

source

Your single source of Cirilium fund information

- ~ Gains pared back amidst global uncertainty
- ~ What is the true cost of "Educating Rita"?
- ~ Cirilium Fund Update

“ Volatility – a constant factor for 2011? ”



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Contents

- 03 Gains pared back amidst global uncertainty
- 04 What is the true cost of “Educating Rita”?
- 05 Cirilium performance updates
- 06 February asset class changes
- 08 Income Fund performance
- 10 Cautious Fund performance
- 12 Moderate Fund performance
- 14 Dynamic Fund performance

Gains pared back amidst global uncertainty

Market

- Global equity markets rallied in the first three weeks of the month following a number of positive corporate earnings surprises. However, share prices quickly pared back earlier gains amid growing tensions in North Africa and the Middle East, which sent oil prices sharply higher, adding to the current inflation scare.
- Libya is more significant than Egypt in the narrow sense that it produces more oil. Still, the two really important countries are Iran and Saudi Arabia. It is difficult to predict how long the uncertainty will last but when it does subside we believe investors will once again take notice of an improving US economy and good corporate results, which would be positive for risk assets.

Fund

- With little support from fixed interest markets the performance of the Cirilium range of funds closely followed the fortunes of the broader equity market. Needless to say, they gained in the first three weeks then gave it all back.
- Exposure to Asia and emerging markets proved the most detrimental to performance since these were regions considered the most susceptible to rising oil prices. In addition, a modest widening in discounts to net asset value and a decline in the US Dollar proved unhelpful to returns.
- It was not all bad news, and the Funds (excluding Strategic Income) holding in iShare S&P Global Energy and exposure to private equity funds performed well. The holding in fixed interest specialist, Carador, also rose sharply following strong monthly results, which benefited all four Cirilium Funds.

Activity

- We have remained fully invested in risk assets throughout the turmoil in North Africa and the Middle East. Diversification has mitigated some of the risk during this period; however, more importantly this strategy reflects our view that low interest

rates, low wage pressures in developed markets and a growing economy will prove positive for corporate earnings and hence share prices. In addition, equity valuations look compelling when compared to other asset classes.

- We are, however, cognizant that the ability for managers to generate returns is becoming ever harder while volatility is a constant phenomenon. Against this backdrop we have continued to add to holdings in trusted professionals that have either a contrarian approach and/or a strict focus on good quality businesses but not at any price. This included managers from Aberdeen, Fidelity and Invesco.
- We have continued to add to positions in private equity for the Cautious, Moderate and Dynamic Funds and property and timber for the income fund. We also purchased a new holding in Middlefield Canadian Income at a wide discount to net asset value for all funds.



> Asia and emerging markets are considered most susceptible to rising oil prices



Paul Craig Henderson
Global Investors

“ The ability for managers to generate returns is becoming ever harder while volatility is a constant phenomenon ”

What is the true cost of “Educating Rita”?

With the recent success of ‘The King’s Speech’ at this year’s Oscars, it’s worth remembering another British film nominated for an Academy Award — ‘Educating Rita’. Set in the 1980s, the film starred Julie Walters as a young woman who returns to full-time education.

One area the film didn’t cover was the cost of Rita’s education, which perhaps in the early 1980s was not such a significant issue. However, education fees have now become hugely important, with many students facing costs of up to £9,000 per term. As parents or grandparents, what can we do to combat this?

There are a number of factors to consider when looking at educational fee planning:

- How many children do we have to consider for full-time education?
- What time span do we have to plan for this eventuality?
- What are the most tax efficient vehicles to use?
- Who can pay these fees?

We would assume the first two questions are self-explanatory, which leaves us to consider where and how to invest.

Bank/Building Society

Possibly the safest haven to invest. However, the average Instant Access account is currently paying 0.17% with the highest currently paying 2.7% gross (source Moneyfacts February 2011). With tax to be deducted on these returns, real returns may not realise what you are looking to achieve.

Individual Savings Account (ISA)

ISAs are probably the most tax efficient route and can prove a great medium to long-term vehicle to plan for children’s education. The tax year 2011/12 allows individuals to invest £10,680, and all proceeds from these plans are free from Income and Capital Gains Tax (CGT). These could be taken on a regular basis to fund university fees.

Contributions can be made on both regular and/or lump sum basis.

Unit Trusts

A regular or lump sum investment designed for the medium to long term (five years plus) with an ability to take the proceeds in a tax efficient manner with

prudent tax planning. The Unit Trust is liable to Capital Gains Tax; however, we all receive a Capital Gains allowance each year (currently £10,100) to offset against any gain made.

Once again there is an opportunity to take regular withdrawals for university fee planning.

Investment Bond

A medium to long term lump sum investment (five years plus) similar to the Unit Trust but taxation based on Income Tax. You can take withdrawals on a regular basis to fund university planning, in a tax efficient manner with prudent planning.

Who can pay the fees?

Anyone! There are a number of exemptions available for parents, grandparents or any other relative to use such as:

- ISA allowance
- CGT allowance
- Annual exemptions
- Gift allowances
- Tax breaks for lower rate tax payers

All of these need to be considered together with the appropriate investment vehicle(s) to ensure that the goal of providing for your child’s full-time education is achieved. As with any form of medium to long term financial planning, the key message is to plan now and don’t delay. The longer you wait the harder and most costly it will be to achieve. Talk to your financial adviser today to get the right advice and guidance.



Cirilium performance and quartile ranking

as at 28 February 2011

Fund	3-months	6-months	YTD 2011	1-year	2-year	2009	2010	Since Launch*
Cirilium Cautious	3.12 (2)	8.36 (2)	-0.03 (2)	11.04 (1)	45.49 (1)	26.27 (1)	12.80 (1)	20.32 (1)
IMA Cautious Managed Sector Average	2.88	6.70	0.02	8.58	34.23	15.64	9.08	9.95
Cirilium Moderate	5.03 (2)	13.00 (2)	0.42 (1)	16.27 (1)	68.33 (1)	37.47 (1)	18.05 (1)	33.18 (1)
IMA Balanced Managed Sector Average	4.35	11.56	-0.44	11.74	46.71	19.89	12.45	9.24
Cirilium Dynamic	6.43 (1)	16.22 (2)	0.77 (1)	19.50 (1)	83.71 (1)	44.08 (1)	21.31 (1)	28.82 (1)
IMA Active Managed Sector Average	4.78	14.65	-0.90	13.78	55.90	24.21	14.86	8.36

Source: Morningstar, percentage growth, mid to mid, UK sterling, net income reinvested, to 28/02/11.

*The Cirilium Cautious, Moderate & Dynamic funds were launched on 02/06/08.

Past performance is not a guide to future performance.

