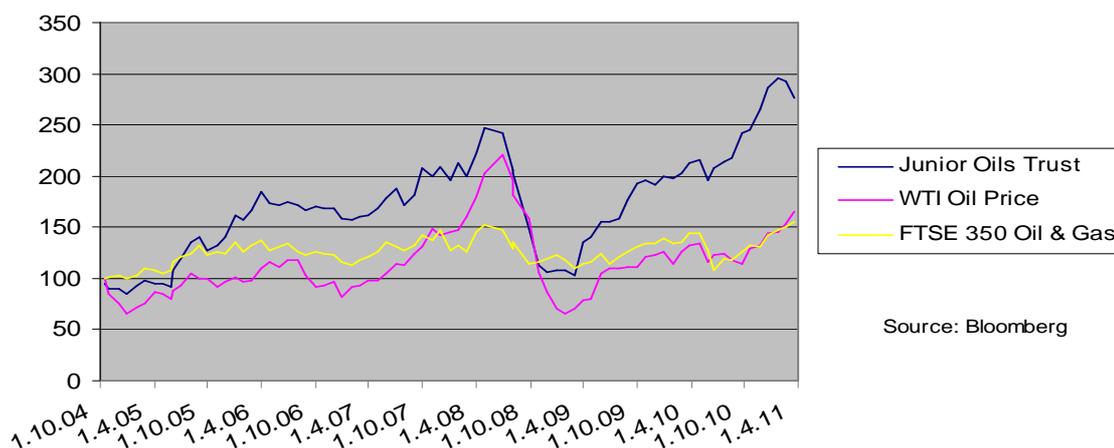


# JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Performance Update as at 15 April 2011 (all data as at 31 March 2011)

## 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 2011:** £65.2 million

## FUND OBJECTIVE

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

## HOW TO INVEST

Call Capita Financial Managers: **0845 601 7637**  
[www.junioroils.com](http://www.junioroils.com) or  
[www.sectorinvestments.com](http://www.sectorinvestments.com)

## TOP 10 HOLDINGS

Company	%Fund
1. Norse Energy 6.5% 2011	5.3%
2. Caza Oil & Gas	5.1%
3. Cooper Energy	4.8%
4. Soco International	4.7%
5. Dragon Oil	3.7%
6. Encore Oil	3.4%
7. Premier Oil	3.1%
8. Questerre Energy	3.1%
9. Noreco 12.9% 2014	2.9%
10. Circle Oil	2.9%

As at 31 March 2011

**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 fund invests in smaller companies 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. 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 Simplified Prospectus which is available free by visiting the websites above. Sector Investment Managers Ltd and Capita Financial Managers Ltd are authorised and regulated by the Financial Services Authority

Dear Investor,

March has been a month of horrific developments. The Japanese earthquake and subsequent human tragedy caused a significant sell-off in global equities. Portugal finally admitted it needed financial help from the ECB as their public debt could not be refinanced in the markets. Geopolitical instability in North Africa took another dimension with full civil-war erupting in Libya, the UN deciding to impose a no-fly zone and NATO bombing Colonel Gaddafi's forces.

The combined effect of the situation pushed oil prices sharply higher as Libyan supplies were cut and the risks on the regional oil production rose. In addition, the Japanese situation with its damaged nuclear capacity means that the nation will have to rely more on imports of oil, gas and coal for its energy needs. Despite Saudi Arabia pledging to boost its production to meet any shortfall, the reality may be that the spare capacity is not as large and easily accessible.

Large producing companies benefit immediately from a sharp rise in prices which explains the relative outperformance of their share prices. The futures curve of oil prices, however, are in backwardation which means that the market expects the Libyan situation to be resolved somehow and prices to come down. Shares of smaller companies, therefore, did not benefit from the rise in oil and were in fact negatively affected by the rise in market volatility. Consequently, the fund has generally traded sideways since the beginning of the year. This vindicates our generally cautious approach with significant corporate bond holdings and about 12% in cash as portfolio volatility was reduced. We have been taking advantage of market volatility to invest in some attractive situations. One such situation is a new addition to the portfolio, Cooper Energy. It briefly traded at a market value just above the cash reserves of the company which means we purchased its Australian production and exploration potential in Eastern Europe and off-shore Tunisia for a very small price.

We believe that the geopolitical unrest is likely to continue to upset oil supplies while demand from Japan, China and other emerging economies will remain strong. In this scenario, market expectations for future oil prices will shift higher thus promoting the re-rating of smaller, exploration and production companies like those held by the fund.

The Junior Oils Trust continues to be the best-performing energy fund in the UK over a 12-month period as at 14 April 2011\*.

Angelos Damaskos  
Chief Executive Officer

\*Source: Financial Express and Morningstar

***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)

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