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JUNIOR GOLD

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 28 February 2019

JUNIOR GOLD

Registered Office

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Bolton
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Authorised and regulated by the Financial Conduct Authority.

Depository

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Investment Adviser

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AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 28 February 2019

Percentage change to 28 February 2019

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since launch*</u>
Junior Gold	-4.36%	-18.94%	5.86%	-27.00%	-69.49%

* launched 01.09.2009.

External Source of Economic Data: Morningstar (Class P - mid to mid, net income reinvested).

Class P shares first priced on 13 December 2013. In the period to that date, past performance information for Class C shares has been used.

Gold has enjoyed a strong run in the last six months, reaching \$1,347 per ounce in the middle of February. Financial market instability, slowing global economic growth and geopolitical uncertainty encouraged investors to increase their allocations to safe haven assets. Central banks have continued their gold purchases in February, in particular China which added 10 tonnes (~320,000 ounces) to its reserves that, according to the World Gold Council, now amount to 1,874 tonnes or 2.56% of its total foreign reserves. In the past six months China has been the second largest buyer of gold after Russia - which significantly increased the diversification of its reserves away from the US Dollar since the imposition of trade and other political sanctions against it by the US and other NATO allies.

Despite equity markets now recovering towards last year's highs, European political and economic instability, increased trade protectionism and a softening monetary policy stance by the European Central Bank (ECB) and the Federal Reserve (Fed) have supported the price of gold above the \$1,300/oz level. As the Fed was the first central bank to start withdrawing from Quantitative Easing, its balance sheet has shrunk to just below \$4 trillion and it is now wondering if the reduction was too quick. Its hesitation demonstrates that economic growth has not developed in line with its expectations. On the other side of the Atlantic, the ECB announced that, as the Euro-zone economy is now expected to expand by only 1.1% this year, it will introduce a new package of assistance to banks and pledged to maintain low interest rates in order to stimulate lending. ECB President Mario Draghi admitted that risks to the euro-area economic growth are tilted towards the downside.

Gold mining shares have performed well in recent months, led by the large and mid-cap producers. Development stage and single-asset companies have been left behind as investors are cautious about availability of capital for new or expanding projects. Explorers have attracted even less attention, with the exception of a few situations that announced new discoveries. We believe this will change rapidly as the gold price resumes its up-trend. The better performing larger companies will be encouraged to use their premium rated paper for acquisitions soon. Smaller companies are also typically more operationally geared to the gold price so the impact to their profitability is profound. Junior Gold fund lost 4.36% of its value in the six months reported on to 28 February 2019. Demonstrating the relative outperformance of larger capitalisation companies, the benchmark FTSE Gold Mines index rose by 21.5% in the same period. Junior Gold's portfolio is focused in a mix of smaller producing, development and exploration companies that are set to benefit from a further rise in the gold price. Among our exploration portfolio holdings, Roscan Gold announced a substantial discovery in its West-Mali Kandiole project, its shares rising four-fold as a result. Even though current market sentiment is biased towards capital discipline and operational efficiencies, a rising gold price will likely change the preferred positioning in favour of growth by acquisition of reserves. Smaller companies holding material assets will then be the natural candidates for a re-rating.

Angelos Damaskos

25 March 2019

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Portfolio changes

Purchases	Cost (£)	Sales	Proceeds (£)
West African Resources	234,961	Fortuna Ventures	296,156
Premier Gold Mines	200,685	K92 Mining	217,531
Cardinal Resources	179,940	Teranga Gold	178,079
Gascoyne Resources	177,979	Ramelius Resources	137,019
Endeavour Silver	166,703	Doray Minerals	100,253
Intermin Resources	162,931	Minaurum Gold	82,015
Argonaut Gold	137,918		
Cabral Gold	127,404		
Teranga Gold	117,414		
Rubicon Minerals	112,941		
Other purchases	906,125		
Total purchases for the period	2,525,001	Total sales for the period	1,011,053

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AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Junior Gold (the Fund) is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Company is incorporated in England and Wales with the registration number IC485487 and is authorised and regulated by the Financial Conduct Authority with effect from 27 August 2008. The shareholders are not liable for the debts of the Company.