“ Education fees have become hugely important – long-term planning is essential ”



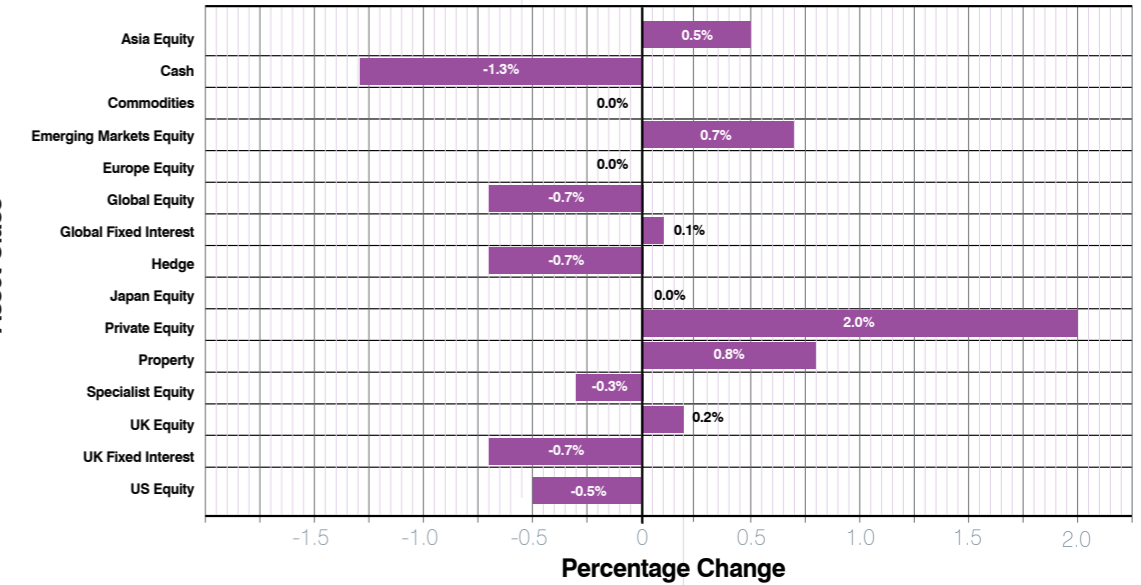
Asset Class changes in February

	January 2011				February 2011				Change since last month			
	Income	Cautious	Moderate	Dynamic	Income	Cautious	Moderate	Dynamic	Income	Cautious	Moderate	Dynamic
Equities	42.3%	47.3%	66.4%	76.6%	48.1%	47.2%	67.3%	74.8%	5.9%	-0.2%	0.9%	-1.8%
Global	8.9%	9.0%	10.5%	7.9%	9.4%	8.3%	11.5%	7.6%	0.4%	-0.7%	1.0%	-0.3%
UK	13.4%	11.7%	18.1%	20.9%	16.6%	11.9%	18.6%	20.0%	3.1%	0.2%	0.5%	-0.9%
Europe	6.7%	6.3%	7.7%	8.8%	7.1%	6.2%	7.8%	8.6%	0.3%	0.0%	0.1%	-0.2%
US	6.0%	3.2%	4.9%	6.5%	6.4%	2.8%	4.0%	5.8%	0.4%	-0.5%	-1.0%	-0.7%
Japan	0.0%	1.7%	3.2%	4.1%	0.0%	1.7%	3.1%	4.0%	0.0%	0.0%	-0.1%	-0.1%
Asia	0.0%	2.8%	3.7%	4.0%	0.0%	3.2%	3.3%	3.5%	0.0%	0.5%	-0.4%	-0.5%
Emerging Markets	0.6%	3.9%	6.9%	10.8%	0.6%	4.6%	8.1%	12.0%	0.0%	0.7%	1.2%	1.2%
Specialist Equity	6.5%	8.7%	11.3%	13.5%	8.1%	8.5%	10.9%	13.1%	1.6%	-0.3%	-0.4%	-0.4%
Alternatives	9.9%	12.8%	12.7%	14.2%	13.4%	14.9%	13.7%	16.4%	3.5%	2.1%	1.0%	2.2%
Commodities	2.5%	0.0%	0.0%	0.0%	4.7%	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%
Hedge	0.0%	8.4%	4.0%	1.3%	0.0%	7.7%	3.8%	1.2%	0.0%	-0.7%	-0.2%	-0.1%
Private Equity	0.0%	2.3%	5.9%	8.9%	0.0%	4.3%	7.2%	10.1%	0.0%	2.0%	1.3%	1.2%
Property	7.5%	2.1%	2.7%	4.0%	8.7%	2.9%	2.6%	5.1%	1.3%	0.8%	-0.1%	1.1%
Cash & Fixed Interest	47.8%	39.9%	20.9%	9.2%	38.4%	38.0%	19.0%	8.8%	-9.3%	-1.9%	-1.9%	-0.4%
UK Fixed Interest	14.7%	13.4%	7.9%	2.9%	15.8%	12.7%	7.8%	2.7%	1.1%	-0.7%	-0.2%	-0.2%
Global Fixed Interest	11.8%	22.4%	10.9%	6.1%	12.7%	22.5%	10.8%	5.9%	0.9%	0.1%	-0.1%	-0.2%
Cash	21.3%	4.1%	2.1%	0.3%	9.9%	2.8%	0.5%	0.2%	-11.3%	-1.3%	-1.6%	-0.1%
Number of holdings	32	73	80	75	33	77	83	78	1	4	3	3

