

MOODY RI SW AUSTIN DST



6000 W HIGHWAY 290 | AUSTIN, TX 78735

Residence INN[®]
BY MARRIOTT

 **Moody**
RI SW AUSTIN DST

OFFERING DETAILS*

**Please note the costs associated with this offering. Please see section titled "Compensation to the Depositor, the Trust Manager, the Master Tenant and their Affiliates" in the Memorandum for detailed cost information.*

EQUITY: \$40,040,000

DEBT: None

CAPITAL RESERVE: \$540,000

OFFERING SIZE: 40,040 Class A beneficial interests at \$1,000 per interest

MINIMUM 1031 INVESTMENT: \$100,000 or 100 Class A beneficial interests

MINIMUM CASH INVESTMENT: \$25,000

OWNERSHIP OBJECTIVES:** The ownership objectives of the Trust will be (i) distribute to the holders rent, after payment of expenses, and (ii) prepare the Property to be sold in approximately 10 years. See "Business Plan" in Memorandum.

***Distributions may consist of non-income items such as return of capital.*



ABOUT THE RESIDENCE INN BY MARRIOTT SOUTHWEST AUSTIN

The Residence Inn was built in 2017. The 108 suites include full kitchens and top-tier amenities. The hotel features an over 600 square feet meeting space, which can accommodate up to 50 people. In addition to a convenience store, the Residence Inn also features a breakfast space as well as an outdoor BBQ and picnic area.

The Trust is speculative and prospective investors should be able to afford the loss of all or a substantial part of their investment. This is not an offer to sell securities. An offer to sell Class A beneficial ownership interests (the "Interests") of Moody RI SW Austin DST (the "Trust") may be made only pursuant to the Moody RI SW Austin DST Private Placement Memorandum, as supplemented (the "Memorandum"). The information contained herein is qualified in its entirety by the Memorandum and the Memorandum contains more complete information regarding an investment in Interests.

BUSINESS PLAN

To read the business plan in its entirety, please see page 41 of the memorandum.

Market Conditions

The Southwest Austin sub-market encompasses over 25% of Austin's office space, but only 1.7% of Austin's 40,000 hotel rooms. The area is subject to the Barton Creek Watershed City Ordinance, which restricts new developments to 15% land utilization.¹ Together with strong local anti-development sentiment and environmental protection activism in the area, it is the Trust Manager's opinion that Southwest Austin has the highest barriers to entry in the entire Austin hotel market. The Co-Star group predicts new supply in the Austin market to be 2.4% in 2023, followed by 0.4%, 0.0% and 0.0% in 2024 through 2026.² Demand is projected to grow at an average pace of 3.4% annually from 2023 through 2026. RevPAR is projected to increase an average of 5.7% from 2022 through 2026.³

Management and Key/Target Accounts

The property manager, Moody National Hospitality Management, LLC, has extensive experience in the Austin market. They currently manage four hotels in the market, two of which are specifically in the South Austin submarket. This detailed knowledge of the market provides advantages in targeting key accounts, maintaining reduced expenses through economies of scale, and directing prospective guests to the Property during overbooked periods of time. Management anticipates increased room nights from Tesla, Advance Micro Devices, National Guard, US Department of Defense, Rock Shrimp Productions, and CSL Limited; all of which are accounts that have done business at the hotel.

