



Orionis Fund

Class G Preference Shares



MONTHLY NEWSLETTER

JULY 2020



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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 constituted in 2015 and continues to operate with a strong historical track record of return on investments.

Monthly Results

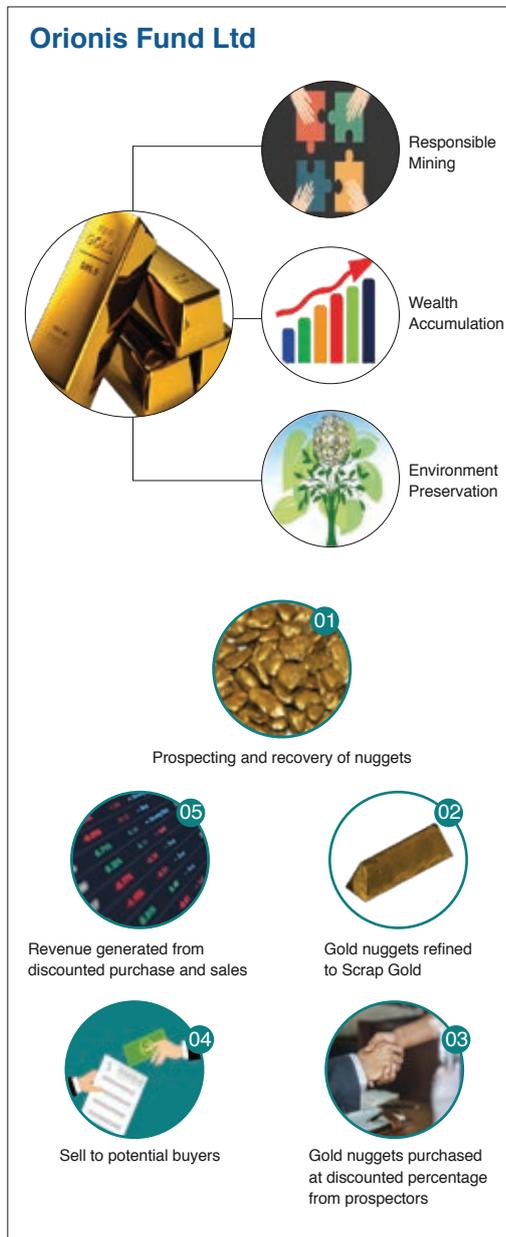
Orionis Fund Ltd, Class G. (CIS) continued its profitable operations and has declared dividends of '1.10%' for July '20. The open ended fund commenced since Jan 2015 & permits only professional investors to participate with the experienced management to generate exceptional returns by investing in the highly lucrative field of Artisanal Gold Mining. With the latest results, the year till date returns of the fund is '11.14%' and cumulative returns since the inception of the fund is '163.13%'.

Investment Philosophy

Orionis is focused on leading its business in a moral, straightforward, responsible and reasonable way, consistent with the laws and guidelines of the purviews in which Orionis works. The Fund is focused on its partners, particularly its workers, financial specialists and the locale in which it works, to accomplish manageable development. Orionis Fund is persuaded that maintainable and productive mining must be accommodated with ecologically neighborly and socially capable improvement. 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, the year till date returns of the fund is '11.14%' and cumulative returns since the inception of the fund is '163.13%'.





Gold ETFs added 21% in 2020 dominating gold demand

Gold ETFs recorded their eighth consecutive month of positive flows, adding 166 tonnes in July 2020 equivalent to US\$9.7bn or 4.1% of assets under management (AUM). Global holdings have once again reached a new all-time high of 3,785t and the price of gold hit a record high of US\$1,976/oz by the July-end, leaving global AUM standing at \$239bn. Global net inflows of 899t to date are considerably higher than previous annual highs.

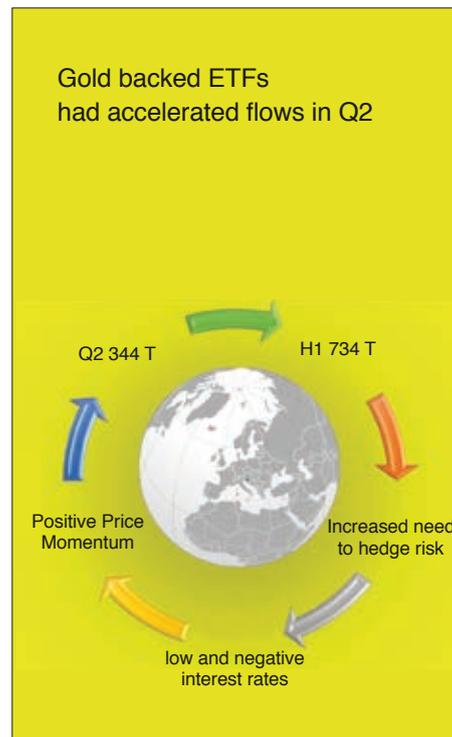
Regional Flows

- » North American funds had inflows of 118t in July (US\$7.0bn, 5.5% AUM).
- » In July, Holdings OF European funds increased by 40t (US\$2.1bn, 2.1% AUM).
- » In July, funds listed in Asia saw holdings rise by 4.9t (US\$370mn, 5.6% AUM).
- » In July, other regions had inflows of 3.4t (US\$218mn, 5.5% AUM).

