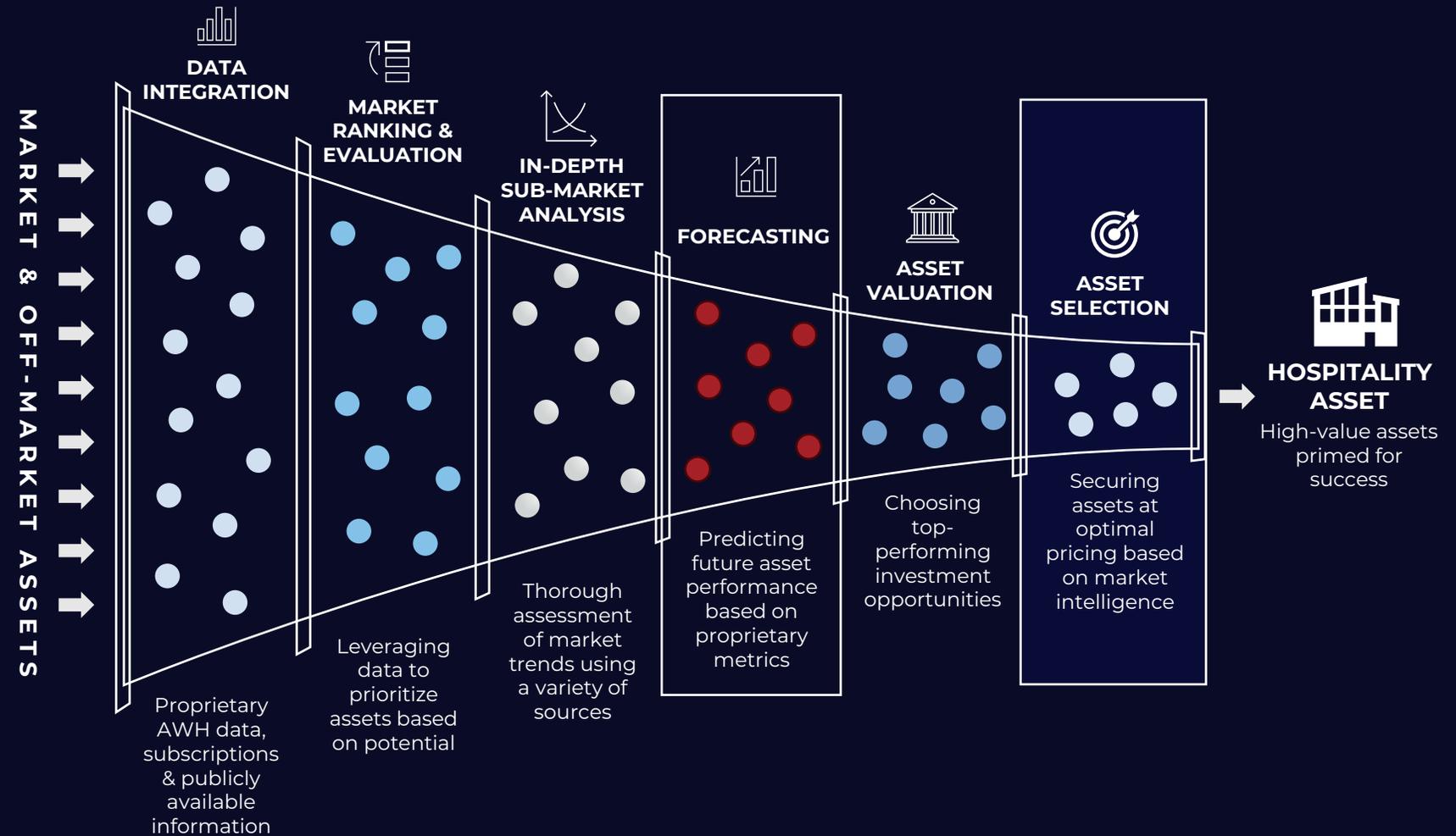
THE AWH PARTNERS DATA PLATFORM IS BUILT USING INDUSTRY LEADING TECHNOLOGY



TECHNOLOGY POWERED DATA DRIVEN ASSET SELECTION

ASSET IDENTIFICATION & SELECTION

- AWH Partners employs a proprietary technology-based data analytics system, integrating data from across AWH's proprietary data, data subscriptions and publicly available information to rank and evaluate hospitality assets.
- AWH believes this approach allows the firm to pinpoint the most promising investment opportunities that become available, or AWH proactively pursues.
- The company incorporates advanced analytics to assess potential investments across various criteria. These proprietary analytics enable strategic decision making rooted in the Principals' decades of real estate investing experience.



