

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

12
YEARS
TRACK
RECORD

Update March 2017

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-31.3.17: -6.0%

28.2.17-31.3.17: -5.1%

12 months discrete:

31.3.16-31.3.17: +40.2%

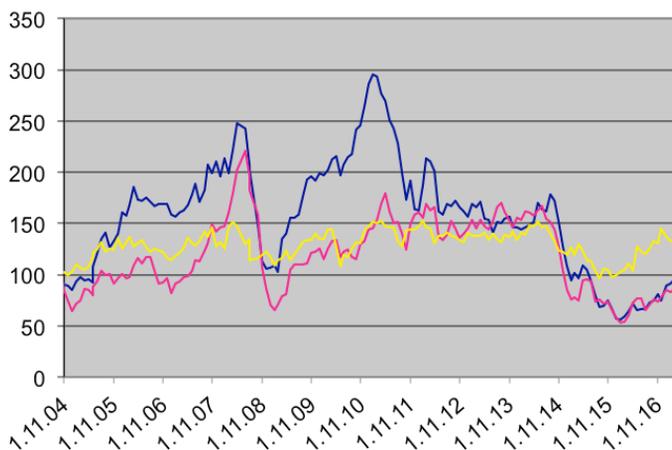
31.3.15-31.3.16: -33.3%

31.3.14-31.3.15: -35.1%

31.3.13-31.3.14: -13.8%

31.3.12-31.3.13: -18.6%

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



Comparative Performance:
10.10.04-31.3.17
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 31 March 2017: £14.6 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. Questerre Energy	8.5%
2. Carnarvon Petroleum	6.4%
3. FAR Ltd	6.4%
4. Pantheon Resources	5.5%
5. Ophir Energy	4.9%
6. Africa Oil	4.8%
7. Cooper Energy	4.7%
8. Tamarack Valley	4.3%
9. Yangarra Resources	4.3%
10. Victoria Oil & Gas	4.1%
Total Top 10	53.9%
As at 31 March 2017	

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.

18 April 2017

Dear Investor,

Oil prices have demonstrated resilience in recent months and the latest data of larger than expected draws in crude inventories underpin further strength. Large draws have been seen in oil product stocks as well, a positive during the period of refinery operational rump-up ahead of the US driving season. Saudi Arabia has been reported to lobby in favour of extending the output production cuts into the second half of the year. Russia and other Nopec countries appear to agree. Investors are turning more bullish, despite reports of growing US supplies and higher rig counts, as the supply destruction in higher-cost, mature sources becomes evident.



Global equity markets, nevertheless, seem to have entered a risk-off mode on the back of unstable geo-politics and the failure of the Trump administration to push through key elements of the pre-election promises. The main market-driving policy of infrastructure spending combined with tax-cuts is facing opposition in Congress as the US debt ceiling debate takes centre stage. A lot of hope has been built into equity valuations and markets are overdue a correction.

Smaller oil companies have been re-rating in the last few months, particularly those that took advantage of the savage prior years to acquire prospective assets cheaply. With oil prices double from where they were early in 2016, producers are enjoying healthy free cash flow generation. Notable outperformers in the Junior Oils Trust portfolio have been Serica Energy, that reported growing production in the North Sea, Geopark whose Colombian drilling programme appears set to transform the company and SDX Energy which acquired the assets of failed Circle Oil, boosting exposure in Egypt and Morocco. Another successful holding has been Victoria Oil & Gas; we have divested out of Bowleven as the new board appears inexperienced and likely to have difficulty realising full value from the sale of the assets. We remain optimistic for the continued re-rating of smaller oil companies.

Please watch the latest interview with IG discussing the oil market and the prospects of smaller companies:

<https://www.youtube.com/watch?v=weo94EJJLzQ>

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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