

About Orionis

Orionis Gold Company is a Collective Investment Scheme (CIS) registered in Isle of Man. The CIS operates an 'Artisan Mine' in the Republic of Mali and makes monthly distribution of net profits to its investors. The CIS operates its business in compliance to 'Sharia Principles' and has a supervisory Sharia Board.

The fund adopts strict adherence to its investment objective in order to mitigate any unforeseen risk. Orionis ensures prudent workforce management, does the required investments in simple technologies / machinery & adopts optimal artisan mining techniques which support sustainable mining practices.

Monthly Results

The onset of the rainy season has not materially impacted operations of the Orionis Gold Company Limited. The Directors are happy to declare a dividend of 1.4% for the month of July 18'. With this, YTD dividends distributed stood at 18.55% for the first seven months of the year. The CIS had commenced its operations in Jan 2015 and until now has distributed 110.96% as dividends.

Orionis Results

July '18	YTD July '18 (7 months)	Since Inception i.e. Jan '15 (43 months)
1.4%	18.53%	110.96%

The July dividend of 1.4% has been the lowest in 2018 which is attributable to the rainy season in Mali where CIS operates its Artisan mine. Historically, returns during the monsoon tend to be lower than the summer months as mining output declines during this period due to unfavorable climatic conditions.

Gold Demand & Trends (Q2 2018)

Tonnes	Q2'17	Q2'18	YoY
World Total	519.4	510.3	-2%
India	161.1	147.9	-8%
China	137.6	144.9	5%

Source : World Gold Council

Jewelry

Challenging conditions in a few markets were main reason for the global decline in Q2 gold jewelry demand. India and the Middle East were the main drivers of the decline, although weakness in those markets was partly offset by growth in China and the US. Comparing H1 2018 with H1 2017, demand was little changed: 1,031.2t compared with 1035.8t. It may seem surprising that gold jewelry demand failed to perk up in response to the relatively sharp decline in the US\$ gold price over the quarter. But currency weakness in many markets meant that local consumers did not benefit from similar gold price reductions; instead they were faced with steady or even higher prices.

Tonnes	Q2'17	Q2'18	YoY
Investment	310.3	281.4	-9%
Bar & Coin	247.8	247.6	0%
Gold backed ETFs	62.5	33.8	-46%

Source : World Gold Council

Trends in Investments

The global bar and coin market remained subdued in Q2 2018. Price dips often teases investor response but, in many markets, it failed to translate into a buying opportunity because of local currency weaknesses. However, in China, bar and coin market saw demand rise 11% as gold benefited from a flight to safety amidst increasingly tense trade-war rhetoric. Global gold backed ETFs witnessed muted growth in Q2 2018. Inflows in Q2 were directed towards European listed funds while North American funds saw net outflows.

Trends with Central Banks & Technology

Tonnes	Q2'17	Q2'18	YoY
Central Bank	96.4	89.4	-7%
Technology	81.5	83.3	2%
Electronics	64.4	66.2	3%
Other Industrial	12.8	12.9	1%
Dentistry	4.3	4.2	-2%

Source : World Gold Council

Central banks added 89.4t (on a net basis) to global gold reserves in Q2, down 7% y-o-y. Purchases in Q2 were dominated by familiar trio of Russia, Kazakhstan & Turkey. Among the handful of Central Banks that reduced, Venezuela was the significant one which was in response to the economic situation

