

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, please seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).**

If you have disposed of all your Shares in the Company, please pass this document (and the enclosed Form of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee.

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## **HENDERSON PRIVATE EQUITY INVESTMENT TRUST PLC**

*(registered in England and Wales with registered number 159836)*

### **Shareholder Requisition, Notice of Extraordinary General Meeting and Your Board's Response**

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Notice of an Extraordinary General Meeting of the Company, to be held at 201 Bishopsgate, London EC2M 3AE on 2 February 2010 at 4.30 p.m., is set out at the end of this circular. The accompanying Form of Proxy for use by Shareholders at this meeting should be completed and returned, in accordance with the instructions printed thereon, so as to be received by the Company's registrar, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, and in any event not later than 4.30 p.m. on 29 January 2010.

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## **EXPECTED TIMETABLE**

Latest time for return of Forms of Proxy	4.30 p.m. on 29 January 2010
Extraordinary General Meeting	4.30 p.m. on 2 February 2010
Results of Extraordinary General Meeting announced	2 February 2010

## Part I

### LETTER FROM THE CHAIRMAN OF THE COMPANY

#### HENDERSON PRIVATE EQUITY INVESTMENT TRUST PLC

*(registered in England and Wales with registered number 159836)*

*Directors*

John Mackie CBE (Chairman)  
Barry Dean  
Terry Connor  
Ian Orrock

*Registered office*

201 Bishopsgate  
London EC2M 3AE

6 January 2010

#### **Dear Shareholder**

#### **Shareholder requisition of Extraordinary General Meeting**

#### **Background**

On 16 December 2009, the Company received correspondence from Northern Trust, a nominee acting on behalf of Advance UK Trust plc, a Shareholder with a beneficial holding of 5.04 per cent. of the Shares in the Company.

Advance UK has requisitioned a general meeting to enable Shareholders to consider the Resolution set out below. The Resolution, to be voted upon as a special resolution of the Company, is as follows:

**THAT** the Directors are required to bring forward proposals, within three months of the date of the passing of this resolution, designed to substantially narrow the discount that the ordinary shares of the Company trade at relative to their net asset value and improve the trading liquidity of such ordinary shares. Such proposals may include, but are not limited to, a merger with a similar company.

Apart from fulfilling its statutory duty to convene the Extraordinary General Meeting and to present the Resolution for Shareholders' consideration, this circular contains a recommendation from your Board on what action Shareholders should take in respect of the Resolution. In Part II of this circular you will find the full text of the Requisition.

Your Board is sympathetic to and shares Advance UK's desire to see a narrowing of the discount and an improvement in the trading liquidity of the Shares. It considers, however, that the three month period stipulated in the Resolution for proposals to be put forward is unrealistic, given the complexities involved in such a process and the general uncertainty in equity markets, and might result in an inferior outcome for all Shareholders if this is how the Company is forced to proceed. The Board therefore recommends that Shareholders vote against the Resolution for the reasons contained in this letter.

Your Board is also taking this opportunity to explain to Shareholders what it has been doing and will continue to do to address the issues raised by Advance UK, as well as explaining some of the complexities that have affected progress in this regard.

## **Advance UK**

Advance UK is an investment trust with an investment objective of achieving returns in excess of its benchmark index, the FTSE All Share Index, by investing (usually at a discount to net asset value) in a selected portfolio of funds.

As a Shareholder holding at least five per cent. of the Share capital of the Company, Advance UK is entitled to make the Requisition. The Company is required, in accordance with the Companies Act, to convene an extraordinary general meeting at which Shareholders may vote on the Resolution within 21 days of receipt of the Requisition. The extraordinary general meeting must be held no more than 28 days after notice is given of such meeting.

Advance UK is a longstanding Shareholder in the Company and it acquired 140,000 additional Shares (0.7 per cent. of the issued Share capital) on 9 December 2009, such that its beneficial interest exceeded the five per cent. required to serve the Requisition.

At Advance UK's annual general meeting on 16 December 2009, its shareholders voted against its triennial continuation resolution. As a result, the board of Advance UK has until 16 March 2010 to make proposals to its shareholders to wind up the company voluntarily, or to make alternative proposals for the future of Advance UK.

In this connection, the Board assumes that the three month period stipulated by Advance UK in the Resolution is designed to address Advance UK's own requirements and timing. Your Board's priority, however, is to address issues affecting Shareholders as a whole and your Board believes that it can neither adhere to Advance UK's timeframe nor Advance UK's specific requirements, other than as part of your Board's own medium and longer term aim of improving the rating and liquidity of the Shares, as well as preserving value in the Portfolio.

Your Board believes that Advance UK may be required to sell some or all of its Shares in the near term as part of efforts to liquidate its portfolio and, further, that this may be a reason why Advance UK made the Requisition at this time. If this is the case, the Board and its advisers will endeavour to assist Advance UK in seeking a buyer for its Shares. Your Board cannot, however, put Advance UK's needs before the needs of Shareholders as a whole.

