

# Nontraded REIT Industry Review: Second Quarter 2015

## Moody National REIT I, Inc.

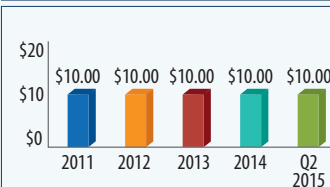
Total Assets.....	\$271.4 Million
Real Estate Assets .....	\$232.3 Million
Cash .....	\$8.7 Million
Securities .....	\$0.0 Million
Other .....	\$30.4 Million



Cash to Total Assets Ratio: ..... 3.2%  
 Asset Type: ..... Hospitality  
 Number of Properties: ..... 9 Hotels; 1 JV; 1 Note  
 Square Feet / Units / Rooms / Acres: ..... 1,412 Rooms  
 Occupancy: ..... Not Available  
 Weighted Average Lease Term Remaining: ..... Not Applicable  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 12,872,082

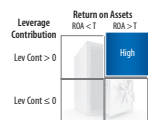
Initial Offering Date: ..... April 15, 2009  
 Offering Close Date: ..... February 20, 2015  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP): ..... \$124.4 Million

### Historical Price



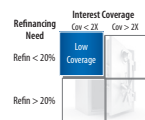
### Performance Profiles

#### Operating Performance



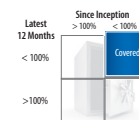
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

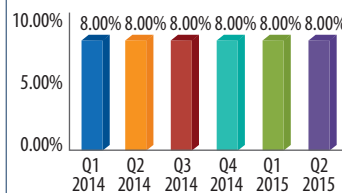
#### Summary

The REIT's average return on assets for the last four quarters was 6.06%, above the yield on 10-Year Treasuries, providing an additional return to shareholders. It had a positive leverage contribution with its average cost of debt at 4.80% and a 61.1% debt ratio. About 1.5% of the REIT's debt matures within two years and none is at unhedged variable rates, indicating minimal refinancing need and little or no interest rate risk. Its trailing 12-month interest coverage ratio was 1.7X, below the 2.0X benchmark. Since inception the REIT has paid out 93% of estimated MFFO in cash distributions, excluding DRP, and this rate was 98% for the last four quarters. This rate could be problematic if DRP participation rates change.

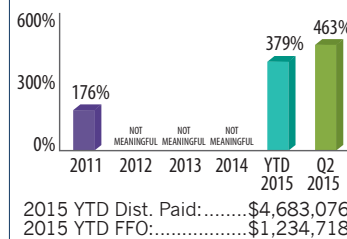
### Contact Information

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 (713) 977-7500

### Historical Distribution

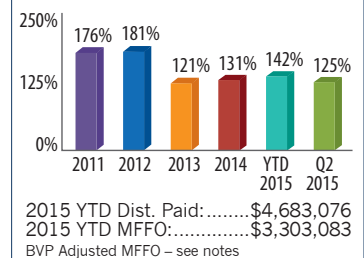


### Historical FFO Payout Ratio



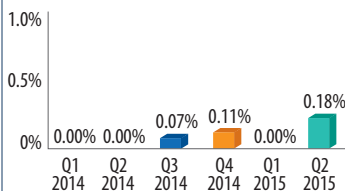
2015 YTD Dist. Paid: .....\$4,683,076  
 2015 YTD FFO: .....\$1,234,718

### Historical MFFO Payout Ratio

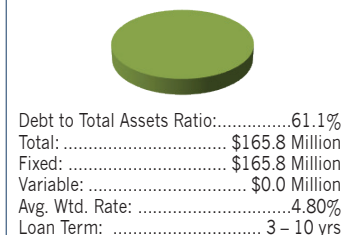


2015 YTD Dist. Paid: .....\$4,683,076  
 2015 YTD MFFO: .....\$3,303,083  
 BVP Adjusted MFFO – see notes

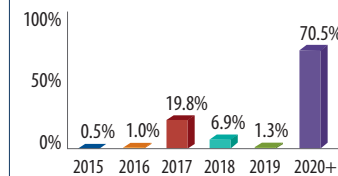
### Redemptions



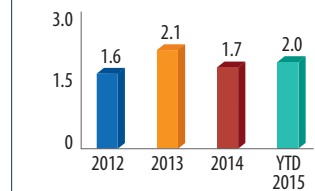
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



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

- As of June 30, 2015, the Company had accepted subscriptions for, and issued, 12,846,737 shares of common stock in the Company's initial public offering and follow-on public offering, including 403,108 shares of common stock pursuant to the DRIP, resulting in aggregate gross offering proceeds of \$124,436,287. As of June 30, 2015, 10,152,790 shares of common stock remained available for sale pursuant to the DRIP.
- The Company paid \$2,587,941 in aggregate distributions for the quarter ended June 30, 2015, which was comprised of \$1,623,891 in cash distributions and \$964,050 in shares issued pursuant to the DRIP.
- The Company's board of directors has authorized and declared a distribution to its stockholders that (1) accrues daily to the Company's stockholders of record as of the close of business on each day; (2) is payable in cumulative amounts on or before the 15th day of each calendar month; and (3) is calculated at a rate of \$0.002192 per share of the Company's common stock per day, which, if paid each day over a 365-day period, is equivalent to an 8.0% annualized distribution rate based on a purchase price of \$10.00 per share of common stock.
- On June 16, 2015, the REIT acquired fee simple title to the Nashville Hotel from the current tenant-in-common owners of the Nashville Hotel, for an aggregate purchase price of \$66,300,000, excluding acquisition costs.
- As of June 30, 2015, the Company owned (1) nine hotel properties located in Texas, Tennessee, South Carolina, California and Pennsylvania comprising a total of 1,185 rooms, (2) a joint venture interest in a 227-suite hotel property located in Lyndhurst, New Jersey, and (3) a 74.5% joint venture interest in a mortgage note secured by a hotel property located in Grapevine, Texas. The Moody 149 purchase for \$1.725 billion has been terminated.
- The REIT's Cash to Total Assets ratio decreased to 3.2% as of 2Q 2015 compared to 7.9% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 61.1% as of 2Q 2015 compared to 57.8% as of 2Q 2014.
- The Company did not report MFFO according to the IGA Guidelines. The payout ratios presented above reflect Blue Vault's estimates based on the IGA Guidelines. The Company's current quarter MFFO payout ratios were each approximately 2% lower, which include adjustments for stock/unit-based compensation not found in the IGA Guidelines.
- The REIT paid \$4,683,076 in aggregate distributions in the first two quarters of 2015 which was comprised of \$2,972,200 in cash distributions and \$1,710,876 in shares issued pursuant to the distribution reinvestment plan.
- For the six months ended June 30, 2015, approximately 50% of distributions were paid from cash provided by operating activities and the remaining approximately 50% was paid from offering proceeds.