Orionis Fund

Class G Preference Shares

MONTHLY NEWSLETTER

FEBRUARY 2021

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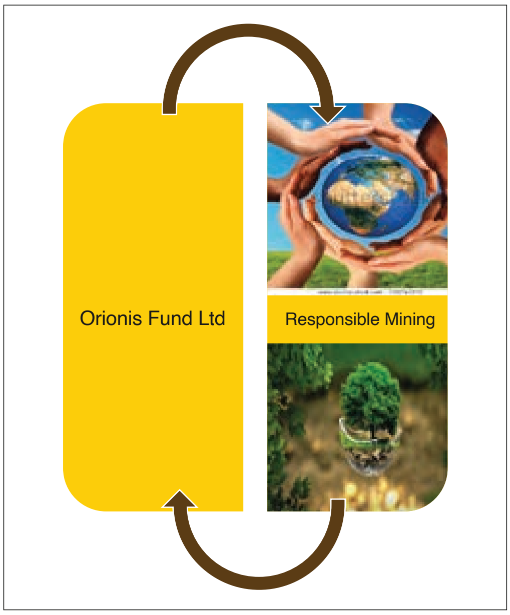
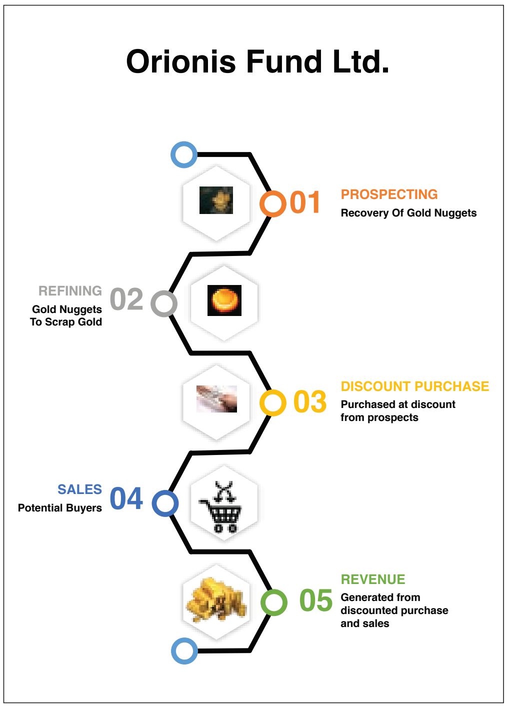
Orionis – Gold backed Investment

The Orionis Fund Ltd. Class G is a Gold-Centric Collective Investment Scheme focusing on generating yield for Investors. The Scheme is established in British Virgin Islands as a Collective Investment Scheme for Professional Investors to participate with an experienced management team in harnessing exceptional return on investment. The fund was established in 2015 and continues to operate with a strong track record of return on investments.





Monthly Results

Orionis Fund Ltd, Class G. (CIS) continued its profitable operations and has declared dividends of '1.42%' for February '21. This open-ended fund commenced operations in Jan 2015 wherein professional investors are invited to participate with the experienced management to generate exceptional returns by investing in the highly lucrative field of Artisanal Gold Mining. The year till date returns of the fund is '2.87%' and cumulative returns since its inception is '172.26%'.

