



JUNIOR OILS TRUST

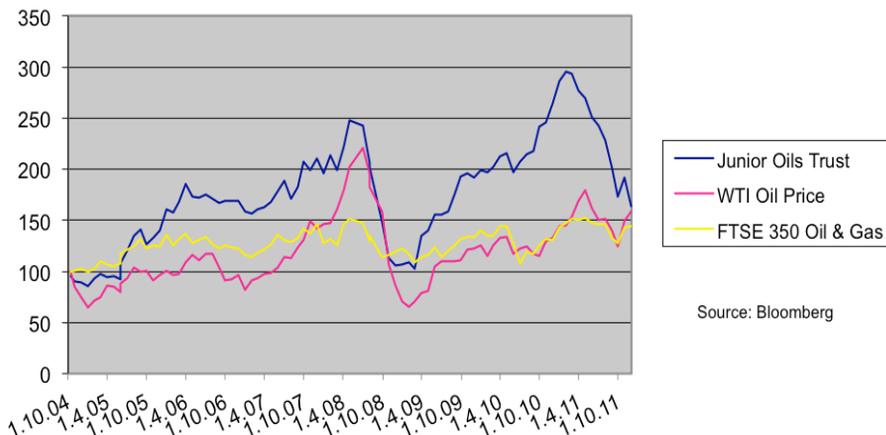
Investing in the oil giants of tomorrow

Update 14 December 2011

FUND PERFORMANCE

- Since launch**
10.10.04-30.11.11: +71.4%
12 months discrete
30.11.10-30.11.11: -38.1%
30.11.09-30.11.10: +38.0%
30.11.08-30.11.09: +80.8%
30.11.07-30.11.08: -46.8%
30.11.06-30.11.07: +17.9%

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: 5.25% Initial, 1.75 % Annual
Manager: Marlborough Fund Managers Ltd
Fund Adviser: Angelos Damaskos
Minimum Investment: £1,000 or £100 per month
Eligible for ISAs and SIPPs
Benchmark: FTSE 350 Oil & Gas Index
Net asset value at 30 November 2011: £37.1 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
- Emphasis on production and proven reserves
- Avoid political and pure exploration risks

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.

Top 10 Holdings

Company	%Fund
1. Cooper Energy	8.2%
2. Encore Oil	6.2%
3. Parex Resources	6.1%
4. Victoria Oil & Gas	4.3%
5. Caza Oil & Gas	4.3%
6. Dragon Oil	4.0%
7. Norse Energy 6.5% 2013	3.7%
8. Circle Oil	3.6%
9. Valiant Petroleum	3.6%
10. Questerre Energy	3.6%

As at 30 November 2011

Dear Investor,

The year about to end has been characterised by great uncertainty, natural and financial disasters and consequent market volatility. The Sovereign debt problems of the Eurozone have been in the press headlines much of the year while politicians have been unable to offer any sensible and decisive solutions. Countries like Greece, Ireland, Italy and Spain remain on the verge of default under pressure from their mammoth debts.

Markets have, therefore, been weak since April and generally trending lower. Slowing global economic growth, persistently high unemployment and increased austerity and taxation initiatives by desperate governments are negative factors for markets. High price volatility has resulted in investors staying on the sidelines, unconvinced to buy into their target companies regardless of fundamentals. Absence of buyers at times when some funds and short-term traders need liquidity has depressed share prices, some to levels not seen since the crisis of 2008. Smaller capitalisation, less liquid shares have been decimated, many of them trading at valuations just above their cash balance. On a market price to cash-flow basis, we now see some oil shares trade between 1-3 times. More importantly, these are companies with growing production, strong balance sheets and highly regarded management that continues to add to the reserves base. Development stage projects seem to be totally disregarded as valueless in the present market's blind quest for safety.

It will not be long before corporate activity by larger, cash-rich but reserves-poor companies will accelerate. It is very rare that one can buy a solid company just for its cash and next year's cash flow, also getting attractive assets with development potential for nothing. If not, disenchanted management teams may seek to raise necessary financing to take their companies private. If the market is unwilling to rate their projects in relation to the long-term prospects for the oil price, surely it would be worthwhile to avoid the distraction. After all, key Opec members seem determined to keep prices near \$100/barrel to finance their growing social programmes in an effort to suppress the threat of the "Arab Spring". At that oil price, producing companies are making healthy profit margins and development stage projects can have significant value for larger companies seeking to lengthen the life of their reserves.

The Junior Oils Trust has suffered greatly this year albeit on the back of strong performance during the previous two years. Recent poor performance is even more surprising given our defensive stance at the beginning of the year holding 30% in cash. We have been investing during weak periods of the market only to see new investments fall further. Nevertheless, we believe that the fund's portfolio now holds robust companies that will survive these challenging times and will emerge to reward its investors. Importantly, the fund's structure and investor base allows it to be patient and sustainable until the market recovers.

We would like to take the opportunity to wish our investors a very happy Christmas and a prosperous New Year, expressing our confidence that investing in oil companies is one of the key ways of protecting one's wealth from the potentially damaging results of the present sovereign and social instability.

Angelos Damaskos
Chief Executive 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: This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. The Prospectus and Simplified Prospectus are available free of charge using the contact details above. Before making an investment in the fund, it is important that you read the Simplified Prospectus. 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 SIMs internal analysis which may have not been verified by independent sources. They are subject to change and should not be interpreted as investment advice. Sector Investment Managers Ltd and Marlborough Fund Managers Ltd are authorized and regulated by the Financial Services Authority.