

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

10
YEARS
TRACK
RECORD

Update April 2015

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-30.4.15: +13.7%

31.3.15-30.4.15: +13.1%

12 months discrete:

30.4.14-30.4.15: -28.3%

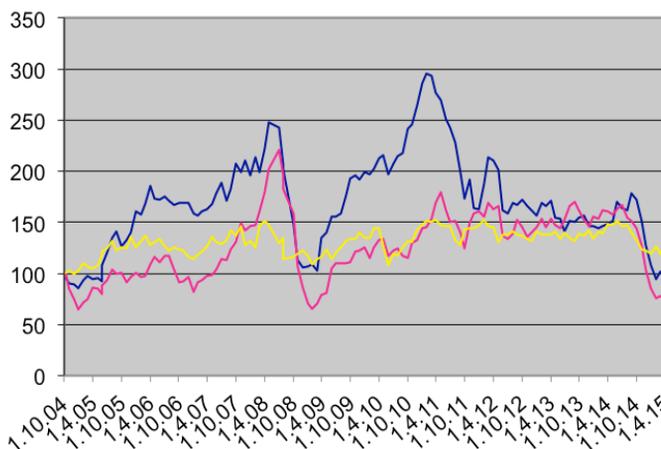
30.4.13-30.4.14: -1.7%

30.4.12-30.4.13: -23.4%

30.4.11-30.4.12: -25.5%

30.4.10-30.4.11: +25.0%

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



Comparative Performance:

10.10.04-30.4.15

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

'P' class: 0.5% Initial, 1.10% Annual

Manager: Marlborough Fund Managers Ltd

Fund Adviser: Angelos Damaskos

Minimum Investment: £1,000 or £100 per month

Eligible for NISAs and SIPPs

Benchmark: FTSE 350 Oil & Gas Index

Net asset value at 30 April 2015: £17.3 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. FAR Ltd	8.5%
2. Carnarvon Petroleum	5.4%
3. Otto Energy	5.0%
4. Yangarra Resources	4.9%
5. Parkmead Group	4.4%
6. Victoria Oil & Gas	4.4%
7. Faroe Petroleum	4.3%
8. Gran Tierra Energy	4.3%
9. Legacy Oil + Gas	4.0%
10. Cooper Energy	3.7%
Total Top 10	48.9%

As at 30 April 2015

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.

8 May 2015

Dear Investor,

The oil prices staged a strong rebound, with WTI gaining nearly 26% in April as reports of declining inventories in America showed larger draws than the market had expected. In addition, early indications of the potential drop in supply emerged as the number of US drilling rigs in operation halved since the beginning of the year. The decline in drilling activity was expected given that most exploration and production companies cut their budgets dramatically in response to lower prices. Junior and Intermediate producers have, on average, cut their spending by 55%. It is now becoming clear that the supply response will be swift and significant. Given the huge volatility in the past nine months, it is no surprise that oil trading firms have had their best profits in many years. The large contango in prices made it easy for them to bank almost risk-free profits by storing oil for delivery in 6-12 months. The unwinding of this trade has caused prices to rebound from the uneconomic lows seen early in the year. We believe that Brent will continue its recovery towards \$75/barrel by year-end and remain in an uptrend for the longer term.

After the traders, it is smaller capitalisation oil shares that have started enjoying better performance in April, albeit lagging the commodity. Companies with large reserves, growing production and resilient balance sheets, have performed better than earlier stage, exploration focused stories. The Junior Oils Trust has benefited from its strategic repositioning earlier in the year towards some of the better quality Canadians. A few days ago, the Canadian elections in Alberta, resulted in the New Democratic Party displacing the Conservative Party, ending their 40-year reign. The change in government has caused some uncertainty towards Alberta-focused operations, with speculation about the potential increase in taxes and royalties in the oil sector. The fund's direct exposure to this geographic territory of Canada is less than 10% primarily via the holdings in Yangarra Resources and RMP Energy. Both companies benefit from large tax-pools, accumulated from previous development costs, that shield them from changes in taxation for many years to come. An increase in royalties can have a small impact on profitability but, in general, the geological attractiveness of their territories and the efficiency of their operations by far outweighs the potential cost. Canadian operations in general now benefit from significantly reduced drilling and development costs as well as from the depreciation of the Canadian against the US Dollar. We are increasingly optimistic for a general recovery in our sector as the longer-term supply-demand gets re-balanced, restoring prices towards economically sustainable levels.

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:

Past performance is not necessarily a guide to the future. The value of investments and the income from them may go down as well as up. Investors may not get back their original investment. The fund invests in smaller companies and 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.

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