

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update April 2014

FUND PERFORMANCE

Bid to Bid since launch:

10.10.04-30.4.14: +58.6%

31.3.14-30.4.14: +2.4%

12 months discrete:

30.4.13-30.4.14: -1.7%

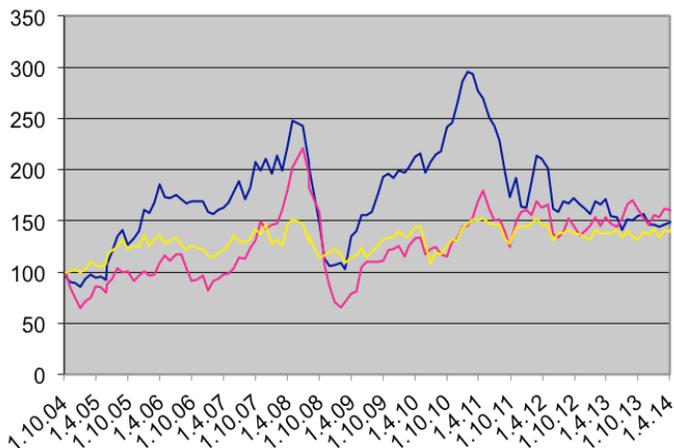
30.4.12-30.4.13: -23.4%

30.4.11-30.4.12: -25.5%

30.4.10-30.4.11: +25.0%

30.4.09-30.4.10: +54.0%

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



Comparative Performance:
10.10.04-30.4.14

Sector Investment Managers Ltd



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 2014: £23.1 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	8.2%
2. Caza Oil & Gas	8.1%
3. Cooper Energy	5.9%
4. Faroe Petroleum	5.8%
5. Parkmead Group	5.7%
6. Salamander Energy	5.6%
7. FAR Ltd	4.3%
8. Xcite Energy	4.3%
9. Carnarvon Petroleum	4.2%
10. Otto Energy	4.2%
Total Top 10	56.3%

As at 30 April 2014

HOW TO INVEST

Call Marlborough Fund Managers:

0808 145 2501

For further information and documentation visit:

www.junioroils.com or
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 2014

Dear Investor,

The factors influencing oil prices make it one of the hardest markets to understand often due to misleading and unavailable data, but mostly because of the complexity of the geopolitics affecting its supply. Oil prices have traded remarkably steady during the period of unrest in Ukraine and the imposition of economic sanctions against Russia by the United Nations. President Putin now seems content with the annexation of Crimea and is probably monitoring the political degradation of Ukraine closely. With continued civil unrest and separatist movements in the East, the Ukrainian government is finding it hard to maintain control. The fact remains that the pipelines carrying Russian oil and gas to the west mostly go through Ukraine so it is hard to ignore the regional developments.

We have long maintained that the situation in the Middle-East and North-Africa will likely remain fragile. In addition to Syria, Nigeria has seen increasing violence and south Sudan is in civil war. Given that OPEC and countries of the former Soviet Union supply almost 60% of global oil production and control more than 80% of reserves, strained geopolitics are set to cause anxiety to oil-consuming nations. The impact of the North American shale revolution is now better understood and discounted by the market. It is neither of the vast scale it was initially thought to be nor economically a cheap source of supply. The world still needs conventional production from stable countries so the exploration budgets that have been severely cut in the past three years of bear-market are likely to be replenished again.

The energy equities market has been much more buoyant recently. During 2013, American listed oil companies performed the best. In the second half of last year and in the year to date, it was Canada-focused oils that outperformed. In recent months, the international exploration and production sector has started to move up. Oil prices have been steady so the main reason for the relative performance must be capital allocation. Driving the allocation switch is a general change in perception among traders and investors that oil prices may be headed higher. Equities are often a good leading indicator for the commodity price performance.

The Junior Oils Trust is performing better in the year to date due to its focus in international exploration and production. Caza Oil & Gas has continued to produce good results and, consequently, benefit from a re-rating. Salamander Energy, a position that we increased earlier in the year, announced that it is takeover talks. We believe that it is likely to be the target of Asian interests that value its regional position. We added to the fund's position in Xcite Energy when it sold-off in the end of March on the belief that the share price grossly undervalued the assets. This has paid-off as the company has subsequently announced joint venture agreements to develop its Bentley field. Other notable good performers include Faroe Petroleum that announced a new discovery in the North Sea. We continue to be optimistic for the prospects of your fund during the rest of this year and beyond.

Angelos Damaskos
Chief Executive Officer

For dealing/inquiries on Junior Oils Trust call

Marlborough Fund Managers: 0808 145 2501

For further information and documentation visit:

www.junioroils.com or
www.sectorinvestments.com

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.