

JUNIOR OILS TRUST

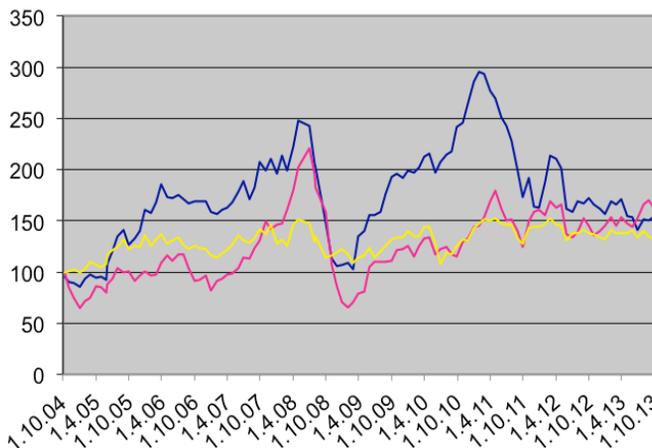
Investing in the oil giants of tomorrow

Update October 2013

FUND PERFORMANCE

Bid to Bid since launch:
10.10.04-31.10.13: +64.2%
30.9.13-31.10.13: +1.4%
12 months discrete:
31.10.12-31.10.13: -5.5%
31.10.11-31.10.12: -13.6%
31.10.10-31.10.11: -21.9%
31.10.09-31.10.10: +25.2%
31.10.08-31.10.09: +74.3%

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



Comparative Performance:
10.10.04-31.10.13
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 October 2013: £27.2 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	10.5%
2. Parex Resources	6.7%
3. Cooper Energy	6.1%
4. Iona Energy	6.0%
5. Xcite Energy	5.5%
6. Caza Oil & Gas	5.0%
7. Parkmead Group	4.9%
8. Otto Energy	4.9%
9. Faroe Petroleum	4.2%
10. Circle Oil	4.2%
Total Top 10	58.0%

As at 31 October 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.

14 November 2013

Dear Investor,

The International Energy Agency has warned on a potential supply crunch as key Middle-Eastern producers delay investment in the face of surging US shale output. The IEA's chief economist stated that by overstating the importance of the shale production surge the wrong signal is given to Gulf producers over future demand patterns. In our view, the situation is compounded by the three-year old bear market in smaller oil and gas companies and the shortage of financing for exploration and development projects. Most early-stage projects have been delayed or suspended due to lack of financing and only those that managed to secure backing from the larger, better capitalised oil companies are making progress. In the meantime, demand from China, that this year became the largest importer of oil in the world, as well as other emerging economies has continued to grow. As most shale reserves are expensive to produce, oil prices need to stay well-above \$100 per barrel to justify their development. We believe that the increased production from shale reserves is being absorbed by growth in world demand.

The weak market for junior oils has persisted through October and early November. The Junior Oils Trust has shown some strength in this period on the back of successful developments in several of its core holdings. Questerre Energy, the fund's largest holding, continued its re-rating as the market realises its tremendous growth potential. Faroe Petroleum announced a discovery in the Norwegian waters of the North Sea and an acquisition of the remaining interest it did not own in the Lowlander discovery. As Faroe's intention is to develop the Lowlander field in conjunction with the neighbouring Perth field, in which Parkmead has a 52% operating interest, the development should have a positive impact on Parkmead, another large holding for the fund. Furthermore, Caza Oil & Gas announced its results with an aggregate 66% increase in its production for the quarter ended 30 September. We remain confident of further re-rating in the fund's portfolio over the coming months.

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 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.