

Vested Metals Market Update



June 2021 Issue

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Reopening Economy Is Increasing Severity of Truck Driver Shortages

*Shortages Are Likely To Cause Availability Challenges and
Price Hikes By LTL Carriers and 3PLs*

Driver shortages have impacted the trucking industry for over a decade. However, the severity has increased in 2021 due to a decline in available drivers and a sharp increase in demand. As a result, LTL carriers and 3PLs expect to see availability challenges and price hikes this year.

Both long-term and short-term supply/demand dynamics are putting pressure on truck availability. Approximately 70% of all freight moves by truck. As the U.S. economy expands, demand for trucking capacity also grows.

The long-term supply of trucks is impacted by truck driver's aging demographics. The industry's average age is 10 years older than comparable industries like manufacturing and construction.

Short-term demand for trucks is much higher versus 2020 primarily due to the reopening of the U.S. economy. The demand is likely to increase as the world economy starts to catch up with U.S. growth.

Continues On Page 2

Vested Metal's 8(a) Certification Can Help Your Business Access Significant Government Contract Revenue

The federal government allocates billions in contracting dollars each year to 8(a) certified companies. Through joint ventures with Vested Metals (teaming agreements) companies that do not have this certification can compete for 8(a) contracts.

Vested Metals is an experienced government contractor that is now 8(a) certified and is looking for teaming agreement partners. Please contact us to learn more. Also, see our [Capabilities Statement](#) for additional details related to Vested Metal's teaming agreement value proposition.

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According to the Commercial Carrier Journal, the supply of drivers is down by approximately 80,000 in 2021 compared to 2020 (approximately -3%). The short-term supply of drivers is constrained by a number of factors: 1) A large number of older drivers decided to retire during the pandemic slowdown; 2) State and local COVID restrictions have had a negative impact on driver quality of life in some situations; 3) Some Commercial Drivers License (CDL) schools closed in 2020 due to the impact of the pandemic; 4) The rollout of the Drug and Alcohol Clearinghouse reduced the truck driver workforce by approximately 40,000 according to the Commercial Carrier Journal; 5) Extended unemployment benefits may be discouraging some drivers from returning to work (widely debated).

According to SBDC international trade specialist Julia Montgomery, companies are responding to the challenge in the short run by adjusting customer expectations and improving inventory management systems. Montgomery believes that challenges will persist past COVID-induced disruptions. "More long term strategies include fully upgrading systems and taking advantage of automated supply chain planning and distribution solutions, as well as identifying and honing relationships with new supply-distribution partners in order to cultivate a more varied portfolio of options. "

Self Driving Trucks To the Rescue?

Self driving trucks are not likely to be an option in the near future according to many experts. In Tesla's recent investor conference call CEO Elon Musk commented on the outlook for self-driving vehicles saying "It is definitely one of the -- I think one of the hardest technical problems that exists, that's maybe ever existed." Trucking company Old Dominion Freight Line CFO was even more negative on the outlook, "It's hard to envision seeing a driverless vehicle on the roads, sharing the roadways with passenger autos." Based on this outlook, it appears as though the truck driver shortage will impact the economy for years to come. Future editions of this newsletter will provide periodic updates on the truck driver shortage.



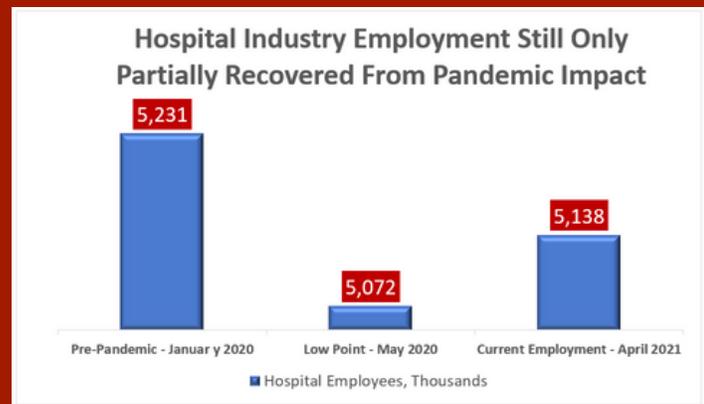
Insurance Provider United Healthcare Sees Continued Improvement In Health Care Activity

Based on a April 15th, 2021 earnings conference call, United Health Care (UHC) Q1 elective activity was "marginally" below seasonal levels although activity picked up throughout the quarter.

According to UHC, elective care continues to increase as COVID cases decline.

Healthcare Activity News and Hospital Employment Trends

Telehealth dropped for the first time in February: the decline correlates to increase vaccinations rates



"It [self-driving vehicles] is one of the hardest technical problems that exists, that's maybe ever existed"

Metallurgical Minute

By Fred McMann, Metallurgist

Precipitation Hardening (PH), Grades for Medical applications

PH grades are generally martensitic (magnetic), and are characterized by good corrosion resistance, great strength, and good fracture toughness.

Additionally the hardening mechanism is normally a simple lower temperature age below 1000F and for 1 to 4 hours.

