



## MONTHLY NEWSLETTER

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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

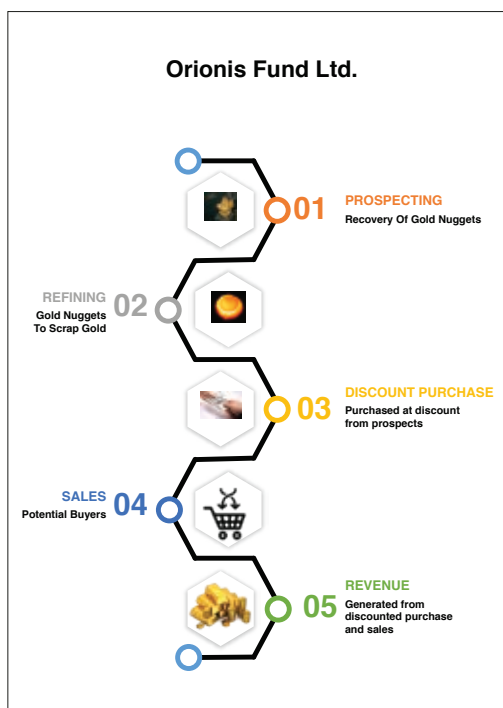
Orionis Fund Ltd, Class G. (CIS) continued its profitable operations and has declared dividends of '1.49%' for December '20. This open-ended fund commenced operations in Jan 2015 wherein professional investors are invited to participate with the experienced management which generates exceptional returns by investing in the highly lucrative field of Artisanal Gold Mining. The YTD returns of the fund is '17.40%' and cumulative returns since its inception is '169.39%'.

## 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, labour 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 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 '17.40%' and cumulative returns since the inception of the fund is '169.39%'





## Central Banks return to Net Sales of Gold in Nov 2020

[www.gold.org](http://www.gold.org)

Following net purchases in October, central banks returned to net selling in November. It was observed that although moderate buying continued in large by various central banks, few sizeable sale deals upturned the net trade winner to be sales. Among the net sellers, main was Turkey which had a unique reason being higher local demand resulting in Central bank selling gold to its Commercial Banks. Overall, Central bank demand has become variable in recent months. Though Central Banks were net sellers in Nov 2020, they remain on course to finish 2020 as net buyers making it 11th consecutive year of completion as net gold accumulators. Gold's performance in 2020 has boosted the reserve portfolios. While the present global economic uncertainty is easing over the discovery of Covid Vaccines, the economic impact of the pandemic still poses significant risks and Gold's value as a Risk Mitigation Asset is highly valued.

**Central banks switched back to net selling in November**



## UAE pledge support to LBMA for gold trade

Source : [www.reuters.com](http://www.reuters.com)

The UAE is one of the world's largest gold trading hubs. It imports close to 1,000 tonnes of gold a year -- worth some \$60 billion at current prices -- and exports bullion worth billions of dollars to refiners accredited by the LBMA. Eleven gold trading hubs including the United Arab Emirates have declared their support for an initiative by the world's most influential bullion market authority to improve regulation on issues such as money laundering and unethical sourcing of gold. The initiatives will help UAE to fall in line with LBMA accreditation parameters helping to them to be in the trade pool with mainstream international bullion market which is dominated by large banks who deal only from LBMA-accredited refiners. LBMA rules prohibit refineries from handling gold from unknown sources and its standards are based on standards drawn up by the Organisation for Economic Co-operation and Development (OECD).





## Record Volume of Gold Stocks in London Vaults

Source: [www.lbma.org.uk](http://www.lbma.org.uk)

As at end November 2020, there was a record high of 9,452 tonnes of gold, stored in London vaults valued at \$535.6 billion. The data represents the holdings of seven custodians offering vaulting services (all of which are LBMA members) and the Bank of England which offers gold custodial services to Central Banks and certain Commercial firms that facilitate Central Bank access to the liquidity of London gold market. The seven custodians comprise four security carriers (Brinks, G4S Cash Solutions (UK), Malca-Amit and Loomis International Ltd) and three clearing banks (HSBC, ICBC Standard Bank and JP Morgan). Also, the volume of ounces transferred in November bounced back from a 5 year low in October, posting an increase of 16.5% month on month (m/m) to 18.4 mn ounces, with the corresponding value up by 14.3% to \$34.2 bn.

