



MONTHLY NEWSLETTER

OCTOBER 2019



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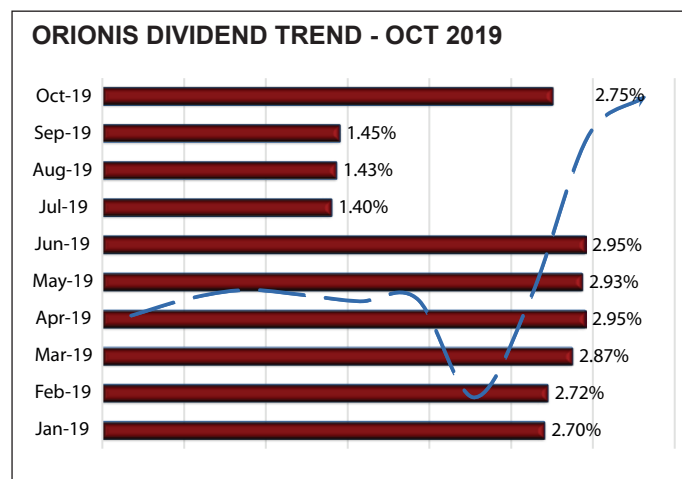
www.orionisgold.com

Investment Objective

Orionis carries active opportunistic trade of Artisanal raw gold with the aim to generate optimal yield on its investment. The fund achieves its objective by engaging best in class professionals in each step of purchase and sale by integrating the midstream Artisanal gold mining activities.

Security of mined gold, transparency in trade and traceability of the origin of gold is at the heart of our process. The fund invests only in raw gold sourcing and does its business in an ethical manner within the regulations by following best mining practices.

Orionis Performance Review



Orionis Fund has continued its performance returning '24.15%' till Oct 2019. The period includes a lower than average return phase of monsoon season where mines had subdued activity. In Oct 19, the mining has recouped post rains resulting in higher yield than previous month.

The fund is an investment vehicle through which investors can participate with the experienced professional management in the potentially highly lucrative field of investment in gold. Procured Gold is daily from miners on a weighted average method applying discounts and caveats decoupling price volatility risk. The promoters of Orionis have implemented the valuable experience gathered over two decades keeping in mind the environment protection and adopting best practices. The fund carries opportunistic purchasing of raw gold with the lowest possible purchase price with the aim of maximizing return on investment. The annualized return of Orionis since its inception in comparison with peer group reflects that Orionis have outperformed key indices. The fund is able to achieve consistent yield over years and expects to sustain the performance.

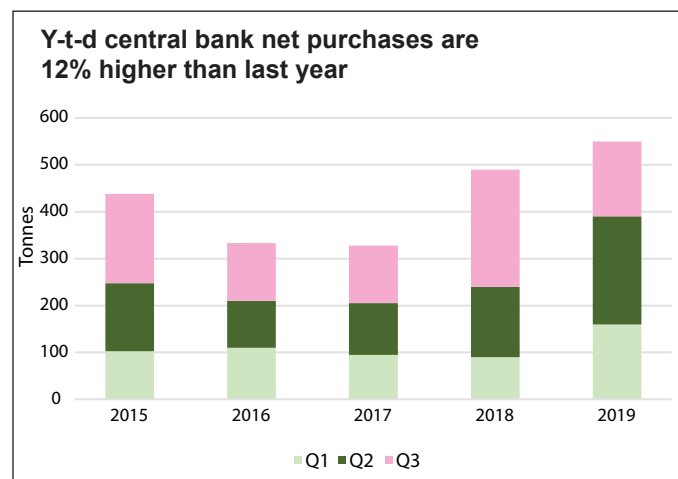
Monthly Results

Orionis Fund Ltd, Class G. (CIS) for the month of October 2019 has declared dividends of '2.75%' resulting in year till date dividends of '24.15%'.

The fund since its inception in 2015 has declared dividends every month and has an annual average past performance of '30.37%'. Orionis Fund Class G is a Collective Investment Scheme formed by promoters and invests in Artisanal Gold Mining in Republic Of Mali, West Africa. Orionis Fund follows a monthly dividend distribution policy which is a unique value proposition to its investors.

Y-t-d central bank purchases 12% higher than in 2018

www.gold.org



On a y-t-d basis, central bank net purchases totaled 547.5t at the end of September, 12% higher than over the same period in 2018. Total of fourteen central banks have reported adding to their gold reserves by one tonne or more. This continues the trend of purchases by a broad spectrum of emerging market central banks – albeit with a small subset accounting for the bulk of the purchases.

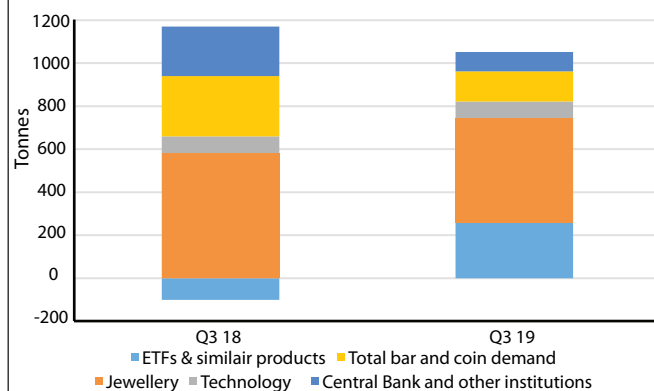
Total gold reserves in Turkey now stand at 385.5t, the highest level on record. Russia also continued to see its gold reserves swell, albeit at a slower rate. Chinese gold reserves also rose during the quarter, by a relatively modest 21.8t. Other net purchasers of one tonne or more during the quarter included the United Arab Emirates (4.9t), Qatar (3.1t), Kazakhstan (2.1t), Kenya (1.9t) and the Kyrgyz Republic (1.2t).