The above details reflect that while all regions had net inflows in July, North American funds, once again, led by a significant margin, accounting for 75% of global net inflows.

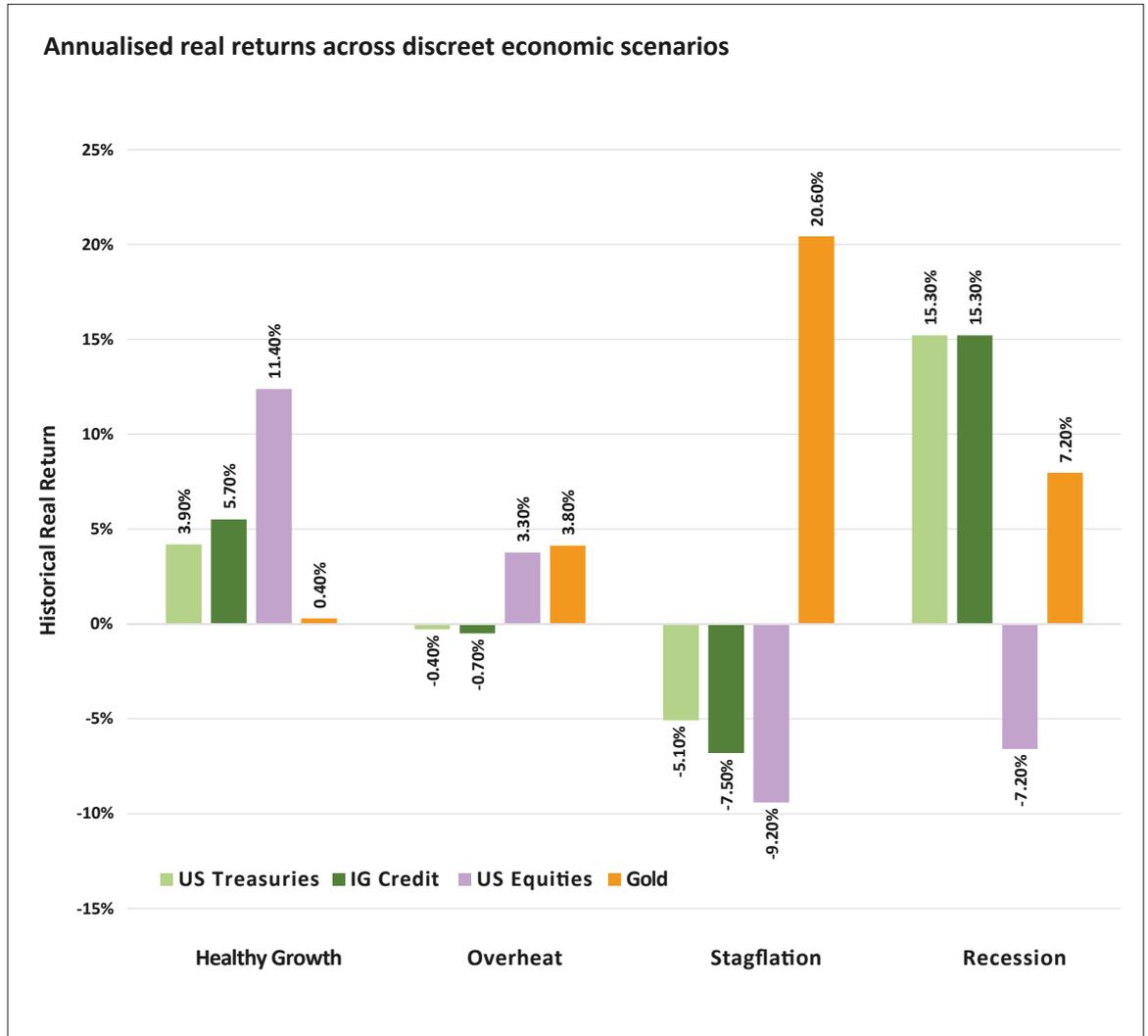
Gold hits record high: sprint or marathon?

