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JUNIOR GOLD

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

for the six month period ended 29 February 2020

JUNIOR GOLD

CONTACT INFORMATION

Registered Office

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Authorised Corporate Director and Registrar

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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 and regulated by the Financial Conduct Authority.

Auditor

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AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 29 February 2020

Percentage change and sector position to 29 February 2020

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>10.09.2009*</u>
Junior Gold	-23.15%	-2.54%	-34.69%	6.71%	-70.27%

* Since end of launch period.

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

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

Gold enjoyed a significant resurgence in the past six months. After breaking out of a six-year declining trading pattern in June last year, it has been trading at all-time high prices in most currencies other than the US Dollar since the beginning of this year. The dramatic markets crash of February due to the corona virus pandemic spreading uncontrollably across the world caused gold prices to drop temporarily and investors to sell-off gold mining shares in a scramble to access any pockets of liquidity.

The global Covid-19 health crisis has reached pandemic proportions, as declared by the World Health Organisation. The full lock-down and social distancing measures taken by most countries has disrupted trading and supply chains and will likely cause a global economic recession. Oil has been hit hardest of all commodities due to the resultant drop in demand for transportation fuels as well as the price war initiated by Saudi Arabia allegedly to "punish" Russia for its lack of cooperation in the Opec+ proposals to cut supply. These major events conspire to raise risk aversion and a sell-off in all asset classes, with the exception of certain safe-havens such as gold, which reached a price of over \$1,700/oz on 10 March 2020.

U.S. equity indices have dropped into bear-market territory in the shortest time in history as programme trading follows momentum and leveraged positions need to be cut to meet margin calls. In such dramatic down-draught, all equities get dragged lower especially smaller capitalisation, less liquid shares. Gold mining equities also suffer in this environment but appear to outperform other sectors of the market. Investors can clearly see the value proposition due to the dramatic rise in gold prices and will likely act decisively at the first signs that markets have reached some support. Similar market conditions prevailed in October-November 2008, in the aftermath of the failure of Lehman Brothers. Whilst today's situation is entirely different as to the causes of the rout, the severity and alarm raised is of similar proportions and volatility (VIX). Back in 2008, gold mining equities were sold off even though gold retained its value better than any other asset class but shares started recovering by mid-December even though the market continued to slide further until mid-March 2009. Gold mining shares were one of the best performing asset classes for the following three years. History does not guarantee future outcomes but does offer important parallels and many investors do draw conclusions on this basis, thus encouraging similar outcomes. In our view, the crisis presents a multi-decade buying opportunity in value stocks including precious metals miners.

The massive stimulus programmes announced by all major central banks are aimed to help the corporate world survive the lock-down in economic activity and redundant employees maintain some of their income. Unfortunately, this spending will be funded by additional debt which will increase the world's burden even more. It is likely it will result in the debasement of major currencies and safe havens such as gold should benefit as a result. Development stage and single-asset gold mining companies have been sold indiscriminately as investors are cautious about availability of capital for new or expanding projects. Explorers attract even less attention, with the exception of few situations that announced new discoveries. We believe this will change rapidly as the gold price continues 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 23.2% of its value in the six months reported on to 29 February 2020 as smaller companies were sold-off in the crisis. Demonstrating the relative outperformance of larger capitalisation companies, the benchmark FTSE Gold Mines index lost a much smaller 9.6% in the same period but suffered disproportionately in early March, catching up with the falls in smaller companies. Nevertheless, Junior Gold's portfolio remains well positioned for recovery. Some excellent development success was delivered by several portfolio holdings. Roscan Minerals, an exploration company focusing in Mali, made great progress in delineating its recent discovery that looks a lot like a major nearby deposit. Ascot Resources, Integra Resources and Revival Gold have all announced large increases in reserves and Cardinal continues to de-risk and advance its Namdini project towards production and has received an unsolicited take-over approach from Russian controlled Nordgold. Alexco Resources is on track to re-start production at its Keno Hill silver deposit and Americas Silver marches towards first production at Relief Canyon in Nevada. We are optimistic for good performance from our portfolio over the next year.

