

# JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

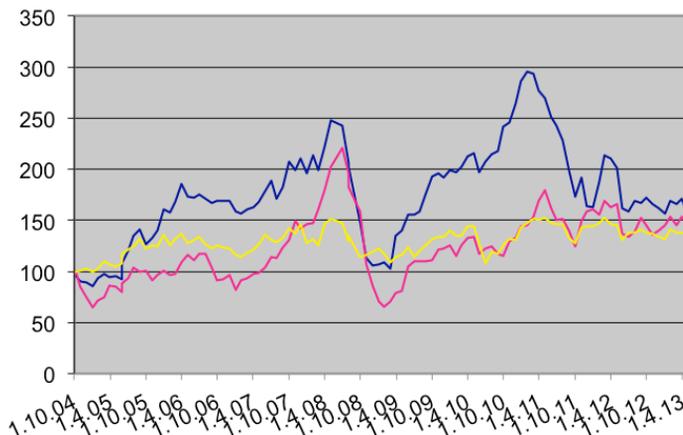


Update April 2013

## FUND PERFORMANCE

Since launch:  
**10.10.04-30.4.13: +61.4%**  
**30.3.13-30.4.13: -10.2%**  
 12 months discrete:  
**30.4.12-30.4.13: -23.4%**  
**30.4.11-30.4.12: -25.5%**  
**30.4.10-30.4.11: +25.0%**  
**30.4.09-30.4.10: +54.0%**  
**30.4.08-30.4.09: -36.9%**

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



**Comparative Performance:**  
**10.10.04-30.4.13**  
 Sector Investment Managers Ltd

— Junior Oils Trust  
 — WTI Oil Price  
 — FTSE 350 Oil & Gas

## KEY FACTS

**Fund Category:** Energy Specialist  
**Charges: "C" class:** 5.25% Initial, 1.75 % Annual  
**"I" class:** 0.5% Initial, 1.25% 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 April 2013:** £30.0 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

## TOP 10 HOLDINGS

Company	% of Fund
1. Questerre Energy	8.9%
2. Iona Energy	7.1%
3. Cooper Energy	6.1%
4. Xcite Energy	4.9%
5. Caza Oil & Gas	4.8%
6. Parex Resources	4.7%
7. Parkmead Group	4.5%
8. Enquest	4.3%
9. Bridge Energy	4.1%
10. Bowleven	4.0%
Total Top 10	53.4%

As at 30 April 2013

## 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.

**16 May 2013**

Dear Investor,

The second quarter has become an annual cyclical period of weakness for commodities investors in the past three years. Oil, nevertheless, fared better than industrial metals, briefly dropping below \$100/barrel in early April only to regain this important level within days. Supply/demand data are generally in line with estimates by the International Energy Agency, indicating that the global economic weakness has not impacted demand for oil.

We have been reading with interest recent announcements on the Brazilian oil production that has been falling over the past year. It appears that technical problems with the ultra-high depth sub-salt basins have delayed production and have raised question marks over the marginal cost of bringing this oil to market. Brazil has been making a rapid transition in its economy with many millions of Brazilians becoming more affluent and demanding cars, air travel and other, energy intensive utilities. As a result, imports of gasoline are rising rapidly and even the local bio-ethanol market, once envied as the model of growth in renewable energy, has had to import ethanol from the United States. Resource nationalism seems to have taken a toll on Petrobras, the national giant that has been encouraged to shun foreign investment in favour of local suppliers and partners. The lack of competitiveness, crony capitalism and sluggish, bureaucratic organisation has delayed important decisions on promoting production from domestic resources. This development is testament that, despite the growth of shale oil and gas production in the United States and its potential reduction of international imports, global demand is likely to grow at least as fast as supply. Should global economic growth increase, oil prices are likely to push higher again, resuming the longer-term uptrend.

Smaller capitalisation oil shares have been somewhat weaker in April as investors continued to prefer large-cap dividend yield to high-beta risk. At some point in the near future this is bound to change as multiples of larger companies are squeezed, prompting a diversification into better value, such as the oversold smaller producers that also offer development growth at a discount.

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 Key Investor Information Document is available free of charge using the contact details above. Before making an investment in the fund, it is important that you read the Prospectus and Key Investor Information Document. 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 Conduct Authority.