

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 14.12.09: £22.0 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 14.12.09
Gold	+12.0%
FTSE Mining Index	+18.8%
Junior Mining	+12.5%

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 14 December 2009

Dear Investor,

November was marked by strong equity and commodity markets. The price of gold reached an all-time high of US\$1227.50 oz on 3rd December. Since then it has fallen sharply to US\$1120 at the time of writing. During this period the price of Junior Mining shares has mirrored the gold price with a new high on 3rd December of £122.77p per share and today's price of £112.52p.

The gold price rose in November and early December so strongly that it was taken well above its moving averages. It was therefore ripe for a correction and looking for an excuse to consolidate its substantial rise. Dubai World's failure to meet its debts and worries about Greek, Spanish and Irish sovereign debt unsettled world markets and caused a flight to the US dollar with a consequent fall in the gold price. In our view, this is a short-term correction as it is difficult to see why possible defaults on sovereign debt and a default on near sovereign debt can be anything other than good for gold.

Currently Junior Mining is 84% invested in 27 holdings, which are in the main producing companies. Their robust fundamentals of increasing production, additions to resources, strong cash flow, little or no debt and no hedging mean that they should be among the first to benefit from the present level of the gold price and any future increase in it.

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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