

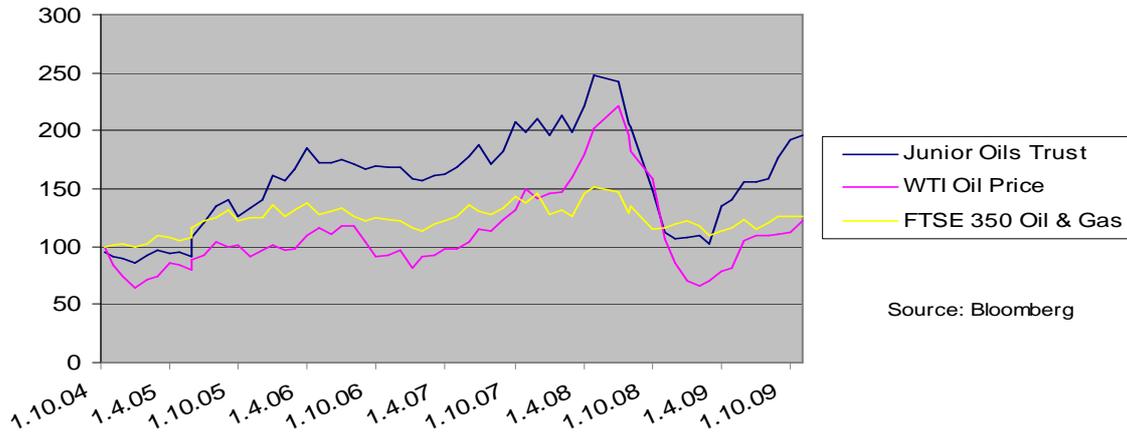
# JUNIOR OILS TRUST

Performance update issued on 19 November 2009

All data as at 30.10.09



## PERFORMANCE CHART



### KEY FACTS

**Fund Category:** Energy Specialist  
**Charges:** 5.25% Initial, 1.75 % Annual  
**Manager:** Capita Financial Managers Ltd  
**Fund Adviser:** Angelos Damaskos  
**Minimum Investment:** £1,000 or £100 per month  
**Eligible for PEPs and ISAs**  
**Benchmark:** FTSE 350 Oil & Gas Index  
**Net asset value at 30 October 2009:** £32.5 million

### FUND OBJECTIVE

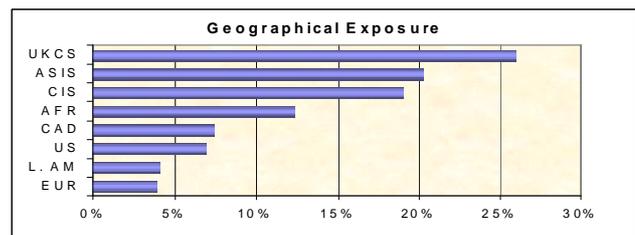
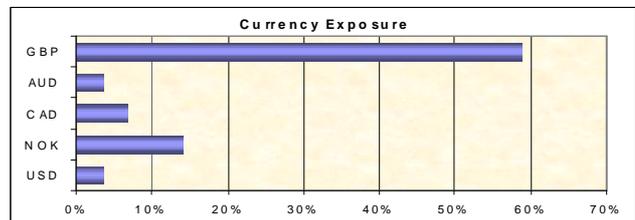
- JOT invests in smaller Oil & Gas exploration and production companies
- Authorised Unit Trust
- Provides exposure to the Energy Super-Cycle

### TOP 10 HOLDINGS

Company	%Fund
1. Afren	5.6%
2. Dragon Oil	5.6%
3. Tullow Oil	5.1%
4. PA Resources	4.5%
5. Cirrus Energy	4.4%
6. Questerre Energy	4.4%
7. Soco International	4.3%
8. Bowleven	4.2%
9. Norse Energy	4.1%
10. JKX Oil & Gas	3.8%

As at 30 October 2009

### GEOGRAPHICAL & CURRENCY EXPOSURE



Dear Investor,

October was yet another month of strong commodity prices, weakening US dollar and rising equity markets. The fund's portfolio continued to deliver re-rating performance with the fund up by 2.1% for the month of October and 83.1% in the year to date. The oil price, however, rose by 8.51% during the month closing at \$77/barrel after briefly exceeding \$80/bbl.

We have commented recently on the large speculative positions in the oil futures and keen interest by investors to participate in the world economic recovery by investing in the things that are most in need: energy and basic materials. This need is particularly acute in the industrialising East with China continuing to report strong economic growth.

November started well with one of our top holdings, Dragon Oil, announcing that it had received a firm offer from its controlling shareholder, the Emirates National Oil Company (ENOC) of £4.55/share for the entire share capital it did not already own. Considering that ENOC controls about 52% of the capital and the offer requires at least 75% of acceptance to be approved, we believe that it is most likely to be successful. Nevertheless, a few significant minority shareholders have objected arguing that the underlying value of the company is significantly larger than the bid price. We would agree that this may be the case, but markets are fickle and let's not forget that the company's shares traded as low as £1.20 on 21 November 2008. The company's operations were just as strong then as they are now. We therefore decided to sell most of our considerable holding at £4.47p and keep the cash for re-investment in new opportunities as they arise. Such an opportunity subsequently arose in the same company whose shares weakened on expectation that the bid might be blocked. Dragon shares traded down to £4.04p and at that point presented an attractive merger arbitrage opportunity offering an 11% discount to the bid price. We bought back most of the holding we had disposed of at about £4.19p as we feel that the fund will either shortly receive £4.55p/share should the bid be accepted or, the shares may rise even further over the medium term on the basis of their intrinsic value. This kind of risk-reward ratio is, we believe, outstanding in today's market.

Angelos Damaskos  
Chief Executive Officer

***For dealing/inquiries on Junior Oils Trust call  
Capita Financial Managers Ltd tel: 0845 601 7637***

Junior Oils Trust qualifies for PEPs and ISAs  
Further information on JOT at [www.junioroils.com](http://www.junioroils.com)

**RISK WARNING:**

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