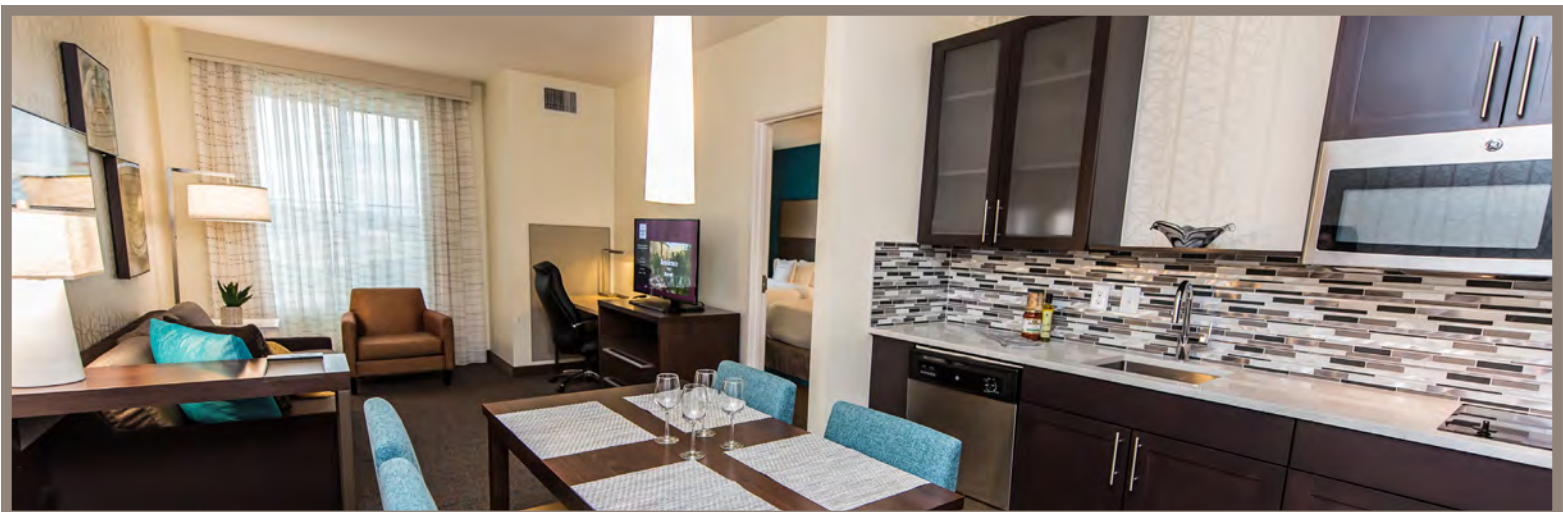
No Debt

The Property was purchased with all cash, which allows the Trust flexibility to sell at peak market conditions rather than experience constraints of loan agreements. *There can be no assurance these objectives will be achieved.*

1. [https://www.austintexas.gov/page/watershed-ordinance-history#:~:text=Key%20features%20of%20the%20ordinance%20included%20impervious%20cover%20limits%2C%20restrictions,phase%20erosion%20and%20sedimentation%20controls.&text=The%20Barton%20Creek%20Watershed%20Ordinance%20\(BCWO\)%20narrowed%20in%20on,non%2Dstructural%20water%20quality%20controls.](https://www.austintexas.gov/page/watershed-ordinance-history#:~:text=Key%20features%20of%20the%20ordinance%20included%20impervious%20cover%20limits%2C%20restrictions,phase%20erosion%20and%20sedimentation%20controls.&text=The%20Barton%20Creek%20Watershed%20Ordinance%20(BCWO)%20narrowed%20in%20on,non%2Dstructural%20water%20quality%20controls.)

2. CoStar Hospitality Market Report – Austin – TX, page 30

3. CoStar Hospitality Market Report – Austin – TX, page 32



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paperwork@moodysecurities.com

WHY HOSPITALITY NOW?