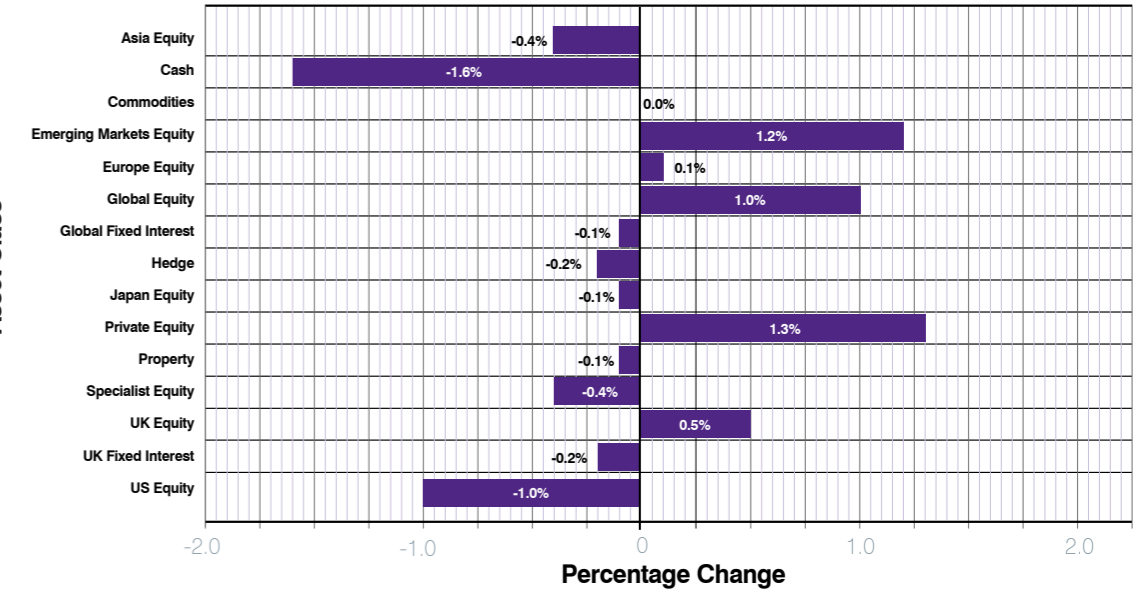
Source: Henderson Global Investors



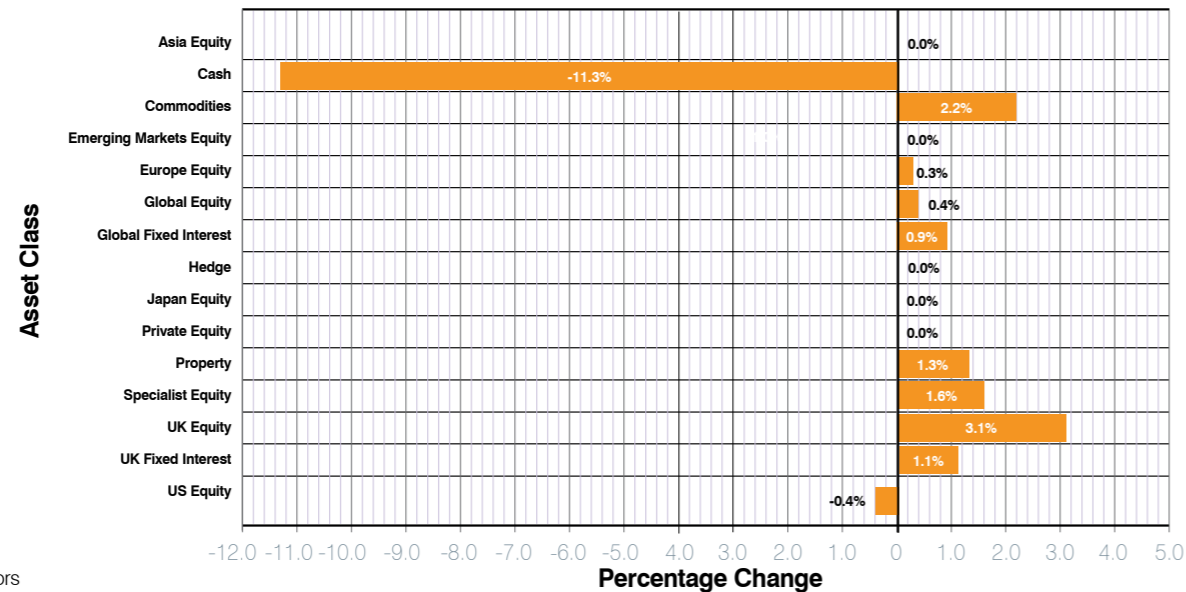
Source: Henderson Global Investors



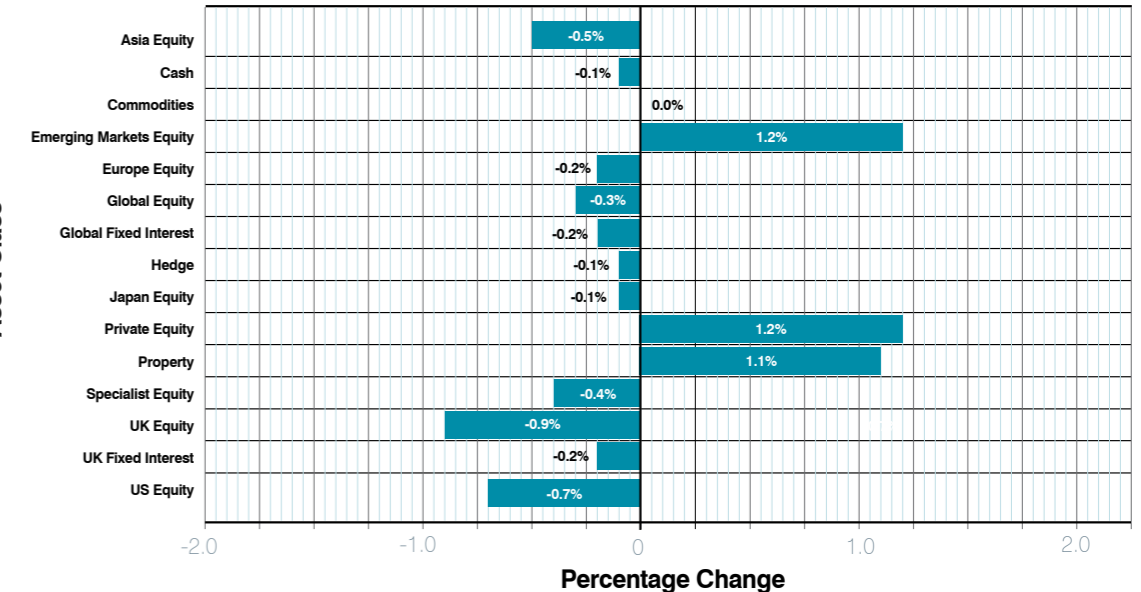
Source: Henderson Global Investors



Source: Henderson Global Investors



Source: Henderson Global Investors





Cirilium Income Fund

Factsheet – February 2011

Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE www.henderson.com/cirilium

Fund Aim

To provide an income in excess of the yield of the FTSE All Share Index and with the prospect for some capital growth.

Fund Facts at 28/02/11

Launched	2 February 2011
Mid price (A shares)	53.47p
Fund size	£2.7m
IMA sector	Cautious Managed

Shares	Income
Fund charges*	Initial 5.00% Annual 1.50%
Sedol number	B3TK603
Bloomberg number	CIRSTRLN

Top Five Holdings at February 2011

Equities

- London & St Lawrence Investors Capital A
- iShare DJ Select Dividend European Assets
- Troy Income & Growth

Total holdings 16

Alternatives

- Cambium Global Timber
- ING UK Real Estate
- 3i Infrastructure
- TR Property Sigma
- Real Estate Investors

