



JUNIOR GOLD

Investing in the mining giants of tomorrow

Update April 2014

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 SIPPs

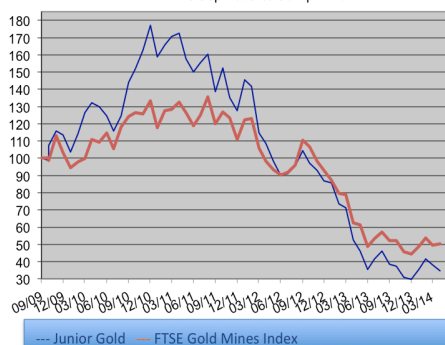
Fund NAV at 30.4.14: £8.9m, share price: 34.79p

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

Junior Gold vs. FTSE Gold Mines Index
8 Sep 2009 to 30 April 2014



Since launch: -65.2%
 31.3.14 – 30.4.14: -9.0%
 30.4.13 – 30.4.14: -34.1%
 30.4.12 – 30.4.13: -51.4%
 30.4.11 – 30.4.12: -37.0%
 30.4.10 – 30.4.11: +30.5%

Sector Investment Managers Ltd

As the first pricing point was on 8 September 2009 performance data NAV to NAV does not exist for five complete twelve month periods. On 1.10.10 the fund changed its name and objective, therefore, past performance shown above prior to this date was achieved under circumstances that no longer apply.

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 Considerations: Past performance is not necessarily a guide to future performance. The value of your investment can go down as well as up. The fund invests in smaller companies which may carry a higher degree of risk than larger companies. 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. The fund focuses on a specific sector and has a concentrated portfolio which can lead to greater volatility.

Management track record

The fund is advised by Sector Investment Managers Limited (SIM), authorised and regulated by the Financial Conduct 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.

Junior Gold update

16 May 2014

Dear Investor,

Gold performed poorly in the face of increasingly fragile geopolitics. It has drifted back to around \$1,300/oz in April losing much of the gains it made early in the year. Perhaps the seasonally weak spring/summer period arrived early. Nevertheless, even though Russia appears to have responded to economic sanctions imposed on it by the United Nations with a much softened stance, Ukraine continues to be unstable with civil conflict and separatist movements in its eastern territories. Given that most of Russian oil and gas exports to Europe are routed via pipelines passing through Ukraine, it is hard to think that Russian meddling has ended. Elsewhere, Nigeria has seen increasing violence and south Sudan is in the middle of a civil war.

There has been much talk and speculation about manipulation of the gold price. It is true that strong gold is a threat to reserve currencies. Most investors agree that near-zero interest rates and massive printing of money is likely to stoke up inflation and be detrimental to the US Dollar as a key reserve currency. High gold prices may encourage financial flows out of the dollar causing further weakness. It is, therefore, in central bankers' interests to talk-down gold and this, in our view, is the clear manipulation. The fact remains that, even though inflation data fed by the governmental authorities paint a favourable picture with low Consumer Price Inflation, such data fail to capture what is happening to the global economy. High-end real estate, stock-markets, classic cars, collectable art, fine wines and many other things that the wealthy like to buy as an investment have seen soaring inflation rates. Whilst these asset classes do not, on the surface, contribute to inflation in the general public's cost of living, they do divert investment from productive capacity that would help lower unemployment. Global economic growth, as a result, has been weak. There are clear signs of asset bubbles forming and any change in sentiment could induce sharp corrections that are generally destabilising. Gold has historically been a safe haven and we expect it to rise over the course of the next few years.

Angelos Damaskos
Chief Executive Officer

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

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 Prospectus and Key Investor Information Document is available free of charge using the contact details above. Before making an investment in the fund, it is important that you read the Prospectus and Key Investor Information Document. 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 SIMs internal analysis which may have not been verified by independent sources. They are subject to change and should not be interpreted as investment advice. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorized and regulated by the Financial Conduct Authority.