JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

12 YEARS TRACK RECORD

Update May 2017

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-31.5.17: -15.8%

30.4.17-31.5.17: -2.2%

12 months discrete:

31.5.16-31.5.17: +23.1%

31.5.15-31.5.16: -37.7%

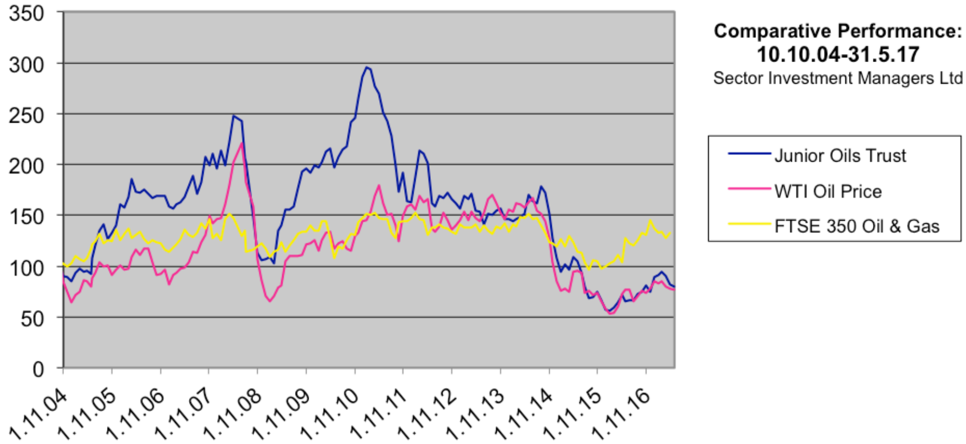
31.5.14-31.5.15: -38.4%

31.5.13-31.5.14: +10.7%

31.5.12-31.5.13: -5.2%

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

Comparative Performance:
10.10.04-31.5.17
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 May 2017: £12.8 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	9.0%
2. Cooper Energy	7.7%
3. FAR Ltd	6.6%
4. Yangarra Resources	6.2%
5. Carnarvon Petroleum	5.8%
6. Ophir Energy	5.3%
7. Pantheon Resources	5.2%
8. Africa Oil	4.7%
9. Painted Pony Energy	4.3%
10. Faroe Petroleum	4.3%
Total Top 10	59.1%
As at 31 May 2017	

HOW TO INVEST

Call Marlborough Fund Managers:

0808 145 2501

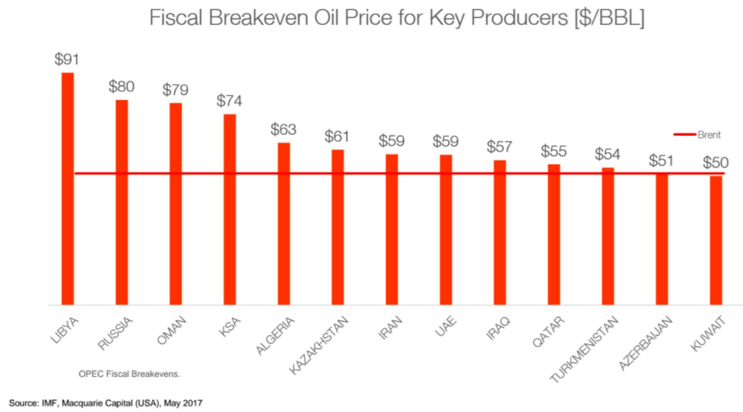
For further information and documentation visit:
www.junioroils.com or
www.sectorinvestments.com

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.

15 June 2017

Dear Investor,

The International Energy Agency released its latest report yesterday presenting expectations for a supply growth of 1.5 million barrels per day (mbpd) in 2018 against demand growing by 1.4mbpd. Importantly, the net growth of 0.1mbpd follows a supply deficit of 0.8mbpd that is developing this year assuming Opec members stick to the quotas. In other words, the IEA expects a draw on inventories of 290 million barrels (mb) in 2017 and 220 mb in 2018. There are good reasons to expect the Opec cartel to wish to maintain production quotas into next year to support prices. Analysis of fiscal budgets of key oil producing countries indicates $60/barrel to be the fiscal equilibrium. Saudi Arabia, for its part, is also motivated to support oil prices until it floats part of Saudi Aramco at a rich valuation.



Oil prices have, nevertheless, been weak in recent weeks as traders analyse the impact of production increases from Nigeria and Libya against bloated inventory data. A rapid acceleration of North American supply is also of concern, with some forecasting shale production matching the 2015 levels next year and reaching some 9mbpd by 2020. Further worries over the much publicized impact of electric vehicles (EVs) on demand have also come into the longer-term picture. However, most commentators agree that growth from emerging and industrialising markets, principally China and India, are likely to mop-up any increase in supply and substitute the drop in gasoline and diesel demand as EVs gather market share. Finally, the seismic impact of $1.5 trillion cut from capital expenditure on future supply from new projects is currently unquantifiable and will most certainly be appreciable in the next few years.

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 presentation on the oil market prospects at London South East:
https://www.youtube.com/watch?v=_om1FMsVv9M&feature=youtu.be

Angelos Damaskos
Chief Executive Officer

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***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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