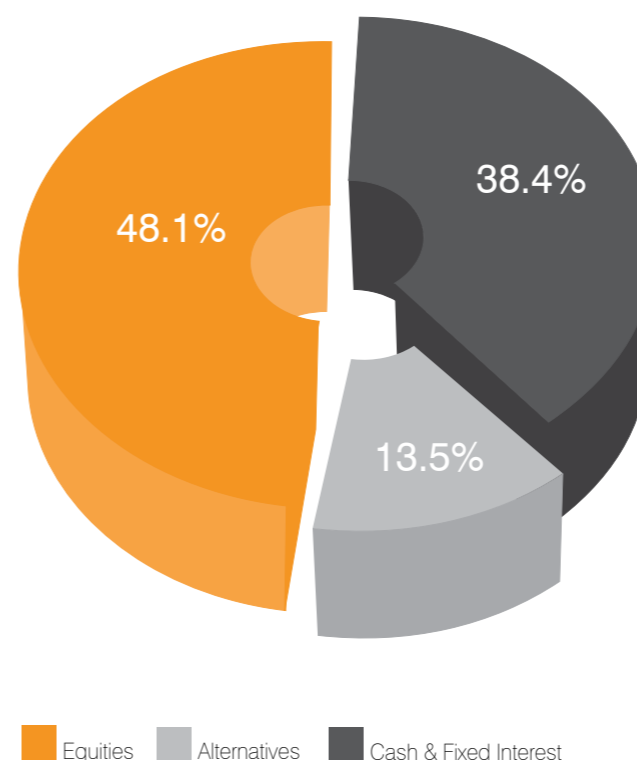
Total holdings 8

Cash & Fixed Interest

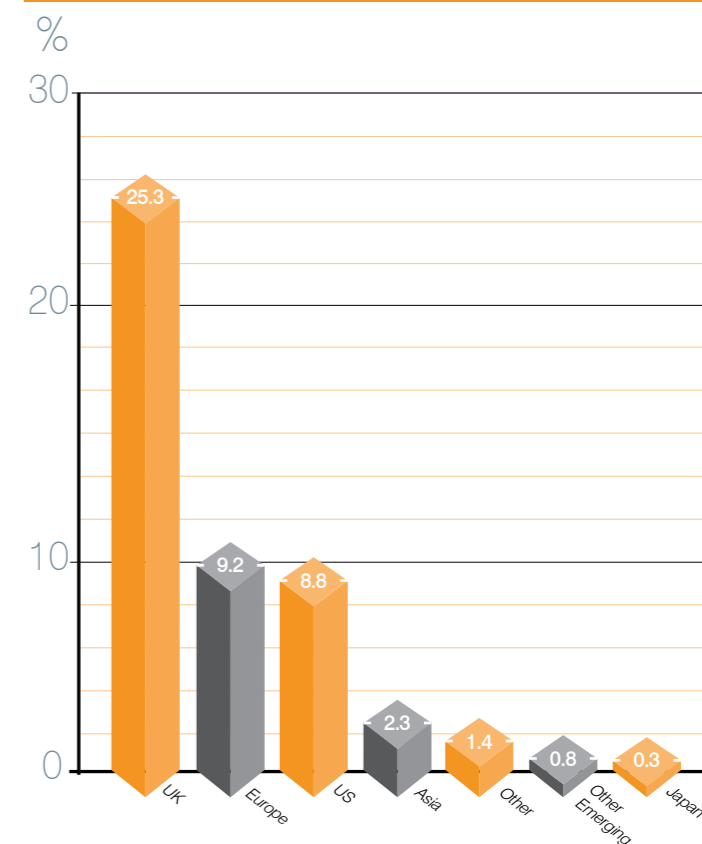
- Cash
- Henderson High Yield Bond
- Henderson Strategic Bond
- L&G Dynamic Bond
- Edinburgh Dragon 3.5% CULS

Total holdings 9

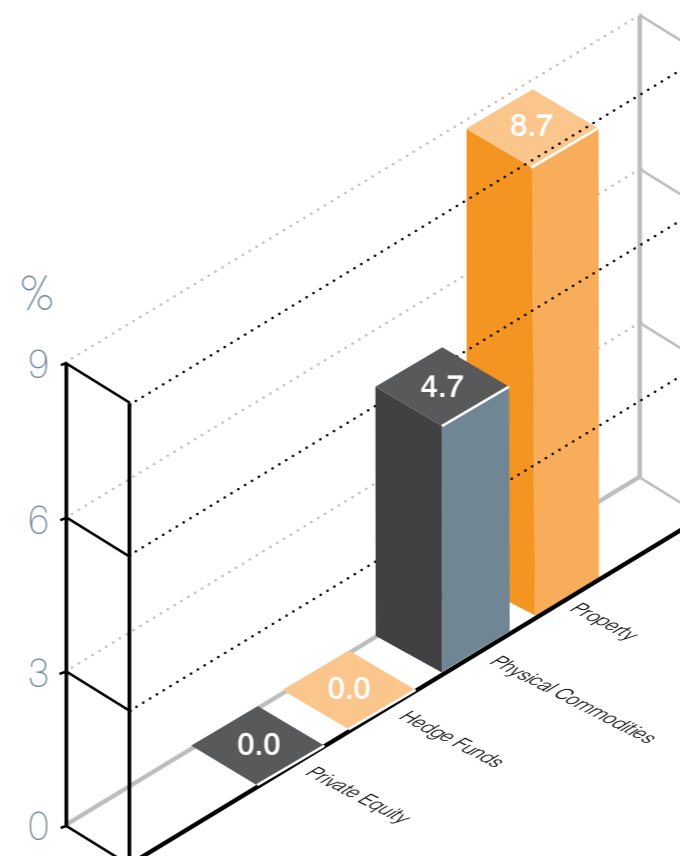
Asset Allocation at 28 February 2011



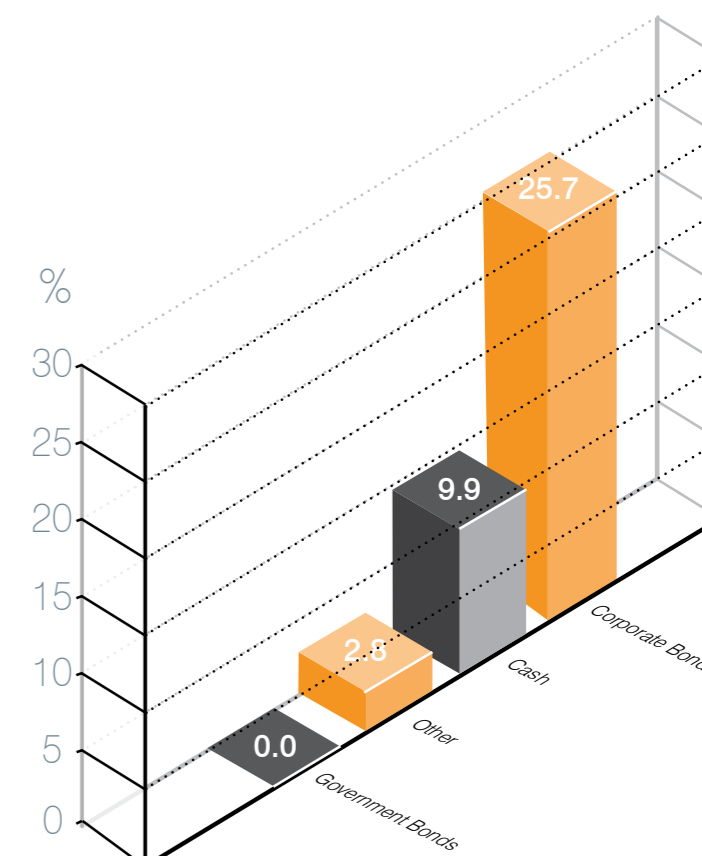
Equity Allocation at 28 February 2011



Alternatives Allocation at 28 February 2011



Cash & Fixed Interest Allocation at 28 February 2011



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Cirilium Cautious Fund

Factsheet – February 2011

Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE www.henderson.com/cirilium

Fund Aim

To achieve long-term capital growth through investment markets both in the UK and overseas. The portfolio will be cautious in that it will be broadly diversified across asset classes, but with a maximum exposure of 60% to equities.

