

JUNIOR OILS TRUST

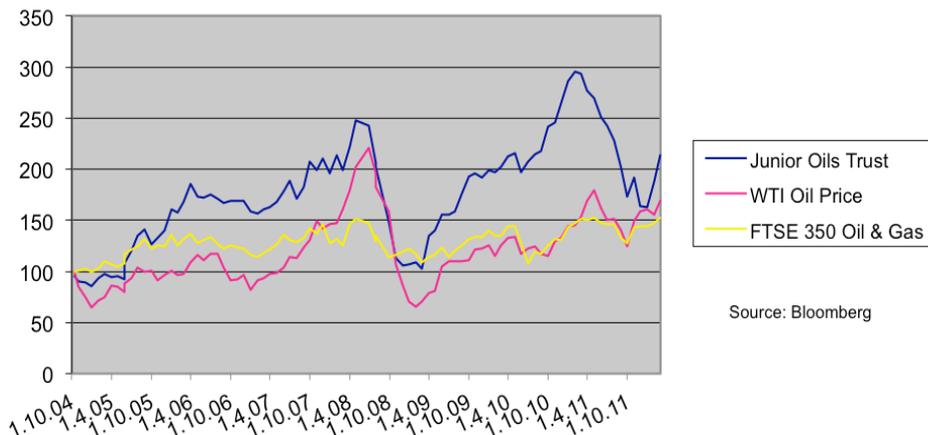
Investing in the oil giants of tomorrow

Update February 2012

FUND PERFORMANCE

Since launch:
10.10.04-29.2.12: +123.9%
12 months discrete:
28.2.11-29.2.12: -27.1%
28.2.10-28.2.11: +45.1%
28.2.09-28.2.10: +97.0%
29.2.08-28.2.09: -51.9%
28.2.07-29.2.08: +36.2%

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 29 February 2012: £49 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. Premier Oil | 7.5% |
| 2. Cooper Energy | 5.8% |
| 3. Parex Resources | 4.5% |
| 4. Caza Oil & Gas | 4.5% |
| 5. Amerisur Resources | 4.3% |
| 6. Norse Energy 6.5% 2013 | 4.3% |
| 7. Nautical Petroleum | 3.9% |
| 8. Norwegian Energy Co | 3.4% |
| 9. Entek Energy | 3.2% |
| 10. Valiant Petroleum | 3.1% |

As at 31 January 2012

29 February 2012

Dear Investor,

The "Arab Spring" appears to be gaining strength across the Middle East. Syria is following Libya's footsteps, engaging in a bloody civil conflict that does not seem easy to resolve. Iran, next door, is increasingly aggressive towards the developed world, refusing to supply oil to Europe and the UK or allow UN inspectors visit its nuclear processing sites. As a result, oil prices are rising, with Brent above \$123 and the storage-constrained WTI at \$107/barrel. Importantly, in both Euro and Sterling terms, Brent has recently set new all-time highs.

The unrest in the world's most important region for supply of oil is certain to push oil prices higher. It is not inconceivable that we may see the all-time highs of \$147/barrel set in July 2008 again, should military action be sparked in Iran. Saudi Arabia has stated that they need oil prices to stay above \$100/barrel to finance their social programmes designed to suppress militancy so it seems unlikely that they would increase production much should prices spiral again.

In this environment, oil-producing companies are enjoying a healthy growth in profits. Smaller companies controlling reserves and development-stage projects are being re-rated after the sell-off in 2011. It is not surprising that corporate activity is accelerating. Larger, cash-rich oil companies seek to capitalise on low stock-market valuations that make it cheaper to buy listed companies controlling reserves rather than invest in the development of individual projects. As a result, the Junior Oils Trust is rapidly regaining the value lost last year. We believe that smaller oil companies offer particularly good value in this environment and are likely to outperform their larger peers.

Angelos Damaskos
Chief Executive Officer

For dealing/inquiries on Junior Oils Trust call

Marlborough Fund Managers: 0808 145 2501

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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.