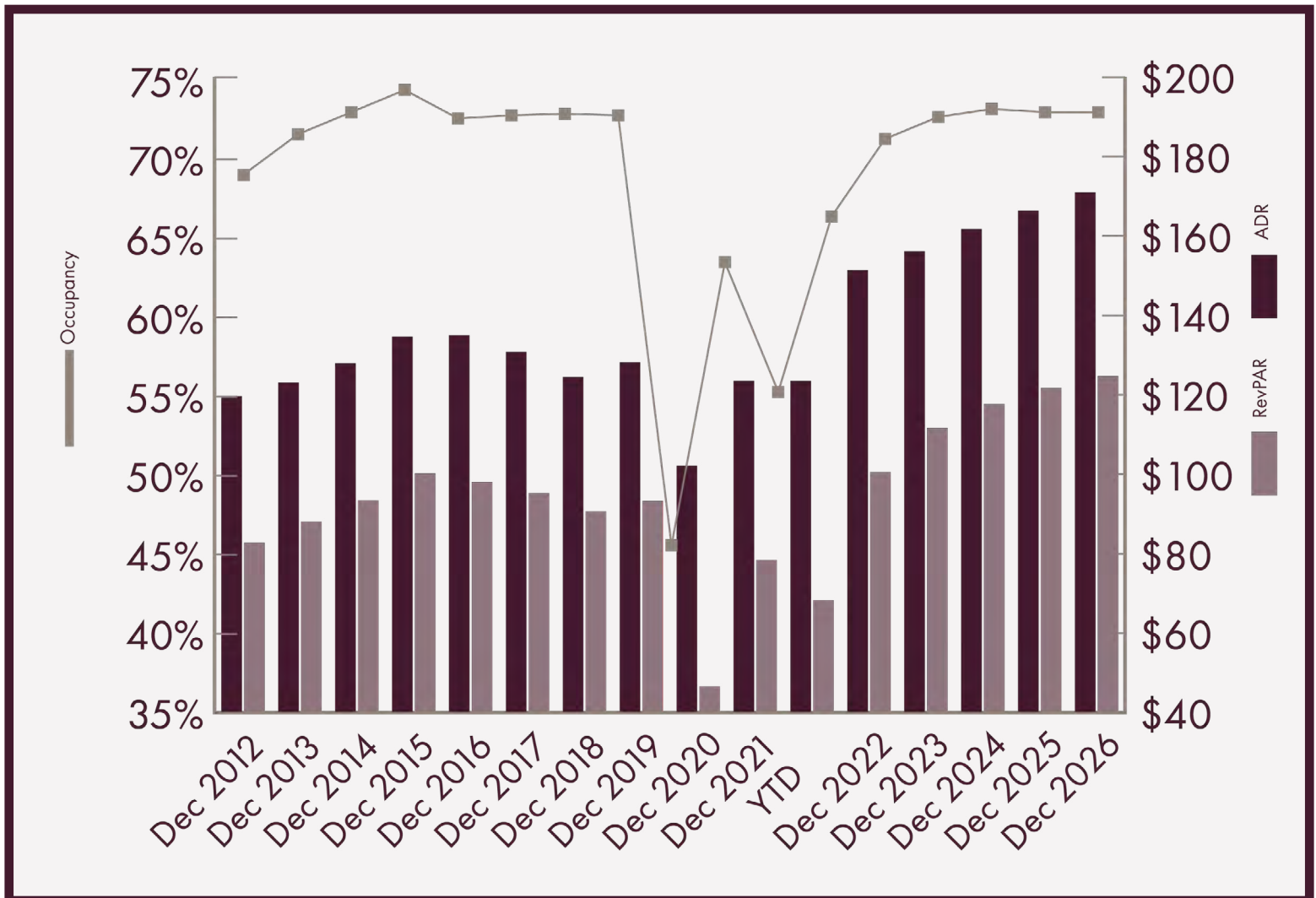
According to Smith Travel Research (“STR”), 2020 was “officially the worst year on record” for U.S. hotels.¹ The cataclysmic disruption caused by the COVID-19 global pandemic was devastating for hotel room demand. However, the recovery, which commenced in 2021, is anticipated to continue throughout 2022 and 2023. The World Travel & Tourism Council (WTTC) projects U.S. travel to increase 28.4% in 2022. This projection means that travel is expected to account for nearly \$2 trillion of the U.S. economy, which may exceed pre-pandemic levels.²

According to STR, Revenue Per Available Room (“RevPAR”) is expected to recover fully by 2023. The chart below illustrates the projected growth in all three categories: Occupancy, Average Daily Rate (ADR), and RevPAR for the South Austin/Airport Submarket. Investing in hospitality at this stage of the segment’s recovery cycle could be unique opportunity to potentially capture upside. Furthermore, with inflation on the rise, an allocation into the commercial real estate asset class with the shortest lease duration could present investors an appropriate hedge against inflation.

