



JUNIOR GOLD

Investing in the mining giants of tomorrow

Update September 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

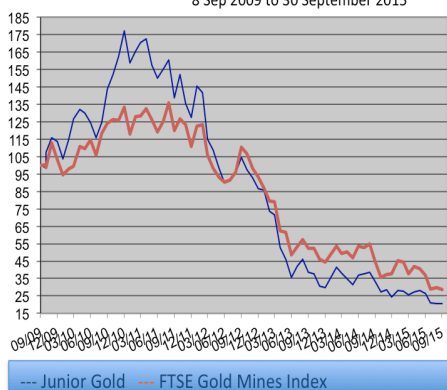
Fund NAV at 30.9.15: £5.3m, share price: 20.61p

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 September 2015



Since launch: -79.4%
 30.9.14 – 30.9.15: -37.5%
 30.9.13 – 30.9.14: -14.2%
 30.9.12 – 30.9.13: -63.1%
 30.9.11 – 30.9.12: -24.8%
 30.9.10 – 30.9.11: -3.6%

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:

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 12 September 2015

Dear Investor,

The recent devaluation of the Chinese Renminbi (RMB), has been the most important sign of the changing importance of international reserve currencies. According to data from the IMF, since the turn of the century, China's share of the world GDP has grown from 3.6% in 2000 to about 13% in 2014. Given the export-driven nature of the Chinese growth, it has resulted in the accumulation of large reserves and the rise of the Renminbi as one of the world's most traded currencies. According to a study undertaken by the World Gold Council on the emergence of a multi-currency reserves system, the development encouraged the accumulation of gold by the Chinese central bank as a percentage of reserves. The increasing importance of the RMB and the multi-currency reserves system is expected to drive an increase in developing countries' gold reserves, particularly as their current allocations to gold of 3% are low compared to those among developed nations at 20%. Given the size of the developing economies reserves, at more than double those of developed countries, an increase in the percentage allocation to gold would have a significant impact on the respective central banks' gold buying needs.

Gold should remain a fundamental part of any investor's portfolio as insurance for unexpected, destabilising events. Even though recent geopolitical turmoil has failed to trigger financial investors' interest in gold, the changing macro-economic picture may start reversing this trend. Weakening Chinese economic growth, fears about its domestic leveraging and the impact on its currency, have been weighing on global markets in the third quarter. The Fed's reluctance, or inability to raise interest rates provides one more reason to buy gold and we have started to see an inverse correlation of the gold price to global equity markets. If we also consider the decline in global gold production expected by the end of this year, a meaningful increase in demand could drive the gold price to much higher levels. Further confirmation of such a trend, would revive interest in over-sold gold mining shares, whose value in relation to the commodity is at 30-year lows.

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

<https://www.youtube.com/watch?v=2J09DFGmK94&authuser=0>

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 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.