TARGETED INVESTMENT STRATEGIES

INCOME

Focus on assets which AWH believes are generating steady, predictable income with strong downside protection, and high potential for future appreciation

KEY ATTRIBUTES

- ❑ Diversified local economies with history of high growth
- ❑ Competitive micro locations within market
Conservative long-term leverage
- ❑ Consistent and varied demand drivers
- ❑ Strong brand affiliation with preference to Marriott and Hilton
- ❑ Institutional exit opportunities

- ✔ \$5-\$250 million **total value**
- ✔ **Leverage:** 55-65% total cost with ample coverage

VALUE ADD

Focus on assets which AWH believes have a clear path to repositioning; seek to increase value through physical, operational or balance sheet improvements

KEY ATTRIBUTES

- ❑ Hotels impacted by inefficient operations, poor management practices and deferred upkeep
- ❑ Purchase price reflects its current underperformance, increasing potential for higher returns through income growth and asset appreciation
- ❑ Well understood growth prospects and consistent demand drivers

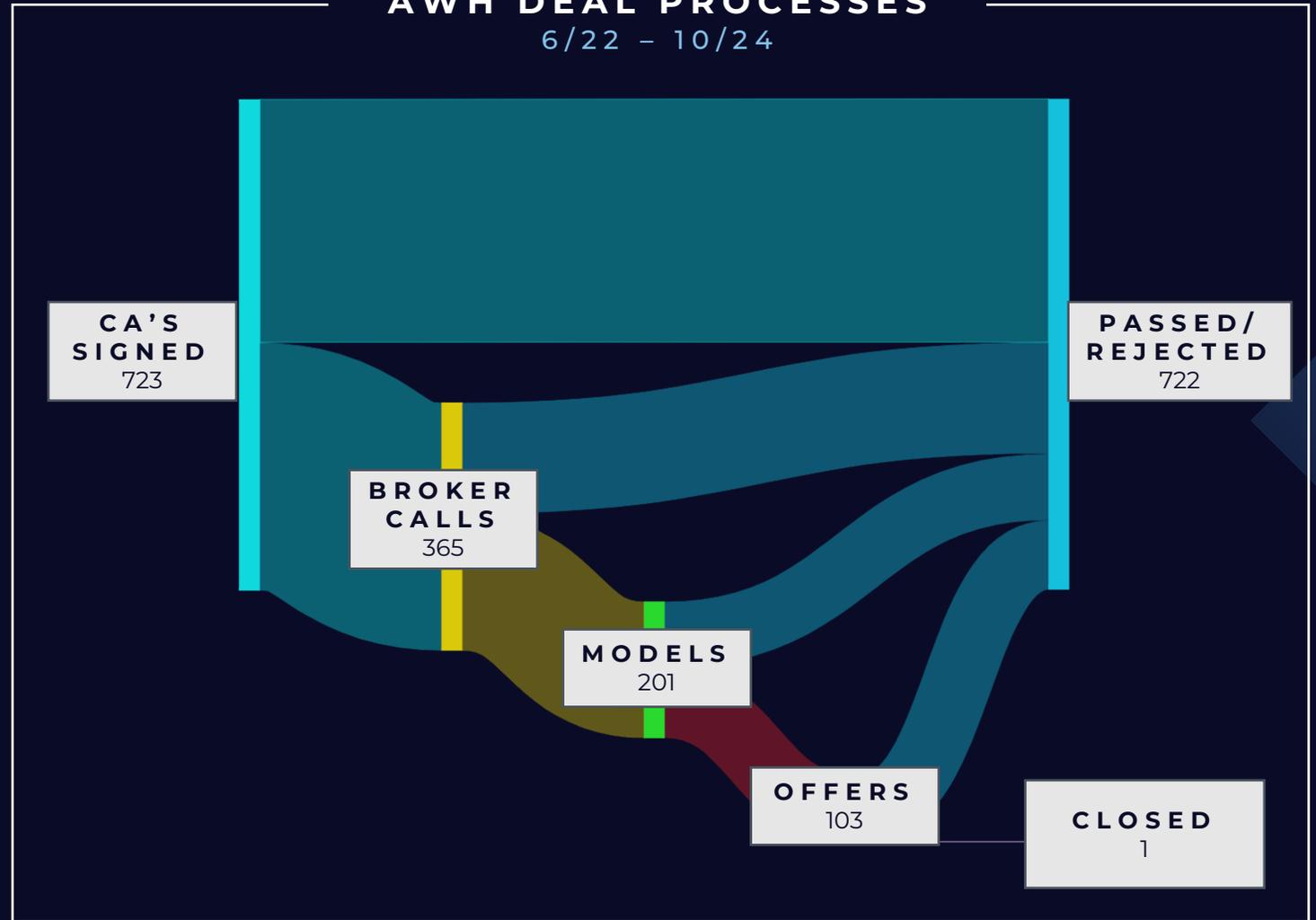
- ✔ \$5-\$250 million **total value**
- ✔ **Leverage:** 60% - 70% of total cost
- ✔ Limited cash flow distributions; value achieved through exit

UNDERWRITING DISCIPLINE

- AWH is active and disciplined in deal making, never deviating from its rigorous underwriting standards, but rather waiting for the right opportunity and market conditions that will yield the best outcome
- As an example of AWH's underwriting discipline, during the time between AWH's last acquisition in June 2022 and the acquisition of the Marriott Colorado Dual Brand in October 2024, AWH processed 723 potential deals, spoke with 365 brokers, underwrote 201 models, and made 103 offers, ultimately closing on only 1 transaction

AWH DEAL PROCESSES

6/22 - 10/24



Let's Wrap Up





Getting Started in 3 steps



Open an
Entrust Account

Fund Your
Account

Direct Custodian
to **Purchase**
Your Asset



What's **Next?**

Sending you replay & additional resources

Our follow-up email will include video replay, slides, and more education

Register for the March 26th Webinar

What's New With Real Estate Investing in 2026?





What's Next?

Need more information on SDIRAs?

Visit our website and Learning Center

Follow us on social media for updates





Question & Answer Session





Stay Connected with Tony and Russ



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