1. <https://www.travelweekly.com/Travel-News/Hotel-News/STR-2020-worst-year-on-record-for-US-hotels>

2. <https://wtcc.org/News-Article/US-Travel-Tourism-Rebounds-in-2021-May-Surpass-Pre-Pandemic-Levels-in-2022>

Occupancy, ADR, & RevPAR South Austin/Airport Submarket



ABOUT AUSTIN, TX

The Trust Manager believes that the City of Austin is a strong market for hotel investment. Austin continues to be a destination for large corporations. The Austin market has attracted major corporations from coastal markets, including Oracle and Tesla. Additionally, Apple, Google, BAE, Samsung, Amazon and Tesla all have expansion plans in Austin. Job growth in Austin has been so robust that the Bureau of Labor Statistics found that Austin is one of only a few markets that recovered all jobs lost during the COVID-19 pandemic. The primary generator of job growth has been in the professional and business services sector, including high tech jobs.¹

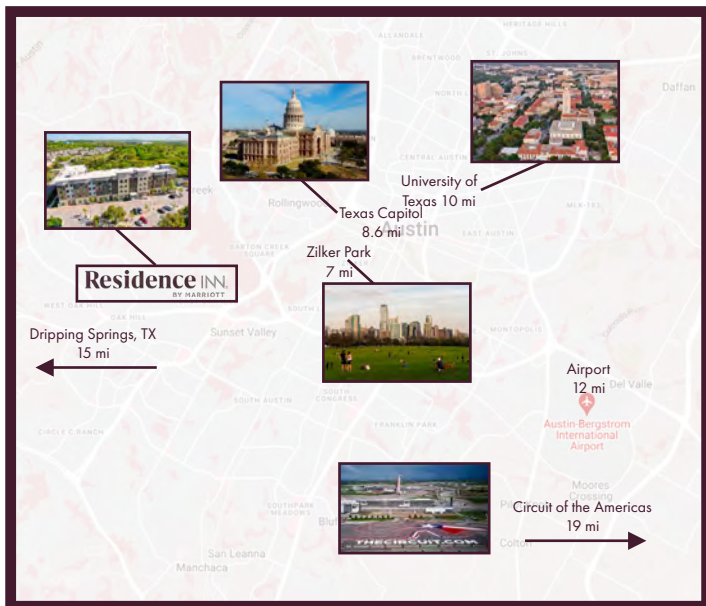
Tourism continues to be large demand driver for the city of Austin. The Residence Inn Austin Southwest is situated 15 miles from Dripping Springs, TX, known as the wedding capital of the state.² Dripping Springs hosts over 1,000 weddings a year. With very little hotel supply in the area, the Trust Manager believes the Property is well positioned to absorb demand from the strong wedding business.* Austin is home to many city-wide events that generate a need for hotel rooms. Austin City Limits, or ACL, is an annual concert event that takes place 7 miles from the Property in Zilker Park. Each day for two weekends a year, approximately 75,000 people descend on the city to attend the festival.³

1. CoStar Hospitality Market Report – Austin – TX, page 20

2. <https://www.destinationdrippingsprings.com/p/wedding-capital-of-texas>

3. <https://www.austin360.com/story/entertainment/music/2021/03/30/austin-city-limits-festival-2021-dates-weekends-zilker-park/7052881002/>

* There can be no assurance these objectives will be achieved





Moody

NATIONAL COMPANIES

Sponsor Background

Moody National Companies was founded as Moody National Mortgage Corporation in 1996. Since that time, Moody has evolved into a full-service commercial real estate firm, which has employed over 1,200 people in several divisions, described below.*

MOODY NATIONAL MORTGAGE CORPORATION

has closed over 200 transactions in 40 states, securing approximately \$2 billion in debt, equity, and structured financing. In addition, Moody National Mortgage Corporation pioneered the transition from a correspondent model to a client-representative model in the mortgage banking space.

MOODY NATIONAL DEVELOPMENT COMPANY, L.P.

develops high class properties through meticulous attention to detail with a commitment to quality. Moody National Development has completed projects across a range of commercial asset classes.

