



# JUNIOR GOLD

Investing in the mining giants of tomorrow

Update 18<sup>th</sup> January 2011

## 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**  
**Fund NAV at 14.1.11: £39.1m**

## MACRO-ECONOMIC POSITIONING

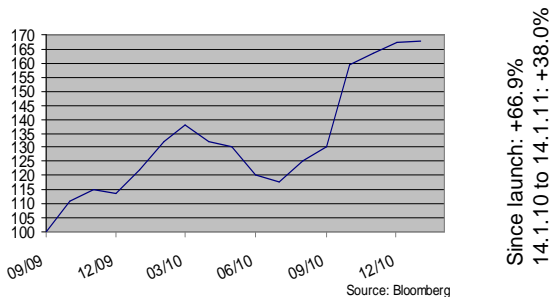
- Current macro-economic conditions make gold an attractive alternative store of value
- Government money-printing could stimulate inflation against which gold is considered a hedge
- Very strong investment demand for gold ETFs and gold coins
- Gold mining equities can offer better returns than gold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

## FUND SHARE PRICE PERFORMANCE

## HOW TO INVEST

### JUNIOR GOLD

8 Sep 2009 to 14 Jan 2011



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.

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

### 18 January 2011

- The financial media have been calling the gold price a bubble for several years now. Some commentators have argued that gold has no intrinsic value and as such it is unlikely to continue its rise as the global economy emerges from recession.
- We believe that it is the high public and private debt-levels in the USA, Britain and the Eurozone that dictate the direction of gold prices. As governments continue to print money, their currencies are likely to lose their value against those of healthier economies, principally China, India, Brazil, Canada, Australia and Norway. Gold, as an alternative store of value, is likely to continue to be the investor's favourite.
- Our Junior Gold fund enjoyed a good year in 2010. The share-price rose by 56%, placing it as the 6th best-performing fund among all UK-listed Unit Trusts and OEICs according to Trustnet, the Financial Express fund-tracking service. Although past performance is no guarantee of future performance, 56% compares well against gold's rise of 29.5%.
- We believe that companies in the fund's portfolio still have considerable potential for re-rating based on their growing resources, rising production and cash-flow. In addition, exploration activity is likely to add to resources and continue to lengthen the life of their mines. Notwithstanding short-term price volatility in both shares and gold, we feel confident in holding our positions and expect 2011 to be another good year for gold equities.
- The next event in the gold physical-demand calendar is the Chinese New Year on 3 February. May the Year of the Rabbit bring peace, health and prosperity to us all.

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

**0808 145 2501** or email [dealing@marlboroughfunds.com](mailto:dealing@marlboroughfunds.com)

Junior Gold qualifies for SIPPs and ISAs

Further information on Junior Gold at [www.juniorgold.co.uk](http://www.juniorgold.co.uk)

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