Investment objective

The investment objective of this Fund is to provide long-term capital growth from a globally diversified portfolio investing primarily in small to medium capitalisation companies specialising in identifying, developing and extracting gold. It may also invest in mining companies extracting other precious metals. There may be occasions, in light of adverse market conditions, where the Investment Manager chooses to hold high levels of cash, bonds and government securities. The Investment Manager may use derivatives for efficient portfolio management purposes only.

Rights and terms attaching to each share class

Each share of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each share in the event the Fund is wound up are on the same proportional basis.

Changes in prospectus

With effect from 1 April 2019, the initial service charge that applied to class P shares was removed. An initial service charge will still be applied to class C and class I shares. Details of these charges can be found in the Prospectus.

Up to date key investor information documents, prospectus and reports and accounts for any fund can be requested by the investor at any time.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



ALLAN HAMER
JOINT MANAGING DIRECTOR



G R HITCHIN
INVESTMENT DIRECTOR

MARLBOROUGH FUND MANAGERS LTD

12 April 2019

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COMPARATIVE TABLE

Class C and I accumulation shares were first offered at 100p on 1 September 2009. Class P accumulation shares were first issued on 13 December 2013.

<u>Class C accumulation shares</u>	Period to	Year to	Year to	Year to
Change in net assets per share	28.02.2019	31.08.2018	31.08.2017	31.08.2016
	pence	pence	pence	pence
Opening net asset value per share	30.38	39.66	51.69	20.32
Return before operating charges*	(1.28)	(8.60)	(11.21)	32.01
Operating charges	(0.28)	(0.68)	(0.82)	(0.64)
Return after operating charges*	(1.56)	(9.28)	(12.03)	31.37
Distributions on accumulation shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	28.82	30.38	39.66	51.69

* after direct transaction costs of: 0.02 0.02 0.11 0.19

Performance

Return after charges -5.13% -23.40% -23.27% 154.38%

Other information

Closing net asset value	£1,869,749	£2,177,463	£2,969,078	£4,388,039
Closing number of shares	6,488,753	7,167,707	7,485,798	8,489,885
Operating charges	1.95% ^A	1.88%	1.87%	1.91%
Direct transaction costs	0.11% ^A	0.05%	0.25%	0.56%

Prices

Highest share price	31.15p	42.21p	57.83p	63.81p
Lowest share price	25.96p	30.83p	34.69p	17.25p

<u>Class I accumulation shares</u>	Period to	Year to	Year to	Year to
Change in net assets per share	28.02.2019	31.08.2018	31.08.2017	31.08.2016
	Pence	pence	pence	pence
Opening net asset value per share	30.98	40.34	52.43	20.56
Return before operating charges*	(1.31)	(8.76)	(11.36)	32.41
Operating charges	(0.25)	(0.60)	(0.73)	(0.54)
Return after operating charges*	(1.56)	(9.36)	(12.09)	31.87
Distributions on accumulation shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	29.42	30.98	40.34	52.43

* after direct transaction costs of: 0.02 0.02 0.11 0.18

Performance

Return after charges -5.04% -23.20% -23.06% 155.01%

Other information

Closing net asset value	£1,325,658	£1,408,458	£2,824,654	£5,046,780
Closing number of shares	4,506,082	4,546,800	7,002,301	9,626,434
Operating charges	1.70% ^A	1.63%	1.62%	1.66%
Direct transaction costs	0.11% ^A	0.05%	0.25%	0.56%

Prices

Highest share price	31.76p	42.93p	58.66p	64.72p
Lowest share price	26.49p	31.43p	35.25p	17.47p

^A These figures have been annualised.

