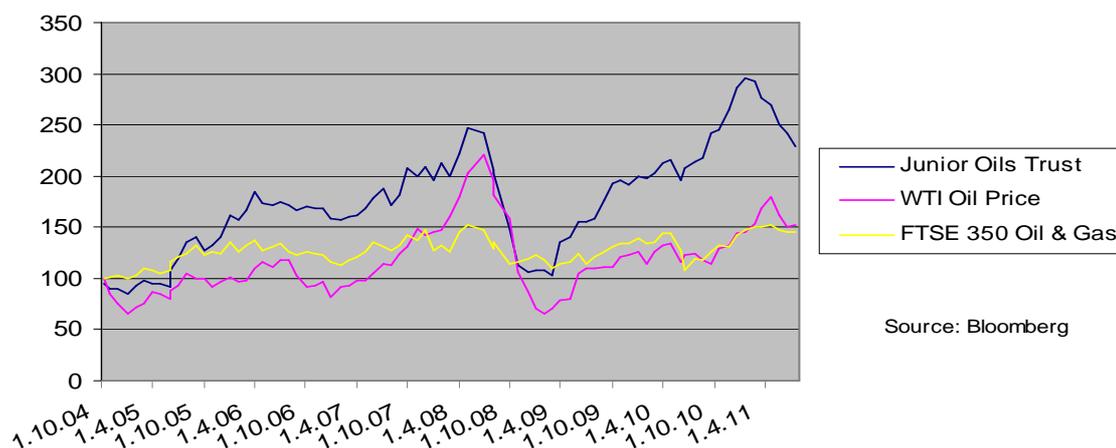


JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Performance Update as at 12 August 2011 (all data as at 29 July 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 29 July 2011: £53.4 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	6.3%
2. Cooper Energy	6.1%
3. Norse Energy 6.5% 2011	6.0%
4. Soco International	5.4%
5. Parex Resources	4.6%
6. Dragon Oil	4.2%
7. Circle Oil	3.6%
8. Entek Energy	3.6%
9. Encore Oil	3.4%
10. Questerre Energy	3.3%

As at 29 July 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,

The Junior Oils Trust has been conservatively positioned since the beginning of the year with significant cash reserves and an allocation to corporate bonds. This positioning has provided some insulation against market weakness as a result of the Japanese earthquake, the Eurozone debt crisis and, now, the indiscriminate sell-off of equities. The fund currently holds approximately 14% of its portfolio in corporate bonds and around 2.5% in cash. We have been selectively investing available cash reserves into equities since May and are finding many attractive companies with sound fundamentals are trading at extraordinarily cheap valuations.

The oil price has been weakening since its two-year highs in May. Markets went into a free-fall in August on realisation of the size and complexity of the debt problems in developed economies, highlighted by the American debate over the national debt level and the consequent downgrade of the nation's credit rating. Poor economic and employment data also raised the possibility of further economic slowdown and potentially softening demand for oil.

The savage nature of the market sell-off has mostly affected smaller capitalisation companies. We believe that current share prices show a large dislocation from the price of oil, even at today's lower level of around \$85/barrel. Companies are therefore undervalued, and this dislocation cannot continue for very long. Demand for energy and oil may slow, but will not fall dramatically. China continues to grow, albeit at a slower rate. Its industrialisation and urbanisation demands greater energy input and its imports of oil are still growing. The developed world, on the other hand, has an established standard of living that demands a certain energy input; a slowing economy may mean greater care over energy usage, but any cuts will be small. The International Energy Agency recently published its forecast for oil demand growth for 2011 at +1.2mbpd (down from +1.4mb/d). The 2012 estimate was unchanged at +1.3mbpd. OPEC has recently expressed its desire to maintain oil prices at around \$100/bl and we believe this will be achieved - cutting production by the cartel is technically much easier than increasing it. We therefore remain optimistic for the medium-term prospects of the fund's portfolio, notwithstanding near-term volatility.

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

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