Orionis Fund

Class G Preference Shares

MONTHLY NEWSLETTER

JULY 2019

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Investment Objective

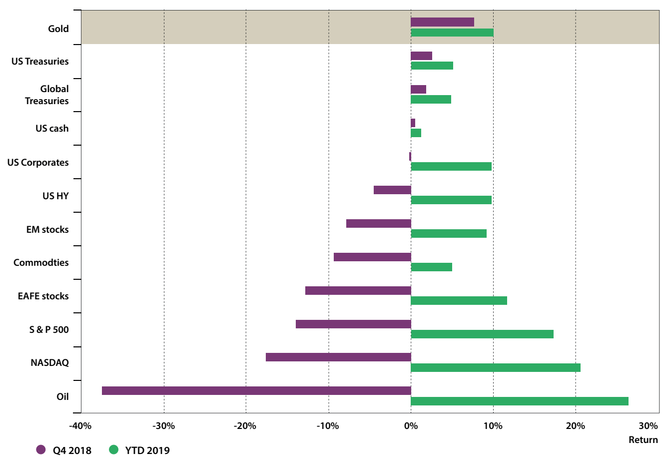
Orionis fund carries active opportunistic trade of raw gold by integrating the supply chain in midstream artisanal gold mining and generating significant yield on investment. The fund does sourcing of gold in Western Africa, in particular Republic Of Mali.

Orionis have appointed the precious metal agent who supervises the whole of operations. The fund engages high quality professionals who are experienced in every step of purchase and sale of gold resulting in generating optimum yield. Security, transparency and traceability of the origin of raw gold or dore bars are at the heart of the process of Orionis. The transportation of gold and its continued security is handled by best in class vaulting agent. Orionis strictly does investment only in raw gold and doesn't diversify outside its field of expertise.

Gold vs Assets (Q4 2018 & YTD 2019)

www.gold.org

Chart 1: Performance of major assets during Q4 2018 and YTD 2019



The first half of 2019 proved quite eventful for financial markets. Stocks retraced their Q4 2018 losses by the end of April only to pullback again in May. A few weeks later, stocks reached new highs yet again. At the same time, central banks across the globe have signalled a more accommodative stance, bringing global bond yields to multiyear and in some countries, alltime lows. As investors looked to balance higher stock prices with an increasingly uncertain environment, gold prices surged, making gold one of the best performing assets till date.

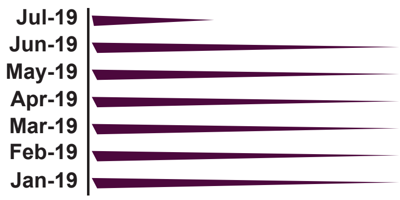
While gold's price increase in June was particularly sharp driven by falling rates, higher risk and momentum – investors have generally been more bullish this year. This is evidenced by the positive inflows in gold-backed ETFs, capturing US$5.0 billion or 108 tonnes (t) y-t-d led by European funds, as well as higher net longs in COMEX futures which averaged 369t during the first half. In addition, central banks reported net purchases equivalent to US$15.7 billion continuing their expansion of gold holdings as part of foreign reserves.

Monthly Results

Orionis Fund Ltd, Class G. continued its profitable operations and declared monthly dividends of 1.40% for July '19. The fund is constituted since 2015 and adopts a monthly dividend distribution model making it unique. For year 2019 till July, the fund has paid cumulative dividends of 18.52% to its investors. With its past performance, the initial investors had received a 100% payback of the invested capital by 39 months from inception.

Results Summary (YTD July 2019)

ORIONIS JULY YTD 2019



Jul-19	1.40%
Jun-19	2.95%
May-19	2.93%
Apr-19	2.95%
Mar-19	2.87%
Feb-19	2.72%
Jan-19	2.70%
Total	18.52%

The July result of 1.40% is lowest in 2019 which is result of monsoon in Mali resulting in unfavorable climatic conditions to carry out Artisan Mining. Historically, returns during this season tend to be low for the fund than the summer months as mining output significantly declines.

Results Summary (Since Inception)

July-19	YTD Jul '19 (7 months)	Cumulative Returns since Inception (Jan '15)
1.40%	18.52%	141.09%

From inception of January '15 until July '19, fund has returned cumulative dividends of '141.09%' resulting in annual average of '31.04%'.