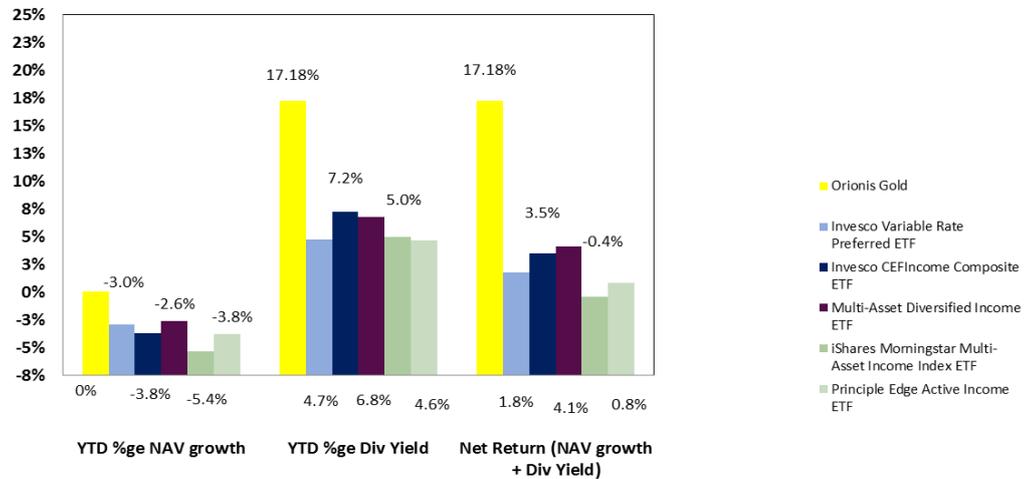
Electronics demand grew 3% on a yearly basis, underpinned by strong demand from memory, wireless and printed circuit board (PCB) sectors. The outlook is bright as ongoing electrification will help to bolster established sources of demand.

The continuing performance of Gold will be largely a result of jewellery and technology demand growing in richer and more middle class connected world. Investment demand will see peaks and troughs but there will be enough of potential economic risks which will keep investors attracted to the merits of the gold.

Global Income ETF's vs Orionis – YTD July 2018

We have selected few key Global Income ETFs and have compared the growth in Net Asset value and dividend yield to Orionis for the period ending July '18. Once again the results reflect that Orionis has outperformed these Income ETFs.

With US interest rates on the rise, the yield gap between US Treasuries and dividend stocks has narrowed significantly, and this has drawn income-seeking investors back to the comparative safety of government debt. Moreover, technology stocks, to which most dividend equity indexes are structurally underexposed, have done tremendously well.



Global Markets

Relief rally as trade tensions ease

Global equity markets rallied as concerns of trade tensions eased and number of companies reported better than expected earnings in the second quarter. The main driver was the ceasefire agreement on trade tariffs between the US and the European Union with both sides agreeing to working towards zero trade tariffs on non-auto industrial goods and further reduce trade barriers and increase trade in services, chemicals, pharmaceuticals, medical products and soybean. The main relief came for the EU in the form of the US-previously threatening to put a levy on cars imports- agreeing on having discussion on the same while the EU agreed on buying more soybeans and liquefied natural gas from the US. European equities benefitted the most on the de-escalation of trade tensions and also received boost from positive earnings results.

Summary

Gold as an asset has been continuing as a strong investment haven to hedge any unforeseen events. With increased activity expected in the Jewelry sector from renewed buying in China & India during Q2 2018, with the rising population in middle income class of Emerging Markets and the rise in GDP, gold buying is expected to continue in 2018 within a range bound price of USD 1200 to USD 1300. Benefiting from rate hikes and a healthy economic activity, the U.S. currency proves a nut too tough to crack for the shiny metal. The greenback has risen sharply, by more than 6.5%, against a basket of foreign currencies in the past few months as the Federal Reserve seems determined to increase interest rates for a fourth time this year in order to keep inflation in check and avoid falling behind the curve. Another issue for gold prices is the attractiveness of U.S. Treasuries as they pay interest, as opposed to the dollar-denominated bullion. The benchmark U.S. 10-year Treasury note yield remains elevated, at 2.83%, and allures money managers while diverting funds from classic safe havens like gold.

Orionis Gold Company, the Collective Investment Scheme declared a dividend of 1.4% for July'18 and YTD performance was 18.53%. The fund continues to leverage its inherent strength of operating a top layer concentrated mine, having an experienced senior management team, best in class precious metal agent & necessary logistics support which all ensures a regular production off take.

We maintain our opinion that Gold remains as a risk hedge against ongoing political and potential inflationary risks and Orionis offers an opportunity for potential investors to earn monthly dividends by investing in the artisanal mining.

Mr. Abdul Jabbar Al Sayegh

Chairman

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