Fund Facts at 28/02/11

Launched	2 June 2008
Mid price (A shares)	60.16p
Fund size	£146.1m
IMA sector	Cautious Managed

Shares	Accumulation
Fund charges*	Initial 5.00% Annual 1.50%
Sedol number	B2Q8V08
Bloomberg number	NSICFRA

Top Five Holdings at 28 February 2011

Equities

- Ruffer
- Pacific Assets
- Fidelity European
- Alliance Trust
- Berkshire Hathaway B

Total Holdings 43

Alternatives

- Thames River Multi Hedge (Hedge)
- BH Macro (Hedge)
- Bluecrest AllBlue (Hedge)
- Polar Capital UK Absolute (Hedge)
- Standard Life Euro Private Eq (Private Eq)

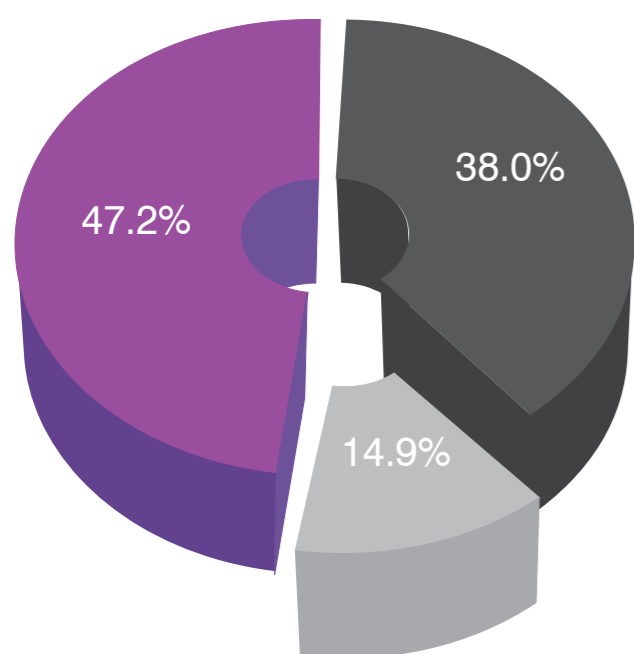
Total Holdings 14

Cash & Fixed Interest

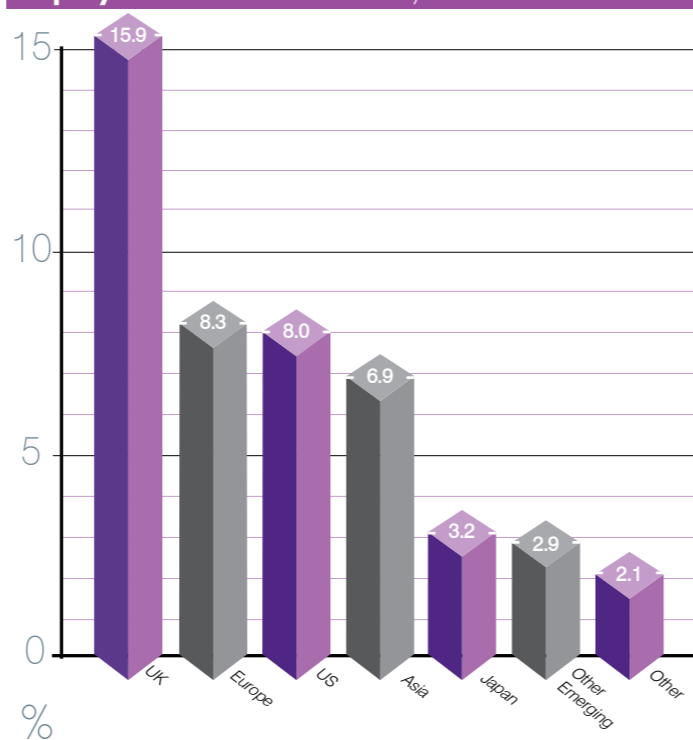
- Henderson High Yield Bond
- L&G Dynamic Bond
- CG Portfolio Dollar Fund
- Henderson Strategic Bond
- iShares USD TIPS

