Orionis Fund

Class G Preference Shares

MONTHLY NEWSLETTER

JULY 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 '1.05%' for July '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 return of the fund is '8.30%' and cumulative returns since inception is '177.69%'.

Investment Philosophy

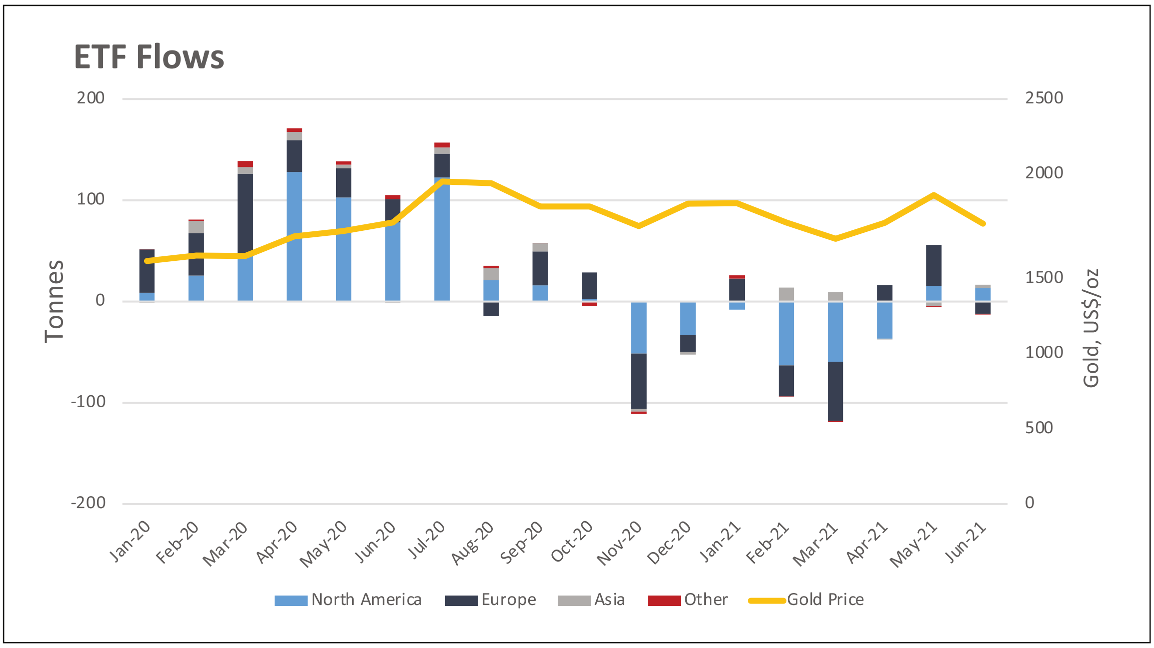
Orionis is focused on leading its business in an ethical, and responsible manner, consistent with the laws and guidelines of the countries and region in which Orionis operates. The Fund is focused on a holistic approach of trying to solve broader socio-economic shortcomings in urban rural economies. This includes intimately understanding the participant profiles, statistical data, process variants and consumables, supply and demand facets, value chain participants, cycles, revenues, capitalization, labor 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 a 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 '177.69%'.

Gold ETF flows slow in June but finish positive in Q2

Source : www.gold.org



Q2 2021 Highlights

As gold prices rebounded throughout most of the second quarter, flows into gold ETFs followed suit, led by North American and European funds which added a combined 43.8t (US$2.7bn, 1.2%) over the period. In Europe, German funds represented nearly half of all European inflows (27.2t, US$1.6bn), led by Xtrackers IE Physical Gold which gained US$1.5bn (26.5t). Meanwhile, Amundi Physical Gold ETC in France added US$583mn (10.0t, 19.8%) to help French-based funds grow by 20% over the quarter. In North America, SPDR® Gold Shares and SPDR® Gold Mini Shares led inflows, adding US$615mn (1.1%) and US$225mn (5.7%) respectively, while Sprott Physical Gold Trust added US$124mn (2.8%), and iShares Gold Trust gained US$100mn (04%). Funds in Asia had small outflows of US$92mn (-1.2%) in the quarter as June's inflows were not enough to offset the heavy losses from May. Rising risk appetite and profit-taking amid higher gold prices earlier in the quarter led to some weakness in Asia, but this reversed trend towards the end of the period with investors likely building strategic long exposure to gold as inflationary pressures intensified. Flows in 'Other' regions saw US$89mn (-2.6%) in outflows during the second quarter, dominated by the 1nvest Gold ETF in South Africa, which lost more than 75% of its value in Q2 (-2.3t, -US$136mn) likely driven by profit-taking following hawkish comments.

