

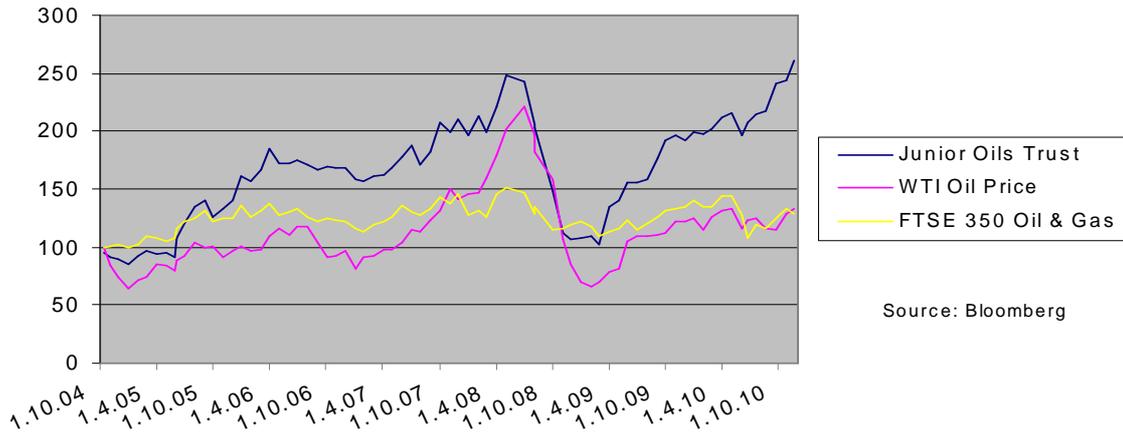
# JUNIOR OILS TRUST

Update issued on 16 December 2010

All data as at 30.11.10



## 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 November 2010:** £44.5 million

### FUND OBJECTIVE

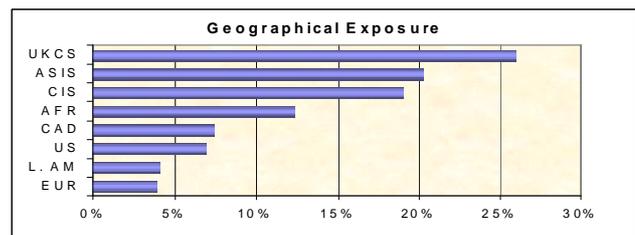
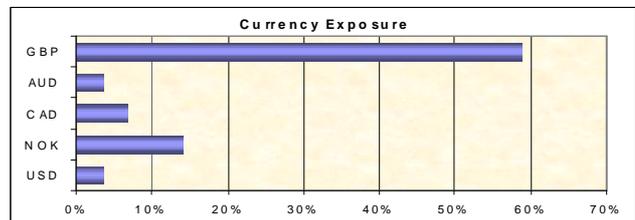
- JOT invests in smaller Oil & Gas exploration and production companies
- Authorised Unit Trust
- Provides exposure to the Energy Super-Cycle

### TOP 10 HOLDINGS

Company	%Fund
1. Caza Oil & Gas	9.5%
2. Premier Oil	6.2%
3. Encore Oil	5.2%
4. Dragon Oil	4.0%
5. Norwegian Energy Co	3.8%
6. Bridge Energy	3.6%
7. Oilex Ltd	2.6%
8. Amerisur Resources	2.6%
9. Carnarvon Petroleum	2.5%
10. Salamander Energy	2.4%

As at 30 November 2010

### GEOGRAPHICAL & CURRENCY EXPOSURE



Dear Investor,

Sovereign debt problems returned to news-headlines recently with Ireland obtaining a bailout support from the ECB after it revealed that its public finances are unsustainable. The markets initially took fright on the news but soon recovered poise to move higher, together with commodity prices. There is now much speculation and anticipation on Spain's and Ireland's debt-refinancing programmes in the next two months. The yields on these two sovereign countries' bonds have risen sharply, making it clear that the market expects further problems.

Oil prices rose to over \$90/barrel recently on speculative activity which reflected on draws in inventories and growing optimism on demand from emerging economies. We continue to believe that demand from China's and India's industrialisation will drive global demand growth for oil. Regardless of developments in the financially troubled parts of the world, oil supply capacity just meets current demand so any growth can push prices higher. In this environment, smaller companies controlling large reserves should prosper.

The fund continued to benefit from a general re-rating of its portfolio holdings. Among notable recent performers were OilEx Ltd, which announced a breakthrough in its development plans for shale-gas deposits in North India and Regal Petroleum which has been approached for takeover. The latter presents a classic case of the inherent risks of operations in Russia, Ukraine and other former CIS countries. We recently invested in Regal after its shares dropped to a level where the fundamental value of its reserves significantly exceeded its market capitalisation. The main reason for the sell-off was that an environment ministry threatened to suspend Regal's licences even though the company argued it complied with all the regulations. We believed, at the time, that the discount on its assets was so large that it warranted taking the risk of Ukrainian operations. It has now been confirmed that a strategic investor shares this view and wishes to acquire the entire company. We believe that the price currently offered significantly undervalues the company and will try our best to support a higher offer.

Let me take this opportunity to wish our investors a happy festive season and a healthy, peaceful and prosperous New Year.

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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