JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update October 2018

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-31.10.18: -14.1%

30.9.18-31.10.18: -9.1%

12 months discrete:

31.10.17-31.10.18: +2.0%

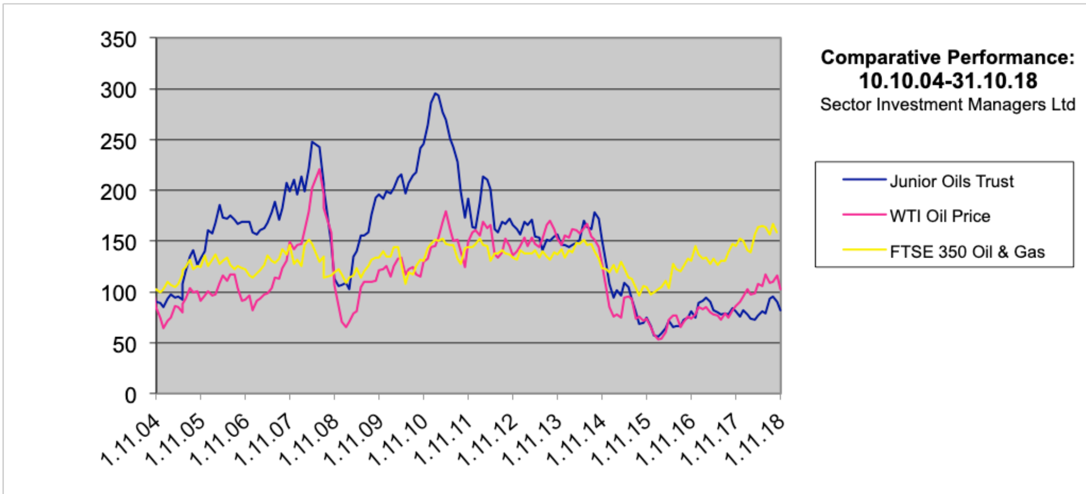
31.10.16-31.10.17: +0.0%

31.10.15-31.10.16: +11.4%

31.10.14-31.10.15: -52.4%

31.10.13-31.10.14: -3.2%

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



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 October 2018: £10.7 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 NAV
1. Carnarvon Petroleum	9.3%
2. FAR Limited	9.1%
3. Faroe Petroleum	8.8%
4. Cooper Energy	6.0%
5. Iron Bridge Resources	5.3%
6. Questerre Energy	4.5%
7. Tamarack Valley	3.9%
8. Africa Oil International	3.3%
9. President Energy	3.3%
10. Ophir	3.2%
Total Top 10	56.7%

As at 31 October 2018

HOW TO INVEST

Call Marlborough Fund Managers:

0808 145 2501

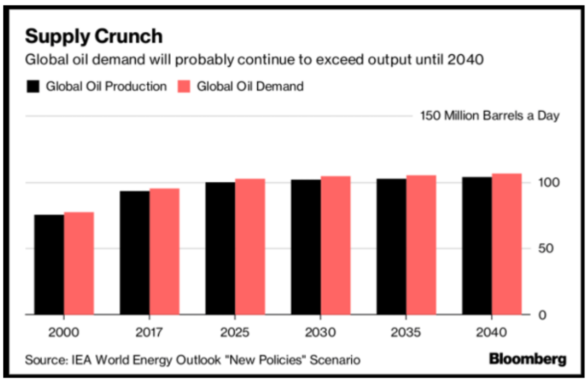
For further information and documentation visit:
www.junioroils.com **or**
www.sectorinvestments.com

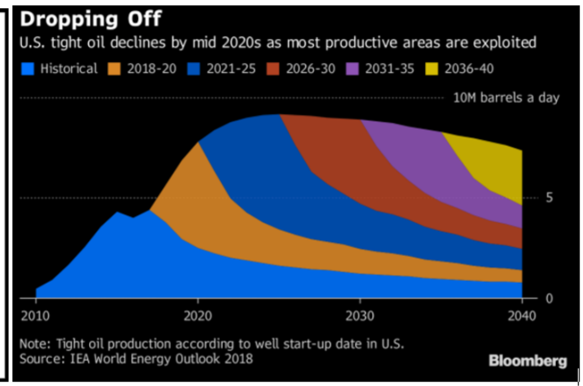
Risk Considerations:
The fund invests in smaller companies which may carry a higher degree of risk than larger companies. The shares of smaller companies may be less liquid and more volatile over shorter term periods. Changes in exchange rates between currencies may cause the value of investments to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

15 November 2018

Dear Investor,

Here we are, after reaching four-year highs of $87/barrel for Brent in October, now barely languishing at $66/barrel;. President Trump must have obviously realised what a mistake imposing sanctions on Iran has been and allowed “exceptions” for sales to certain Asian countries. Naturally traders and speculators embarked on the downside, pushing prices down over 25% within a month. There is now talk of an impending oversupply even though Saudi Arabia said they would cut 500 barrels per day from its exports and called for cuts of up to 1 million barrels per day. Opec continues to see inventories sitting below the 5 year average despite the build in September that has the market worried. Meanwhile, the International Energy Agency is suggesting the world is becoming too reliant on US shale growth which it think will not keep up with demand. In fact, the IEA sees a decline in US production by 2025 and new supply from elsewhere in the world is needed to meet growth in demand.





A few other important forecasts from the IEA suggest that all of the growth in global oil consumption to 2040 is expected to come from developing economies, with demand for transport in advanced economies expected to fall dramatically because of electric vehicles. Oils use in cars overall will peak in the mid-2020s even as the global fleet expands by 80 percent to 2 billion vehicles in 2040. Demand will still rise for crude to make diesel and gasoline for trucks as well as for petrochemicals but doubling recycling rates could cut 1.5million barrels a day from total consumption. If the world follows the IEA’s “sustainable development scenarios” refiners may not have enough capacity to meet the demand for lighter petroleum products, increasing the risk of price volatility.

In the short term, indicators point to continued shortage in supply going into 2019, with potential rebound in prices towards $80/ barrel and beyond. Oil shares have been unfairly oversold in recent weeks and offer an attractive entry point, positioning for a re-rating once oil prices adjust to the supply-demand situation.

Angelos Damaskos
Chief Investment 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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