

JUNIOR GOLD

Investing in the mining giants of tomorrow

Update October 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

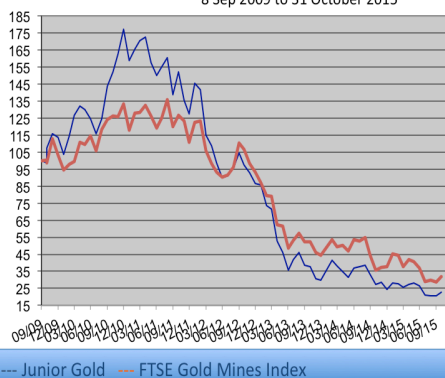
Fund NAV at 31.10.15: £5.9m, share price: 22.50p

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 31 October 2015



Since launch: -77.5%
31.10.14 - 31.10.15: -17.6%
31.10.13 - 31.10.14: -27.3%
31.10.12 - 31.10.13: -61.4%
31.10.11 - 31.10.12: -36.1%
31.10.10 - 31.10.11: +0.3%

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

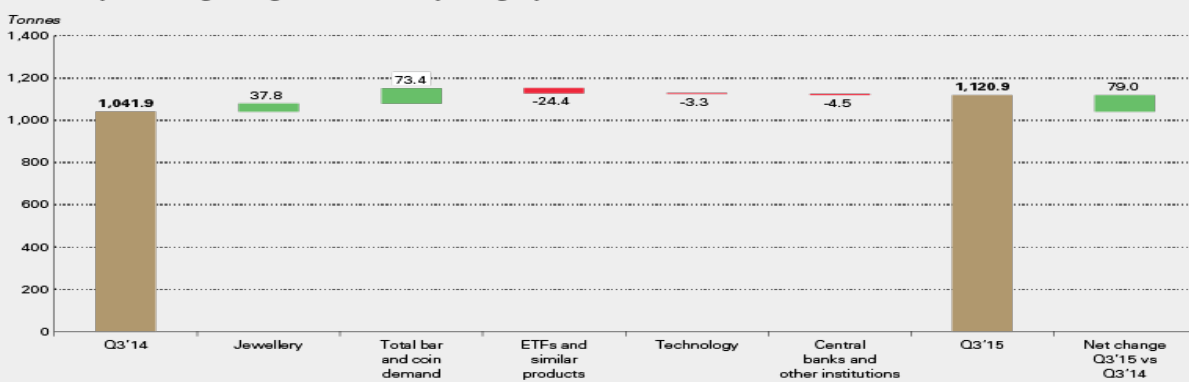
12 November 2015

Dear Investor,

Gold was strong in October but weak in early November as better than expected jobs reports in the US raised expectations for an interest rates increase by the Fed. With gold dipping below the important \$1,100/oz mark, most of the gold equities were weak. Anticipation of the Fed's interest rate setting policy is likely to dominate the trajectory in the price of gold in the absence of other economic news.

Meanwhile, we have seen a report that 57 tons of gold were withdrawn from the Shanghai Gold Exchange into China in the first week of November, positioning 2015 as a record year. The withdrawals are an important indicator of demand for the precious metal and explains its relative resilience compared to the rest of the commodities spectrum. Investment demand is likely to continue to be the primary driver of gold prices and global stock market stability has meant investors have not been interested in safe havens. Nevertheless, sentiment could quickly change and, as Goldman Sachs warns, the VIX S&P volatility index seems low, underpricing the tail risks of economic uncertainty. Any unexpected developments would surprise the markets causing volatility to rise as well as interest in safe havens and gold. This observation reinforces the value of gold as insurance against the unexpected. As data at the end of Q3 2015 below suggest, physical buyers, who tend to be long-term oriented, keep buying.

Year-on-year changes in gold demand, by category



Source: Metals Focus; World Gold Council

Please watch our latest 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.

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