## Global Markets Overview December 2020

### Equities

In the fourth quarter, equity markets continued to rally for the third consecutive quarter and significantly outperformed fixed income. US stocks reacted positively to the election result, which contributed to the 12% climb for the quarter. Emerging market equities rose nearly 20% and Asia ex-Japan returned almost 19% in the fourth quarter, both benefiting from renewed hopes of a cyclical recovery, a falling dollar and increasing global trade activity. UK equities performed well over the quarter reversing some of the underperformance that they suffered versus other regions. European equities gained sharply in Q4, again on the news of effective vaccines. EU leaders approved the landmark €1.8 trillion budget package, including the €750 billion recovery fund and agreed a Brexit trade deal with the UK.

### Bonds & Commodities

Government bond yields diverged markedly during the quarter while they were outpaced by Corporate Bonds. Convertible bonds benefitted from tailwind of global stocks at record highs. The US 10-year yield was 25 basis points (bps) higher, finishing at 0.91%, while the German 10-year yield fell by 5bps to -0.57%. In commodities, the S&P GSCI registered a robust return in Q4. Precious metal gains were mixed with gold prices falling. Agriculture was the best performing index component followed by Energy, Crude and Industrial Metals.

## Gold medium term outlook positive – HSBC

Source: [www.fxstreet.com](http://www.fxstreet.com)

Strategists at HSBC believe that the longer-term outlook remains positive for the yellow metal. Two outright bearish developments – a surging USD and jump in US Treasury yields – pulled the rug from under gold. A massive equity market rally showed that investors were increasing risk, which also weighed on gold. If the USD and US Treasury yields surge further, gold can come in under more pressure. The broader economic climate is still gold-friendly. The risk now is whether the pandemic worsens and how quickly a vaccine can be made available. The fiscal and monetary response to the pandemic globally will remain highly accommodative. A Democratic administration with the commensurate likelihood of bigger fiscal stimulus packages to come will likely buoy gold. All this should continue to provide gold with a reason to go higher in the medium to longer-term.”

### Global Markets Performance Snapshot

World Indices			
Index	Nov-20	Dec-20	YTD %
S&P 500	3,621.63	3,756.07	3.71%
Dow Jones	29,638.64	30,606.48	3.27%
Nasdaq	12,268.32	12,888.28	5.05%
DAX	13,291.16	13,718.78	3.22%
Nikkei 25	26,433.62	27,444.17	3.82%
FTSE 100	6,266.19	6,460.52	3.10%
Sensex	44,149.42	47,751.33	8.16%
Hang Seng	26,341.69	27,231.13	3.38%

### Regional Indices

Index	Nov-20	Dec-20	YTD %
ADX	4,964.94	5,045.32	1.62%
DFM	2,419.30	2,491.97	3.00%
Tadawul	8,747.09	8,689.53	-0.66%
QSI	10,262.10	10,435.96	1.69%
MSM30	3,643.42	3,658.77	0.42%
BAX	1,477.11	1,489.78	0.86%

### Global Commodities & Currencies Commodities

Index	Nov-20	Dec-20	YTD %
ICE Brent USD/bbl	37.46	47.59	27.04%
Nymex WTI USD/bbl	35.79	45.34	26.68%
Gold USD/t oz	1878.87	1,780.90	-5.21%
Silver USD/t oz	23.646	22.59	-4.45%
Platinum USD/t oz	847.1	972.10	14.76%
Copper USD/MT	3.0475	3.44	12.81%
Currencies			
	Nov-20	Dec-20	YTD %
EUR/USD	1.1647	1.1928	2.41%
GBP/USD	1.2941	1.3321	2.94%
USD/JPY	104.64	104.27	-0.35%
CHF/USD	1.0904	1.0997	0.85%

## Summary

Year 2020 has ended with a second wave of COVID-19 where the year witnessed the largest exogenous shock in modern history, extreme market volatility that was followed by an unprecedented fiscal and monetary response and a tumultuous U.S. election cycle. The year also witnessed S&P 500 hitting record highs towards the last quarter and credit spreads close in on their pre-pandemic levels despite the unprecedented shocks. Analysts believe that global growth will be below trend in early 2021 but the strongest global recovery in a decade will play out by the end of 2021 if the vaccine prospects play out as expected.

Orionis Fund Ltd during the year continued its profitable operations and has been continuing to declare dividends monthly. For Dec 2020, we have declared dividends of '1.49%' & our YTD returns generated is '17.40%'. Returns on investments since inception of the fund is '169.39%' where we look forward next year with optimism and opportunity. 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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