Gold witnessed a stupendous price rally in 2020 recording 27% year till date price increase as of July 2020. Gold has achieved this despite having weak demand from the traditionally strong jewellery, bar and coin segment which was overcome by the strong inflows into ETFs, Central Banks and various Asset portfolios. World gold council in its latest report comments that gold still has far way to progress and remains bullish on the yellow metal. The reasons for the current price increase is a combination of high uncertainty, very low interest rates and positive price momentum but still, gold bulls could see a surge. The economy still continues to be in the grip of Covid 19 where real economic growth is expected to continue weak. Moreover the scale of economic impact due to covid and the timeframe to rebuild the levels is expected to be long which is expected to act in favour of gold investments. We have during these times witnessed an increased investment flow to gold backed ETFs rather from gold futures which augurs well for gold. Also during 2008 Global Financial crisis and aftermath, gold price had witnessed more than double growth then in a span of 3 years implying prices can further rise now. However, though the present weaker dollar environment combined with ballooning government deficits has resulted in expansionary monetary policies and infusion of more liquidity in markets, analysts believe that prices have moved sharply in last month and may experience consolidation.





Capital preservation in a post-COVID world



Central bank investment objectives typically rank capital preservation as a top priority. And, the best measure of capital preservation would be the real investment return, or the total return adjusted for price inflation. This gives an indicator of the preservation of purchasing power, which is central banks’ underlying goal in the investment of its foreign currency assets.

We are here presenting a comparative review done BY World Gold Council to assess the capital preservation characteristics of Equity, US treasury and Gold over multiple business cycles during discrete economic scenarios in last half century period. The survey outlines the current economic scenario as a phase of stagflation and the scenario reflects that gold has outperformed other assets in meeting the Capital preservation objectives during the period of stagflation. Hence, the World gold council expects the role of Gold in a portfolio basket as a capital preservation asset to remain intact.



Global Markets Overview –June 2020

Equities

July witnessed gain in Global Equities while economic data confirmed the severity of the downturn. US equities gained on support of quarterly earning release of few stocks while GDP had fallen sharply and faced a weakening dollar. In Europe, equities declined confirming severity of down turn while some countries experienced Covid numbers rebounding. Emerging marketing equities rallied in July amid escalation in trade tensions and acceleration in new cases of Covid 19.

Commodities

The S&P GSCI (commodities index) recorded a solid gain in July, with US dollar weakness a strong tailwind. Precious metals were up sharply, with gold's 8.6% gain outstripped by a 30.0% rise in the price of silver. The industrial metals component posted a strong return, benefitting from signs of ongoing global recovery, and a pick-up in demand from China. The energy and agricultural components delivered more modest gains but still advanced.

Remarks

The policy response to Covid-19 from central banks and governments has been swift and sizeable and helped lift markets, as policymakers have aimed to build a bridge to the other side of the virus. However, a full economic recovery can only take place if rising activity doesn't also lead to rising infections. Governments are expected to continue supporting consumer incomes and businesses until a vaccine is available or until the virus is brought under control by other means.

Global Markets Performance Snapshot

World Indices			
Index	Jun-20	July-20	YTD %
S&P 500	3,100.29	3,271.12	5.51%
Dow Jones	25,812.88	26,428.32	2.38%
Nasdaq	10,156.85	10,905.88	7.37%
DAX	12,310.93	12,313.36	0.02%
Nikkei 25	22,288.14	21,710.00	-2.59%
FTSE 100	6,169.74	5,897.76	-4.41%
Sensex	34,915.80	37,606.89	7.71%
Hang Seng	24,427.19	24,595.35	0.69%

Regional Indices

Index	Jun-20	July-20	YTD %
ADX	4,285.80	4,304.75	0.44%
DFM	2,065.28	2,050.77	-0.70%
Tadawul	7,224.09	7,459.21	3.25%
QSI	8,998.56	9,368.17	4.11%
MSM30	3,516.00	3,568.10	1.48%
BAX	1,277.61	1,290.57	1.01%

Global Commodities & Currencies Commodities

Index	Jun-20	July-20	YTD %
ICE Brent USD/bbl	41.15	43.30	5.22%
Nymex WTI USD/bbl	39.82	40.27	1.13%
Gold USD/t oz	1800.5	1,985.90	10.30%
Silver USD/t oz	18.637	24.22	29.94%
Platinum USD/t oz	852.6	919.70	7.87%
Copper USD/MT	2.7135	2.87	5.69%
Currencies	Jun-20	July-20	YTD %
EUR/USD	1.1233	1.776	58.11%
GBP/USD	1.2401	1.309	5.56%
USD/JPY	107.93	105.89	-1.89%
CHF/USD	1.0557	1.0955	3.77%

Summary

While effects of Covid evading, significant uncertainty remains over when global economy can fully and sustainably reopen. Moreover, we have now monsoon commenced in our mine area wherein we have historically low levels of gold collections impacting the returns. We have been continuously monitoring and managing our operations and continue to declare monthly profits. Central banks and governments have so far helped cushion the blow to the global economy and markets but success will be measured by the extent to which companies avoid solvency problems and workers return to employment. Also, it appears that progress is being made towards a potential vaccine, but it is early to sound it has succeeded.

While our trade continues to have an impact owing to supply chain disruptions and prevalent monsoon season in our mine area, we are being encouraged to witness the buoyant performance 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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