

JUNIOR GOLD

Investing in the mining giants of tomorrow

6
YEARS
TRACK
RECORD

Update March 2016

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

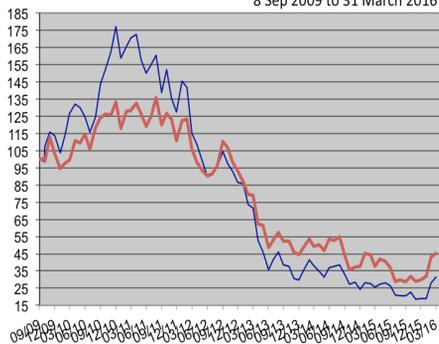
Fund NAV at 31.3.16: £10.2m, share price: 38.11p

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 March 2016



Since launch: -68.5%
31.3.15 - 31.3.16: +22.5%
31.3.14 - 31.3.15: -32.6%
31.3.13 - 31.3.14: -46.5%
31.3.12 - 31.3.13: -37.7%
31.3.11 - 31.3.12: -32.7%

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). 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 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.

Junior Gold update

20 April 2016

Dear Investor,

ETF gold holdings have now risen by 9.8Moz in the year to date. The gold price has held its ground above \$1,200/oz despite the fact the global equity markets have recovered their losses since February, almost back to all-time highs. In a further confirmation of the change in sentiment towards precious metals as safe havens, silver has recently outperformed gold as investors, once again, look at it in relation to gold. This is demonstrated by the gold/silver ratio chart showing a sudden change to a value of 74, still high in comparison to the 30-year average value of 66.

We continue to believe that the global equity markets are overvalued, boosted by the actions of the central banks and continued quantitative easing, as well as negative Interest rates on bank deposits. Upon evidence of slowing economic growth and the impending drop in earnings at the main index constituents, a new correction in global equities would further stimulate interest in precious metals. It is very important to note the report that China has introduced a Yuan-denominated gold benchmark. This is clearly a result of growing investment volumes in gold by Chinese domestic investors who have been accumulating bullion over the last few years of low prices.

Our Junior Gold fund has been the top performer across all funds (as per Morningstar 20 April), in the year to date, as its portfolio re-rates on the back of improving profit margins for mid-tier producers. The fund's weighting in silver miners is approximately 20% and this part of the portfolio has produced outstanding out-performance as investors have realised the impact of higher silver prices on well-capitalised producers. Our holdings in Endeavour Silver, First Majestic and Great Panther Silver have been notable in their re-rating. We believe that mid-tier producers, that have restructured their balance sheet and focused on profitability during the past two years of austerity will continue to out-perform given indications that gold and silver are entering a new bull trend.

Please watch our 4th February interview with IG, which is still relevant today, by copying the following link to your browser:
<https://www.youtube.com/watch?v=hzk37sj62qQ>

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.

