

JUNIOR GOLD

Investing in the mining giants of tomorrow

Update April 2015

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

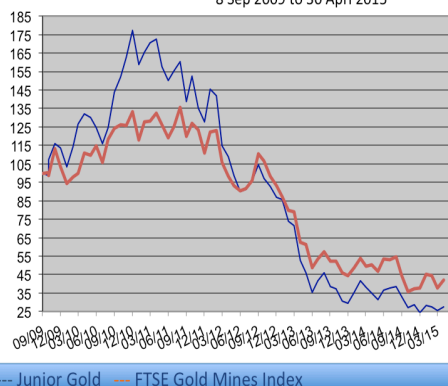
Fund NAV at 30.4.15: £7.2m, share price: 27.45p

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 2015



Since launch: -72.6%
30.4.14 - 30.4.15: -21.1%
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

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:

0800 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

8 May 2015

Dear Investor,

Global geopolitical and financial problems have started to cause uncertainty in global equity and bond markets. In recent days there has been significant, disconcerting volatility. In addition to worries of instability in the Eurozone, investors seem to have started realising that the negative interest rates of leading "investment grade" bonds are a problem. More than €2 trillion worth of Eurozone government bonds trade at negative yields. What is most worrying, is that the negative yields have been driven by a huge expansion of debt, largely issued by central banks. The debt explosion has, nevertheless, not been accompanied by rapid economic growth. Emerging markets, in particular China, have driven global economic growth in the years post the 2008 financial crisis. They too now show signs of weakness. Being the regions with trade surpluses, their accumulating reserves have been primarily invested in US and other leading economies' bonds. Economic slowdown, in addition to a desire for greater diversification, could reverse this trend.

Nobody can tell when the moment of real instability in markets will come. The "extend and pretend" policy of central banks continues in an ultimately futile game of competitive devaluation. When the moment comes, nevertheless, gold is likely to shine as a store of value. We may be closer to this than many believe. It appears that a price of \$1,200/ounce is a strong support level for the metal. Most analysts agree that, as gold has traded around this level for over two years now, substantial production has been lost. New supply of the metal is set to drop further in the next few years and this could coincide with renewed interest by frightened investors. The better capitalised gold mining companies, that have restructured their operations and lowered their costs are set to benefit the most under such circumstances. Operational efficiency, focus on longer-life, higher grade, sustainable projects has been the emphasis in our fund's portfolio. We believe that these companies are likely to outperform not only at current levels of gold price but also in a rising environment.

Please watch our latest interview on the gold mining sector by copying the following link to your browser:

<https://www.youtube.com/watch?v=OXxoOw-PAXQ>

Angelos Damaskos
Chief Executive Officer

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

0808 145 2501 dealing@marlboroughfunds.com

Junior Gold qualifies for SIPPs and NISAs
Further information on Junior Gold at 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.