

JUNIOR MINING

Investing in the mining giants of tomorrow

Update issued 22 March 2010



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 19.3.10: £24.5 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 19.3.10
Gold price	+11.5%
FTSE Mining Index	+33.4%
Junior Mining	+27.6%

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 22 March 2010

Dear Investor,

February saw a rebound of global equity markets, helping gold mining equities recover some of the lost ground suffered in January. The Fund's portfolio performed well as share prices responded to firmer metal prices. The Thomson Reuters fund research firm Lipper, reported that Junior Mining was the best performing in the UK for the month, delivering a 10.48% return, beating an average 1.92% gain for all the equities funds tracked by Lipper.

The factors supporting the case of investing in junior gold miners remain valid today:

- Metal prices continue to exceed historical long-term averages. This supports the development of new mining projects and enhances the profitability of producers;
- Corporate activity in the mining sector remains strong, highlighting the interest of larger industrial and governmental players to acquire resources with near-term production potential;
- The current low-interest rate environment helps capital raising and funding of development projects;
- Demand for metals is still influenced by China and its industrialisation and urbanisation;
- Whether by monetising debt, quantitative easing or printing money, the Developed Economies are likely to continue de-facing their currencies, highlighting gold's continued appeal as an alternative store of value.

We continue to view the long-term potential of junior gold miners as attractive and believe that short-term periods of weakness should be used as opportunities to accumulate positions in those companies with above average potential.

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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