Total Holdings 20

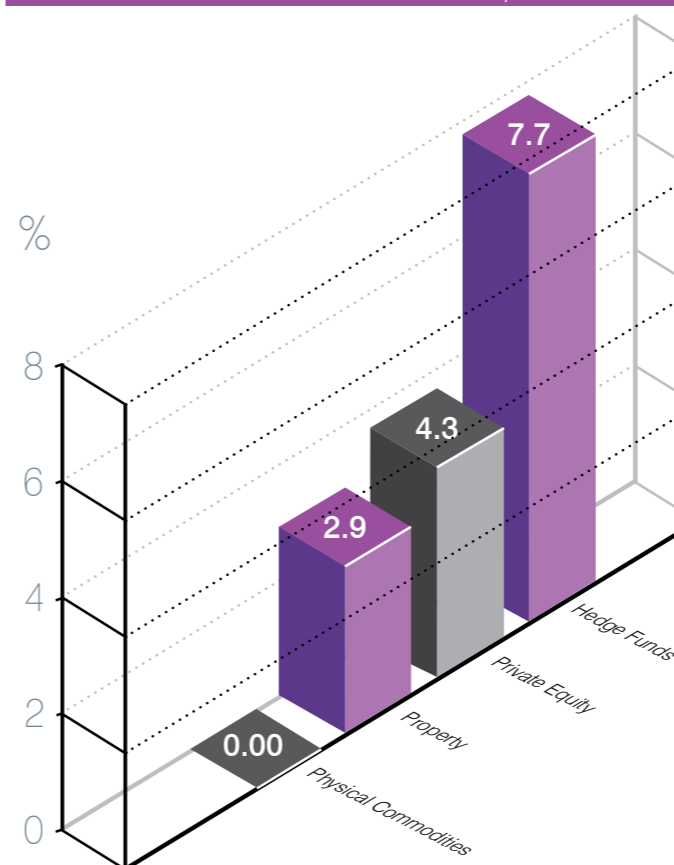
Asset Allocation at 28 February 2011



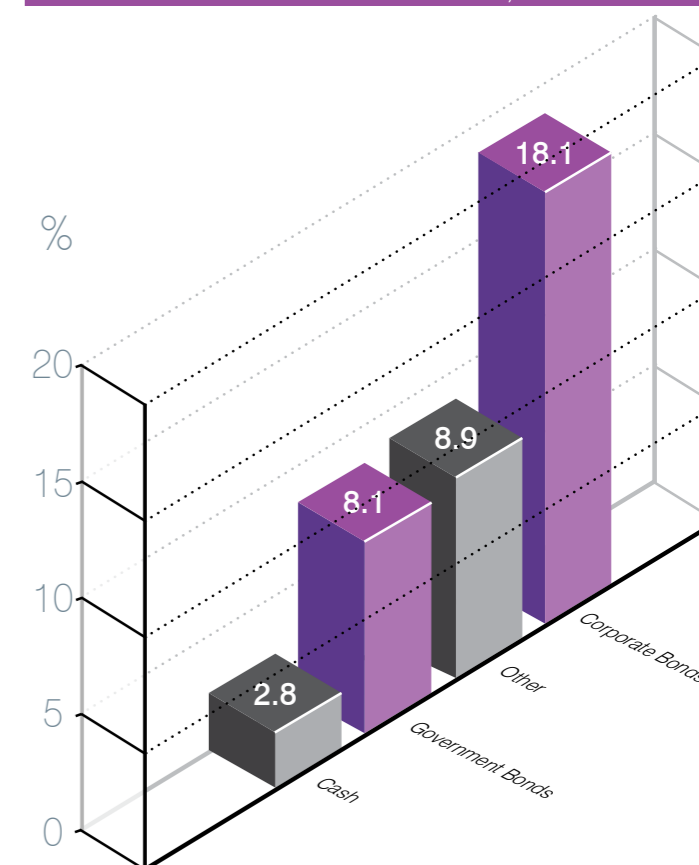
Equity Allocation at 28 February 2011



Alternatives Allocation at 28 February 2011



Cash & Fixed Interest at 28 February 2011



Performance percentage growth, UK basic rate, based in UK sterling, 2 June 2008 to 28 February 2011



■ Cirilium Cautious Fund (20.3%)
■ IMA Cautious Managed (9.9%)

Source: Morningstar, mid-mid, net income reinvested.

Cumulative Performance to 28 February 2011

Period	Fund % change	Sector % change	Quartile†
3 months	3.1	2.9	2nd
6 months	8.4	6.7	2nd
1 year	11.0	8.6	1st
Since launch 02/06/08	20.3	9.9	1st

Source: Morningstar, mid-mid, UK sterling, net income reinvested.

Discrete Performance to 31 December 2010

Period	Fund % change	Sector % change	Quartile†
30/12/2009 to 29/12/2010	12.8	9.1	1st
31/12/2008 to 30/12/2009	26.3	16.3	1st
31/12/2007 to 31/12/2008	n/a	-15.7	n/a
29/12/2006 to 31/12/2007	n/a	1.4	n/a
31/12/2005 to 29/12/2006	n/a	7.1	n/a

Source: Morningstar, mid-mid, UK sterling, net income reinvested.
† 1st quartile means the fund is in the top 25% of funds in this sector.

Cirilium Moderate Fund

Factsheet – February 2011

Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE www.henderson.com/cirilium

Fund Aim

To achieve long-term capital growth through investment markets both in the UK and overseas. The portfolio will be moderate in that it will be broadly diversified across asset classes, but with a maximum exposure of 80% to equities.

Fund Facts at 28/02/11

Launched	2 June 2008
Mid price (A shares)	66.59p
Fund size	£316.8m
IMA sector	Balanced Managed

Shares	Accumulation
Fund charges*	Initial 5.00% Annual 1.50%
Sedol number	B2Q8TP9
Bloomberg number	NSIMFRA

Top Five Holdings at 28 February 2011

Equities

- Berkshire Hathaway B
- Fidelity Special Values
- Pacific Assets
- Prosperity Voskhod
- Alliance Trust

Total Holdings 43

Alternatives

- Polar Capital UK Absolute (Hedge)
- BH Macro (Hedge)
- SVG Capital (Private Eq)
- Standard Life Euro Private Eq (Private Eq)
- Harbourvest Global (Private Eq)

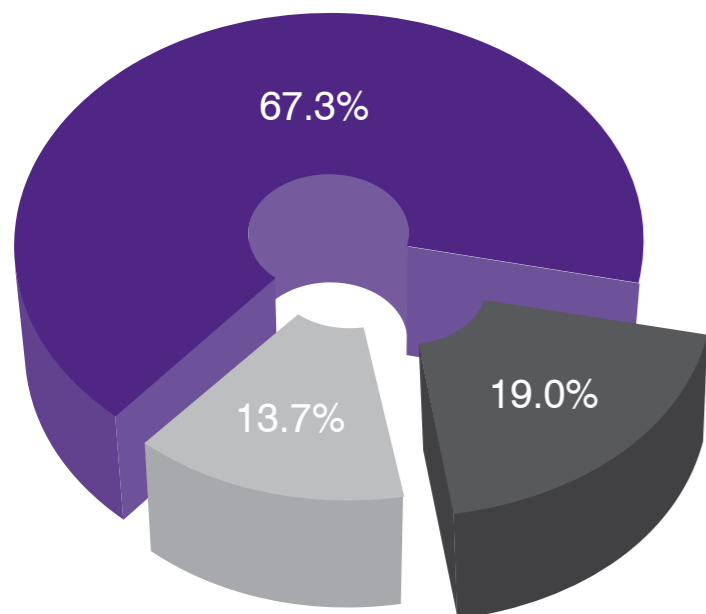
Total Holdings 14

Cash & Fixed Interest

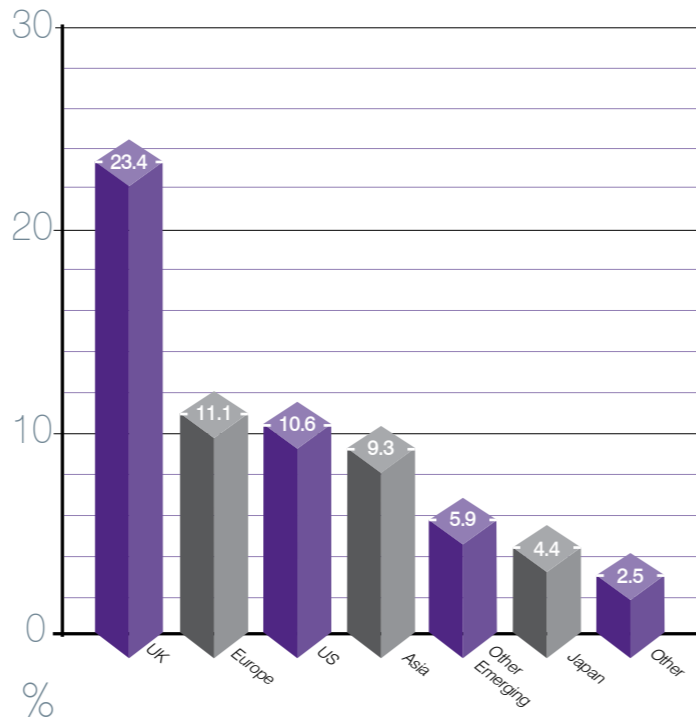
- L&G Dynamic Bond
- CG Portfolio Dollar Fund
- Henderson High Yield Bond
- Barclays GEMS Fund
- Barclays FX Elements Fund

