

# JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update March 2012

## FUND PERFORMANCE

Since launch:

10.10.04-30.3.12: +120.6%

12 months discrete:

30.3.11-30.3.12: -23.9%

30.3.10-30.3.11: +30.5%

30.3.09-30.3.10: +56.8%

30.3.08-30.3.09: -32.2%

30.3.07-30.3.08: +23.8%

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



## 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 30 March 2012:** £49 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	% of Fund
1. Cooper Energy	6.8%
2. Premier Oil	6.5%
3. Norse Energy	5.3%
4. Parex Resources	4.5%
5. Amerisur Resources	4.2%
6. Caza Oil & Gas	3.9%
7. Serica Energy	3.8%
8. Otto Energy	3.7%
9. Norwegian Energy Co	3.6%
10. Victoria Oil & Gas	3.3%

As at 30 March 2012

**5 April 2012**

Dear Investor,

It is always interesting to see how the stock market discounts the events well before they happen. Last year, smaller capitalisation stocks, especially in the more volatile segments of the market, such as energy and commodities, were sold-off regardless of fundamentals. Valuations became so cheap that it was more attractive for larger, cash-rich industry players to buy companies rather than develop projects organically. As the New Year started, despite worries about a sovereign default by Greece and a potential crisis in the Eurozone, markets started a strong recovery, led by the sectors that were the worst performers the year before. By March, it became clear that the Greek debt problems were being resolved, even if for the short-term, and money printing by the ECB and others made investments in equities more attractive than holding cash.

After the end of the first quarter, some reality is settling into the markets and makes everyone think if we are being too optimistic. Oil prices are reaching new highs in Euro and Sterling terms, surpassing even the levels prior to the Global Financial Crisis of 2008. The Arab Spring continues to spread in the Middle-East causing great uncertainty about oil supplies from the world's most important producing region. Major consumers of oil, notably China and India, have started accumulating strategic petroleum reserves anticipating short-term shocks. Japan's power generators have switched to heavy-fuel oil growing imports in February by 80% over the previous year. It seems unlikely, therefore, that the price of oil will drop much in the near future and there are many potential events that could cause it to rise further. Oil shares have outperformed the general market as a result and we believe that there is further re-rating potential. Regardless of short-term volatility, we remain optimistic for the year ahead as the Junior Oils Trust portfolio focuses on well-capitalised producers with expanding profitability and good exploration prospects.

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.