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Ashford Hospitality Trust, Inc. (AHT)

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Dallas, TX 75254
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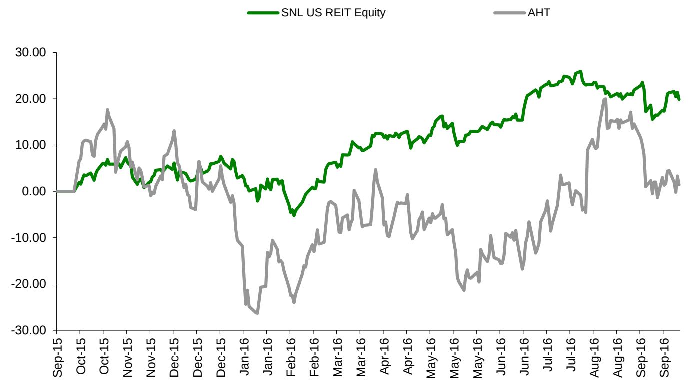
(972) 490-9600

Credit Ratings	Rating	Date	Direction	Watch
S&P	--	--	--	--
Moody's*	--	--	--	--
Fitch	--	--	--	--

*Senior Unsecured Rating

Current Market Information as of 09/29/2016		Closing Price ($):	5.92
Shares Outstanding (Shares)	96,176,799	Price Target	$ 12.00
52 week High - Low ($)	7.51 - 4.15	Price/ FFO (x)	NA
Average Daily Volume (Shares)	431,588	Price/ LTM FFO (x)	NA
Market Value ($M)	569.4	Price/ Trailing-four-quarter EPS (x	NM
Total Capitalization ($M)	4,875.1	Prem./Disc to NAV (%)	-25.0
Total Enterprise Value ($M)	4,613.1	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	1.56	Implied Return	103%

Total Return



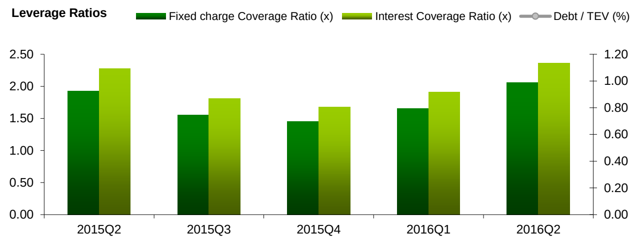
Insider Alignment as of 04/14/2016			
Title	Name	Insider shares (Voting)	%
Chairman & CEO	Montgomery J. Bennett	6,693,615	6.60
Chairman Emeritus	Archie Bennett Jr.	5,189,942	5.40
Secretary, CGC & COO	David A. Brooks	2,137,968	2.20
Total Shares Held by Insiders		**18,434,950**	**16.90**

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

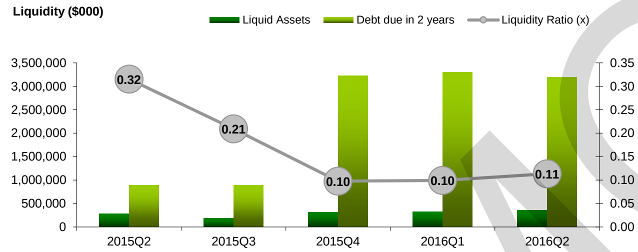
Institutional Ownership			
Owner	Shares	%	As of
Vanguard Group Inc.	15,170,423	15.77	06/30/2016
BlackRock Inc.	6,496,213	6.75	06/30/2016
J.P. Morgan Alternative Asset Management Inc.	3,515,835	3.66	06/30/2016
Kennedy Capital Management Inc.	3,341,397	3.47	06/30/2016
State Street Corp.	2,693,440	2.80	06/30/2016
Total - 218 Institutions	**74,903,219**	**77.88**	

