

JUNIOR GOLD

Investing in the mining giants of tomorrow

7

YEARS
TRACK
RECORD

Update March 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

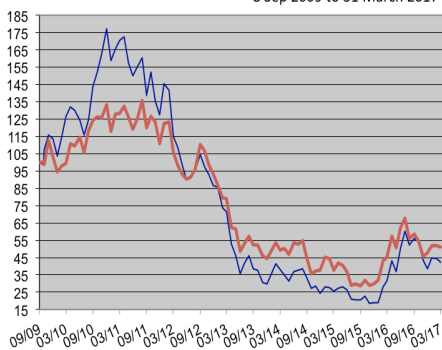
Fund NAV at 31.3.17: £14.4m, "C" price: 42.22p

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 2017



Since launch: -57.8%
31.3.16 – 31.3.17: +33.9%
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%

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 18 April 2017

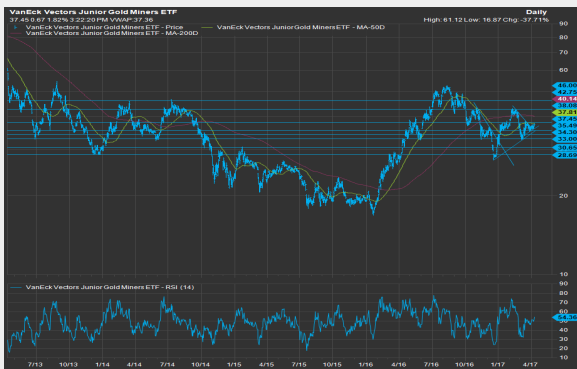


Dear Investor,

Global equity markets appear to have entered a risk-off mode as the Trump administration's inability to implement its pre-election promises becomes obvious. Trump's failure to pass through the US Congress his anti-immigration measures and to restructure Obamacare were the first major set-backs. The infrastructure spending plans are also likely to face headwinds when the debt-ceiling debates start. In addition to the realisation that a lot of hope has been built into equity valuations, geopolitics have deteriorated as Trump may be seeking to divert attention by engaging in military action overseas. The bombing of Syria and remote targets in Afghanistan, as well as statements of willingness to employ "kinetic" military action including possible air-strikes against North Korea demonstrate the instability of policies and decision making of the new US administration.

Closer to home, the Eurozone is contemplating a populist election result in France, with the leading candidates arguing for relaxation of austerity, tighter labour laws and other measures that would negatively impact the regional economy and France's ability to service its external debt. Britain has now triggered the process of exiting the Union and the relevant trade negotiations may also affect business sentiment and investment in all the European member states. German elections later this year would be another catalyst for the future stability of the EU.

The price of gold appears to be resuming its uptrend, as a result of the deteriorating economic and geo-political picture. With the US Dollar weakening and two interest rate increases by the Fed this year already priced in, gold is reaching for \$1,300/oz. The gold mining shares are starting to respond to the rising commodity price, with the GDXJ index of junior companies on the verge of a technical rise after the last six months of consolidation. Junior Gold's portfolio is positioned fully invested in shares that should benefit for the rise in gold and silver prices as well as a general sentiment shift towards safe-haven assets. The top ten positions of its portfolio as at 31 March are shown below and the portfolio currency exposure was: CAD 49%, AUD 45%, USD 4.4% and GBP 1.6%. Gold to Silver estimated weighting is 80:20



Van Eck Junior Gold Miners ETF GDXJ (source: Bloomberg)

JUNIOR GOLD FUND		
TOP 10 POSITIONS AS AT 31.3.17		
Company	Ticker	Fund weight %
1 Alexco Resources	AXR.TO	5.5
2 Resolute Mining	RSG.ASX	5.5
3 Beadell Resources	BDR.ASX	4.9
4 Americas Silver	USA.TO	4.9
5 Cardinal Resources	CDV.ASX	4.6
6 Teranga Gold	TGZ.TO	4.5
7 Premier Gold	PMG.TO	4.3
8 Timmins Gold	TMM.TO	4.1
9 West African Resources	WAF.ASX	4.0
10 Avino Silver & Gold Mines	ASM.TO	3.9
Total		46.2

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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