JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update June 2013

FUND PERFORMANCE

Bid to Bid since launch:

10.10.04-30.6.13: +48.1%

31.5.13-30.6.13: -7.9%

12 months discrete:

30.6.12-30.6.13: -10.9%

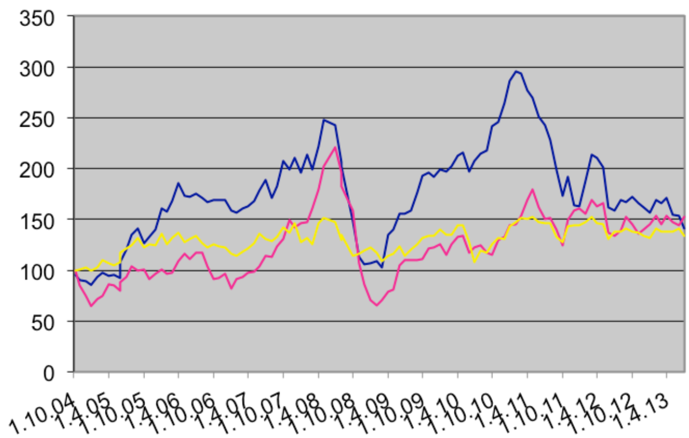
30.6.11-30.6.12: -34.7%

30.6.10-30.6.11: +17.3%

30.6.09-30.6.10: +33.0%

30.6.08-30.6.09: -35.8%

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



Comparative Performance:
10.10.04-30.6.13
Sector Investment Managers Ltd

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 June 2013: £25.5 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. Questerre Energy	9.2%
2. Iona Energy	6.5%
3. Caza Oil & Gas	6.4%
4. Cooper Energy	5.8%
5. Xcite Energy	5.8%
6. Parkmead Group	5.2%
7. Parex Resources	5.0%
8. Bridge Energy	4.5%
9. Sea Dragon Energy	4.4%
10. Serica Energy	4.4%
Total Top 10	57.2%
As at 30 June 2013	

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.

16 July 2013

Dear Investor,

Markets continued volatile trading in June responding to central bank rhetoric. A drastic change of tune by the Fed Chairman Bernanke appears to have influenced a significant correction in the main indices and, subsequently, full recovery. Perhaps Mr. Bernanke realised that it would serve no-one's interests if the stock market receded significantly at the prospects of partial withdrawal of Quantitative Easing measures. He thus publicly reversed his statements about the Fed's strategy within the course of a two week period. The performance of markets during this period confirmed how dependent the world economy is on central bank liquidity.

Oil, meanwhile, demonstrated some de-coupling from Fed-watching. It has been particularly notable that the price of WTI rose significantly last month and has now almost caught up with Brent. Whilst the price of Brent probably includes a geo-political premium due to the situation in the Middle-East, it was hitherto believed that WTI was cheaper due to growing supply from Canada and the shale revolution. It now appears that the discount was largely due to storage and transportation bottlenecks at Cushing, Oklahoma, and this is gradually resolved by the opening of new transport routes. We continue to believe that the much written about new supply of oil and gas from shale rocks will come at high cost requiring WTI to trade well above $100/barrel to justify development. As the US driving season started, consumption rose and oil inventories have been falling.

The Junior Oils Trust showed signs of strength due to better performance of some core portfolio holdings as well as general sector recovery. In particular, Questerre Energy, the fund's largest holding and one of the best relative performers this year, announced new resource assessment of its Montney acreage with the best estimate by the company's independent resource engineers of Prospective Resources of 100 million barrels of oil equivalent (boe) and Economic Contingent Resources of 32 million boe. The assessment was conducted on approximately 44% of the company's acreage so there could be scope for further increases. Furthermore, the company has been making progress in its other projects, in particular the joint venture with Red-Leaf and Total that develops shale-oil production technology and aims for first oil in the beginning of next year. Another core holding, Parex Resources, announced Proved plus Probable reserves growth of 47% to 23.7 million boe with potential after-tax Net Present Value of $615 million at a 10% discount rate. Parex also said that its monthly production had grown to over 16,000 boe per day and the Finding, Development and Acquisition cost was assessed at $18/bbl confirming the healthy net-back margins and cashflow generation. We believe that several other protfolio holdings are making great progress in their business models and, sooner or later, the market should realise the undervaluation potential. If current low valuations persist, cash-rich industry majors are likely to increase corporate activity.

Angelos Damaskos
Chief Executive Officer

For dealing/inquiries on Junior Oils Trust call

Marlborough Fund Managers: 0808 145 2501

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www.junioroils.com or
www.sectorinvestments.com