Current Dividend Information		% Change		
Dividend ($)	0.1200	0.00	Mst Rct Dividend Anncd Date	09/15/2016
Annual Dividend Rate ($)	0.4800	0.00	Mst Rct Ex-Dividend Date	09/28/2016
LTM Dividends Anncd ($)	0.4800		Most Recent Div Pay Date	10/17/2016
Current Dividend Yield (%)	8.11			
LTM Dividend Payout Ratio (%)	NM			

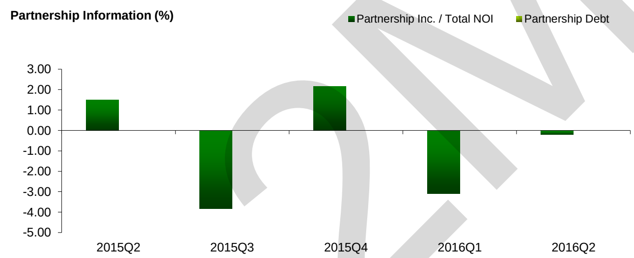
Leverage Ratios



Liquidity ($000)



Partnership Information (%)



Leverage Analysis	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Capitalization ($M)					
Implied Market Cap	1,018.3	698.7	731.1	742.0	626.1
Total Mezzanine Level Items	0.0	0.0	0.0	0.0	0.0
Total Preferred Equity	393.9	393.9	393.9	393.9	393.9
Noncontrolling Interest	0.8	0.8	0.8	0.7	0.7
Total Debt	3,651.4	3,698.4	3,840.6	3,879.2	3,782.6
Pref. OP-FASB 150/Fin 46 Adj.	NA	NA	NA	NA	NA
Total Capitalization	**5,064.4**	**4,791.7**	**4,966.4**	**5,015.9**	**4,803.3**
(-) Cash & Cash Equivalents	282.1	186.0	215.1	226.9	262.0
Total Enterprise Value	**4,782.3**	**4,605.7**	**4,751.3**	**4,789.0**	**4,541.3**
Leverage Ratios (%)					
Debt/ Total Cap	72.10	77.18	77.33	77.34	78.75
Debt / TEV	NA	NA	NA	NA	NA
Debt and Preferred/ TEV	NA	NA	NA	NA	NA
Total Debt/ Gross Properties	75.00	74.05	74.57	74.95	75.30
Debt/ RE Value	84.91	88.15	87.49	88.17	91.98
Fixed charge Coverage Ratio (x)	1.93	1.55	1.45	1.66	2.06
Interest Coverage Ratio (x)	2.27	1.81	1.68	1.91	2.36
Debt/ EBITDA (x)	10.06	9.90	10.63	9.05	6.29
Debt/Assets	73.31	75.73	77.35	77.77	77.18
NOI/ Debt	13.89	12.33	10.89	11.94	15.21

Liquidity Analysis ($000)	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Cash and Equivalents	282,073	185,981	215,078	226,877	261,976
Revolving Credit Facilities	0	0	100,000	100,000	100,000
Revolving Credit Facilities Drawn	0	0	0	0	0
Liquid Assets	282,073	185,981	315,078	326,877	361,976
Debt Due this Fiscal Year	101,116	96,010	580,045	413,913	408,550
Debt Due during Next Fiscal Year	792,941	792,941	2,644,079	2,881,595	2,784,695
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt due in 2 years	894,057	888,951	3,224,124	3,295,508	3,193,245
Liquidity Ratio (x)	0.32	0.21	0.10	0.10	0.11

Profitability Analysis (%)	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Implied Capitalization Rate	9.87	10.35	10.60	10.76	11.13
Rental NOI/ Avg Gross Pptys	0.00	0.00	0.00	0.00	0.00
Operating NOI/ Avg Gross Pptys	10.76	9.25	8.25	8.97	11.28
Total RE NOI/ Avg Gross Pptys	10.76	9.25	8.25	8.97	11.28
Partnership Income/ Total Revenue	8.54	-19.41	14.67	-23.21	-1.89

