

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

11
YEARS
TRACK
RECORD

Update June 2016

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-30.6.16: -30.2%

31.5.16-30.6.16: +2.2%

12 months discrete:

30.6.15-30.6.16: -28.5%

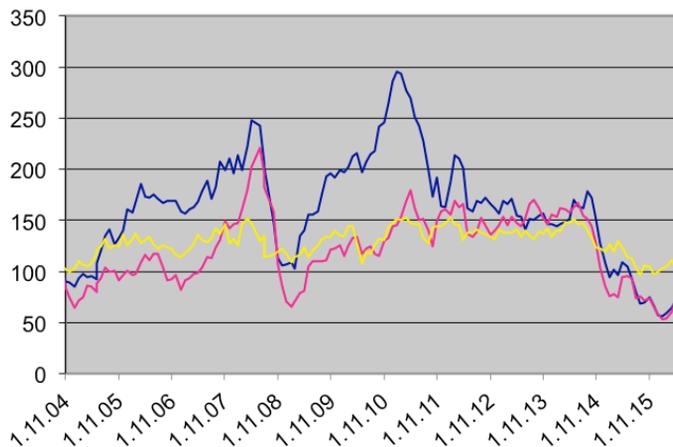
30.6.14-30.6.15: -43.0%

30.6.13-30.6.14: +15.7%

30.6.12-30.6.13: -10.9%

30.6.11-30.6.12: -34.7%

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



Comparative Performance:
10.10.04-30.6.16
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 "C": £1,000 or £100 per month

Eligible for NISAs and SIPPs

Benchmark: FTSE 350 Oil & Gas Index

Net asset value at 30 June 2016: £11.2 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 despite higher short-term volatility
- Emphasis on production and proven reserves
- Avoid political and pure exploration risks

TOP 10 HOLDINGS

Company	% of Fund
1. Carnarvon Petroleum	7.6%
2. FAR Ltd	7.0%
3. Serica Energy	5.9%
4. Pine Cliff Energy	5.8%
5. Yangarra Resources	5.4%
6. Cooper Energy	5.4%
7. RMP Energy	4.9%
8. Gran Tierra Energy	4.5%
9. Painted Pony	4.1%
10. Tamarack Valley	3.9%
Total Top 10	54.5%

As at 30 June 2016

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:

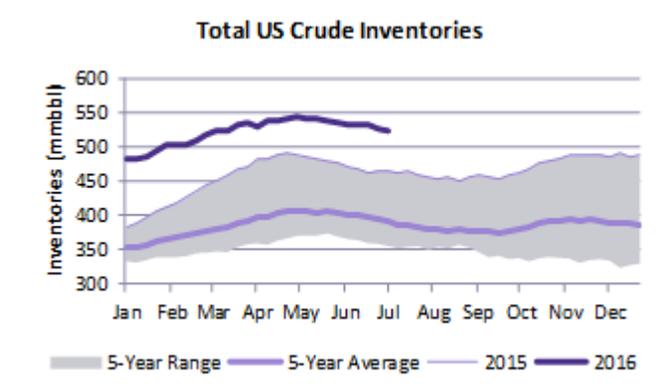
The fund invests in smaller companies which may carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and more volatile over shorter term periods. Changes in exchange rates between currencies may cause the value of investments to diminish or increase. The fund focuses on a specific sector and has a concentrated portfolio which can lead to greater volatility.

14 July 2016

Dear Investor,

June proved to be a volatile and unpredictable month in all asset classes. The Brexit vote unsettled all sectors at first but a realisation that it would result in further Quantitative Easing and lower interest rate expectations fuelled a subsequent rally into the first two weeks of July. Oil lost some of its momentum found in earlier months and continued its weakness into July. Natural gas prices in North America bucked the trend, its price rising substantially just as consensus was most bearish on over-supply concerns.

US crude oil inventories, considered the bell-weather indicator for future oil prices, have started to drop significantly. This has been expected for a while now, given the decline in drilling activity and other production outages in North America that have reduced regional supply of oil by more than 1 million barrels per day. The draws on stocks are likely to continue during the next two months and remain fairly flat in the run-up to the autumn seasonal re-stocking. It is becoming clearer now that the severe capital expenditure cuts across the industry have started to impact global supply.



Source: Clarus Securities

The Junior Oils Trust has had some positive benefit from the volatility in the aftermath of the Brexit vote. In particular, its overweight exposure in Canadian and Australian dollars avoided the substantial devaluation of Sterling. Most recently, its largest holding, Carnarvon Petroleum, announced a new positive drilling result in North-Western Australia that offers substantial growth in future reserves. Today, Conoco Phillips, partner to our second largest holding FAR Ltd, announced the sale of its Senegal interest to Woodside Petroleum. We view this as a positive step in FAR's potential monetisation of its holding in the acreage that has been the most important new oil discovery since 2014. Elsewhere, some of the North American gas-weighted companies such as Pine Cliff Energy, RMP and Painted Pony benefited from the resurgence in gas prices. We remain optimistic for a broader re-rating of the portfolio in the second half of the year.

Please watch our 4th February interview with IG, still relevant today, by pasting the following link to your browser:

https://www.youtube.com/watch?v=2MQWkt2pj_A

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:

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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