

# JUNIOR GOLD

Investing in the mining giants of tomorrow

7

YEARS  
TRACK  
RECORD

Update January 2017

## Fund objective

*To provide long-term capital growth from a globally diversified portfolio investing primarily in small to medium capitalisation companies specialising 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**

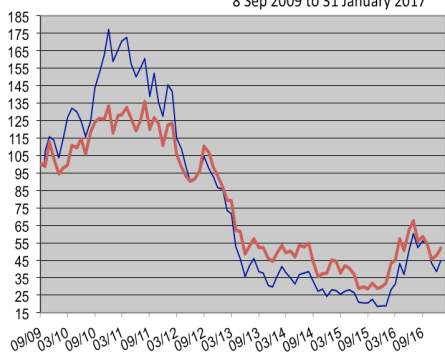
**Fund NAV at 31.1.17: £15.7m, "C" price: 44.62p**

## 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 January 2017



Since launch: -55.4%

31.1.16 - 31.1.17: +133.2%

31.1.15 - 31.1.16: -32.2%

31.1.14 - 31.1.15: -20.6%

31.1.13 - 31.1.14: -58.5%

31.1.12 - 31.1.13: -41.1%

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:

**0800 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.

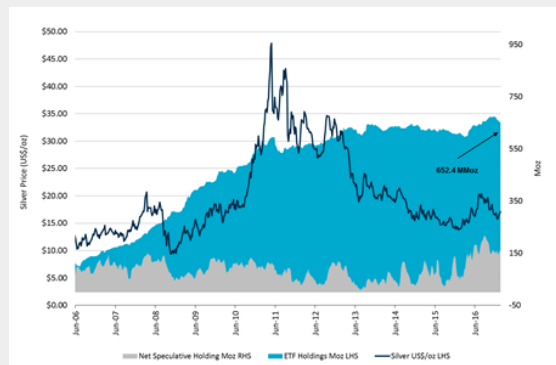
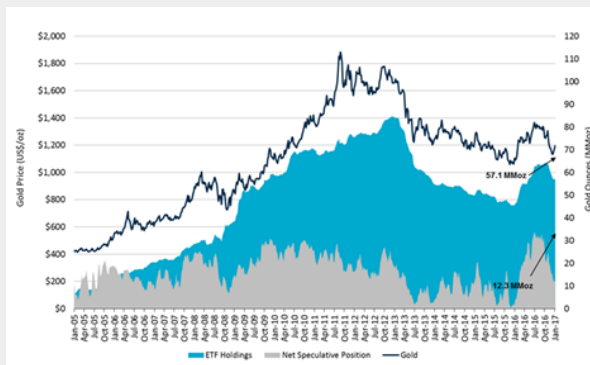
# Junior Gold update 9 February 2017



Dear Investor,

After the sharp sell-off seen in the last quarter of 2016, precious metals have again started to shine as safe havens. Global equity markets have rallied to new all-time highs, expecting faster US and global economic growth as the Trump administration attempts to implement its grand plans. The easy picks of oil pipeline approvals were first to receive the all-clear as they can be financed with private capital without impacting the US debt levels. Some other major elements of the plans, such as road, bridge and airport construction spending coupled with tax cuts are facing strong resistance by the Democrats and would require state-backing to finance. The Fed has also softened its tone on future interest rate rises. With clear indications of inflation rising, precious metals are set to benefit as real interest rates remain low.

Markets are precariously set for a significant correction either on news of trouble with the Trump administration's plans or with worsening geopolitics. European disintegration concerns are mounting, with the far-right party leading the election polls in the Netherlands (due end of March), and the French nationalist party of Marine Le Pen leading for the first round of presidential elections in April, advocating a harder stance in the European Union. In Germany, Angela Merkel has, for the first time in a decade, fallen behind in the polls for the elections in September. Financial investors have started buying into gold and silver again as can be seen from the charts below following the development of price, ETF holdings and speculative interest over the last ten years.



**Gold and silver price, ETF holdings and Net Speculative Positions (Source: Numis Securities)**

The Junior Gold fund continues to be one of the top three performing precious metals funds over a 12-month trailing period as reported by the leading fund database Morningstar: <http://www.morningstar.co.uk/fundquicker/default.asp>. Despite high volatility and the sell-off in gold equities since the Trump victory, we think that global economic worries, coupled with rapidly rising inflation in the UK, the Eurozone and America are likely to continue to support gold and silver prices as investors seek safe havens. Precious metals should be, in our view, a key component in every investor's asset base as insurance against the inevitable turbulence and the current sell-off in gold/ silver equities presents an excellent buying opportunity. Junior Gold's portfolio should continue to benefit from the recovery in precious metals prices and those of related equities.

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 SIPP 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.