Partnership Information (%)	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Partnership Inc. / Total NOI	1.50	-3.83	2.15	-3.10	-0.20
Partnership Revenue/ Revenue	0.52	-1.22	0.64	-0.97	-0.07
Partnership Debt	NA	NA	NA	NA	NA
Partnership Income/ Avg Partnerships	8.54	-19.41	14.67	-23.21	-1.89

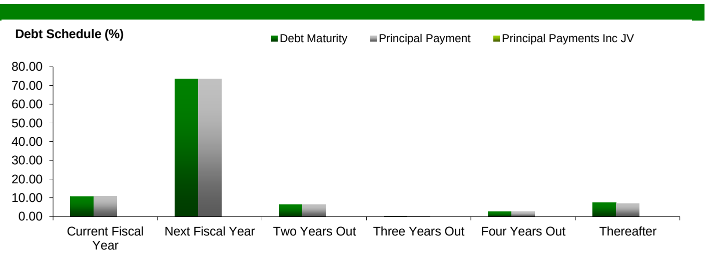
Debt Analysis (%)	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	100.00	100.00	100.00	100.00	100.00
Short-term Debt/ Debt	NA	NA	15.10	NA	NA
Long-term Debt/ Debt	NA	NA	84.90	NA	NA
Variable-rate Debt/ Debt	64.55	65.15	72.50	72.60	74.45
Fixed-rate Debt/ Debt	35.45	34.85	28.24	28.01	26.02
Hedged Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	NA	NA	0.00	0.00	0.00

Same Store Analysis	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
Same Store NOI Change (%)	NA	NA	NA	NA	NA
Same Store Rev % Chg (%)	NA	NA	NA	NA	NA
Same Store Exp % Chg (%)	NA	NA	NA	NA	NA
Same-store REVPAR ($)	122.46	115.93	105.94	113.55	131.33
Same-store ADR ($)	151.82	147.10	145.63	152.67	160.29
Same Store Occupancy (%)	80.66	78.81	72.75	74.38	81.93

Debt Maturity Schedules for the Period 2016Q2

	Debt Maturity		Principal Payment		Principal Payments Inc JV	
	($000)	(%)	($000)	(%)	($000)	(%)
Total Debt	3,782,582		3,782,582		3,782,582	
Current Fiscal Year	401,400	10.61	408,550	10.80	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Next Fiscal Year	2,776,606	73.41	2,784,695	73.62	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Two Years Out	236,525	6.25	237,176	6.27	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Three Years Out	5,492	0.15	12,138	0.32	NA	NA
Avg Int Rate (%)	4.00		NA		NA	
Four Years Out	97,659	2.58	96,800	2.56	NA	NA
Avg Int Rate (%)	6.26		NA		NA	
Thereafter	282,754	7.48	261,244	6.91	NA	NA
Avg Int Rate (%)	NA		NA		NA	

Debt Schedule (%)

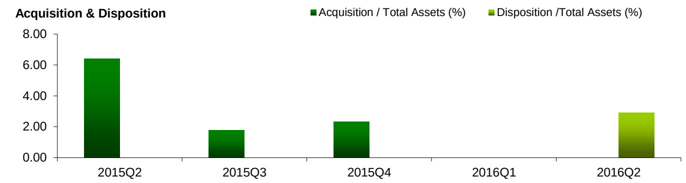


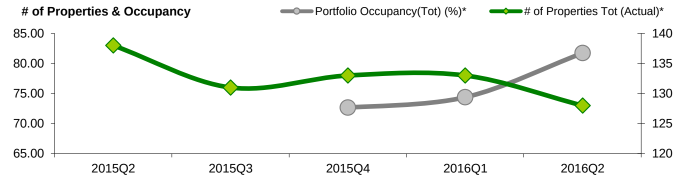
Property Analysis

Property Financials	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2
# of Properties Tot (Actual)*	138	131	133	133	128
Portfolio Occupancy(Tot) (%)*	NA	NA	72.7	74.4	81.7
Total Acquisitions ($000)	319,159	86,922	115,081	0	0
Total Dispositions ($000)	0	NA	0	0	142,000
Development Pipeline ($000)	NA	NA	NA	NA	NA
Development Cost Incurred ($000	NA	NA	NA	NA	NA
Net Property Investment ($000)	4,216,663	4,287,225	4,388,449	4,372,061	4,209,934
Gross Leasable Area (sq. ft.)	NA	NA	NA	NA	NA
Acquisition / Total Assets (%)	6.41	1.78	2.32	0.00	0.00
Disposition /Total Assets (%)	0.00	NA	0.00	0.00	2.90

* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.