## **Your Company**

Your Company has undergone significant changes in the last three years. In July 2007, the Company, then called August Equity Trust plc, merged with Rutland Trust plc to create a company with net assets of £68.7 million and a market capitalisation of circa £62.8 million. That transaction included a tender offer to purchase up to 40 per cent. of the Shares then outstanding and a placing and issue of Shares to new investors, thus significantly refreshing the Shareholder register.

At the same time, the management of the Company was transferred to New Star Asset Management and the investment objective of the Company was changed from direct investment in unquoted companies to providing capital gains through exposure to private equity investments in a diversified portfolio of private equity funds. The Company sought to achieve this objective by investing principally in limited partnership interests and vehicles exposed to private equity investments or other similar strategies, with a focus on mid-market buyout funds in the UK and Europe. The transaction with Rutland and the change of investment policy received the overwhelming support of Shareholders.

Following this merger and transfer of management, the Company instituted a programme of Share repurchases, by which the Board sought initially to maintain a discount of no wider than five per cent. to the prevailing NAV per Share. Declines in financial markets generally

meant that this discount target could not be maintained, but the Company continued to repurchase Shares into 2008 in order to assist secondary market liquidity. Repurchases were stopped in October 2008, partly in order to preserve the capital needed to meet the Company's commitments to limited partnership investments.

On 9 April 2009, New Star Asset Management Group plc was acquired by Henderson Global Investors and Ian Barrass, head of HGI's private equity fund of funds group, was given responsibility for managing the Company's portfolio. The name of the Company was changed to Henderson Private Equity Investment Trust plc on 19 June 2009.

The Board and the new manager further refined the Company's investment strategy and, as a result, the Company now:

- focuses exclusively on UK and Europe;
- focuses predominantly on opportunities in the mid-market buy-out sector;
- focuses exclusively on private equity investment funds, both listed and unlisted; and
- will make no further new direct private equity investments.

### **Your Board's response to the Requisition**

The Board believes that, in the relatively short time that HGI has had responsibility for the Portfolio, it has made significant progress in rationalising the Company's investments, seeking fresh opportunities against a more focused investment objective and in communicating the Company's refocused strategy to existing and potential Shareholders. Since September 2009, Ian Barrass has met Shareholders estimated to represent more than 65 per cent. of the Share capital, including Advance UK, to discuss the Company, including the discount to NAV and liquidity of the Shares.

The Board also notes that the scale of HGI's investment trust business, with over £3.4 billion in assets under management (at 30 September 2009), across 10 investment trusts and four investment companies, and its expertise in marketing and investor relations, should assist in promoting the Company to a broad audience, with corresponding benefits for the discount to NAV and liquidity of the Shares. HGI has repeatedly confirmed to the Board its commitment to the Company and to the objectives of improving both the discount to NAV and the liquidity of the Shares and expanding the asset base. The Board is satisfied with the resources that HGI has devoted to the management of the Company.

These positive steps, however, are being taken against a background of extraordinarily difficult markets, which have had particularly damaging consequences for confidence in private equity investments, as illustrated by general discounts in the listed private equity sector. While the Board confidently expects progress to continue, it believes it may take some time before it has significant positive effect.

The transaction with Rutland, the programme of Share repurchases and the refinement of the Company's investment strategy all demonstrate that your Board has been prepared to address the Company's size, discount to NAV, liquidity and positioning, to the advantage of its Shareholders. However, in common with many in its immediate peer group, the Company has struggled in the recent and ongoing difficult markets to maintain the Share price closer to the prevailing NAV and to grow in size.

The Board considers that the next few years should prove to be an attractive time for investment in private equity and keeps the viability of fund raising under frequent review in order to take advantage of any such opportunity for the benefit of Shareholders. The main growth in funds raised for quoted private equity funds, however, has been through share

issues priced at a discount to net asset value or by issuing zero dividend preference shares. The Board does not currently consider either of these fund raising methods to be appropriate for the Company and notes that, alone, they could not reliably be expected to narrow the discount or improve the trading liquidity of the Shares.

The Company's portfolio is well-positioned to make further investments through existing commitments to private equity limited partnerships. The Board anticipates investment of approximately £35 million over the next three years, which can be met principally by use of the Company's cash resources of £3.5 million, by the sale of its listed investments of £5.5 million and employing its undrawn loan facility of £22.3 million (all at 31 December 2009). The Company's total assets and net asset value at 30 November 2009 were £65.6 million and £57.4 million respectively. The market capitalisation at the same date was £28.7 million and at 31 December 2009 was £24.5 million.

