

Are the US Elections impacting OrbVest in the USA?

As I reflect on the final stretch of 2020, Covid-19 continues to shape the world, resulting in winners and losers across all areas of the global economy. From a political perspective, there can be no doubting that the virus has dramatically altered the trajectories of most economies, and in its wake, the paths of many political leaders.

The US elections were historic in nature and represented enormously divergent and strong views from both the Republicans and Democrats. Emotions ran high and it is fair to say, that most Americans are relieved to have the election behind us.

Whilst recounts are underway in a number of states, all indications at present are that Biden will be sworn in on 20th January 2021. At present, the narrow focus remains on the transition of power. From a strategic perspective, economists and business leaders are assessing the impact of Biden's strategies and campaign promises on the economy. Biden is determined to unify the country and improve relations with its trading partners. The administration will drive an expansive economy, focusing on Issues such as renewal energy, climate change, large stimulus packages to support businesses and individuals through Covid-19, increased taxation of the wealthy and importantly, increased social expenditure and entrenchment of Obamacare.

From an OrbVest real estate perspective, 'healthcare for all' is extremely positive news and will continue to fuel growth in this sector. Though taxation and capital gains may increase, we do not believe that any envisaged increases will materially affect returns to investors. The new administration is also set to review 1031 exchanges, which allows real estate investors the opportunity to re-invest gains within 90 days and defer the gains. OrbVest does not utilize 1031 exchanges and hence remains unaffected.

The recent jobs report and Q3 GDP figures indicate that the US is making meaningful strides toward an economic recovery, and whilst Covid-19 infections continue to climb unabated, announcements over the past 7 days regarding the imminent release of a potential vaccine are highly encouraging. Of greater importance is the fight for the Senate. This will be decided in Georgia in early January, then the path for change will move forward swiftly.

From an operational perspective, OrbVest's healthcare portfolio continues to perform exceptionally well since the initial onslaught of Covid-19 in the US, during March 2020. Collections remain above 95% per month on all existing tenants. The resilience of our medical tenants, who underpin our consistent quarterly dividends and create overarching stability within the healthcare niche, has led to renewed focus on healthcare assets.

Over the past quarter, OrbVest achieved a significant milestone by expanding into the highly sought-after city of Phoenix Arizona, with two great deals, namely Medical 29 and Medical 30. The state of Arizona continues to experience strong population growth through the North to South US migration pattern, underpinned by affordable cost of living, appealing weather and low taxation.

Phoenix is the 14th largest city in the United States and projected to be the 4th largest city before 2025, with a goal of reaching Medical 30 and expanding into at least one

additional state, and I am glad to report that we now have a firm presence in 4 states in the United States, those being Texas, Georgia, New Jersey and now Arizona.

Given our focus on capital preservation and diversification, OrbVest had further growth and success during the same period with the launch of our much anticipated OrbVest Diversified Holdings product (ODH). ODH allows all investors the opportunity to seamlessly invest and diversify their investment across a minimum of 8 buildings via a single investment. This immediately removes concentration risk and provides diversification across states and cities in the USA. ODH1 launched and was oversubscribed within 18 days, which led to the immediate launch of ODH2, which in turn was oversubscribed equally quickly.

From an equity perspective, we have continued to focus on expanding our international reach and would like to welcome our new investors from Uganda, Botswana, UAE, Saudi Arabia and other countries.

In summary, while the world remains tumultuous amid Covid-19 and the US focuses on 'life after elections and the next 4 years', OrbVest is on track for solid growth during 2021 in a sector and niche that remains a beacon of stability and resilience, whilst simultaneously building wealth and annuity income in USD for investors in the years ahead.

Regards,

Martin Freeman
OrbVest CEO