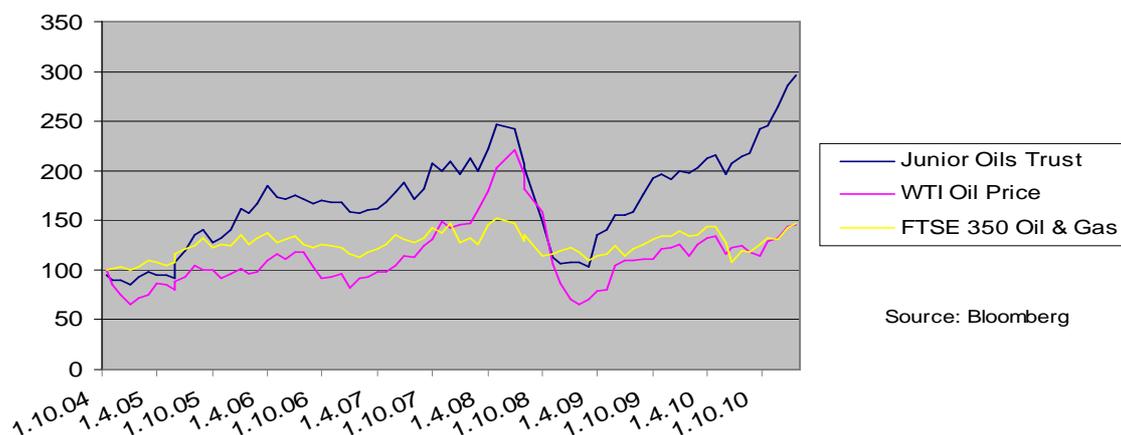


JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Performance Update as at 15 February 2011 (all data as at 31 January 2011)

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 31 January 2011: £63.0 million

FUND OBJECTIVE

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

HOW TO INVEST

Call Capita Financial Managers: **0845 601 7637**
www.junioroils.com or
www.sectorinvestments.com

TOP 10 HOLDINGS

Company	%Fund
1. Caza Oil & Gas	7.3%
2. Encore Oil	4.3%
3. Dragon Oil	3.7%
4. Norwegian Energy Co	3.2%
5. Premier Oil	3.2%
6. Oilex Ltd	3.2%
7. FAR Ltd	3.1%
8. Amerisur Resources	2.9%
9. Circle Oil	2.8%
10. Cooper Energy	2.5%

As at 31 January 2011

Risk Warning: This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. The fund invests in smaller companies 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. 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 Simplified Prospectus which is available free by visiting the websites above. Sector Investment Managers Ltd and Capita Financial Managers Ltd are authorised and regulated by the Financial Services Authority

Dear Investor,

Geopolitical risks, as evidenced by the unrest in Tunisia, Egypt and some Middle-Eastern countries have provided support to rising oil prices in January and early February. Brent crude, in particular, has proven to be significantly more valuable than its American counterpart, the West Texas Intermediate (WTI). Despite WTI being a lighter, easier to refine crude and therefore approximately US\$1.70 more valuable to Brent in refining margins, at times of unrest so close to Europe traders offer a premium to secure supply. At the time of writing, the differential between Brent-WTI has widened to as much as \$20/barrel. Oil imports from Canada and cheap natural gas prices in the US, combined with weak demand due to a slow economy, contribute to depressing the WTI price.

The high Brent price is good news for North Sea and West African producers as it improves their cash-flow and profitability. It is also good news for the Junior Oils Trust which has significant investments in companies operating in these two regions. The premium value of Brent can also attract the attention of acquisitive National Oil Companies which are currently looking for large reserves in relatively safer jurisdictions. We expect further corporate activity in our sector for the year ahead.

The recent takeover offers for two of the fund's smaller holdings, Regal Petroleum and Cirrus Energy were, nevertheless, not entirely welcome. Cirrus has underperformed over a three year period and, even though we doubled the fund's holding at significantly below the bid price currently being offered, we would have preferred that they continued to pursue the development of their Dutch licences alone. There are times when the agendas of management and shareholders are not aligned. In the case of Regal, we suspect that there may have been collusion between the Ukrainian environment agency that started the attack against Regal and the ultimate controllers of the bidding vehicles. It is no surprise to us that Ukrainian-backed entities are trying to acquire the company after its share price collapsed under allegations by Ukrainian environmental authorities that certain regulatory requirements were not met. The threat by a governmental agency to suspend licences and operations was enough to depress the share price to about 11p. The current offer of 38p, nevertheless, provides our fund with an attractive profit as we have been buying Regal shares into the weakness. We would rather take our money out at this stage than be involved with questionable corporate governance in years ahead. This event vindicates our strategy of avoiding large exposures to Russia and former CIS countries where such events of quasi-expropriation are commonplace.

The Junior Oils Trust continues to be the best-performing energy fund in the UK over a 12-month period as at 14 February 2010*.

Angelos Damaskos
Chief Executive Officer

*Source: Financial Express and Morningstar

**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

RISK WARNING:

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 Limited at the time of preparation. They are subject to change and should not be interpreted as investment advice. Sector Investment Managers Limited and Capita Financial Managers Limited are authorised and regulated by the Financial Services Authority. Any investment in the Fund should be based on the Fund's current Scheme Particulars, Prospectus or its Key Features document. Past performance is not a guide or guarantee to future performance and the value of investments and any income from them may go down as well as up, and you may not get back the amount originally invested. Issued by Sector Investment Managers Ltd.