

JUNIOR OILS TRUST

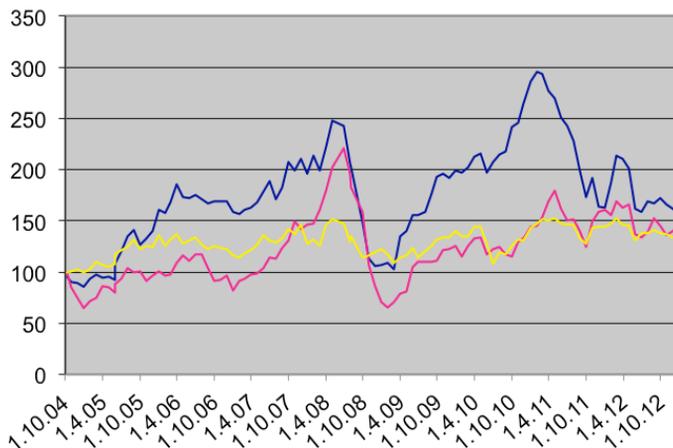
Investing in the oil giants of tomorrow

Update November 2013

FUND PERFORMANCE

Bid to Bid since launch:
10.10.04-30.11.13: +52.7%
31.10.13-30.11.13: -7.0%
12 months discrete:
30.11.12-30.11.13: -9.7%
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%

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



Comparative Performance:
10.10.04-30.11.13
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 30 November 2013: £24.4 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	8.8%
2. Parex Resources	7.6%
3. Cooper Energy	6.4%
4. Parkmead Group	6.3%
5. Caza Oil & Gas	5.5%
6. Serica Energy	5.2%
7. Iona Energy	4.8%
8. Faroe Petroleum	4.6%
9. Circle Oil	4.5%
10. Xcite Energy	4.3%
Total Top 10	58.0%

As at 30 November 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 December 2013

Dear Investor,

The year-end is approaching and it is the time to review what happened in the past twelve months in order to start developing a strategy for the New Year. The market this year has not been favourable towards smaller oil & gas companies. Whilst the world focused on the shale revolution in America, it appears that investors decided to pause funding for exploration or development in many other geographies. We believe that the consensus thinking was that, if there is so much oil and gas becoming available in North America that could potentially fully supply the market for years to come, why would one risk precious dollars in risky developments elsewhere? As a result, larger capitalisation, North-American operators focusing in unconventional oil sky-rocketed in value in the last twelve months. By comparison, the AIM Oil & Gas index, a representative sample of 113 smaller, internationally focused companies, is down about 9% in the year to date.

We believe that the impact of shale resources on world supply has been over-estimated and that the re-rating of most shale operators has grossly over-shot the higher levels of reasonable valuation metrics. The International Energy Agency has recently warned about the negative impact of the shale euphoria and the consequent capital starvation in the international development of conventional reserves. China has, this year, become the world's largest oil importer and its demand for energy continues to grow rapidly. Consumption of oil has also grown in the Middle-East, Africa and Latin America as well as in the United States. Even though, therefore, it is a relief that the world will not run-out of oil for many years to come, new supply needs higher prices to be produced economically and it is likely that it will just satisfy the growth in demand. The Middle-East, the world's most prolific and lowest cost producing region, suffers from acute social and geopolitical instability that is likely to continue to add a risk premium on the price of Brent oil. We, therefore, believe it unlikely that the Brent price will fall below \$100/ barrel in the next twelve months. There is a significant probability, nevertheless, that a deterioration in geopolitics could push prices much higher.

The Junior Oils Trust has generally tracked the AIM index in the year to date but under-performed the FTSE 350 Oil & Gas index that is up by about 4% in the period. Some big successes during the year in Questerre Energy, Bridge Energy and Africa Oil have been over-shadowed by weak performance in the rest of the portfolio. Nevertheless, we believe that as the North American unconventional shares have been over-valued, it is likely that the market will now focus on international conventional plays next. We continually monitor and re-position the portfolio in companies that are viable, sustainable and prospective regardless of market conditions. Among our criteria, balance-sheet strength, management experience and size of resources located in safe political territories are likely to support outperformance over the medium term. We would like to take this opportunity to wish all our investors a Merry Christmas and a healthy, happy and 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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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.