


**Fund Manager -  
 Ian Barrass**
**Company Objective**

Henderson Private Equity Investment Trust plc (HPEQ) 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.

**Portfolio Manager's Commentary**

No new transactions were completed by HPEQ's limited partnership fund investments during July, reflecting the continuing low level of activity in the UK and European buyout markets. Despite this, there are some signs of change, with a recent press report stating that UK banks had doubled their commitment to leveraged buyout loans in Europe. Our impression is that the banking markets have improved over the last few months, although pricing for senior term lending remains high, typically 350-400 basis points over Libor, with up-front fees at the same levels.

Valuations for the majority of HPEQ's underlying portfolio companies remain stable and have generally demonstrated resilience despite the challenging trading conditions. Managers have worked hard to improve operating performance and have, in many cases, reduced debt in the underlying companies. Interestingly, however, a number of HPEQ's underlying portfolio companies are now exhibiting significant growth in earnings through either improved trading in their particular market niches or small add-on acquisitions at acceptable prices.

Pricing for mid-market and larger buyout deals, however, remains relatively high when compared with previous post-recessionary periods, with too much private equity money chasing too few quality deals. The managers of HPEQ's limited partnership fund investments are, however, experienced investors and are currently exhibiting an appropriately disciplined approach to transaction selection.

HPEQ will announce its 30 June 2010 half-year results in late August.

**Trust Information**

<b>Epic Code</b>	HPEQ
<b>AIC Sector</b>	Private Equity
<b>Trust Type</b>	Conventional (Ords)
<b>Launch Date</b>	July 2007
<b>Financial Year End</b>	31 December
<b>Dividend Payment</b>	none declared
<b>Last Ex Div Date</b>	n/a
<b>Risk Rating**</b>	Above Average
<b>Premium/Discount</b>	-56.7%
<b>Gearing</b>	21%
<b>Yield</b>	0%
<b>Management Fee</b>	1.25% pa of unquoted assets 0.75% pa of other assets
<b>Performance Fee</b>	Yes
<b>Total Expense Ratio (TER)</b>	2.4% (at 30/12/2009)

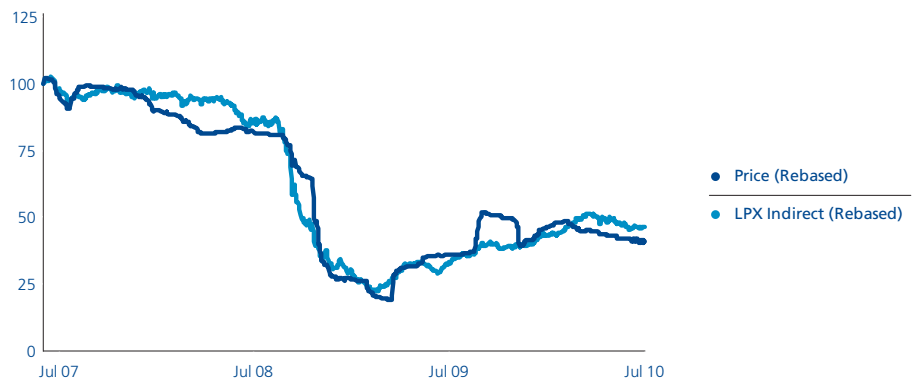
**Trust Statistics**

<b>Gross total assets</b>	£69.9m
<b>NAV per ordinary share (cum income)</b>	293.9p
<b>NAV per ordinary share (ex income)</b>	297.9p
<b>Share Price</b>	129.0p

Source: Morningstar and 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)	-0.8%	-1.9%	-7.9%	-11.3%	14.7%	-56.8%
Net Asset Value (Total Return)	-2.9%	0.0%	-0.7%	-1.6%	-4.5%	-14.1%
Peer Group Ranking	12/13	7/14	6/13	11/13	12/13	10/13

Peer group rankings are based on the AIC sector

The Company's performance is not benchmarked against any specific stock market index. The LPX Indirect Index represents the private equity companies most comparable to the Company traded on a European exchange.

**Annual Growth to 30 June 2010**

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
Share Price (Total Return)	17.4%	-57.3%	-	-	-
Net Asset Value (Total Return)	-2.8%	-20.4%	-	-	-

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	71.7%
Europe	24.7%
North America	3.5%

**Sector Breakdown**

Healthcare	32.3%
Manufacturing	24.8%
Business services	15.0%
Consumer Services	6.7%
Financial	5.3%
Software	5.3%
Media	4.8%
Telecoms	1.0%
Consumer Goods	0.7%
Other	4.1%

**Portfolio Composition = 90.6% of Portfolio**

August Equity Partners II	21.0%	Rutland Fund II	4.3%
Rutland Fund I	17.5%	Logic	3.6%
August Equity Partners I	15.4%	Century CP IV	3.0%
Parallel	14.5%	Pragma II	2.5%
Astorg IV	6.6%	Fond invest	2.1%

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

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