Angelos Damaskos
Sector Investment Managers Limited
25 March 2020

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AUTHORISED INVESTMENT ADVISER'S REPORT

for the six month period ended 29 February 2020

Portfolio changes

Largest purchases	Cost (£)	Largest sales	Proceeds (£)
Filo Mining	307,426	First Majestic Silver	730,889
Resolute Mining	267,532	West African Resources	572,544
Roxgold	197,132	Teranga Gold	511,498
Apollo Consolidated	161,522	Perseus Mining	398,904
Bellevue Gold	147,548	Resolute Mining	324,988
Silver One Resources	132,275	Dacian Gold	229,188
Great Panther Silver	124,046	Azumah Resources	140,202
Ascot Resources	98,029	Alexco Resource	112,365
Oklo Resources	86,498	Silver Lake Resources	84,613
Avino Silver & Gold Mines	80,015	Americas Gold and Silver	49,587
Other purchases	258,198	Other sales	21,922
Total purchases for the period	1,860,221	Total sales for the period	3,176,700

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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 and policy

The investment objective of the Fund is to provide capital growth, that is, to increase the value of your holding, by investing in small and medium sized companies which specialise in identifying and extracting gold and other precious metals. At least 80% of the Fund will be invested in the shares of these companies. The Fund may also invest in bonds issued by companies operating in this sector.

The companies that the Fund invests in operate in a range of jurisdictions, however the investment manager will avoid companies with substantial operational exposure to politically unstable regions.

The investment manager aims to invest in companies that produce from material proven reserves as well as those that have significant recent discoveries being developed towards production. The Fund will also invest in companies with active exploration programmes in highly prospective areas. A strong balance sheet and experienced management are also key considerations.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when.

The Fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives.

Rights and terms attaching to each unit class

A 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

No changes have made since the last report.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the ACD's range, can be requested by the investor at any time.

Post balance sheet events

There has been a significant global market reaction to the ongoing Covid-19 global pandemic.

The impact on global markets going forward will depend on the ongoing scale, duration and individual approach of each country's government in their management of the pandemic, which continues to evolve on a day by day basis.

This economic market uncertainty could have a significant adverse impact on the Fund, including on the fair value of its investments.

MFM as the ACD and Sector Investment Managers Ltd as the Investment Adviser to the Fund continue to monitor UK government announcements and advice as the situation continues to develop.

Since 29 February 2020 the Net Asset Value per share of the Fund, expressed in pence per share, has changed as follows:

	<u>29 February 2020</u> *	<u>23 April 2020</u>	<u>Movement (%)</u>
C Accumulaton	28.46	29.40	3.30%
I Accumulaton	29.12	30.10	3.37%
P Accumulaton	29.91	30.92	3.38%

* These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

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AUTHORISED CORPORATE DIRECTORS' 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

WAYNE D GREEN
JOINT MANAGING DIRECTOR

MARLBOROUGH FUND MANAGERS LTD
27 April 2020

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COMPARATIVE TABLE

C Accumulation shares

Change in net assets per share	Period to 29.02.2020 pence	Year to 31.08.2019 pence	Year to 31.08.2018 pence	Year to 31.08.2017 pence
Opening net asset value per share	36.03	30.38	39.66	51.69
Return before operating charges*	(7.90)	6.22	(8.60)	(11.21)
Operating charges	(0.30)	(0.57)	(0.68)	(0.82)
Return after operating charges*	(8.20)	5.65	(9.28)	(12.03)
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	27.83	36.03	30.38	39.66

* after direct transaction costs of: 0.02 0.03 0.02 0.11

Performance

Return after charges -22.76% 18.60% -23.40% -23.27%

Other information

Closing net asset value	£1,759,106	£2,352,232	£2,177,463	£2,969,078
Closing number of shares	6,320,126	6,527,703	7,167,707	7,485,798
Operating charges	1.92% ^A	1.96%	1.88%	1.87%
Direct transaction costs	0.10% ^A	0.11%	0.05%	0.25%

Prices

Highest share price	38.74p	37.97p	42.21p	57.83p
Lowest share price	27.91p	24.44p	30.83p	34.69p

I Accumulation shares

Change in net assets per share	Period to 29.02.2020 pence	Year to 31.08.2019 pence	Year to 31.08.2018 pence	Year to 31.08.2017 pence
Opening net asset value per share	36.83	30.98	40.34	52.43
Return before operating charges*	(8.07)	6.36	(8.76)	(11.36)
Operating charges	(0.27)	(0.51)	(0.60)	(0.73)
Return after operating charges*	(8.34)	5.85	(9.36)	(12.09)
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	28.49	36.83	30.98	40.34

* after direct transaction costs of: 0.02 0.03 0.02 0.11

Performance

Return after charges -22.64% 18.88% -23.20% -23.06%

Other information

Closing net asset value	£1,554,686	£2,001,955	£1,408,458	£2,824,654
Closing number of shares	5,457,738	5,435,127	4,546,800	7,002,301
Operating charges	1.67% ^A	1.71%	1.63%	1.62%
Direct transaction costs	0.10% ^A	0.11%	0.05%	0.25%

Prices

Highest share price	39.60p	38.81p	42.93p	58.66p
Lowest share price	28.55p	24.96p	31.43p	35.25p

^A These figures have been annualised.