Total Holdings 20

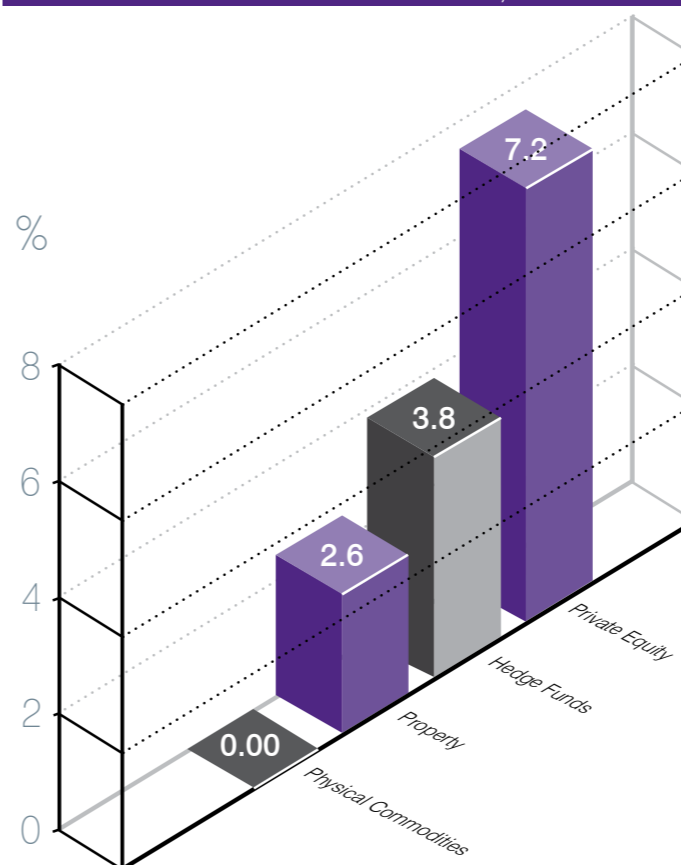
Asset Allocation at 28 February 2011



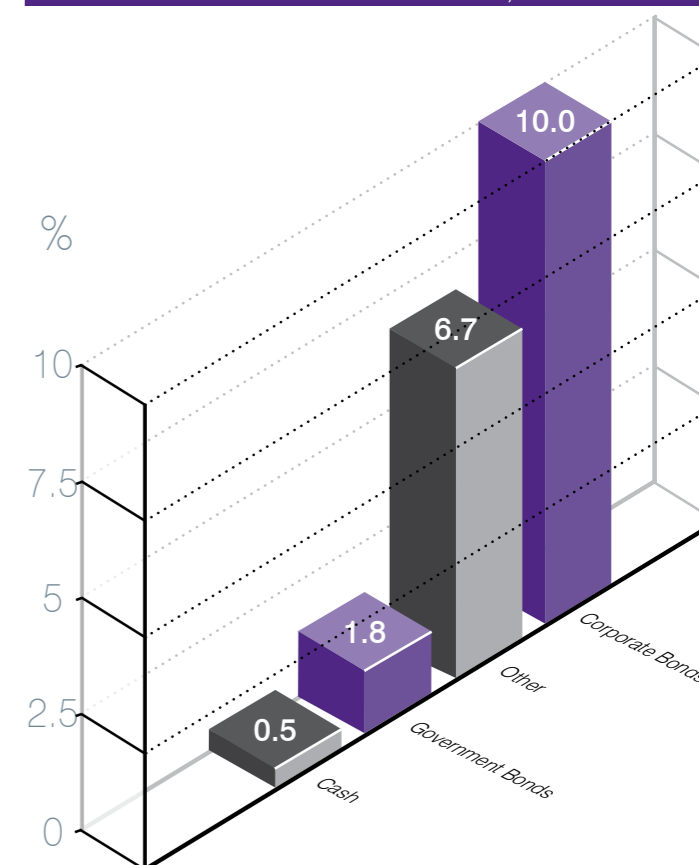
Equity Allocation at 28 February 2011



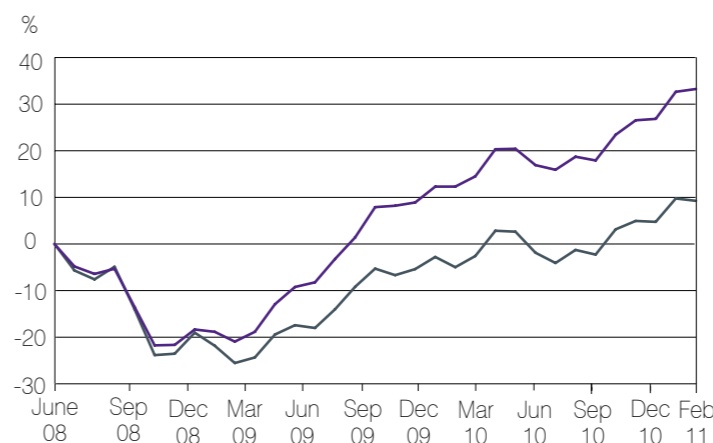
Alternatives Allocation at 28 February 2011



Cash & Fixed Interest at 28 February 2011



Performance percentage growth, UK basic rate, based in UK sterling, 2 June 2008 to 28 February 2011



- Cirilium Cautious Fund (33.2%)
- IMA Cautious Managed (9.2%)

Source: Morningstar, mid-mid, net income reinvested.

Cumulative Performance to 28 February 2011

Period	Fund % change	Sector % change	Quartile†
3 months	5.0	4.3	2nd
6 months	13.0	11.5	2nd
1 year	16.3	11.7	1st
Since launch 02/06/08	33.2	9.2	1st

Source: Morningstar, mid-mid, UK sterling, net income reinvested.

Discrete Performance to 31 December 2010

Period	Fund % change	Sector % change	Quartile†
30/12/2009 to 29/12/2010	18.1	12.5	1st
31/12/2008 to 30/12/2009	37.5	20.4	1st
31/12/2007 to 31/12/2008	n/a	-21.3	n/a
29/12/2006 to 31/12/2007	n/a	4.8	n/a
31/12/2005 to 29/12/2006	n/a	10.0	n/a

Source: Morningstar, mid-mid, UK sterling, net income reinvested. † 1st quartile means the fund is in the top 25% of funds in this sector.

Cirilium Dynamic Fund

Factsheet – February 2011

Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE www.henderson.com/cirilium

Fund Aim

To achieve long-term capital growth through investment markets both in the UK and overseas. The portfolio will be diversified across asset classes, but with a maximum exposure of 90% to equities.