Investment Philosophy

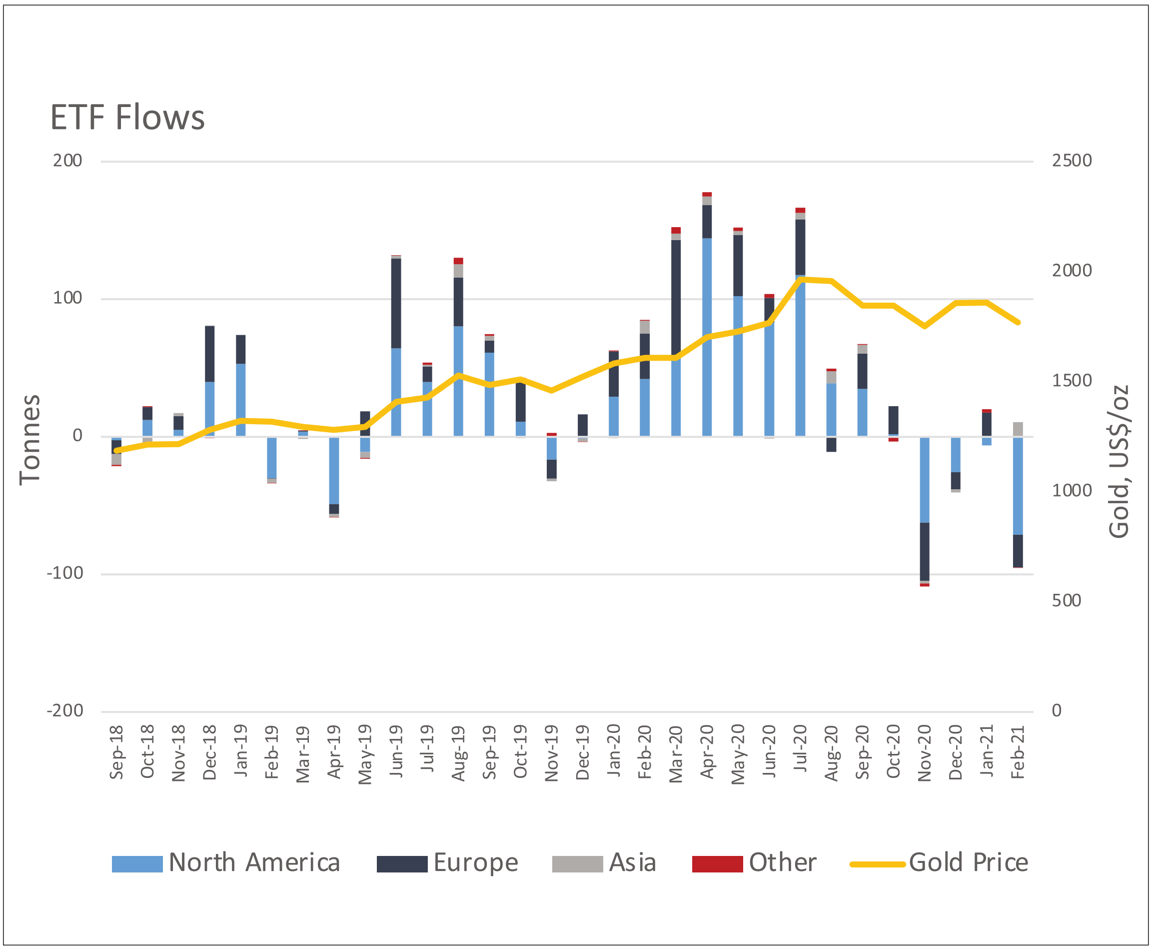
Orionis is focused on leading its business in an ethical, and responsible manner, consistent with the laws and guidelines of the countries and region in which Orionis operates. The Fund is focused on a holistic approach of trying to solve broader socio-economic shortcomings in urban rural economies. This includes intimately understanding the participant profiles, statistical data, process variants and consumables, supply and demand facets, value chain participants, cycles, revenues, capitalization, labour and gender dynamics, consumables, supporting industry, linkages, social capital etc. The Fund's focus is to have manageable and productive mining in tandem with ecologically, neighborly and socially capable improvements. In this manner, the organization has defined itself the objective of advancing the earth, wellbeing, security and social advancement of individuals.

Investment Process

Orionis Fund Ltd. does sourcing and buying of raw gold, gold dust / nuggets mined from its Artisanal Gold Mine in Republic of Mali, West Africa. Fund engages a team of experts experienced in purchase and valuation of gold and has state of the art storage, security, transport and testing facilities. The collected raw gold is further converted to dore gold bars and is sold to international buyers / refiners in UAE. By surrounding with high quality professionals across every step of purchase and sale cycle, the fund offers an unique perspective of trading in gold generating optimal returns. Security, transparency and traceability of the origin of all raw gold or dore bars purchased are at the heart of the process. The fund restricts any diversification on its investment which is strictly carried as per investment objective. The investment process is intended to deliver maximum return on investment according to the market conditions prevailing for raw gold or dore bars. With the latest results, cumulative returns since the inception of the fund is '172.26%'.

