

# JUNIOR GOLD\*

UPDATE 15 October 2010



## FUND OBJECTIVE

*To provide long-term capital growth from a globally diversified portfolio investing primarily in small to medium capitalization companies specializing 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, when 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.*

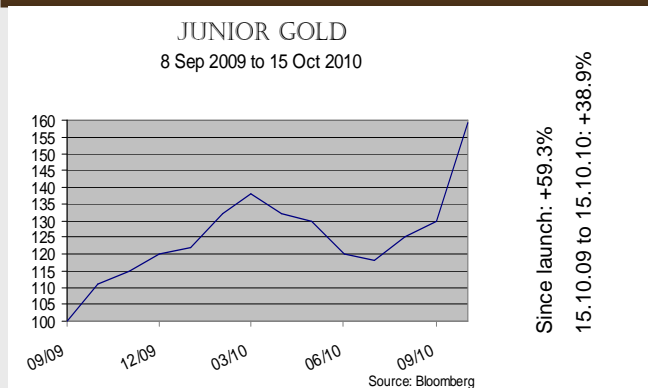
## KEY FACTS

**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 SIPP**s

## 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
- Very strong investment demand for gold ETFs and gold coins
- Gold mining equities can offer better returns than gold bullion
- Smaller companies tend to outperform their larger counterparts

## FUND SHARE PRICE PERFORMANCE



Past performance is not necessarily a guide to future performance. The value of your investment can go down as well as up

## MANAGEMENT TRACK RECORD

The fund is advised by Sector Investment Managers Limited (SIM), authorised and regulated by the Financial Services Authority. SIM also advises the Junior Oils Trust, a fund focusing its investments in junior oil and gas exploration and production companies (for information: [www.junioroils.com](http://www.junioroils.com)). SIM's management and advisers have extensive experience of investing in gold mining companies.

## HOW TO INVEST

Call Marlborough Fund Managers:

**0808 145 2501**

\*Junior Gold is the new name for Junior Mining as of 1 October 2010. For further information and documentation visit:

[www.juniorgold.co.uk](http://www.juniorgold.co.uk) or  
[www.sectorinvestments.com](http://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 fund invests in smaller companies some of which are listed on the Alternative Investment Market which may carry a higher degree of risk. The shares of smaller companies may be less liquid and more volatile over shorter term periods. Changes in exchange rates between currencies may cause the value of investments to diminish or increase. 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 based on SIM's internal analysis which may have not been verified by independent sources. 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 Gold update

## 15 October 2010

Macro-economic conditions continue to favour higher gold prices. Record global liquidity, prospects for further quantitative easing, low real interest rates and fiscal imbalances result in a weakening US Dollar and loss of faith in the Euro. Investors, mutual funds and central banks are increasing their allocations of gold and gold-related investments. Strong demand for a relatively small supply of both the metal and gold mining shares could push prices significantly higher and this trend could last for several years as the world comes to terms with its deeply-rooted financial and economic problems.

Gold bullion rose by 4.5% during the month of September to break the \$1,300/oz level and followed through with another 4.9% rise to a new all-time high of \$1,376/oz on 14 October. Gold mining shares have responded to the impact on their future profits and Junior Gold's portfolio benefitted with significant price appreciation. At the time of writing the unit price stood at a new high of 159.26p up from its launch at 100p in September 2009.

The fund's holdings in Spanish Mountain Gold, Medusa Mining and Norseman Gold performed particularly well but we believe there is further re-rating potential in the portfolio at current gold prices. According to Trustnet, a database tracking 2,828 funds, on 14 October 2010, Junior Gold was the 11th best performing fund on a one year trailing basis. We believe that the fund's positioning mostly in gold mining companies with large resources, strong balance sheet and growing production and cash flow should continue to outperform the market, the sector and the commodity price.

### JUNIOR GOLD TOP 8 HOLDINGS AS AT 30 SEPTEMBER 2010

1. Medusa Mining
2. Centamin Egypt
3. Focus Minerals
4. Norseman Gold
5. Spanish Mountain Gold
6. Maudore Minerals
7. Allied Nevada Gold
8. European Gold Fields

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

**0808 145 2501** or email [ir@sectorinvestments.com](mailto:ir@sectorinvestments.com)

Junior Mining qualifies for SIPPs and ISAs

Further information on JM at [www.juniormining.co.uk](http://www.juniormining.co.uk)

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