

SECTOR INVESTMENT MANAGERS LIMITED

JUNIOR MINING

Launched: 1 September 2009



FUND OBJECTIVE

To provide long-term capital growth from a globally diversified portfolio of small to medium capitalization companies specializing in identifying, developing and extracting mineral resources with particular emphasis on gold. The fund will also take small positions in uranium and base metals mining companies. The present intention is to allocate 70% in gold shares, 10% in other precious metals, 10% in base metals and 10% in uranium but these percentages may alter if market conditions change. There may be occasions, in light of adverse market conditions, when the Investment Manager chooses to hold high levels of cash, bonds and government securities.

KEY FACTS

Fund Category: Natural Resources Specialist
Charges:
"C" shares (>£1k): 5.25% Initial, 1.75% Annual
"I" shares (>£50K): 0.5% Initial, 1.5% Annual
Authorised Corporate Director: Marlborough Fund Managers Ltd
Fund Adviser: Angelos Damaskos
Minimum Investment: £1,000 or £100 per month
Eligible for ISAs and SIPPs
Net Asset Value at 16.11.09: £23.1 million

MACRO-ECONOMIC POSITIONING

- Current macro-economic conditions make gold an attractive alternative store of value
- Government money-printing could stimulate inflation against which gold is considered a hedge
- Investment demand for gold-related products is rising
- Gold mining equities can offer better returns than gold bullion
- Smaller companies tend to outperform their larger counterparts

MANAGEMENT TRACK RECORD

The fund is advised by Sector Investment Managers Limited (SIM), authorised and regulated by the Financial Services Authority, of which Angelos Damaskos is the Principal Adviser. For the past five years, Angelos Damaskos has managed the Junior Oils Trust, a fund focusing its investments in junior oil and gas exploration and production companies, which has consistently outperformed its benchmark, the FTSE 350 Oil & Gas Index. His past experience includes an involvement with Galahad Gold, an early-stage mining investment company.

Dr. Morris Beattie PhD P.Eng, a highly regarded metallurgical engineer is an adviser to SIM. Dr. Beattie was a member of the Board of Northern Dynasty Minerals on behalf of Galahad Gold, CEO of International Molybdenum plc and recently Vice President, Project Evaluations for Quadra Mining Ltd. His knowledge and understanding of the sector and mining concepts will be key in selecting portfolio holdings for the fund.

COMPARATIVE PERFORMANCE

From 8.9.09 (fund's inception)	To 16.11.09
Gold	+12.9%
FTSE Mining Index	+22.6%
Junior Mining	+16.9%

HOW TO INVEST

Call Marlborough Fund Managers:

0808 145 2501

Junior Mining is eligible for SIPPs and ISAs

For further info and documentation visit:

www.juniormining.co.uk or

www.sectorinvestments.com

Risk Warning: This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. The value of your investment can go down as well as up. Opinion expressed whether in general or both on the performance of individual securities and in a wider economic context represents the views of Sector Investment Managers Ltd at the time of preparation. They are subject to change and should not be interpreted as investment advice. Before making an investment in the fund, it is important that you read the Simplified Prospectus which is available free by visiting the websites above. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorised and regulated by the Financial Services Authority

JUNIOR MINING PERFORMANCE UPDATE

Issued on 16 November 2009

Dear Investor,

The global equity markets continued to rise during the months of October and November as did the price of gold. The most important catalyst for gold was the announcement by the Reserve Bank of India that it had purchased 200 tonnes of gold from the IMF at \$1045/oz. Gold promptly rose to new all time highs, reaching an intra-day high of \$1123.40 on 12 November.

The World Gold Council has reported that the global central banks turned to net buyers of gold by June this year, for the first time since the year 2000. The purchase by the Reserve Bank of India further reinforces the view that investment demand for gold bullion is continuing to rise. Worries about the inflationary effects of the massive stimuli packages weakened the US Dollar and stimulated demand for alternative stores of value, particularly gold.

As of 16 November, the price of Junior Mining units had increased by 16.9% since inception compared with an increase in the gold price of 12.9% during the same period. This is particularly pleasing when it is borne in mind that Junior Mining had very few investments at inception and had to make most of its initial investments in a fast-rising market.

The fund is currently about 88% invested in 29 holdings, 21 of which are gold mining companies commanding approximately 75% of the fund's capital. Among the fund's largest holdings are Centamin Egypt, Norseman Gold, Medusa Mining and Silver Lake Resources. All of these companies met the fund's investment criteria. They are cash generative with no debt and no hedging benefiting directly from the rising gold price. They also own substantial resources which should in time fuel an increase in their production and lower their unit costs. These factors provide a base which hopefully will lead to a re-rating of these companies' shares within their peer group.

Junior Mining has also invested in some attractive companies focusing on silver, platinum, palladium, copper and uranium which should benefit from the robust fundamentals of these commodities.

Angelos Damaskos

For dealing/inquiries on Junior Mining call Marlborough Fund Managers:

0808 145 2501 or email ir@sectorinvestments.com

Junior Mining qualifies for SIPPs and ISAs

Further information on JM at www.juniormining.co.uk

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