



# JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update January 2012

## FUND PERFORMANCE

Since launch:

10.10.04-31.1.12: **+96.8%**

12 months discrete:

31.1.11-31.1.12: **-36.4%**

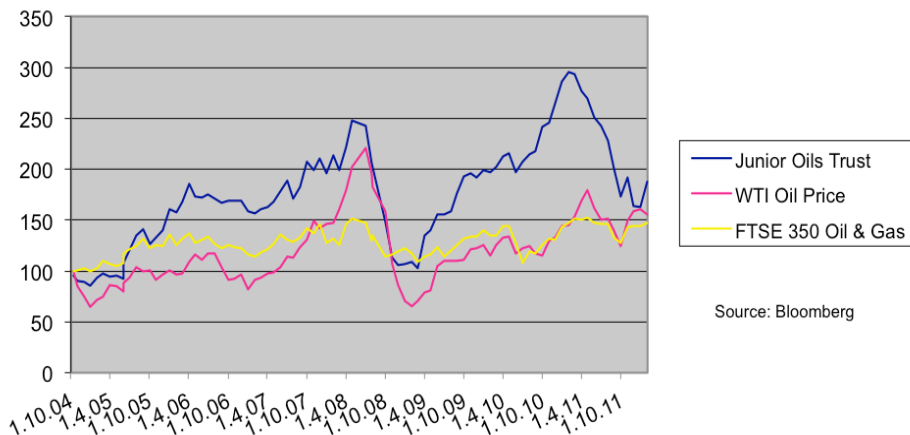
31.1.10-31.1.11: **+49.8%**

31.1.09-31.1.10: **+81.4%**

31.1.08-31.1.09: **-44.6%**

31.1.07-31.1.08: **+24.1%**

Past performance is not necessarily a guide to future performance. The value of your investment can go down as well as up.



Source: Bloomberg

## Key facts

**Fund Category:** Energy Specialist  
**Charges:** 5.25% Initial, 1.75 % Annual  
**Manager:** Marlborough Fund Managers Ltd  
**Fund Adviser:** Angelos Damaskos  
**Minimum Investment:** £1,000 or £100 per month  
**Eligible for ISAs and SIPPs**  
**Benchmark:** FTSE 350 Oil & Gas Index  
**Net asset value at 31 January 2012:** £41.3 million

## MACRO-ECONOMIC POSITIONING

- Demand for oil is supported by Asian industrialisation
- Smaller Oil & Gas exploration and production companies tend to outperform their larger counterparts
- Emphasis on production and proven reserves
- Avoid political and pure exploration risks

## How to invest

Call Marlborough Fund Managers:

**0808 145 2501**

For further information and documentation visit:

[www.junioroils.com](http://www.junioroils.com) or  
[www.sectorinvestments.com](http://www.sectorinvestments.com)

## Risk Considerations:

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.

## Top 10 Holdings

Company	%Fund
1. Cooper Energy	7.4%
2. Encore Oil	6.5%
3. Parex Resources	6.4%
4. Victoria Oil & Gas	4.2%
5. Caza Oil & Gas	4.0%
6. Dragon Oil	3.9%
7. Norse Energy 6.5% 2013	3.9%
8. Valiant Petroleum	3.6%
9. Amerisur	3.6%
10. Circle Oil	3.5%

As at 29 December 2011

**31 January 2012**

Dear Investor,

Quoted smaller oil companies' shares have had a terrible year in 2011. The price of Brent oil rose 13% and that of the storage-constrained WTI by 8.5%. Shares of smaller oil companies generally fell with some exploration and development focused ones getting decimated. Interestingly, the FTSE 350 Oil & Gas index, which is overweight in large integrated majors, rose by 4%, outperforming the overall market.

The New Year appears to have started with optimism and a return of confidence and risk appetite among investors. Smaller oil companies have recovered strongly as their fundamental value became obvious. Acquisition activity accelerated with deals for North Sea companies Ithaca and Nautical Petroleum highlighting value. We believe that this will continue as cash-rich large-production companies and investors scramble to capitalise on the market anomaly. The price of Brent remains well above \$100/barrel and Saudi Arabia has stated that they need at least this price to support their growing investments in social programmes. The continuing "Arab Spring" in key countries in North Africa and the Middle-East should ensure oil prices trend higher.

The Junior Oils Trust is also recovering its lost value quickly. After very poor performance in 2011, it was up 15.6% in January. We believe that the fundamental value in the fund's portfolio has survived the gyrations of the market and is positioned to benefit from the re-rating of the sector.

Best wishes for a happy and prosperous New Year.

Angelos Damaskos  
Chief Executive Officer

***For dealing/inquiries on Junior Oils Trust call***

**Marlborough Fund Managers: 0808 145 2501**

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**Risk Warning:** This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. The Prospectus and Simplified Prospectus are available free of charge using the contact details above. Before making an investment in the fund, it is important that you read the Simplified Prospectus. 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 SIMs internal analysis which may have not been verified by independent sources. They are subject to change and should not be interpreted as investment advice. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorized and regulated by the Financial Services Authority.