

# JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

**10**  
**YEARS**  
**TRACK**  
**RECORD**

Update June 2015

## FUND PERFORMANCE

### 'C' Bid to Bid since launch:

10.10.04-30.6.15: -2.3%

31.5.15-30.6.15: -10.9%

### 12 months discrete:

30.6.14-30.6.15: -43.0%

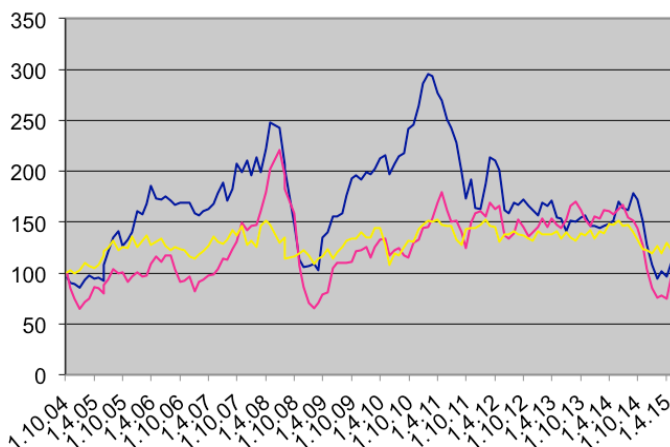
30.6.13-30.6.14: +15.7%

30.6.12-30.6.13: -10.9%

30.6.11-30.6.12: -34.7%

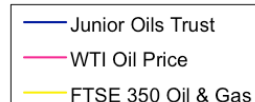
30.6.10-30.6.11: +17.3%

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



Comparative Performance:  
10.10.04-30.6.15

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 June 2015:** £15.0 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. FAR Ltd	7.3%
2. Carnarvon Petroleum	5.5%
3. Faroe Petroleum	4.9%
4. Parkmead Group	4.5%
5. Yangarra Resources	4.4%
6. Victoria Oil & Gas	4.3%
7. RMP Energy	4.2%
8. Long Run Exploration	4.0%
9. Cooper Energy	4.0%
10. Gran Tierra Energy	3.9%
Total Top 10	47.0%

As at 30 June 2015

## 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.

7 July 2015

Dear Investor,

The oil price has recently lost much of its second quarter momentum. It appears that the uncertainty created by the Greek crisis and the likelihood of a deal being reached with Iran on their nuclear programme has weighed on the oil prices. Furthermore, worries about Chinese economic growth and the recent volatility in its stock market, raised questions over global oil demand growth. Finally, an unseasonal rise in US inventories and a small increase in the drilling rig count indicated that North American production has remained resilient.

Whilst further deterioration in the situation of Greece is likely to have a negative economic impact on the Eurozone, we believe that a sufficiently advanced deal with Iran that would allow lifting of oil export sanctions in the near-term is unlikely. Chinese economic growth has slowed recently but its demand for energy continues to grow and is still far behind the levels of consumption in the developed west. We know that the shale revolution has produced a very flexible and resilient model, but it relies on continued capital investment and higher prices; at current rates, we expect further declines as newly drilled wells lose their initial productivity. The rig count is down over 60% since the beginning of the year and the recent small recovery is a result of higher prices in the second quarter.

The Junior Oils Trust traded sideways in the first five months of the year but suffered a sharp drop in June, losing -13.9% compared to a drop of -6.7% in its benchmark, the FTSE 350 Oil & Gas index. Whilst higher volatility is smaller capitalisation shares is expected, perhaps the market has discounted the more recent drop in oil prices. Weakness in the Canadian (34% exposure) and Australian (22% exposure) dollars against Sterling contributed to the poor performance. Nevertheless, we believe that the fundamental drivers of the oil price and the respective currencies will prevail and support a rerating of the sector in the second half of the year.

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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