

JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

Update August 2013

FUND PERFORMANCE

Bid to Bid since launch:

10.10.04-31.8.13: **+58.0%**

31.7.13-31.8.13: **-0.5%**

12 months discrete:

31.8.12-31.8.13: **-9.8%**

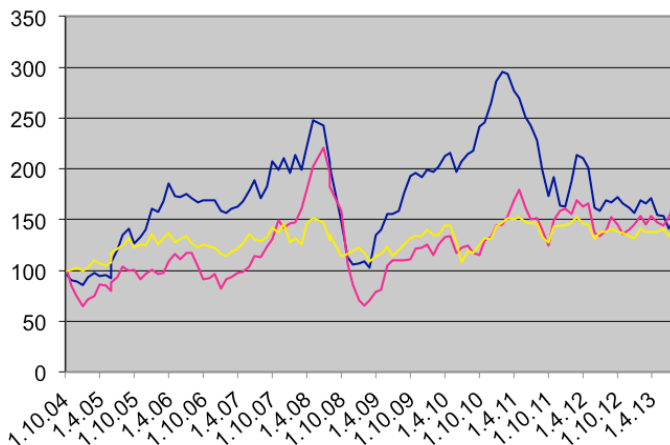
31.8.11-31.8.12: **-15.8%**

31.8.10-31.8.11: **-8.8%**

31.8.09-31.8.10: **+23.4%**

31.8.08-31.8.09: **-12.9%**

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



Comparative Performance:
10.10.04-31.8.13

Sector Investment Managers Ltd

— Junior Oils Trust
— WTI Oil Price
— FTSE 350 Oil & Gas

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 31 August 2013: £27.5 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	9.0%
2. Parex Resources	6.6%
3. Iona Energy	6.3%
4. Caza Oil & Gas	6.2%
5. Cooper Energy	6.1%
6. Xcite Energy	5.5%
7. Serica Energy	4.6%
8. Parkmead Group	4.5%
9. Faroe Petroleum	4.3%
10. Bridge Energy	4.1%
Total Top 10	57.2%

As at 31 August 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.

6 September 2013

Dear Investor,

Syria's civil war has developed into a proxy battle among the world's largest energy producers with Russia and Iran backing the regime of President Assad, while Saudi-Arabia, Qatar and the US support the rebel forces. The Syrian conflict started at a time of increased tensions over Iran's nuclear capability and trade sanctions imposed against it by the United Nations. The situation has raised the risks of instability in the world's most prolific oil producing region and supported a premium on Brent crude oil. The risk premium for potential supply disruptions should there be military intervention by the US and others has recently spilt over to the American benchmark, WTI, where the discount has narrowed compared with Brent.

The regional instability is unlikely to be resolved in the near term and, therefore oil prices will remain elevated for the foreseeable future. This is good news for oil producing companies and we have recently seen growing investor interest in earlier stage projects. After a two-year bear market, the smaller capitalisation oil shares seem to be back in favour and we remain optimistic for a potential re-rating in the last quarter of 2013.

Two portfolio holdings stood out for outperformance during the month:

Questerre Energy, Junior Oils Trust's largest holding, announced its intention to up scale production from its Montney operations. This project alone could increase production by 6,000 barrels of oil equivalent per day. The company also announced that it had secured access to pipeline capacity for 20 million cubic feet per day of gas deliveries to market from its Alberta acreage.

Xcite Energy, a top ten holding, announced an increase in its P50 (proven plus probable) reserves to 250 million stock tank barrels (MMstb), up from 116 MMstb, with another 46 MMstb of P50 Contingent Resources, confirming its Bentley field as one of the largest proven, undeveloped fields in the North Sea. P50 are reserves that have a 50% certainty of being produced.

We remain optimistic for the potential for re-rating of the portfolio in the last quarter of this year.

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 Key Investor Information Document is available free of charge using the contact details above. Before making an investment in the fund, it is important that you read the Prospectus and Key Investor Information Document. 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 Conduct Authority.