Gold predicted above USD 1400/- per oz in 2020

www.reuters.com

Lower interest rates and resurgent investor and central bank buying are expected to help gold prices cement recent gains and hold above $1,400 an ounce next year, said a recent Reuters poll. Fears about the health of the global economy have sent investors flooding to bullion, traditionally seen as a safe asset to hold in troubled times. They returned a median forecast for prices to average $1,351 an ounce for 2019 and $1,433 in 2020.

The poll reflects that this is a perfect environment for gold pointing to central banks buying gold and cutting interest rates, strong investment demand and gold's break through strong technical resistance to reach new highs. Rate cuts in the United States could also weaken the dollar, which would support bullion by making it more affordable for buyers with other currencies. Analysts have polled that this is the perfect environment for gold pointing to central banks buying gold and cutting interest rates, strong investment demand and gold's break through strong technical resistance to reach new highs.

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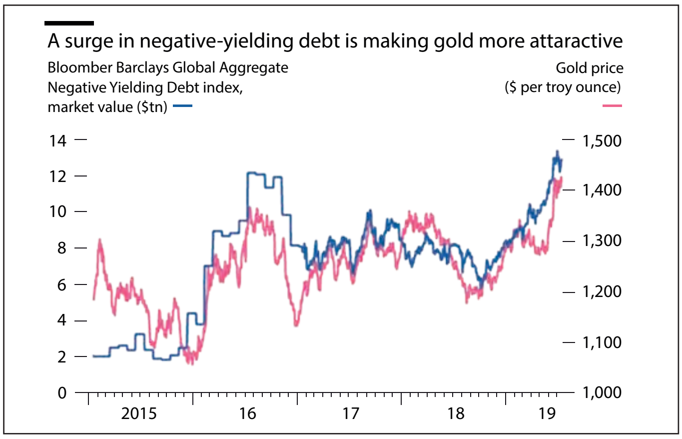
Tumbling bond yields kindle demand for gold

www.ft.com



The global economy and bond yields at present are continuing to fall pushing the negative yield bonds to $13tn, up from $6tn in October 2018. In normal times buying gold means investors miss out on earning interest on other assets such as bonds and stocks, the so-called "opportunity cost" of buying the precious metal but tumbling yields have erased that problem. Investors have turned to gold instead of bonds to protect against any downturn in the US stock market as it continues to hit record highs. The bond market is not acting as a reliable hedge against equity weakness in the way that everyone expected it to and it hasn't operated that way since 2008 gold is providing better protection against potential equity weakness than bonds are.

Central banks make record $15.7bn gold purchases

www.bloomberg.com

Central banks purchased a record $15.7bn of gold in the first six months of the year led by Poland, China and Russia who bought 374 tonnes. The pattern advances on last year's activity in which central banks hoovered up more gold than at any time since the end of the gold standard (where a country could link the value of its currency to the precious metal) in 1971. The shift in attitude is evident by a European Central Bank's recent decision to cease an agreement to limit sales of gold, as the region's institutions are no longer selling it in large volumes and are instead now net purchasers. The World Gold Council expects looser monetary policy and geopolitical uncertainty — ranging from the China-US trade war, to Iran and Brexit — to keep pressure on central banks to build gold reserves and on investors to seek out gold-backed ETFs, although higher prices could hit consumer demand.

Global Markets

After an exceptionally strong start to the year, financial markets paused for breath in July, with most asset classes delivering muted returns. The Federal Reserve lowered US interest rates and the European Central Bank gave strong hints that an easing package is on the way. July was a busy month for European leaders as nominations for many of the top jobs in Brussels were decided. Given the ECB's struggles to normalize interest rates during this economic cycle, it is likely that Europe's response to the next downturn will require greater coordination between central bankers and politicians to support the economy. However, ongoing deterioration in economic data from the European Region offset the better political news. With little change to the outlook for US/China trade relations during the month, investors were more focused on the Chinese economy. Beijing's determination to keep their economy stable remains in no doubt, although it's expected that the effects of policy stimulus could yet take some time to feed through. The second half of 2019 is filled with events, each of which has the potential to either disrupt or further fuel the rally in equities. Most important of them appears to be the stance of Federal Reserve. Gold enjoyed the safe-haven status and we remain overweight on gold as a risk hedge against ongoing political and potential inflationary risks. In the prevailing conditions, it's expected that gold will most likely have an increase in price in the wake of most creative central banks and most stagnant economic growth and we remain bullish on gold investments.

Investment Summary

Orionis Fund Ltd. has declared dividends of 1.40% for July 2019 resulting in year till date dividends of 18.52%. The fund historically returns lower than average during the monsoon period in Mali which it recoups post rains and we expect to continue this trend of performance. 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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