Your Board has been and is continuing to review opportunities for corporate activity. Neither merger opportunities nor fund raising can be guaranteed in the near term, and such events are not necessarily under the Board's complete control. For example, the terms of a merger must be capable of recommendation to two sets of shareholders and therefore depend on negotiation of suitable terms. The negotiation of the transaction with Rutland took many months and your Board fully expects that any other transaction, if it were considered the best course of action, would be no less complicated to negotiate and enact. In the meantime, the Board and the Manager also need to concentrate on preserving and enhancing value in the Portfolio as well as balancing the commitments made to funds and the financing of these commitments.

For these reasons, therefore, the Board firmly believes that to commit to put forward proposals to achieve these objectives within three months of the Extraordinary General Meeting on 2 February 2010 would present considerable practical and commercial difficulties and would constrain the Board's ability to achieve the best outcome for all Shareholders over the medium term.

**Consequently, your Board recommends that Shareholders vote against the Resolution proposed by Advance UK.**

The Board will continue to prioritise a narrowing of the discount and an improvement in liquidity, alongside investment performance, by continued promotion of the new management arrangements and investment methodology to existing and potential Shareholders and, where possible, by corporate activity. In line with its normal practice, the Board will remain in regular communication with Shareholders on the Company's situation and will report to Shareholders in the next interim and annual accounts on the progress being made.

Given the above, your Board is disappointed that the Company will have to incur the cost of responding to Advance UK's Requisition, expected to amount to approximately £60,000.

#### **Action to be taken by Shareholders**

##### *Extraordinary General Meeting*

The Resolution is subject to Shareholder approval. A Notice convening an Extraordinary General Meeting of the Company, to be held at 4.30 p.m. on 2 February 2010, is set out at the end of this document.

All Shareholders of the Company are entitled to attend and vote at the EGM and to appoint a proxy or corporate representative to exercise that right. In accordance with the Company's Articles of Association, every Shareholder who is present in person, by a duly authorised

representative or by proxy shall have one vote for every Share held by the relevant Shareholder.

The Resolution requires not less than 75 per cent. of Shareholders voting (whether in person, by a duly authorised representative or by proxy) to vote in favour in order for it to be passed.

#### *Form of Proxy*

You will find enclosed with this circular a Form of Proxy for use at the Extraordinary General Meeting.

Whether you intend to be present at the EGM or not, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrar, to arrive by the date and time specified in the Form of Proxy. Shareholders who hold Shares in uncertificated form (that is, in CREST) may use the CREST electronic proxy voting service as explained in the notes to the Notice of EGM set out at the end of this document.

The completion and return of the Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish.

#### **Board recommendation**

**Your Board considers that the Resolution is not in the best interests of the Company and of its Shareholders as a whole. Accordingly, your Board unanimously recommends that Shareholders vote against the Resolution at the Extraordinary General Meeting, as the Directors intend to do in respect of their own beneficial Shareholdings totalling 35,717 Shares (representing 0.2 per cent. of the voting rights in the Company).**

Yours faithfully,

**John Mackie CBE**  
Chairman

## Part II

### TEXT OF THE REQUISITION FROM ADVANCE UK

*The following text, reproduced verbatim, is the requisition notice delivered on behalf of Advance UK:*

50 Bank Street  
Canary Wharf  
London E14 5NT  
United Kingdom  
Tel +44 (0)20 7982 2000  
Fax +44 (0)20 7982 2002  
**Northern Trust**

The Board of Directors  
Henderson Private Equity Investment Trust PLC  
201 Bishopsgate  
London EC2M 3AE

15 December 2009

Dear Sirs,

#### **HENDERSON PRIVATE EQUITY INVESTMENT TRUST PLC (the “Company”)**

We, the undersigned, acting on behalf of Advance UK Trust PLC, being a member of the Company holding in aggregate 950,000 ordinary 5p shares in the Company (“Ordinary Shares”) representing 5.04 per cent. of the issued ordinary share capital of the Company and comprising more than five per cent. of the total voting rights of all members having a right to vote at general meetings, hereby require the directors of the Company:

- (a) in accordance with Section 303 (2) of the Companies Act 2006 (as amended), to call a general meeting of the Company to consider and, if thought fit, pass the following resolution which is to be proposed as a special resolution at such meeting:

#### **SPECIAL RESOLUTION**

#### **THAT**

The Directors are required to bring forward proposals, within three months of the date of the passing of this resolution, designed to substantially narrow the discount that the ordinary shares of the Company trade at relative to their net asset value and improve the trading liquidity of such ordinary shares. Such proposals may include, but are not limited to, a merger with a similar company.

- (b) to circulate to members, entitled to have notice of such general meeting sent to them, a statement in the form attached to this requisition with respect to the matters referred to in the resolutions referred to in (a) above.

