

CEO Review Q2 2020

ARE THE COVID CLOUDS MOVING ON?

As the US enters the fall season and the global population reflects on the unimaginable 2020 year and the extraordinary impact that Covid-19 has had on the world, focus is now moving toward a possible second wave and a vaccine.

Overlay this with the uncertainty surrounding the upcoming US elections and a potentially over-inflated equities market, primary concerns for investors remain, that being, how will the US economy perform in the coming months and “where do I continue to invest my wealth?”. Furthermore, many real estate investors globally are assessing the true impact on their portfolios.

As mentioned in my previous updates, we are thrilled to be invested into the Healthcare niche, in the US, and to have experienced collection rates above 95% through the Covid-19 pandemic. This demonstrates the absolute recession proof nature of our strategy and continues to attract additional interest from countries and investors globally.

August was a remarkable month for OrbVest, with a number of surprising and unexpected highlights:

- Princeton300A New Jersey – our most recent acquisition. Equity surged during the month and this project was oversubscribed.
- OrbVest also launched OrbVest Diversified Holdings (ODH). ODH allows investors the opportunity to seamlessly invest and diversify their investment across a minimum of at least 8 buildings via a single investment. This immediately removes concentration risk in a single building and amplifies already ‘low risk’ investments, via diversification across states and cities in the USA. ODH is expected to deliver a solid blended return of 8% per annum, paid quarterly, and a targeted minimum total annual return of 11% IRR. (Internal rate of return = cash dividends + capital appreciation upon sale).
- The response to ODH was overwhelming and the entire ODH investment was oversubscribed within 20 days.
- OrbVest has over the past years managed two non-core multifamily assets, namely Water Ridge and Cypress Ridge. During August, we were able to successfully negotiate and conclude a profitable sale of the stake in Water Ridge. Cypress Ridge will therefore remain as our final non-core asset and initiatives are underway to exit this asset in the coming 6 to 12 months.

In addition to the above highlights, we are delighted to announce that all our distribution channels are once again moving forward and contributing to our global equity efforts. So, whilst Covid-19 continues to impact many sectors of the global economy, the recent activity demonstrates that

investors remain focused on seeking out strong stable investment opportunities.

The OrbVest acquisition team are thus hard at work acquiring a minimum of two new deals, which we anticipate will be launched in the coming 6 weeks.

Lastly and most gratifying is the fact that OrbVest was able to pay out over \$1,1m in dividends to investors in the past quarter, which is another record. I would like to thank not only our investors, but also our OrbVest employees, who have worked tirelessly over the past few months, to ensure that our portfolio has performed well and that investors have received strong dividends, in a challenging environment.

In conclusion, whilst we enter the final 4 months of 2020 and reflect on whether the Covid-19 clouds are finally moving on, we are extremely bullish that OrbVest remains incredibly well positioned to offer investors globally a 'safe haven' for their wealth, characterized by stability and resilience from the current constant volatility in our daily lives.

Regards,

Martin Freeman
CEO OrbVest