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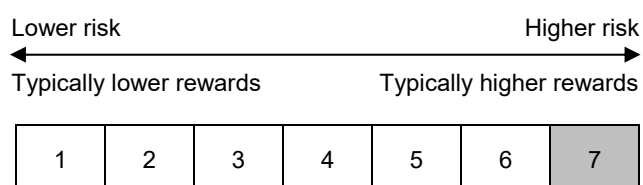
COMPARATIVE TABLE

Class P accumulation shares	Period to 28.02.2019	Year to 31.08.2018	Year to 31.08.2017	Year to 31.08.2016
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	31.62	41.02	53.10	20.75
Return before operating charges*	(1.34)	(8.94)	(11.53)	32.91
Operating charges	(0.19)	(0.46)	(0.55)	(0.56)
Return after operating charges*	(1.53)	(9.40)	(12.08)	32.35
Distributions on accumulation shares	0.00	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00	0.00
Closing net asset value per share	30.09	31.62	41.02	53.10
* after direct transaction costs of:	0.02	0.02	0.11	0.25
Performance				
Return after charges	-4.84%	-22.92%	-22.75%	155.90%
Other information				
Closing net asset value	£8,503,332	£6,936,434	£7,706,584	£9,053,298
Closing number of shares	28,258,966	21,936,085	18,787,952	17,048,203
Operating charges	1.30% ^A	1.23%	1.22%	1.26%
Direct transaction costs	0.11% ^A	0.05%	0.25%	0.56%
Prices				
Highest share price	32.42p	43.66p	59.44p	65.54p
Lowest share price	27.06p	32.04p	35.80p	17.66p

^A These figures have been annualised.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share class in the period. Direct transaction costs are the total charges for the period, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the period and the average shares in issue for the pence per share figures.

SYNTHETIC RISK AND REWARD INDICATOR



The synthetic risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

The Fund has been measured as 7 because it has experienced very high volatility historically. During the period the synthetic risk and reward indicator has remained unchanged.

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PORTFOLIO STATEMENT

as at 28 February 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
AUSTRALIA (37.38%, August 2018 - 35.79%)		
8,000,000 Azumah Resources	107,351	0.92
328,947 Azure Minerals	23,836	0.20
164,473 Azure Minerals Warrants *	0	0.00
9,000,000 Beadell Resources *	275,356	2.35
8,500,000 Blackham Resources	132,311	1.13
2,850,000 Cardinal Resources	581,308	4.97
284,271 Dacian Gold	430,288	3.68
2,000,000 Doray Minerals	466,979	3.99
1,250,000 Eastern Goldfields *	53,676	0.46
1,440,000 Focus Minerals	197,097	1.68
3,950,000 Gascoyne Resources	207,779	1.78
4,560,000 Intermin Resources	354,904	3.03
14,050,027 Kingsrose Mining	392,156	3.35
1,000,000 Millennium Minerals	96,616	0.83
113,636 Millennium Minerals Nil Paid Rights 14.03.19	122	0.00
680,000 Perseus Mining	160,598	1.37
340,000 Perseus Mining Warrants *	0	0.00
500,000 Ramelius Resources	162,369	1.39
3,779,350 Troy Resources	223,145	1.91
3,500,000 West African Resources	507,236	4.34
Total Australia	<u>4,373,127</u>	<u>37.38</u>
CANADA (56.24%, August 2018 - 57.68%)		
550,000 Alexco Resource	540,324	4.62
350,000 Alio Gold	233,893	2.00
253,900 Americas Silver	356,748	3.05
166,666 Americas Silver Warrants *	0	0.00
450,000 Argonaut Gold	467,786	4.00
500,000 Asanko Gold	257,025	2.20
600,000 Aurcana	147,361	1.26
1,500,000 Aurcana Warrants *	0	0.00
1,016,416 Austral Gold	40,638	0.35
600,000 Avino Silver & Gold Mines	308,430	2.64
750,000 Cabral Gold	89,959	0.77
281,250 Dynasty Gold	16,867	0.14
280,000 Endeavour Silver	546,950	4.67
55,250 Equinox Gold	36,922	0.32
280,800 Excellon Resources	160,384	1.37
92,000 First Majestic Silver	467,672	4.00
450,000 Golden Minerals	110,521	0.94
606,500 Integra Resources	297,915	2.55
600,000 K92 Mining	394,106	3.37
1,141,351 Kerr Mines	104,304	0.89
1,250,000 Llave Oro *	0	0.00
2,900,000 Minaurum Gold	687,400	5.88
1,000,000 NuLegacy Gold	65,684	0.56
1,000,000 NuLegacy Gold Warrants *	0	0.00
800,000 Opus One Resources	27,416	0.23
350,000 Palamina	63,971	0.55
350,000 Palamina Warrants *	0	0.00
400,000 Premier Gold Mines	406,671	3.48
2,000,000 RosCan Gold	177,062	1.51
2,000,000 RosCan Gold Warrants *	39,982	0.34
395,400 Rubicon Minerals	284,558	2.43
5,525 Solaris Copper *	0	0.00