Top 10 Markets*			
Name	% of NOI	% of Rev.	% Change SS Occupancy %
None			





*Based on reported market exposure. SS here stands for Same Store

Top 10 Most Recent Acquisitions

Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price ($000)¹	Size (Owned Sq. Ft.)³
W Hotel-Minneapolis	No	11/10/2015	100.00	88,140	274,800
Indigo-Atlanta	No	10/15/2015	100.00	26,941	168,000
Hilton Garden Inn-Wisconsin Dells	No	08/05/2015	100.00	15,185	153,600
Le Meridien Chambers-Minneapol	No	07/23/2015	100.00	15,000	72,000
W Hotel-Atlanta-Downtown	No	07/01/2015	100.00	56,737	284,400
Courtyard-Boston Billerica	Yes	06/17/2015	100.00	224,954	252,000
Courtyard-Wichita Old Town	Yes	06/17/2015	100.00	224,954	153,600
Hampton Inn & Suites-Columbus I	Yes	06/17/2015	100.00	224,954	174,000
Hampton Inn & Suites-Pittsburgh \	Yes	06/17/2015	100.00	224,954	123,600
Hampton Inn & Suites-Pittsburgh \	Yes	06/17/2015	100.00	224,954	135,600

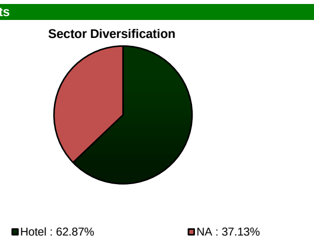
¹ If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

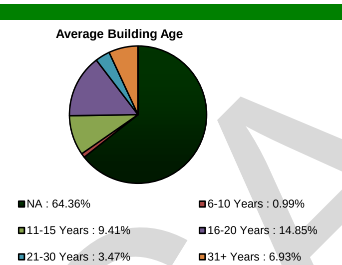
Top 10 Most Recent Dispositions

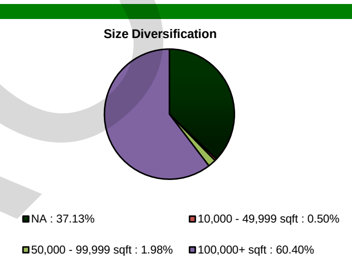
Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price ($000)²	Size (Owned Sq. Ft.)³
Hampton Inn & Suites Gainesville	No	09/01/2016	100.00	27,000	148,800
Courtyard-Edison	Yes	06/01/2016	100.00	142,000	175,200
Courtyard-Orlando Lake Buena Vista	Yes	06/01/2016	100.00	142,000	374,400
Fairfield Inn-Lake Buena Vista	Yes	06/01/2016	100.00	142,000	465,600
Residence Inn-Atlanta Buckhead Lenox Park	Yes	06/01/2016	100.00	142,000	180,000
SpringHill Suites-Lake Buena Vista	Yes	06/01/2016	100.00	142,000	480,000
Hampton Inn-Terre Haute	No	03/11/2015	100.00	7,900	134,400
Homewood Suites-Mobile	No	11/12/2014	100.00	7,400	103,200
Pier House Resort & Spa	No	03/01/2014	100.00	92,700	170,400
Courtyard-Philadelphia Downtown	Yes	11/19/2013	100.00	NA	597,600

