

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

12
YEARS
TRACK
RECORD

Update April 2017

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-30.4.17: -13.9%

31.3.17-30.4.17: -8.5%

12 months discrete:

30.4.16-30.4.17: +14.5%

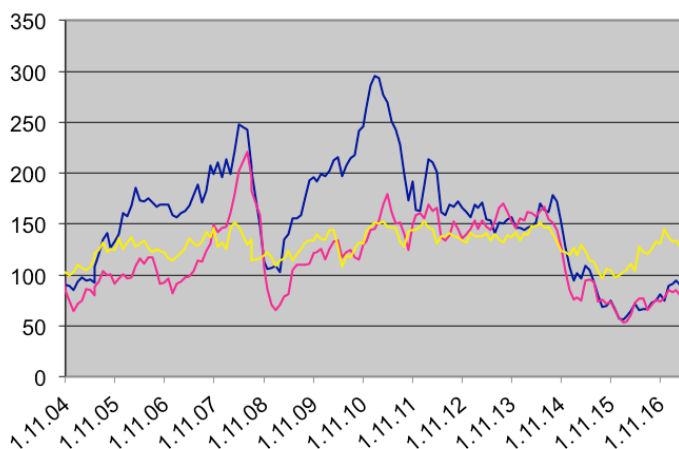
30.4.15-30.4.16: -33.9%

30.4.14-30.4.15: -28.3%

30.4.13-30.4.14: -1.7%

30.4.12-30.4.13: -23.4%

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



Comparative Performance:
10.10.04-30.4.17
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 30 April 2017: £13.4 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. Questa Energy	8.6%
2. Cooper Energy	6.8%
3. FAR Ltd	6.6%
4. Carnarvon Petroleum	5.8%
5. Ophir Energy	5.3%
6. Pantheon Resources	5.3%
7. Africa Oil	4.6%
8. Yangarra Resources	4.4%
9. Faroe Petroleum	4.4%
10. Victoria Oil & Gas	4.4%
Total Top 10	56.2%

As at 30 April 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:

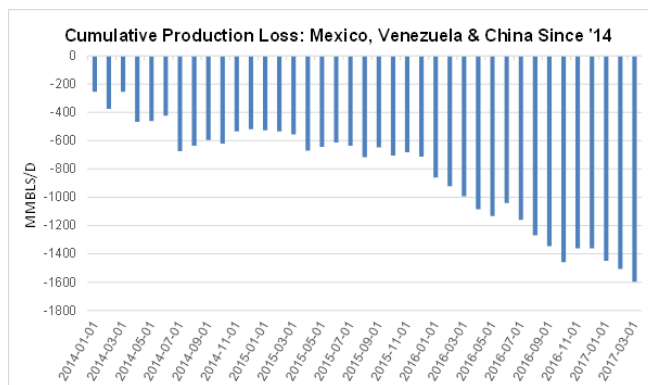
The fund invests in smaller companies which may carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and more volatile over shorter term periods. Changes in exchange rates between currencies may cause the value of investments to diminish or increase.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

14 May 2017

Dear Investor,

Commodities have been weak across the board in April and early May as concerns about the Chinese de-leveraging and the potential impact on demand weighed on markets. This week, the US\$1.7 trillion Chinese bond market inverted, for the first time ever since records begun, with 5-year yields rising above the 10-year benchmark. Rising cost of short-term debt in an economy where the reported debt to GDP ratio is about 260% is a sure way to cause economic activity to contract, with significant risks of a financial crisis as bad debts accumulate. Nevertheless, the International Energy Agency has maintained its expectation for demand growth for this year whilst acknowledging the growth in North American supply and greater exports from Libya and Nigeria could keep a lid on oil prices in the short term.

Recently reported large draws from inventories indicate that the supply-demand balance has been restored. Notwithstanding some short term trading volatility in oil prices due to the correlation with the commodities spectrum, we believe that the supply destruction caused by the two year oil crisis will support prices higher in the second half of the year. While North America's oil production grows again, there are mounting declines in other parts of the world. Supply could be short of demand by year-end.



Source: National Bank Financial

The oil industry has rationalised, reduced its cost base, and focused on the lower marginal cost projects. Companies that survived the downturn with a solid capital base have taken advantage to acquire assets at low prices. These companies are steadily gaining the trust of investors and see their share prices re-rate. The Junior Oils Trust remains at the top of performance tables of energy funds over trailing 12 and 6 months, as smaller companies catch up. See: www.morningstar.co.uk/uk/fundquickrank/default.aspx The portfolio remains invested in companies with growing production, solid balance sheet and attractive, lower risk exploration prospects. We remain optimistic for the continued re-rating of smaller oil companies.

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

<https://www.youtube.com/watch?v=weo94EJLzQ>

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.

This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. 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 SIM's internal analysis which may have not been verified by independent sources. They are subject to change and should not be interpreted as investment advice. Before making an investment in the fund, it is important that you read the Key Investor Information Document. Prospectus and Key Information Document are available free by visiting the websites above. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorised and regulated by the Financial Conduct Authority.