Gold ETFs lost 2% of holdings in Feb 2021

Source: www.gold.org



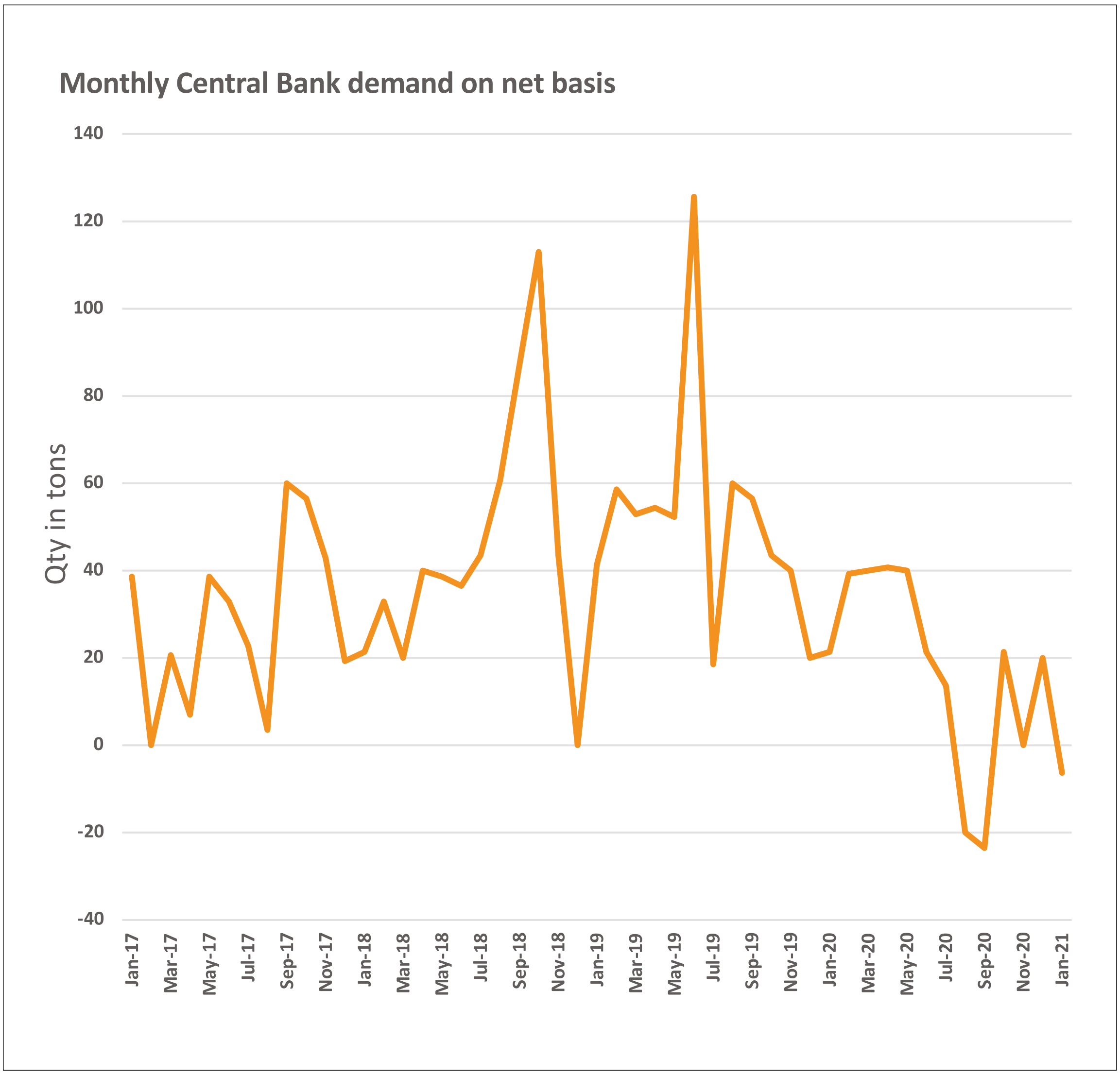
Global gold ETFs lost 84.7 tonnes (t) (-US$4.6bn, -2.0% AUM) in February, marking outflows for the third time in four months, and the seventh worst historical monthly holdings loss. Global assets under management (AUM) now stand at 3,681t (US$207bn), levels last seen in June 2020, when the price of gold was near the February closing level of US$1,743/oz.