Central Banks bought a Net 32t of Gold in June 2021

www.gold.org

Central banks bought a net 32t of #gold in June 2021. While Brazil was by far the bigger buyer in the month, several other central banks were active. Gold is a counter-cyclical asset that tends to rise in price when the USD falls. As the USD is the pre-eminent reserve currency, central banks that hold gold on their balance sheet benefit from its natural hedging properties. These properties are particularly relevant, because central banks convert the price of gold to their domestic currency when they revalue their reserves so they benefit from both the rising gold price and USD weakness. The proportion of gold held will depend on central banks' individual circumstances and policy direction.

	Total Reserves (In USD Mn)	Gold Reserves (In USD Mn)	Gold Holdings as %ge of Total Reserve
Russian Federation	572,833.23	124,799.49	21.79%
India	581,087.41	37,803.30	6.51%
Switzerland	1,051,809.97	56,543.64	5.38%
Taiwan	562,076.10	23,032.10	4.10%
Saudi Arabia	466,078.57	17,564.84	3.77%
Japan	1,364,662.08	45,994.67	3.37%
China	3,297,562.00	105,927.37	3.21%

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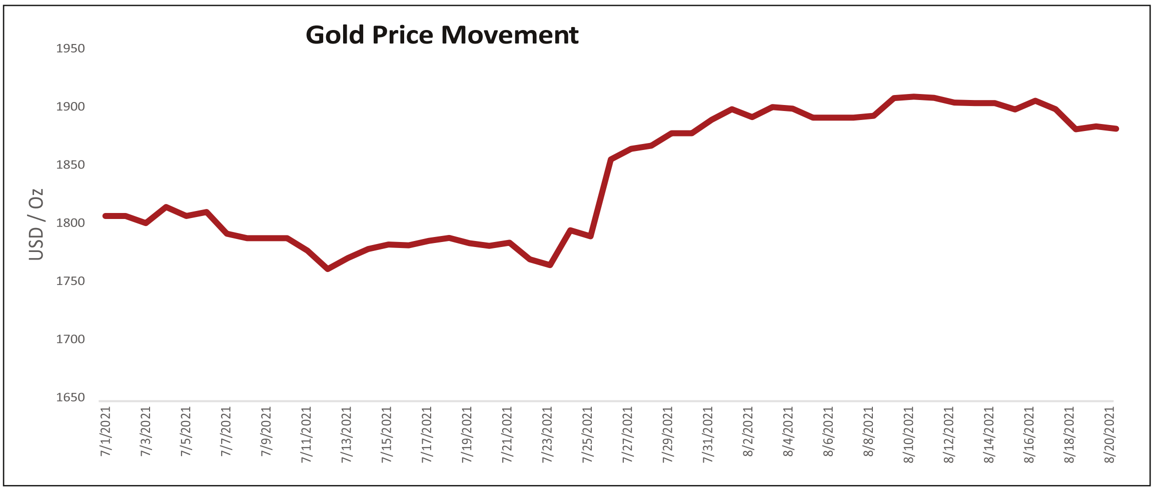
Gold price extends gain on virus concerns, weak economic data

Source : www.gold.org



The gold has definite advantages during uncertain times like Covid as it can hedge systemic risks in financial markets. Physical gold kept with a non-bank custodian has relatively lower counter party risks while ETFs which are part of capital market ecosystem doesn't serve this purpose. Gold extended its recovery towards end of July as a retreat in the US dollar prompted investors to snap up the safe haven metal. In August, concerns over virus and weak economic data further triggered the spike. A report published by the Federal Reserve Bank of New York reflected that the state's manufacturing activity moderated in August after expanding at an unprecedented pace a month earlier. Meanwhile, a measure of selling prices advanced to a fresh record, suggesting that inflationary pressures remain elevated. Chinese retail sales and industrial output data also showed activity slowed due to fresh lockdowns to contain the covid-19 outbreak in the world's biggest consumer. The data underscored broader concerns over threats to the global recovery from rising prices and virus cases, boosting bullion as a haven asset. Treasury yields and inflation-adjusted real yields also fell, increasing the metal's appeal. Goldman Sachs forecast that prices will hit $2,000 toward the end of the year as consumer and central bank purchases pick up. Analysts have also commented that gold's recent movement could be also driven by technicals, with increased central bank purchases providing additional support.

Mali's gold exports ease 0.3% in 2020

www.reuters.com

The mining industry of Mali is dominated by gold extraction which has given it the ranking as the third largest in Africa. Mali's gold exports eased 0.3% in 2020 because of a drop in exports from artisanal production which was revealed from the external trade data of country's statistics agency. Mining, mostly for gold, is a pillar of the country's economy, accounting for almost 10% of gross domestic product (GDP) in 2020. The country exported 65.42 tonnes last year, against 65.67 tonnes in 2019. The data was published after a lengthy delay caused by the covid-19 pandemic and the ongoing political crisis. Thirteen industrial gold mining firms operate in Mali, including Barrick Gold Corp, Resolute Mining Ltd , B2GOLD, AngloGold Ashanti Ltd, and Endeavour Mining Corp. Industrial production is expected to increase further, although official forecasts were not yet available.