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COMPARATIVE TABLE

P Accumulation shares	Period to 29.02.2020	Year to 31.08.2019	Year to 31.08.2018	Year to 31.08.2017
Change in net assets per share	pence	pence	pence	pence
Opening net asset value per share	37.75	31.62	41.02	53.10
Return before operating charges*	(8.29)	6.53	(8.94)	(11.53)
Operating charges	(0.21)	(0.40)	(0.46)	(0.55)
Return after operating charges*	(8.50)	6.13	(9.40)	(12.08)
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	29.25	37.75	31.62	41.02
* after direct transaction costs of:	0.02	0.03	0.02	0.11
Performance				
Return after charges	-22.52%	19.39%	-22.92%	-22.75%
Other information				
Closing net asset value	£8,845,224	£13,281,384	£6,936,434	£7,706,584
Closing number of shares	30,239,706	35,186,223	21,936,085	18,787,952
Operating charges	1.27% ^A	1.31%	1.23%	1.22%
Direct transaction costs	0.10% ^A	0.11%	0.05%	0.25%
Prices				
Highest share price	40.59p	39.77p	43.66p	59.44p
Lowest share price	29.29p	25.56p	32.04p	35.80p

^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 29 February 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
AUSTRALIA (31 August 2019 - 28.97%)		
1,328,571 Apollo Consolidated	140,762	1.16
700,000 Azure Minerals	30,019	0.25
500,000 Bellevue Gold	140,005	1.15
26,853,166 Blackham Resources	121,932	1.00
6,117,721 Blackham Resources Warrants *	3,087	0.03
3,000,000 Cardinal Resources	499,478	4.11
300,000 Dacian Gold *	211,900	1.74
1,250,000 Exore Resources	30,902	0.25
1,440,000 Focus Minerals	167,098	1.37
8,200,000 Gascoyne Resources *	115,838	0.95
177,036 Geopacific Resources	37,514	0.31
5,500,000 Horizon Minerals	235,865	1.94
18,000,000 Kingsrose Mining	263,361	2.17
1,520,000 Millennium Minerals *	19,555	0.16
1,000,000 Oklo Resources	113,518	0.93
83,333 Ora Banda Mining	6,727	0.06
400,000 Resolute Mining	203,827	1.68
400,000 Silver Lake Resources	318,859	2.62
5,000,000 Troy Resources	204,332	1.68
1,000,000 West African Resources	269,920	2.22
Total Australia	<u>3,134,499</u>	<u>25.78</u>
CANADA (31 August 2019 - 69.28%)		
490,000 Alexco Resource	616,265	5.07
839,500 Alio Gold	474,637	3.90
287,500 Americas Gold and Silver	583,842	4.80
13,889 Americas Gold and Silver Warrants (C\$4.68) *	-	-
300,000 Argonaut Gold	238,845	1.96
650,000 Asanko Gold	468,747	3.86
1,500,000 Ascot Resources	562,496	4.63
357,000 Ascot Resources Warrants *	-	-
2,100,000 Aurcana	278,652	2.29
1,500,000 Aurcana Warrants (C\$0.375) *	-	-
1,500,000 Aurcana Warrants (C\$1.50) *	-	-
1,016,416 Austral Gold	61,571	0.51
1,000,000 Avino Silver & Gold Mines	334,613	2.75
750,000 Cabral Gold	60,577	0.50
281,250 Dynasty Gold	9,736	0.08
280,000 Endeavour Silver	356,998	2.94
11,050 Equinox Gold	73,185	0.60
645,000 Excellon Resources	234,431	1.93
72,500 Excellon Resources Warrants *	3,764	0.03
180,000 Filo Mining	190,037	1.56
1,100,000 Golden Minerals	209,422	1.72
857,100 Great Panther Silver	341,189	2.81
771,100 Integra Resources	493,797	4.06
1,141,351 Kerr Mines	82,308	0.68
1,250,000 Llave Oro *	-	-
2,900,000 Minaurum Gold	736,149	6.05
1,000,000 NuLegacy Gold	23,077	0.19
1,000,000 NuLegacy Gold Warrants *	-	-
800,000 Opus One Resources	13,846	0.11
350,000 Palamina	43,413	0.36
350,000 Palamina Warrants *	-	-
370,000 Premier Gold Mines	292,440	2.41
500,000 Pure Gold Mining	193,268	1.59
250,000 Pure Gold Mining Warrants *	-	-
750,000 Revival Gold	307,209	2.53
125,000 Revival Gold Warrants *	-	-
1,000,000 Rio2	193,268	1.59