Yours faithfully,

Member	Number of Ordinary Shares held	Percentage of issued ordinary share capital
For and on behalf of Nortrust Nominees Limited a/c AUK01 Voting as a nominee of The North Trust Company which is the global custodian of the underlying holder of the Ordinary Shares	950,000	5.04%

**NORTRUST NOMINEES LTD.**  
AUTHORISED SIGNATORY

**Statement to the shareholders of Henderson Private Equity Investment Trust PLC regarding the resolutions to be proposed at the general meeting**

**IMPROVED VALUE AND INCREASED LIQUIDITY FOR SHAREHOLDERS OF HENDERSON PRIVATE EQUITY INVESTMENT TRUST PLC**

This statement has been issued on behalf of a shareholder (“**Advance UK**”), holding 5.04 per cent. of the issued share capital of Henderson Private Equity Investment Trust PLC (“the Company” or “HPEQ”), who has requisitioned a general meeting of the Company.

Advance UK is a long standing shareholder in the Company. Private equity fund of funds have faced many pressures over the past couple of years and most are trading at substantial discounts to net asset value. HPEQ trades at the widest discount, 59% at the time of writing, and is the smallest, £23m market capitalisation, of any of the private equity fund of funds we follow. We have asked the Board on many occasions to tackle the twin problems of the wide discount and the small size of the Company (which is associated with poor trading liquidity in the Company’s ordinary shares). Advance UK were encouraged when the shares moved higher over the course of September this year but recently modest sell orders have caused the price to fall back.

Advance UK are calling for the Board to bring forward proposals to address HPEQ’s problems. They have suggested that one course might be to merge HPEQ with another similar fund. The average private equity fund of funds trades at a 37% discount to net asset value (according to the Numis Investment Companies datasheet published on 15 December 2009). A move from trading at a 59% discount to trading at a 37% discount would be equivalent to a 54% increase in HPEQ’s share price.

Contact:

James Carthew, Progressive European Markets, manager of Advance UK Trust PLC  
+44 (0)20 7566 5531

End

## DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:

<b>“Advance UK”</b>	Advance UK Trust plc
<b>“Board” or “Directors”</b>	the board of directors of the Company from time to time
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time
<b>“Company”</b>	Henderson Private Equity Investment Trust plc
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the operator
<b>“Extraordinary General Meeting” or “EGM”</b>	the extraordinary general meeting of the Company to be held on 2 February 2010
<b>“Form of Proxy”</b>	the form of proxy for use at the EGM
<b>“HGI” or “Manager”</b>	Henderson Global Investors Limited
<b>“Net Asset Value” or “NAV”</b>	the net asset value of the Company calculated in accordance with the Company’s usual valuation policies
<b>“Notice” or “Notice of EGM”</b>	the notice of the EGM set out at the end of this document
<b>“Portfolio”</b>	the portfolio of assets in which the Company has invested its capital from time to time
<b>“Register”</b>	the register of Shareholders
<b>“Requisition”</b>	the requisition from Advance UK received by the Company on 16 December 2009
<b>“Resolution”</b>	the special resolution contained in the Requisition and to be voted on at the EGM
<b>“Rutland”</b>	Rutland Trust plc
<b>“Share”</b>	an ordinary share of five pence in the capital of the Company
<b>“Shareholder”</b>	a holder of Shares
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

# HENDERSON PRIVATE EQUITY INVESTMENT TRUST PLC

(registered in England and Wales with registered number 159836)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at 201 Bishopsgate, London EC2M 3AE on 2 February 2010 at 4.30 p.m. to consider and, if thought fit, approve the following resolution as a special resolution of the Company:

**THAT** the Directors are required to bring forward proposals, within three months of the date of the passing of this resolution, designed to substantially narrow the discount that the ordinary shares of the Company trade at relative to their net asset value and improve the trading liquidity of such ordinary shares. Such proposals may include, but are not limited to, a merger with a similar company.

*By order of the Board*

*Registered Office*  
201 Bishopsgate  
London  
EC2M 3AE

6 January 2010

### Notes:

- (i) A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude members from attending and voting at the EGM, if they so wish.
- (ii) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power or authority) must be deposited with the Company's registrar, Capita Registrars, at the following address: PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 4.30 p.m. on 29 January 2010. You may also deliver by hand to Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU during usual business hours.
- (iii) Pursuant to section 41 of the Uncertificated Securities Regulations 2001, only those Shareholders on the register at 6.00 p.m. on 29 January 2010 shall be entitled to attend and vote at the EGM in respect of the number of Shares registered in their names at that time. Changes to entries on the register after that time shall be disregarded in determining the rights of any person to attend and vote at the EGM.
- (iv) Completion and return of a Form of Proxy, or use of the CREST electronic proxy voting service, will not prevent Shareholders from attending the EGM and voting in person if they so wish.
- (v) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by

the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- (vi) By attending the EGM a Shareholder expressly agrees that he is requesting and willing to receive any communications made at the EGM.