JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update November 2012

FUND PERFORMANCE

Since launch:

10.10.04-30.11.12: +69.0%

31.10.12-30.11.12: -2.8%

12 months discrete:

30.11.11-30.11.12: -1.4%

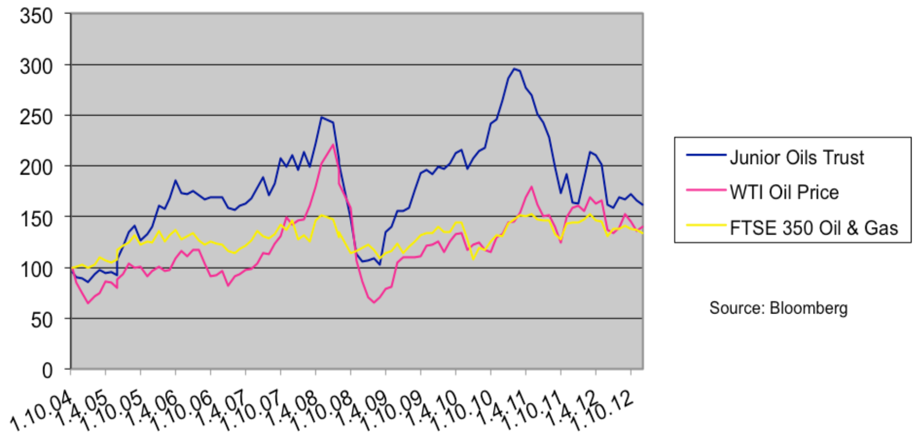
30.11.10-30.11.11: -38.1%

30.11.09-30.11.10: +38.0%

30.11.08-30.11.09: +80.8%

30.11.07-30.11.08: -46.8%

Past performance is not necessarily a guide to future performance. The value of your investment can go down as well as up.



Source: Bloomberg

Key facts

Fund Category: Energy Specialist
Charges: "C" class: 5.25%Initial, 1.75 % Annual
"I" class: 0.5% Initial, 1.25% 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 2012: £35.5 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

Top 10 Holdings

Company	% of Fund
1. Caza Oil & Gas	8.3%
2. Cooper Energy	7.6%
3. Questerre Energy	6.5%
4. Xcite Energy	5.5%
5. Parex Resources	4.9%
6. Iona Energy	4.0%
7. Serica Energy	3.8%
8. Valiant Petroleum	3.8%
9. Faroe Petroleum	3.5%
10. Enquest	3.2%

As at 30 November 2012

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.

17 December 2012

Dear Investor,

Opec decided last week to keep its formal production ceiling at 30 million barrels per day (mb/d). However, the International Energy Agency in its latest report claimed that Opec production was up from 31.15 mb/d in October to 31.22 mb/d in November also reporting that Saudi Arabia increased its output from 9.8 mb/d in October to 9.9 mb/d last month. The difference in production numbers is interesting as several reports expected a drop in Opec output on the back of surging US crude production and weak global demand. It was also interesting to hear about the formal refusal of Iraq, at the Opec Conference, to cut its production even if Opec lowered its quota. Saudi Arabia apparently did not take this stance kindly expecting all members of the cartel to comply with their quota variations.

Opec ministers noted that the price volatility witnessed throughout 2012 was mostly a reflection of increased speculation in the commodities markets. Price volatility was exacerbated by geopolitical tensions and exceptional weather conditions. The Conference observed the mounting pessimism over the global economic outlook with downside risks presented by the sovereign debt crisis in the Euro-zone, high unemployment in the advanced economies and inflation risk in the emerging economies. It was also noted that the biggest challenge facing global oil markets in 2013 is uncertainty surrounding the global economy with the fragility of the Euro-zone remaining a major concern.

The economic worries and sovereign problems have persisted for over two years now, nevertheless, Brent crude has traded, on average, well in excess of $100/barrel throughout 2012. In contrast, West Texas Intermediate (WTI), its cousin across the Atlantic, has only managed an average of just over $90/barrel due to the growing supply out of Canada, pipeline and storage constraints and competition from cheap shale gas. Interestingly, the price of West Canada Select (WCS), the regional benchmark for low-quality, viscous heavy oil typically produced by the Canadian oil sands, has recently fallen below $45/barrel, less than half the price of Brent. Some analysts estimate that the low price of WCS implies a loss of revenue of $2.5 billion per month for Canadian producers compared to a year ago. Importantly, there are questions over the profitability of oil sands projects at these low prices.

We believe that the statistics point to two important trends that are supportive for high oil prices and, therefore, a re-rating of oil shares: First, inspite of increasing North-American production and low prices of domestic hydrocarbons, Middle-Eastern, Russian, African, Latin-American and Austral-Asian crudes are likely to continue to command a premium due to strong demand from the regional growing economies. Secondly, contrary to persistent commentary arguing that the price of Brent should drop as a result of slow global economic growth, Opec is likely to maintain its output without causing any weakness in price. It appears that any growth in US production and the resultant drop of US imports, is absorbed by growth in demand from the rest of the world, regardless of persistent economic weakness. Oil is such an important, irreplaceable element of modern life that other things are cut first before its consumers demand less of it.

We remain optimistic about the general recovery of share-price valuations of the smaller, oversold and overlooked oil-producing companies with material exploration and development prospects. The Junior Oils Trust is, therefore, well positioned to benefit from further sector re-rating. We wish you all a Merry Christmas, happy holidays and a prosperous New Year.

Angelos Damaskos
Chief Executive Officer

For dealing/inquiries on Junior Oils Trust call

Marlborough Fund Managers: 0808 145 2501

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