MOODY NATIONAL MANAGEMENT L.P.

and affiliates provide professional property management services designed to maximize operational efficiencies while delivering a quality environment for tenants. Moody National Management, with its affiliates, has operated over 4,500 apartment units and 1.2M SF of class A office space. Moody National Hospitality Management, a subsidiary of Moody National Management, has overseen over 65 hotels throughout the United States.

MOODY NATIONAL REALTY COMPANY, L.P.

and its affiliates have raised equity from approximately 8,000 investors through privately offered real estate programs and two publicly registered Lifecycle REITs for a total capitalization of approximately \$2.1B. In addition, Moody National Realty Company and its affiliates have acquired more than 70 hotels throughout the United States.

MOODY NATIONAL TITLE COMPANY, L.P.

plays a critical role in real estate transactions due to its involvement from contract to closing. Underwritten by a nationally-recognized title insurance company, Moody National Title Company has closed complex transactions of all product types across the nation.

MOODY NATIONAL INSURANCE AGENCY, LLC

is currently providing coverage for assets in excess of \$1 billion. By capitalizing on economies of scale and relationships with the premier insurance providers, Moody National Insurance Agency offers world-class property and casualty insurance at the lowest available market premiums.

MOODY NATIONAL ADVISOR II, LLC

serves programs sponsored by Moody National Companies, including Moody National REIT II Inc. This entity is responsible for the day-to-day activities of Moody National REIT II, and for implementing the investment strategy. In addition, this entity also researches, identifies, reviews and makes investments in and dispositions of real estate assets.

MOODY NATIONAL EXCHANGE, LLC

has assembled a team of skilled professionals with legal, accounting, and real estate experience who are committed to providing each client with the highest levels of service and attention. Moody National Exchange is an expert in all facets of tax-deferred strategies, including delayed, reverse, and multiple property exchanges.

* Prior performance of the Moody National Companies is not indicative of future results.



IMPORTANT RISK DISCLOSURE

An investment in Interests involves substantial risk including, but not limited, to the following: The Trust is speculative and prospective investors should be able to afford the loss of all or a substantial part of their investment. • Interests are illiquid and there is no guarantee investors will be able to redeem interests. • There will be no public market for the Interests. • The Interests are subject to restrictions on transfer and resale. • Delaware statutory trusts are a relatively recent vehicle for real estate investment and are inflexible vehicles to own real Property. • Investors will have no voting rights or control over management of the Trust or The Marriott Residence Inn Austin Southwest (the "Property"). • There is no guarantee that investors will receive any return. • The performance of the Trust will depend on the Property's ability to generate rent. • The Property will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions and other real estate related risks. • An investment in the Trust will not be diversified. • The Trust Manager for the Trust (the "Trust Manager") and its Affiliates will receive substantial compensation in connection with the Offering and operation of the Property. • The Trust Manager is a newly formed entity with no history of operations, no experience managing Delaware Statutory Trusts and limited capital. • An investment in the Interests involves certain tax risks. • The uncertain impact of the COVID-19 virus. See the Memorandum for more details.

The offering (the "Offering") of Interests in the Trust will not be registered under the Securities Act of 1933 (the "Securities Act") or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such state laws. Certain disclosure requirements which would have been applicable if the Interests were registered are not required to be met. Neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the Interests, the terms of the Offering or the accuracy or completeness of the Memorandum. Securities offered through Moody Securities, LLC, a member of FINRA and SIPC. The information contained herein is not an offer or a solicitation related to the sale of any securities. Such an offer or solicitation can be made only through the Memorandum, which is always controlling and supersedes the information contained herein in its entirety. The information contained herein is not to be construed as tax or legal advice, as neither Moody Securities, LLC, nor any of its associated persons are qualified tax or legal professionals. Subject to certain regulatory requirements, the information contained herein is confidential, and only for the use of its intended recipient(s).

NEITHER THE ATTORNEY GENERAL OF THE STATE OF NEW YORK NOR ANY OTHER STATE REGULATORS HAVE PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Not a deposit - Not FDIC Insured - Not Bank Guaranteed - May Lose Value