

## **Where to preserve and grow your wealth during a global economic downturn**

World markets have taken another tumble after fears of a second wave of COVID-19 and the UK economy shrinking at the fastest pace since the 2008 global recession. Are there any industries or markets that have managed to perform during these times? To understand just how big an impact COVID-19 has had on the global economy one only needs to look at the first quarter performance of the following:

Asset class	Total return: Q1 2020 (Rand & US\$)
SA equity – FTSE/JSE All Share Index (Rand)	-21.4%
SA equity – FTSE/JSE Capped SWIX All Share (Rand)	-26.6%
SA listed property – FTSE/JSE All Property Index (Rand)	-48.2%
SA bonds – BEASSA All Bond Index (Rand)	-8.7%
SA inflation-linked bonds – JSE CILI Index (Rand)	-6.6%
SA cash - STeFI Composite Index (Rand)	1.7%
Global equity – MSCI All Country World (Total) (US\$ net)	-21.4%
Global equity – MSCI World (Developed) (US\$ net)	-21.1%
Global equity – MSCI Emerging Markets (US\$ net)	-23.6%
Global bonds – Bloomberg Barclays Global Aggregate Bond Index (US\$)	-0.3%
Global property – FTSE EPRA/NAREIT Global Property REIT Index (US\$ net)	-30.4%

Source: Prudential, Bloomberg, data to 31 March 2020

<https://prudential.co.za/insights/articlesreleases/market-observations-q1-2020/#>

The above numbers do not make for pretty reading. Gold, widely regarded as a safe-haven, only gained a modest 6%. Majority of companies are holding back on paying dividends or are unable to pay them at all and a lot of people are asking the same question: "Is there any market or industry

OrbVest paid out \$1,125,627 in dividends for Q1 2020 to their investors. A record high for the company with returns in line with forecasted assumptions. Averaging 8% net dividend returns in USD and in the enviable position of never having missed a dividend payout, OrbVest is in a unique position. Healthcare seems to be one of the few markets that is performing during this time and OrbVest has been largely unaffected by the economic downturn.

Where a lot of companies have battled with rent collection, OrbVest collected 95.3% of their rental for the month of April. There are a few reasons for this: - Medical tenants are long term tenants and a majority of our tenants are specialists in their field and are essential services. Its worth noting again that one tenant, LifeHope Labs, is leading the way in COVID-19 testing in Atlanta and has been making headlines in USA - OrbVest partners with exceptional and very reputable property management companies who have long standing relationships with their tenants - 93% of USA has some kind of access to Medical Insurance Its important to note that where small tenants such as GP's and Dentists have not paid rent, OrbVest has granted a deferral and not a rental holiday, meaning they will still collect this rental in arrears by the end of the year.

OrbVest and it's partners have also been assisting tenants looking for financial aid from the stimulus package to ensure that rental can still be paid. While May will still be a tough month for smaller tenants, OrbVest predicts a strong rebound in June as the economy begins to open up. Where investors have found even more value with OrbVest's dividends payout is the ability to re-invest it into current projects, thereby growing and diversifying their offshore property portfolio. When the depreciation of the rand is taken into account, these investments become even more attractive to investors.

The great news is you can invest with OrbVest from as little as \$5000 and join a growing community that is reaping the benefits of investing into stable, income producing assets and earning in USD. OrbVest's current investment opportunities are: Two Forest Plaza Medical 26 Dallas Texas Forecasted 5-year average dividend of 8.46% annualized with a targeted IRR of 13.9% Richardson Medical 27 Dallas Texas Forecasted 5-year average dividend of 8,31% annualized with a targeted IRR of 11,92%

Article by [Devon Thomson](#)  
Investment Consultant at OrbVest Ltd

Devon is an authorized representative and has an Honours Degree in Business Management. He has been involved in finance and property investment for the last 4 years.