At a regional level, outflows were mostly driven by North American funds -71.2t (US$4.1bn, -3.4%), mainly from the largest funds, in contrast with low-cost gold ETFs which experienced net inflows – perhaps suggesting increased strategic buying amid momentum selling. European funds saw outflows of -23.8t (US$1.1bn, -1.1%), mainly from UK funds. Funds in other regions had minor outflows of -0.3t (US$27mn, -0.7%). The one bright spot was Asia, with significant inflows of 10.6t (US$596mn, +8.4%), primarily directed to Chinese and Indian-listed funds. In China, investors used the gold pullback, as well as the first market pullback in the CSI 300 since September, to add to ETF holdings. Also, the price discount in China turned positive in the first two months of the year, highlighting increased demand.

While higher nominal rates could create headwinds for gold, higher inflation may partly offset their effect. As COVID-19 vaccines roll out and monetary and fiscal stimulus continues, we believe the continued rise in risk assets is partly driven by an expectation from investors that central banks and governments will continue to support global markets. As risk assets continue to climb, it is likely that investors are moving away from hedges and diversifiers such as bonds and gold in search of assets that may benefit from a higher correlation to equity markets.

Global Central Banks begin 2021 with Net Gold Sales

Source: www.gold.org



While 2020 marked the consecutive 11th year of Central banks being net purchasers, central banks have switched back to net sellers of 9.4 tonnes in January 2021.

On the buying side, Uzbekistan (8.1t) and Kazakhstan (2.8t), both gold producers and frequent purchasers in recent years, were the only banks to meaningfully increase gold reserves. On the other hand, Turkey (-17.2t) and Russia (-3.1t) were the notable sellers.

World Gold Council has commented that the momentary data of a month cannot be ascertained on the expected behavior over the year. They still expect Central Banks to remain net buyers in 2021 albeit at a moderate pace which is below the record levels seen at previous years. WGC expects that going forward, the possibility of capital inflows into emerging markets and the low interest rate environment may lead to central banks adding gold for diversification purposes.

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Energy Transition in Mining (ESG Initiatives)

Source: www.gold.org

Based on the known plans of the mining industry, World Gold Council expect the intensity of power used in the sector to reduce 35% by 2030 which is a result of increased dependence on renewable energy sources. If transition to lower carbon sources becomes common across the sector over the next decade, the changes could potentially reduce gold mining power emissions by at least a further 9% by 2030 placing a target of 1.5 Degree Celsius within reach. The continued improvement in the economics and practicality of renewables alongside enhanced energy and operational efficiency and associated technological advancements will support the sectors ongoing transition.

Morgan Stanley expects gold price below $ 1,800 / oz

www.fxstreet.com

Morgan Stanley in its recent report mentions that they expect Gold to remain below $1,800/oz in 2021. In its report, Morgan Stanley have commented that economic crisis resulted from pandemic is slowly evading away due to the vaccines. Economic data is improving, politics is becoming calmer and interest rates are starting to rise. The economic forecasts are that the US inflation will rise a little over 2% over the next two years. Gold is an asset where the narrative matters and scores low on the more quantitative, cross asset approaches. The valuation isn't attractive and the yield on gold is low relative to other commodities.