The PH materials are available, typically, in the Solution annealed condition ready for fabrication and hardening (or you can call it age hardening).

Hardening is performed after the part is in the final shape. The low temperature age doesn't cause warpage or oxidation on the surface of the part if done correctly.

The corrosion resistance of this group of stainless steels is up to and equal to 304 stainless. For medical instruments this is considered acceptable for almost all applications. For comparison, 17-4PH at Rc 43 (H900) can be used as a stronger substitute over 304 stainless for applications requiring greater stiffness, and yield strength. The 17-4PH would provide equal corrosion resistance, and almost twice the Yield and Tensile strength over 304/303 stainless steel. You can see why the material is specified in many medical and aerospace applications.



Element Pricing Trends and Other Metallurgical News

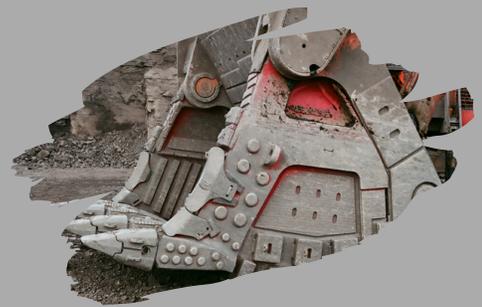


Fundamentals support strong iron ore prices in 2021: Platts Analytics

- Iron ore prices have risen by substantial amounts in recent weeks
- Growth in demand from China continues to be the primary driver of growth
- News of output cuts due to environmental reasons are also contributing to the surging prices
- Steel producers did not correctly anticipate the strength of the demand rebound coming out of pandemic lock downs

The World Risks "Running Out of Copper" Due To Growing Global Demand

- Copper stock levels are at very low levels, covering only 3.3 weeks of demand
- Bank of American Research believes prices could jump to almost \$6 a pound (currently at ~\$4.5 per pound)
- Demand growth is driven heavily by the increase in electric vehicle use
- The current administration's infrastructure plan could also add additional upward pressure to copper prices



What We're Reading

[Study: Private Equity Impact On Health Care](#)

[Researchers Develop Super-Sensitive Sensors For Medical Devices](#)

Vested Metals Inventory Update

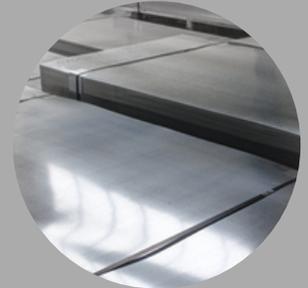
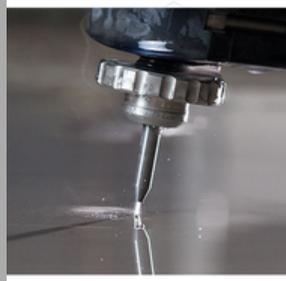
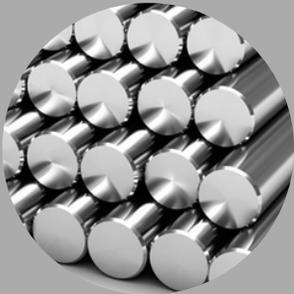
Featured Items

17-4 H900 Stainless Bar:

- Used in applications requiring high strength and a moderate level of corrosion resistance.
- Principal applications include surgical instruments and turbine blades.
- Stocked in a pre-hardened condition to save downstream time for aging final parts.

6Al-4V ELI Titanium Plate:

- The ELI (extra low interstitials) variant has moderately high tensile strength, good fatigue strength, and high resistance to general corrosion.
- Principal applications include medical implants, jet engine, rocket components and automotive components.



In Stock - Ready To Ship

Titanium

- 6Al-4V ELI Plate & Round Bar
- 6Al-4V Plate & Round Bar

Stainless

- 316 LVM Flat & Round Bar
- 420 Mod/X15TN (UNS 42025) Round Bar
- 455 Round Bar
- 17-4 & 17-4 H900 Round Bar, Flat, Sheet & Plate
- C465 Round Bar
- CCM Round Bar

Waterjet Cutting

- Highly versatile - Waterjet machines can cut most metals up to 18 inches thick
- Tight tolerances - Some material/thickness: +0.0625 IN, minimum tolerance: +0.040 IN
- Clean edges, no burns
- For in house material we can fill orders as quickly as 2 days

[**Vested Metals Line Card**](#)



What We're Reading

[9 Medical Devices You Should Keep An Eye Out For In 2021](#)

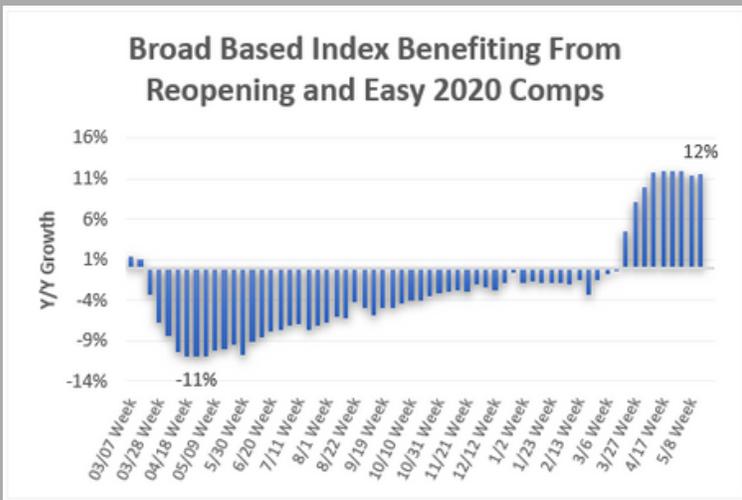
[Uncertainty Emerges In the 2021 Health Agenda](#)