Surge in ETF Inflows Results in Q3 Gold Demand

www.gold.org

A surge in ETF inflows (258t) outweighed weakness elsewhere in the market to nudge gold demand 3% higher in Q3. Holdings in gold-backed ETFs hit an all-time high of 2,855.3t in Q3, as investment in global products grew by 258.2t – the highest level of quarterly inflows since Q1 2016. This milestone eclipses the late 2012 peak in holdings, when the gold price was almost US\$200/oz higher than recent levels. In value terms, global assets under- management (AUM) climbed to US\$136bn, slightly off recent highs as the gold price dipped below US\$1,500/oz at the end of the quarter.

Investment doubled y-o-y: exceptionally strong ETF inflows offset weak retail bar and coin demand



Jewellery demand (-16%) was hampered by the continued strength in the gold price, which hit new multi-year – and, in some cases, record – highs, as well as by consumer concern over the health of the global economy. Similarly, the decline in bar and coin demand (-50%) in Q3 was driven primarily by the gold price: retail investors took the opportunity to lock in profits rather than making fresh purchases. Technology demand for gold fell 4% as economic challenges remained, but the nascent 5G infrastructure helped to slow the decline in the important electronics sector. With mine production virtually unchanged, a price-related 10% jump in gold recycling boosted gold supply 4% to 1,222t.

Farewell to the Central Bank Gold Agreement

www.bullionvault.com



Only a few people noticed its passing, and not us until reminded, marking a sorry end for "one of the landmarks in the gold market ". Q3 2019 also marked the end of the fourth, and final, Central Bank Gold Agreement.

When the first CBGA was signed in September 1999 the gold market was drastically different: gold demand was less diverse and the price far lower. The uncoordinated selling by central banks at the time destabilized the market, necessitating a formal agreement to control sales. But sales under subsequent CBGAs progressively declined to inconsequential levels as the gold market became more diverse and stable, and central banks became net purchasers in the wake of the global financial crisis.

As such, it was announced in July that a formal agreement was no longer needed. The signatories to the final agreement signed off by confirming that "gold remains an important element of global monetary reserves and none of them currently has plans to sell significant amounts of gold." By September 2019, gold prices have risen \$161 per ounce across Q3 2019 from Q2's daily average.

Global Markets

October saw gains for global equities amid signs of progress on a US-China trade deal while central banks remained supportive. US equities rallied throughout the month, lifted by cyclical stocks. Bond yields pushed higher and US-China trade negotiations improved with the two sides agreeing the outline of a mini trade deal. The Federal Reserve (Fed) cut rates for the third time in 2019 but signaled an intention to take a pause in the easing cycle. Although the improvement in negotiations with China was a positive development, the gap between a tentative truce and a peace deal remains significant and tensions between the two countries could quickly escalate again, particularly going into the US election period.

Eurozone equities posted gains as some economically-sensitive sectors performed well. Consumer discretionary, industrials and materials were among the top gaining sectors, supported by hopes of an improving trade picture. By contrast, defensive sectors such as consumer staples and utilities were weak during the month. On the economic front, growth figures for Q3 defied recession worries. UK equities struggled to make progress as a strong recovery in sterling weighed on the internationally-exposed large cap companies. The Japanese market recorded a gain of 5.0% for October. The yen fluctuated against major currencies, reflecting changing views on the likely action of central banks, but ended the month virtually unchanged against the US dollar. Asia ex Japan equities rallied in October, with an improvement in the US-China trade outlook, global central bank easing and stronger-than-expected corporate earnings results boosting sentiment. US dollar weakness also proved supportive. The MSCI Asia ex Japan index recorded a positive return and outperformed the MSCI World.

Government bonds declined over the month, as yields rose, reflecting a better mood in markets and increased appetite for riskier assets. US Treasuries performed relatively well as yields pulled back late in the month. The Fed implemented a third interest rate cut for the year, but disappointed investors by indicating that it would be the last for the foreseeable future. The US 10-year Treasury yield was little changed at 1.69%, having come back from the intra-month high of 1.85% in the final sessions of the month. The two-year yield was nine basis points (bps) lower.

Looking at commodities, the S&P GSCI Spot Index recorded a modest gain in October. Precious metals generated positive returns, with gold and silver prices both moving higher, supported by US dollar weakness. The gold price rally, which began in June, saw the US dollar price reach a six-year high in September. The rally is partly a reflection of ongoing global monetary policy decisions – most notably, the Federal Reserve (Fed) cutting rates and the European Central Bank announcing that it would resume quantitative easing – but also of continued geopolitical uncertainty, a global economic slowdown, and the level of negative-yielding sovereign debt. This positive sentiment was also reinforced by COMEX net longs, which hit all-time highs during September.

Investment Summary

Orionis Fund Ltd. has declared dividends of 2.75% for October 2019 resulting in year till date dividends of 24.15%. The fund during Oct 19 had a higher return than previous month which was due to Artisanal Mining Activity picking up post rains.

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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