

January 2010

Dear Investor,

New Star International Property Fund to re-open for daily dealing

I am pleased to announce that Friday 12 February 2010 has been set for the re-opening of daily dealing in the New Star International Property Fund. From this date you will once again be able to buy and sell shares in the fund in the usual way.

Clearly, the suspension was something that we had hoped to avoid. The unprecedented negative sentiment towards commercial property brought on by the impact of the credit crisis meant that the suspension of dealing in the fund became necessary in order to protect the interests of investors. The programme of asset disposals that we have undertaken since then has raised the fund's liquidity to a level that we are confident will permit the fund to remain open.

There are a number of important differences between now and when dealing in the fund was originally suspended. First, you should take comfort from the improvement in the investment outlook for international commercial property - particularly over recent months. Secondly, we have made wholesale changes to the previous fund management team and the way that the fund's liquidity buffer is managed. One significant change is the introduction of a restricted redemption share class for large investors whose holdings exceed £7.5 million. These stricter redemption procedures for large investors should allow the fund manager greater control over liquidity. This change to the prospectus will not affect existing investors until 60 days have passed from the posting of this notice. For full details of the exact changes to the prospectus, please refer to the Questions & Answers document enclosed. Finally, investing in commercial property internationally is a core strength of Henderson Group plc and we are proud to manage more than £9.8 billion in property portfolios. As one of Europe's largest property investment managers, we are excited by the long-term potential of international commercial property. Although the New Star International Property Fund produced good relative returns in its first 12-18 months, we are sensitive to investors' disappointment since dealing was suspended. We are confident, however, that our expertise in this area will serve investors well for the future.

You may previously have requested to redeem shares as soon as the fund re-opens and now wish to change your mind. In order to prevent your redemption request being automatically transacted on 12 February you need to contact your financial adviser or fund platform as soon as possible so that any change of instruction is communicated to us by 10 February 2010.

I am acutely aware of the frustration that the dealing suspension may have caused you and would like to thank you for your patience during a period of unprecedented market turbulence.

Further details on the re-opening are enclosed with this letter, together with an update on the fund, the new fund management team and the prospects for international property markets. We have tried to anticipate investors' most common questions within the separate *Questions and Answers* document, however, if you have any further questions relating to the fund or its re-opening please contact your financial adviser or phone our administration services team on 0845 608 8704.

Yours sincerely

Simon Hillenbrand
Director of UK Retail