

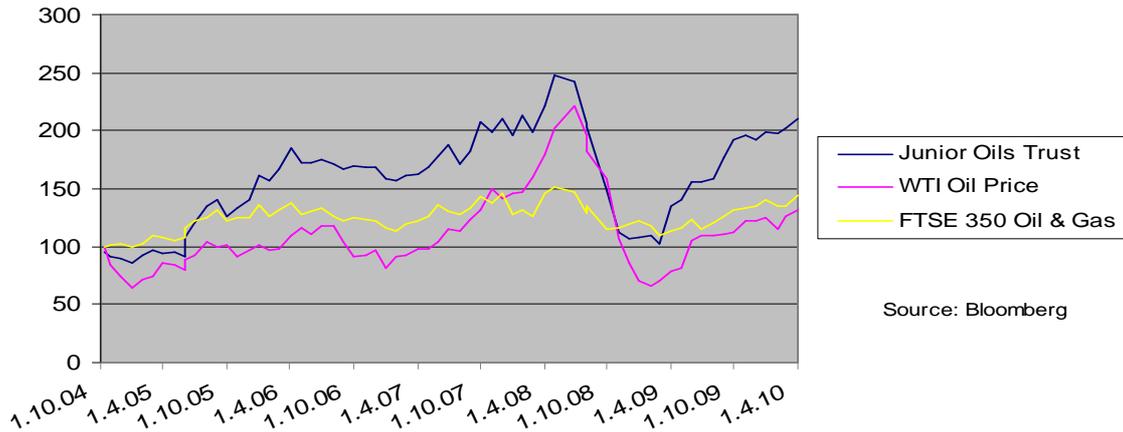
# JUNIOR OILS TRUST

Update issued on 22 April 2010

All data as at 31.3.10



## PERFORMANCE CHART



## KEY FACTS

**Fund Category:** Energy Specialist  
**Charges:** 5.25% Initial, 1.75 % Annual  
**Manager:** Capita Financial Managers Ltd  
**Fund Adviser:** Angelos Damaskos  
**Minimum Investment:** £1,000 or £100 per month  
**Eligible for PEPs and ISAs**  
**Benchmark:** FTSE 350 Oil & Gas Index  
**Net asset value at 31 March 2010:** £34.0 million

## FUND OBJECTIVE

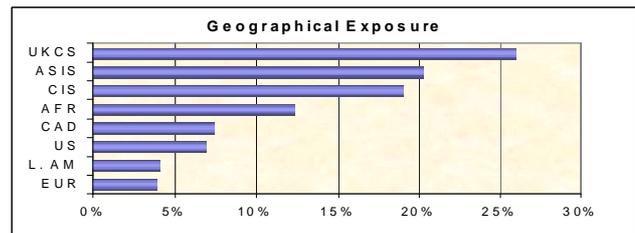
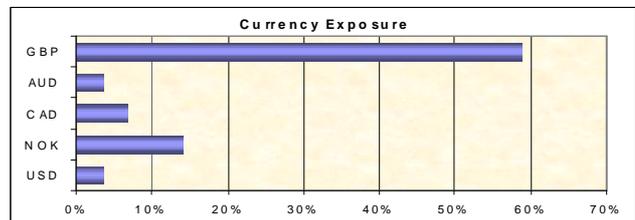
- JOT invests in smaller Oil & Gas exploration and production companies
- Authorised Unit Trust
- Provides exposure to the Energy Super-Cycle

## TOP 10 HOLDINGS

Company	%Fund
1. Premier Oil	5.5%
2. Dana Petroleum	5.4%
3. Entek Energy	4.7%
4. Dragon Oil	4.3%
5. Bowleven	3.8%
6. Questerre Energy	3.8%
7. Amerisur Resources	3.8%
8. Tullow Oil	3.7%
9. Norwegian Energy co.	3.3%
10. Gran Tierra Energy	2.7%

As at 31 March 2010

## GEOGRAPHICAL & CURRENCY EXPOSURE



Dear Investor,

March was another strong month for energy equities with oil prices rising to the mid-eighties. What we find particularly interesting is that there are currently several disparities in the oil market. First, the price of sweet crude, the West Texas Intermediate, a widely used benchmark for oil prices, dropped to a discount to Brent; it has historically traded at a premium most of the time. Second, there are significant additions to stockpiles of crude on the back of a healthy contango in prices one year forward; yet, demand growth in oil products is reportedly slow and refineries are cutting back their production runs. Finally, in spite of prices running to the mid-eighties, OPEC has not responded with increased quotas as they previously said they would.

As we have maintained before, we believe that oil prices are driven by financial traders and investors in the short term. We also believe that, while physical, fundamental demand was the main price driver in 2008, financial flows have been pushing prices higher in 2009 and in the year to date. These price drivers are unlikely to be sustainable as there is now greater flexibility in refinery runs, large upstream capacity and significant stock levels. Opec is likely to be the price-determining force.

On the demand side, it is clear that the industrialising East is absorbing the slack of demand in developed economies. Driven by population growth, urbanisation and a growing middle class, non-OECD's share of global oil demand has increased from 38% to 48% in the last 8 years. Chinese new car sales have risen exponentially in the last decade and the trend is set to continue. Longer-term, therefore, physical demand for oil and its products should continue to grow. In the meantime, the wild cards which could affect prices materially are developments in Iran and Iraq with Nigeria a further unknown factor.

With this back-cloth in perspective, companies with large reserves, healthy cash-flow generation and a strong balance sheet should continue to do well over the medium term. The core holdings of the fund reflect such a positioning, with recent reductions in earlier stage, development-focused positions.

Angelos Damaskos  
Chief Executive Officer

***For dealing/inquiries on Junior Oils Trust call  
Capita Financial Managers Ltd tel: 0845 601 7637***

Junior Oils Trust qualifies for PEPs and ISAs  
Further information on JOT at [www.junioroils.com](http://www.junioroils.com)

**RISK WARNING:**

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