How Much Gold is Left to Mine?

www.mining.com

Gold derives part of its value from scarcity. So how much gold is left in the world?
According to the World Gold Council, the latest year-end estimate of underground gold reserves adds up to 50,000 tonnes. Of these, Australia and Russia collectively host around 35% or 17,500 tonnes. At current production rates, these gold reserves will last less than 16 years. However, 2020 also saw $2.9 billion flow into gold exploration and development projects, which might one day add to the world's gold reserves in the future. Although gold mining is a global business, just three countries—China, Australia, and Russia—accounted for 31% of global gold production in 2020. China topped the list partly due to the resumption of gold mining activities after pandemic-induced lockdowns. Furthermore, China accounted for 30% of global demand for gold jewelry in 2020, offering miners an additional incentive for production.

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Global Markets Overview – July 2021

Equities

US equities ended July higher again, despite contending with intermittent volatility. Fears over Covid-19 cases - in the US and globally - called into question the sustainability of economic momentum. Eurozone equities notched up gains in July. UK equities rose over July, although many defensive large cap overseas earners performed poorly, partly due to sterling strength against both the US dollar and the euro. Emerging market equities registered a negative return in July, led lower by a market correction in China. The announcement of a new regulatory framework for the Chinese education sector, which went far further than markets had anticipated, was the main catalyst for the sell-off.

Global Bonds & Commodities

Government bond yields declined in July. While the economy continued to recover, with lockdown measures increasingly lifting, there were signs of the growth rate slowing, particularly in China. The US 10-year yield fell from 1.47% to 1.23%, further retracing the large move higher seen in the first quarter. Corporate bonds made positive returns, but underperformed government bonds, particularly in the US.

The S&P GSCI Index recorded a positive return in July, with strong growth in the industrial metals and energy components of the index as the global economy recovers from the Covid-19 pandemic. The precious metals component also gained in July, with higher prices for gold.

Global Markets Performance Snapshot

World Indices			
Index	**Jun-21**	**Jul-21**	**YTD %**
S&P 500	4,297.50	4,395.26	2.27%
Dow Jones	34,502.51	34,936.13	1.26%
Nasdaq	14,554.80	14,959.90	2.78%
DAX	15,531.04	15,544.39	0.09%
Nikkei 25	28,791.53	27,283.59	-5.24%
FTSE 100	7,037.47	7,032.30	-0.07%
Sensex	52,482.71	52,586.84	0.20%
Hang Seng	28,827.95	25,961.03	-9.94%

Regional Indices

Index	Jun-21	Jul-21	YTD %
ADX	6,835.43	7,318.18	7.06%
DFM	2,810.56	2,765.71	-1.60%
Tadawul	10,984.15	11,012.71	0.26%
QSI	10,730.68	10,753.28	0.21%
MSM30	4,063.40	4,030.40	-0.81%
BAX	1,587.97	1,596.96	0.57%

Global Commodities & Currencies
Commodities

Index	Jun-21	Jul-21	YTD %
ICE Brent USD/bbl	75.13	76.33	1.60%
Nymex WTI USD/bbl	73.47	73.95	0.65%
Gold USD/t oz	1711.6	1,817.20	6.17%
Silver USD/t oz	26.194	25.55	-2.47%
Platinum USD/t oz	1067.2	1,045.50	-2.03%
Copper USD/MT	4.2965	4.48	4.33%
Currencies	**Jun-21**	**Jul-21**	**YTD %**
EUR/USD	1.1855	1.187	0.13%
GBP/USD	1.3827	1.3901	0.54%
USD/JPY	111.1	109.7	-1.26%
CHF/USD	1.0807	1.104	2.16%

Remarks

The global economic recovery continued in July, with the vaccine rollout making steady progress and restrictions on activity being eased further in several major developed markets. Sentiment was dented, however, by the spread of the more contagious Delta variant of Covid-19, raising concerns that the path to normality may be bumpier than previously expected. For Stock market and many parts of Global economy, the easiest part of recovery of expected to be behind us and going forward, scope for risk assets to move higher remain.

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Summary

The performance of Gold can be explained by four set of drivers consisting Economic Expansion, Risk & Uncertainty, Opportunity Cost & Momentum. Overall, the global economic recovery and the recent price pullback should continue to support gold consumer demand. In China, government stimulus, sales promotions, and seasonal patterns suggest stronger gold consumption during H2. In contrast, however, surges in COVID-19 cases due to new variants are significantly impacting key markets such as India.

Orionis Fund Ltd continued its profitable operations in July ’21 and has declared dividends of ‘1.05%’. The year till date returns of the fund is ’8.30%’ and cumulative returns since its inception is ‘177.69%’. 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

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