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PORTFOLIO STATEMENT

as at 28 February 2020

Holding or nominal value	Bid value £	Percentage of total net assets %
CANADA (continued)		
500,000 Rio2 Warrants *	-	-
3,671,450 RosCan Gold	360,082	2.96
2,000,000 RosCan Gold Warrants (C\$0.12) *	57,692	0.47
750,000 RosCan Gold Warrants (C\$0.16) *	4,327	0.04
671,450 RosCan Gold Warrants (C\$0.22) *	-	-
350,000 Roxgold	189,806	1.56
800,000 Rubicon Minerals	401,536	3.30
1,900,000 Silver One Resources	323,363	2.66
500,000 Silver One Resources Warrants (C\$0.20) *	27,404	0.23
450,000 Silver One Resources Warrants (C\$0.40) *	-	-
5,525 Solaris Copper *	1,275	0.01
Total Canada	<u>8,843,267</u>	<u>72.74</u>
UNITED KINGDOM (31 August 2019 - 0.33%)		
8,200,000 Metals Exploration	82,000	0.67
Total United Kingdom	<u>82,000</u>	<u>0.67</u>
UNITED STATES (31 August 2019 - 0.85%)		
705,880 ECI Exploration & Mining *	20,820	0.17
290,000 Golden Minerals	58,524	0.48
100,000 Great Panther Mining	40,439	0.33
Total United States	<u>119,783</u>	<u>0.98</u>
Portfolio of investments	12,179,549	100.17
Net current liabilities	<u>(20,533)</u>	<u>(0.17)</u>
Total net assets	<u>12,159,016</u>	<u>100.00</u>

* Unquoted securities.

Dacian Gold (DCN) is suspended pending the release of an announcement regarding an update to DCN's Ore Reserves, Mineral Resources and life-of-mine plan.

ECI Exploration & Mining is unlisted and has been independently valued by Cloudrisk Limited.

Gascoyne Resources is in voluntary liquidation and 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.

Millennium Minerals is in voluntary administrators and is being priced at best estimate by the fund manager.

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 29 February 2020

	£
Total purchases costs, including transaction charges	1,860,221
Total sales proceeds, net of transaction charges	3,176,700

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STATEMENT OF TOTAL RETURN

for the six month period ended 29 February 2020

	29 February 2020		28 February 2019	
	£	£	£	£
Income:				
Net capital losses		(3,743,195)		(459,958)
Revenue	(124)		127	
Expenses	<u>(96,618)</u>		<u>(67,153)</u>	
Net expense before taxation	(96,742)		(67,026)	
Taxation	<u>-</u>		<u>-</u>	
Net expense after taxation		<u>(96,742)</u>		<u>(67,026)</u>
Total return before distributions		(3,839,937)		(526,984)
Distributions		2,067		(13,020)
Change in net assets attributable to shareholders from investment activities		<u>(3,837,870)</u>		<u>(540,004)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period ended 29 February 2020

	29 February 2020		28 February 2019	
	£	£	£	£
Opening net assets attributable to shareholders		* 17,635,571		10,522,355
Amounts receivable on issue of shares	1,842,172		3,313,593	
Amounts payable on cancellation of shares	(3,480,850)		(1,597,122)	
Amounts payable on share class conversions	<u>(7)</u>		<u>(83)</u>	
		(1,638,685)		1,716,388
Change in net assets attributable to shareholders from investment activities		(3,837,870)		(540,004)
Closing net assets attributable to shareholders		<u>12,159,016</u>		* <u>11,698,739</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 29 February 2020

	29 February 2020 £	31 August 2019 £
Assets:		
Fixed Assets:		
Investments	12,179,549	17,534,783
Current Assets:		
Debtors	23,017	349,186
Cash and bank balances	202,016	92,261
Total assets	<u>12,404,582</u>	<u>17,976,230</u>
Liabilities:		
Creditors:		
Bank overdrafts	67,293	71,458
Other creditors	178,273	269,201
Total liabilities	<u>245,566</u>	<u>340,659</u>
Net assets attributable to shareholders	<u><u>12,159,016</u></u>	<u><u>17,635,571</u></u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 29 February 2020

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 and amended in June 2017.

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 2019 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 2020.

Marlborough

— Fund Managers —

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