JUNIOR OILS TRUST

Investing in the oil giants of tomorrow

11 YEARS TRACK RECORD

Update November 2015

FUND PERFORMANCE

'C' Bid to Bid since launch:

10.10.04-30.11.15: -30.5%

31.10.15-30.11.15: -10.7%

12 months discrete:

30.11.14-30.11.15: -48.0%

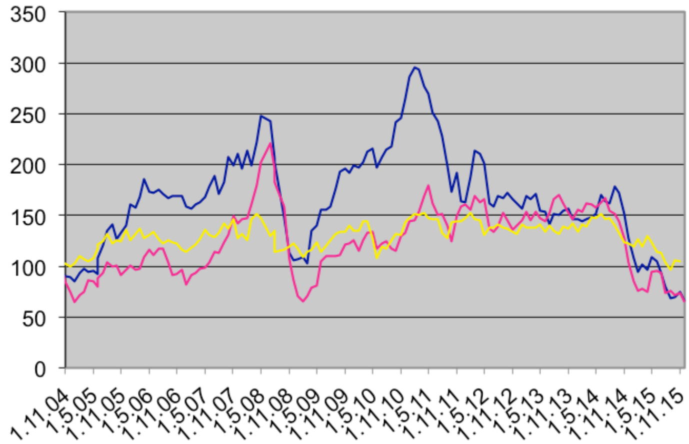
30.11.13-30.11.14: -12.5%

30.11.12-30.11.13: -9.7%

30.11.11-30.11.12: -1.4%

30.11.10-30.11.11: -38.1%

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



Comparative Performance: 10.10.04-30.11.15
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
'P' class: 0.5% Initial, 1.10% Annual
Manager: Marlborough Fund Managers Ltd
Fund Adviser: Angelos Damaskos
Minimum Investment: £1,000 or £100 per month
Eligible for NISAs and SIPPs
Benchmark: FTSE 350 Oil &Gas Index
Net asset value at 30 November 2015: £9.4 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. FAR Ltd	10.0%
2. Carnarvon Petroleum	8.2%
3. Serica Energy	5.9%
4. Gran Tierra Energy	5.1%
5. Cooper Energy	4.8%
6. RMP Energy	4.3%
7. Victoria Oil & Gas	4.2%
8. Bowleven	3.8%
9. Parkmead Group	3.8%
10. Yangarra Resources	3.6%
Total Top 10	53.7%

As at 30 November 2015

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.

10 December 2015

Dear Investor,

Oil prices took another tumble after the recent Opec meeting which raised the ceiling of production, effectively formalising known breaches of quotas by several of its members. This move was unexpected and highlighted the fault of calculating the global geopolitical break-even price for oil based on fiscal budgets of producing nations. Just in May this year, the IMF calculated that Saudi Arabia needs $111 per barrel to balance its budget. Russia is another example as the fall in oil price was accompanied by an even more severe fall in the rouble. As a result, Russia's fiscal balance has remained relatively strong in domestic currency terms, encouraging it to produce and sell even more oil to increase its income. With the collapse in the prices of most basic commodities, producing countries may not behave in an economically rational manner over the short term, as governments assess the political impact of sharply lower fiscal revenues.

Whilst the fall in oil prices by over 50% in less than a year clouds any forecaster's outlook, the medium to longer term, in our view, is much clearer. Overproduction by fiscally challenged regions, including Saudi Arabia, might be viable as a short-term income-boosting measure but the longer term ability to produce will be dictated by capital spending. No rational international investor will risk ventures in much riskier territories such as Russia and the Middle-East under the current circumstances. More importantly, the contraction in spending affects politically stable regions such as North and South America as well as emerging markets like Africa. Oil exploration and production is a highly capital intensive business, with long lead-times driving the industry's future capacity. It is crystal clear to us that in the medium to longer term, supply of oil is due to contract sharply and not only from the highly elastic North American shale projects. Substantial damage is being inflicted on longer term, high marginal cost projects that are now being delayed or cancelled altogether.

In the meantime, global demand for oil continues to grow. The IEA projects that the world will need a further 1 million barrels of oil per day in 2016 and that demand growth will continue at a steady rate for the foreseeable future. This makes sense given the structure of the global economy and the rapid rise of living standards in the most populous regions. Once the current oversupply is corrected, the pendulum will swing the other way inexorably as the capital starvation of the oil industry becomes the heaviest impediment to increases in production.

Please watch our latest interview on oil, China and smaller oil shares by pasting the following link to your browser:

https://www.youtube.com/watch?v=EdoJMIrqNpc

We wish to all our investors a Merry Christmas, happy holidays and a prosperous New Year.

Angelos Damaskos
Chief Executive Officer

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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:
Past performance is not necessarily a guide to the future. The value of investments and the income from them may go down as well as up. Investors may not get back their original investment. The fund invests in smaller companies and some of which are listed on the Alternative Investment Market which may carry a higher degree of risk. 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.

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