



**Fund Manager -
Ian Barrass**

Fund Objective

Henderson Private Equity Investment Trust plc aims to produce capital gains from a diversified portfolio of private equity investments. The main focus of the portfolio is limited partnerships or listed companies investing in mid-market buy-out funds in the UK and Europe.

Fund Manager's Commentary

2009 proved to be a dramatic year for share prices in the listed private equity sector. At the start of the year, the sector had already experienced the severe falls of the final quarter of 2008. Despite this, prices fell further to reach new and extreme lows in March, only to then benefit from a strong rally from April through to September. Overall, data from research by Cazenove shows that UK listed private equity fund of funds produced total returns of 38% during the year, with Henderson Private Equity Investment Trust (HPEQ) providing the third highest total return of 55% within this group of eleven companies.

Despite the recovery in its share price, at the time of writing, HPEQ is trading at a discount to net asset value of 57%. Barring a double-dip recession and/or a serious decline in public market comparators, this represents an attractive buying opportunity for a fund of funds that has a good quality existing portfolio and should benefit from the generally favourable private equity investment conditions forecast over the next few years as its current private equity fund commitments are drawn down.

As stated previously, HPEQ's listed portfolio has provided the fund manager with opportunities to raise cash by selling certain investments that are not core to HPEQ's mid-market European buy-out focus. Following October's sale of Quorum Oil and Gas Technology Fund, further disposals have now been completed at prices above 31 December 2008 year-end values. Cash raised from these disposals, along with committed bank facilities, existing cash balances and proceeds from limited partnership distributions, will be used as required to finance HPEQ's existing private equity fund commitments.

Trust Information

Epic Code	HPEQ
AIC Sector	Private Equity
Trust Type	Conventional (Ords)
Launch Date	July 2007
Financial Year End	31 December
Dividend Payment	n/a
Last Ex Div Date	n/a
**Risk Rating	Above Average
Premium/Discount	-57.6%
Gearing	6.5%
Yield	0%
Management Fee	1.25% pa of unquoted assets 0.75% pa of other assets
Performance Fee	Yes
Total Expense Ratio (TER)	2.34%

Trust Statistics

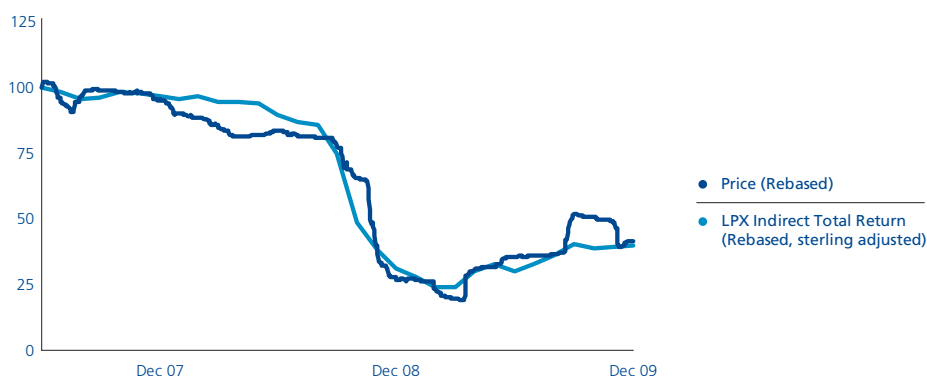
Gross total assets	£58m
NAV per ordinary share (cum income)	303.4p
NAV per ordinary share (ex income)	306.6p
Share Price	130.0p

Source: Henderson Global Investors

* The name of the trust changed from New Star Private Equity Investment Trust plc to Henderson Private Equity Investment Trust plc with effect from 19 June 2009

** WINS Investment Trusts

Performance



Cumulative Growth

Performance over:	YTD	1m	3m	6m	12m	3y
Share Price (Total Return)	54.8%	-14.8%	-20.3%	16.1%	54.8%	-
Net Asset Value (Total Return)	-5.3%	-0.1%	0.8%	0.0%	-5.3%	-
Benchmark (Total Return)	27.6%	1.9%	-0.6%	33.0%	27.6%	-
Relative NAV Outperformance	-32.9%	-1.9%	1.5%	-32.9%	-32.9%	-
Peer Group Ranking	15/32	22/32	8/32	22/32	15/32	-

Peer group rankings are based on the AIC sector

Annual Growth to 31 December 2009

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Share Price (Total Return)	54.8%	-71.8%	-	-	-
Net Asset Value (Total Return)	-5.3%	-14.0%	-	-	-

All performance, cumulative growth and annual growth, source: Morningstar

Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

Geographic Breakdown

UK	71.0%
Europe	25.0%
North America	3.0%
India	1.0%

Sector Breakdown

Manufacturing	32.0%
Healthcare	26.0%
Business Services	13.0%
Media	6.0%
Consumer Services	7.0%
Financial	5.0%
Software	5.0%
Other	4.0%
Consumer Goods	1.0%
Telecoms	1.0%

Portfolio Composition = 96.1% of Portfolio

August Equity Partners II	22.6%	Logic Group	4.3%
Rutland Fund I	16.9%	Rutland Fund II	3.6%
Parallel	16.5%	Century CP IV	3.0%
August Equity Partners I	16.5%	Fond invest	2.8%
Astorg IV	7.3%	Graphite Enterprise IT	2.6%

All sector breakdowns and top 10 holdings, source: Henderson Global Investors

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