Macro Trends

High Frequency Economic Indicators Of Interest

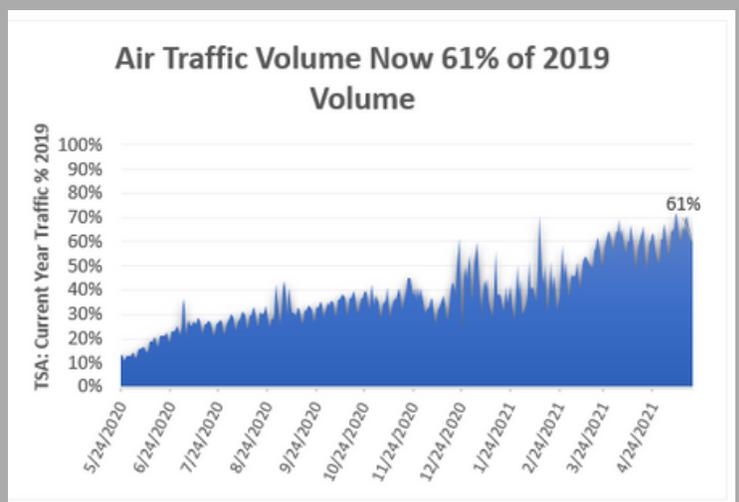
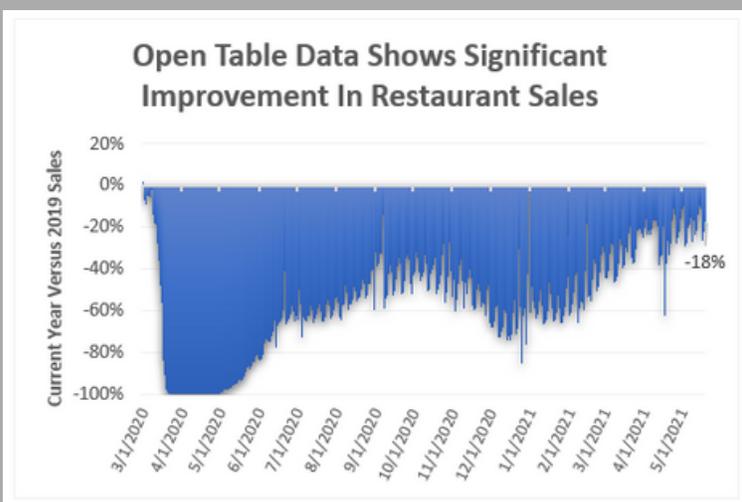
The Weekly Economic Index is composed of ten daily and weekly indicators of real economic activity and is directionally comparable to U.S GDP growth.

Initial jobless claims represent a first-time filing by an unemployed individual.



OpenTable's "State of the Industry" report shows Y/Y growth in seated diners at restaurants on the OpenTable network across channels: online reservations, phone reservations, and walk-ins.

TSA checkpoint data measure air travel volume in the United States.



What We're Reading

Big Hospitals vs. Big Pharma: Which industry is most to blame for soaring health care costs?



Vested Metals Overview

Vested Metals International is a certified customer centric metals supplier focused on locating hard to find metals. We provide various grades of titanium, stainless steel and a range of other metals. Industries we serve include medical, industrial, defense and aerospace.

Vested Metals is also an SBA 8(a) certified organization and is open to teaming agreements that can expand a company's ability to compete for government contracts.

Contact Vested Metal's Leadership Team To Learn More



VIV HELWIG
CEO

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Viv founded Vested Metals in 2014 and has 10+ years of experience in the metals industry.

Under Viv's leadership, Vested Metals earned a spot on Inc. Magazine's 5000 fastest growing companies list two years in a row (2019 and 2020). In 2019, the Jacksonville Business Journal named Viv to its "Ultimate CEO" list.

He earned his bachelor's degree from Flagler College where he was also awarded an honorary "Doctor of Laws" degree.



JOHN PULLIAM
Chief Operating Officer

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John is one of Vested Metal's founding investors and has 10+ years of experience as a financial professional including 5 years of experience successfully managing a hedge fund.

He received his MBA from Columbia Business School and has experience investing in commodities including copper, oil & gas, and precious metals.



RIC SNYDER
Director of Sales & Marketing

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Ric has 13 years of industry experience with a focus on orthopedic bar. As a product line manager he developed significant material and technical expertise in a range of raw material products.

He received his MBA from Indiana Wesleyan University and his BA from Indiana University-Purdue University at Fort Wayne.



[Click To See Vested Metal's Line Card](#)

