

# JUNIOR GOLD

Investing in the mining giants of tomorrow

Update November 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

"P" shares (>£1m): 0.5% Initial, 1.1% Annual

**Authorised Corporate Director:** Marlborough Fund Managers Ltd

**Fund Adviser:** Angelos Damaskos

**Minimum Investment:** £1,000 or £100 per month

**Eligible for NISAs and SIPPs**

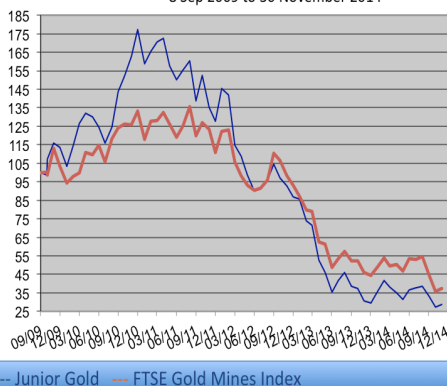
**Fund NAV at 31.10.14: £7.5m, share price: 28.61p**

## 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 November 2014



Since launch: -71.4%  
30.11.13 - 30.11.14: -7.1%  
30.11.12 - 30.11.13: -66.8%  
30.11.11 - 30.11.12: -31.4%  
30.11.10 - 30.11.11: -16.8%  
30.11.09 - 30.11.10: +40.4%

Sector Investment Managers Ltd

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.

## 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](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**

For further information and documentation visit:

[www.juniorgold.co.uk](http://www.juniorgold.co.uk) or  
[www.sectorinvestments.com](http://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.

## Junior Gold update 12 December 2014

Dear Investor,

The recent volatility in the commodities markets has demonstrated, once again, how the huge liquidity available encourages financial speculation that exaggerates moves in prices. Base metals and oil continue to be under stress as investors try to re-assess the respective supply-demand patterns. China is reportedly in the middle of a major financial restructuring, introducing important changes to the domestic lending parameters and use of financial instruments. This appears to have caused a short-term drop in the orders of raw materials by the world's most important demand growth market. Speculators have been following the momentum, causing extreme price volatility.

The dramatic fall in oil prices has caused chaos in the energy markets and not only among oil companies. Much of the emerging economies rely on oil and metals production as a major source of their GDP. The sharp drop in prices throws their budgets out of balance and is likely to cause significant problems that could destabilise the world economy. Global economic growth projections have to date relied on healthy growth from China and other emerging economies. With such projections now being revised, it is likely that there might be a de-rating of major multi-national companies listed in the main equity markets. It will then be interesting to see how the central banks, who have strained their Quantitative Easing capabilities, would respond. In addition to the risks on economic growth, political risks have been rising. Russia is increasing its aggressive posturing in Ukraine, Georgia and other former CIS countries and Greece is now facing a growing probability that the extreme-left might get into power. Escalation of military actions by Russia or a breach of international bailout agreements by Greece could be catastrophic for the Eurozone and would cause a rush to investment safe-havens such as gold.

The gold price has recently shown strength, rising above its 20 and 50-day moving average. Assets in the SPDR Gold Trust, the world's largest exchange-traded product backed by the metal, rose in December at the fastest pace since July. The holdings are up almost one percent in December, snapping four straight months of losses. With demand for physical gold remaining strong, a return of financial investors to gold-backed ETFs could mark the long-awaited change in sentiment that would allow gold to re-rate as a store of value and ultimate insurance against monetary devaluation.

Angelos Damaskos  
Chief Executive Officer

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

**RISK WARNING:**

Past performance is not necessarily a guide to the future. The value of investments and the income from them may go down as well as up. Investors may not get back their original investment. The fund invests in smaller companies and 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.

This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. 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 Key Investor Information Document. Prospectus and Key Information Document are available free by visiting the websites above. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorised and regulated by the Financial Conduct Authority.