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PORTFOLIO STATEMENT

as at 28 February 2019

Holding or nominal value	Bid value £	Percentage of total net assets %
CANADA (continued)		
100,000 Teranga Gold	248,458	2.12
Total Canada	<u>6,579,007</u>	<u>56.24</u>
UNITED KINGDOM (0.53%, August 2018 - 1.17%)		
8,200,000 Metals Exploration	61,500	0.53
Total United Kingdom	<u>61,500</u>	<u>0.53</u>
UNITED STATES (2.76%, August 2018 - 2.97%)		
705,880 ECI Exploration & Mining *	252,024	2.15
290,000 Golden Minerals	71,083	0.61
145,000 Golden Minerals Warrants *	0	0.00
Total United States	<u>323,107</u>	<u>2.76</u>
Portfolio of investments	11,336,741	96.91
Net current assets	<u>361,998</u>	<u>3.09</u>
Total net assets	<u>11,698,739</u>	<u>100.00</u>

* Unquoted securities.

Beadell Resources is currently suspended pending a scheme of arrangement with Great Panther Silver.
 Eastern Goldfields is currently valued at the last traded price until trading resumes or further information is received.
 ECI Exploration & Mining is being priced at best estimate by the fund manager.
 Llave Oro is being valued at zero until further information is received from the company.
 Solaris Copper, which are spin off shares from Equinox Gold, are being valued at zero by the fund manager.
 All holdings of warrants are valued at the exercise price less the price of the underlying common shares.

PORTFOLIO TRANSACTIONS

for the six month period ended 28 February 2019

	£
Total purchases costs, including transaction charges	2,525,001
Total sales proceeds, net of transaction charges	1,011,053

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STATEMENT OF TOTAL RETURN

for the six month period ended 28 February 2019

	28 February 2019		28 February 2018	
	£	£	£	£
Income:				
Net capital gains/(losses)		(459,958)		(1,192,512)
Revenue	127		11,784	
Expenses	<u>(67,153)</u>		<u>(87,624)</u>	
Net expense before taxation		<u>(67,026)</u>		<u>(75,840)</u>
Taxation		<u>0</u>		<u>0</u>
Net expense after taxation		<u>(67,026)</u>		<u>(75,840)</u>
Total return before distributions		(526,984)		(1,268,352)
Distributions		(13,020)		1,334
Change in net assets attributable to shareholders from investment activities		<u>(540,004)</u>		<u>(1,267,018)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 28 February 2019

	28 February 2019		28 February 2018	
	£	£	£	£
Opening net assets attributable to shareholders		* 10,522,355		13,500,316
Amounts receivable on issue of shares	3,313,593		1,228,481	
Amounts payable on cancellation of shares	(1,597,122)		(1,651,122)	
Amounts payable on share class conversions	<u>(83)</u>		<u>(80)</u>	
		1,716,388		(422,721)
Change in net assets attributable to shareholders from investment activities		(540,004)		(1,267,018)
Closing net assets attributable to shareholders		<u>11,698,739</u>		* <u>11,810,577</u>

* These figures are not the same as the comparatives are taken from the preceding interim period and not the last final accounts.

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BALANCE SHEET

as at 28 February 2019

	28 February 2019	31 August 2018
	£	£
Assets:		
Fixed Assets:		
Investments	11,336,741	10,271,318
Current Assets:		
Debtors	101,638	609,318
Cash and bank balances	949,445	70,376
Total assets	<u>12,387,824</u>	<u>10,951,012</u>
Liabilities:		
Creditors:		
Bank overdrafts	65,990	66,350
Other creditors	623,095	362,307
Total liabilities	<u>689,085</u>	<u>428,657</u>
Net assets attributable to shareholders	<u>11,698,739</u>	<u>10,522,355</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 28 February 2019

Basis for preparation

The interim financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The interim financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The interim financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 August 2018 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 28 February 2019.

Marlborough

— Fund Managers —

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