Global Markets Overview – February 2021

Equities

Global equities gained in February, with lowly-valued parts of the market faring well. US equities survived a bout of turbulence to post gains in February. Eurozone equities gained in February, supported by a strong advance for lowly-valued parts of the market such as banks. UK equities also performed well while Japan equities rose sharply in Feb before giving up some of the gains. Emerging market (EM) equities recorded small gains. Early progress was driven by vaccine optimism and expectations for US fiscal stimulus, but were partly offset by concerns over stronger growth and higher inflation. A stronger dollar was also a headwind for Emerging Markets.

Commodities

In fixed income, government bonds saw a sharp sell-off in late February, with corporate bonds outperforming. Having risen steadily on expectations of substantial US fiscal stimulus, government yields lurched higher late in the month (meaning prices fell), as a US Treasury bond auction saw muted demand. Corporate bonds outperformed government bonds. Investment grade produced negative total returns amid the global sell-off in yields, but high yield delivered gains. Emerging market (EM) bonds declined overall. EM corporate bonds registered a relatively small decline, outperforming EM sovereigns, and EM high yield produced positive returns. EM currencies weakened in the final week of the month as US Treasury yields rose.

Global Markets Performance Snapshot

World Indices			
Index	Jan-21	Feb-21	YTD %
S&P 500	3,714.24	3,811.15	2.61%
Dow Jones	29,982.62	30,932.37	3.17%
Nasdaq	12,925.38	12,909.44	-0.12%
DAX	13,432.87	13,786.29	2.63%
Nikkei 25	27,663.39	28,966.01	4.71%
FTSE 100	6,466.42	6,483.43	0.26%
BSE Sensex 30	46,285.77	49,099.99	6.08%
Hang Seng	28,283.71	28,980.21	2.46%
Regional Indices			
Index	Jan-21	Feb-21	YTD %
ADX	5,593.78	5,663.62	1.25%
DFM	2,654.06	2,551.54	-3.86%
Tadawul	8,702.55	9,144.99	5.08%
QSI	10,473.05	10,145.99	-3.12%
MSM30	3,653.22	3,612.38	-1.12%
BAX	1,462.61	1,466.43	0.26%
Global Commodities & Currencies			
Commodities			
Index	Jan-21	Feb-21	YTD %
ICE Brent USD/bbl	55.88	66.13	18.34%
Nymex WTI USD/bbl	52.2	61.50	17.82%
Gold USD/t oz	1850.3	1,728.80	-6.57%
Silver USD/t oz	28.82	26.83	-6.90%
Platinum USD/t oz	1098.1	1,205.25	9.76%
Copper USD/MT	3.556	4.09	15.09%
Currencies			
	Jan-21	Feb-21	YTD %
EUR/USD	1.2136	1.2074	-0.51%
GBP/USD	1.3702	1.3932	1.68%
USD/JPY	104.21	106.58	2.27%
CHF/USD	1.1228	1.1006	-1.98%

Summary

Expectations for an imminent exit from the pandemic owing to a rapid vaccination rollout continue to be a positive catalyst for markets. However, new and unpredictable mutations of the virus are a potential risk. Governments remain focused on a mix of pandemic control and support measures to ensure we get to the end of the "Bridge over Troubled Waters". The risk of a return of inflation that could materialize in mid-2021 is fueling a trend of rising yields. Value versus growth rotations could continue as we progress towards the end of the pandemic and are supported by rising commodity prices and rising yields, which particularly benefit financials.

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Summary

Orionis Fund Ltd continued its profitable operations in February ’21 and has declared dividends of ‘1.42%’. The year till date returns of the fund is ’2.87%’ and cumulative returns since its inception is ‘172.26%’. We have been since inception in 2015 regularly declaring monthly dividends which is a testament to our resilient model having the inherent protection of gold.

We maintain our opinion that gold remains a risk hedge against ongoing political and potential inflationary risks and Orionis Fund offers an attractive opportunity for potential investors to earn monthly dividends by investing in this Gold Centric Collective Investment Scheme.

Abdul Jabbar Al Sayegh
Chairman