



JUNIOR GOLD

Investing in the mining giants of tomorrow

Update 15th March 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.

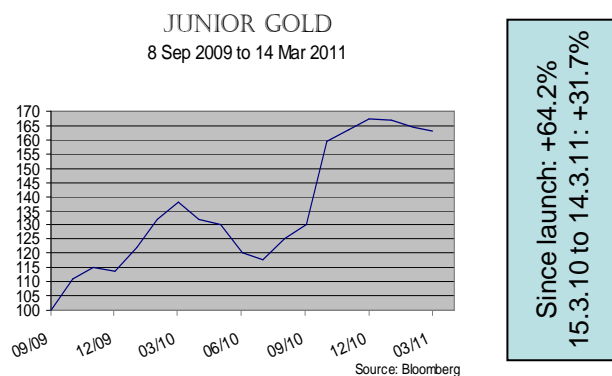
KEY FACTS

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 14.3.11: £37.8m

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). SIM's management and advisers have extensive experience of investing in gold mining companies.

HOW TO INVEST

Call Marlborough Fund Managers:

0808 145 2501

For further information and documentation visit:

www.juniorgold.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 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 March 2011

The horrific earthquake in Japan has hit the World's third-largest economy hard and, in the weeks to come, the consequences will be felt in other parts of the world. The Bank of Japan reacted by pumping 183 billion US dollars equivalent into the economy and many observers speculate that further quantitative easing may be required elsewhere as the financial impact on the world is assessed.

It is hard to find good news these days. The revolution spreading across the Arab world has gained strength and now challenges even Saudi Arabia. An Internet-era generation of Arabs appear less inclined to accept arguments appealing to religion and tradition to explain why ordinary citizens should not participate in decision-making. Instability has raised the price of oil and increased the prospects of higher inflation. The sovereign debt problems in the Eurozone have emerged again in recent days with the ECB announcing new debt –restructuring packages for the weaker members.

We believe that these major global trends and events are supportive to the gold price rising further. Higher inflation, fresh printing of money by governments and geo-political instability have historically been strong drivers for safe-haven assets such as gold. Gold producing companies, therefore, should benefit further.

The fund performed particularly well in February and early March, achieving a new all-time high. A major contributor to performance was our holding in Focus Minerals. Focus announced strong growth in its production and resources together with excellent exploration and development potential in one of its properties. Silver prices have also been strong in recent months and the fund's holdings in silver producers such as Fortuna Silver and Alexco Resources were major contributors to performance. Including the companies with gold deposits which contain significant silver credits, the overall exposure of the portfolio to silver is approximately 20%. Kingsrose Mining is one such example, targeting annual production of 45,000 oz of gold and 500,000 oz of silver at full-scale operation. We continue to believe that the fund's portfolio has excellent medium-term potential given the supportive macro-economic conditions.

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

0808 145 2501 or email dealing@marlboroughfunds.com

Junior Gold qualifies for SIPPs and ISAs

Further information on Junior Gold at www.juniorgold.co.uk

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