² If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

Property Charts

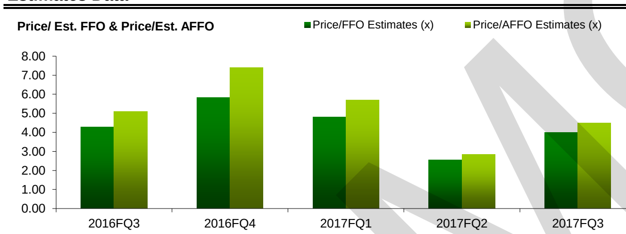


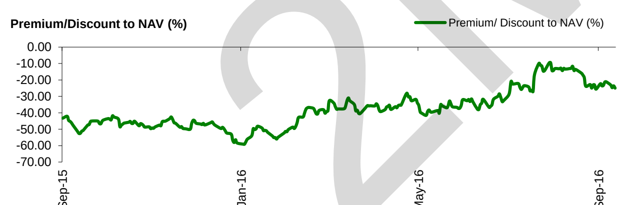




NA = Not Available

Estimates Data





Estimates Information	2016FQ3	2016FQ4	2017FQ1	2017FQ2	2017FQ3
FFO Estimates					
FactSet Mean FFO Estimate ($)	0.34	0.25	0.31	0.58	0.37
FactSet High FFO Estimate ($)	0.39	0.30	0.35	0.63	0.43
FactSet Low FFO Estimate ($)	0.30	0.20	0.25	0.53	0.29
FactSet No. of FFO Estimates (Actual)	8	8	7	7	6
Closing Price ($)	5.92	5.92	5.92	5.92	5.92
Price/FFO Estimates (x)	4.29	5.84	4.80	2.55	3.98
AFFO Estimates					
SNL Mean AFFO Estimate ($)	0.29	0.20	0.26	0.52	0.33
SNL High AFFO Estimate ($)	0.29	0.20	0.26	0.52	0.33
SNL Low AFFO Estimate ($)	0.29	0.20	0.26	0.52	0.33
SNL No. of AFFO Estimates (Actual)	1	1	1	1	1
Price/AFFO Estimates (x)	5.10	7.40	5.69	2.85	4.48
EBITDA Estimates					
FactSet Mean EBITDA Estimate ($000)	105,791	93,974	102,301	134,520	110,761
FactSet High EBITDA Estimate ($000)	110,948	99,100	106,417	138,307	115,852
FactSet Low EBITDA Estimate ($000)	98,113	89,050	99,613	130,048	106,837
FactSet No. of EBITDA Estimates (Actual)	9	9	7	7	6
Shares Outstanding (Shares)	96,176,799	96,176,799	96,176,799	96,176,799	96,176,799
Total Enterprise Value ($M)	4,613.1	4,613.1	4,613.1	4,613.1	4,613.1
Price/ Est. EBITDA per Share (x)	1.35	1.51	1.39	1.06	1.29
Current TEV/ Est. EBITDA (x)	10.90	12.27	11.27	8.57	10.41

NAV	Consensus Estimate	Median	High	Low	Std Dev
NAV per Share ($)	7.89	8.51	9.17	6.00	1.67
Price/ NAV	0.75	0.70	0.65	0.99	
Premium/Discount to NAV (%)	-24.97	-30.43	-35.44	-1.33	
Number of NAV per Share Estimates (actual)	3				

Commentary:

Ashford Hospitality Trust (AHT) is a hotel REIT with excellent properties and corrupt management. Our $12.00 price target may seem ambitious with a current market price around $6.00, but it still only represents a 7.8X multiple on AHT's estimated $1.54 FFO/share.

This is a true deep value play with it trading at a massive discount to intrinsic value that is partially counterbalanced by Monty Bennett, who runs the company like his personal piggy bank. While this certainly presents a risk, the risk is priced in so extensively that we believe the weighted average outcome is favorable to investors. Essentially, if Monty can restrain himself enough to keep the massive G&A at the same level, the tremendous cashflows of the underlying properties will reward shareholders. Note that the $1.54 of FFO/share is an AFTER G&A figure, so there is also substantial upside if the expensive external manager AINC can be ousted. Our thesis does not rely on removal of management, this is merely a favorable possibility.