Fund Facts at 28/02/11

Launched	2 June 2008
Mid price (A shares)	64.41p
Fund size	£145.6m
IMA sector	Active Managed

Shares	Accumulation
Fund charges*	Initial 5.00% Annual 1.50%
Sedol number	B2Q8TV5
Bloomberg number	NSIDFRA

Top Five Holdings at 28 February 2011

Equities

- Fidelity Special Values
- Berkshire Hathaway B
- Prosperity Voskhod
- Pacific Assets
- Worldwide Healthcare Trust

Total Holdings 50

Alternatives

- SVG Capital (Private Eq)
- Terra Catalyst (Private Eq)
- Eurovestec (Private Eq)
- Infrastructure India (Private Eq)
- Harbourvest Global (Private Eq)

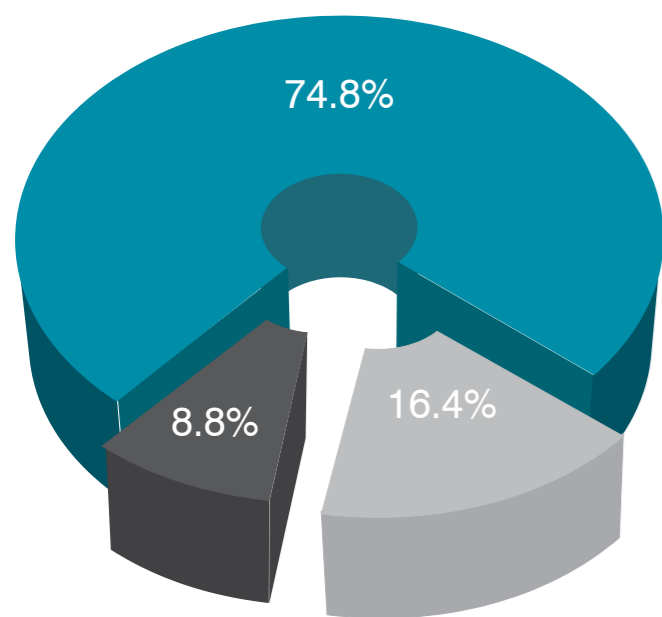
Total Holdings 16

Cash & Fixed Interest

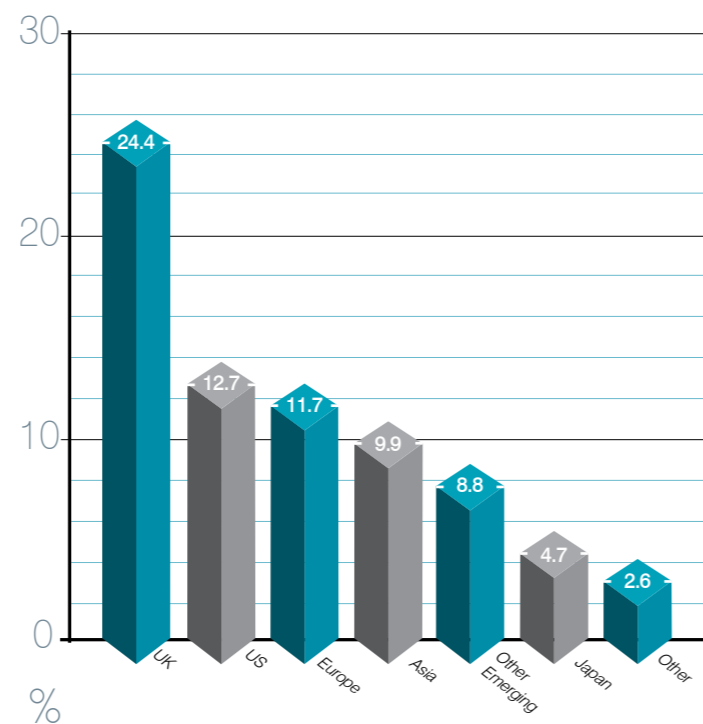
- CG Dollar Fund
- Carador
- Barclays FX Elements Fund
- Electra 5% CULS
- Edinburgh Dragon 3.5% CULS

Total Holdings 12

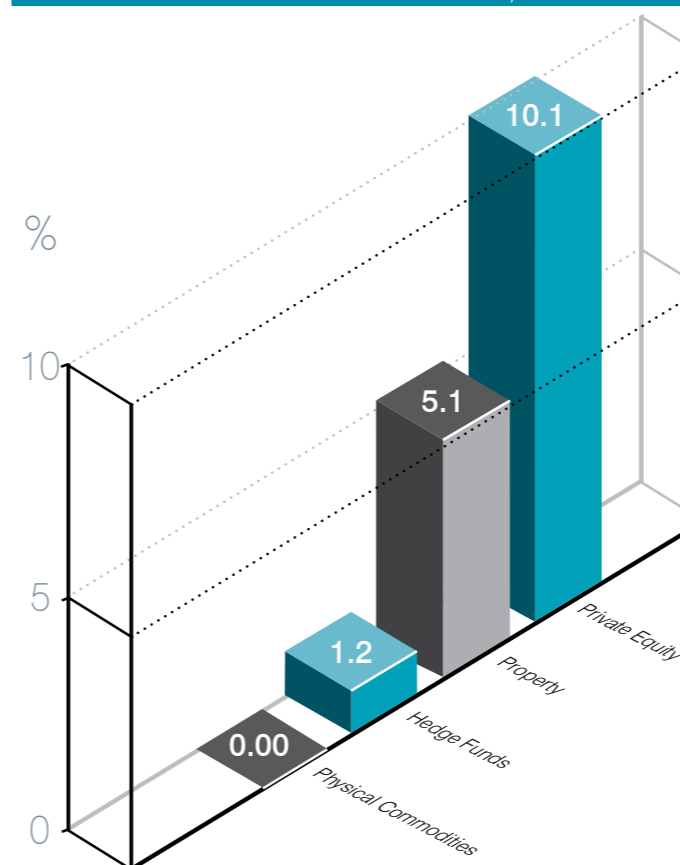
Asset Allocation to 28 February 2011



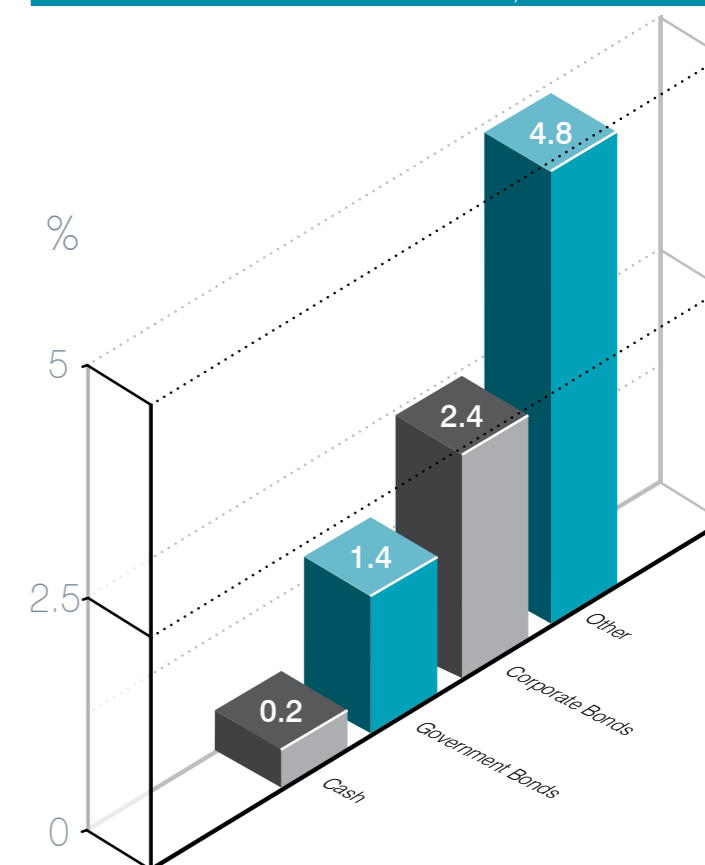
Equity Allocation to 28 February 2011



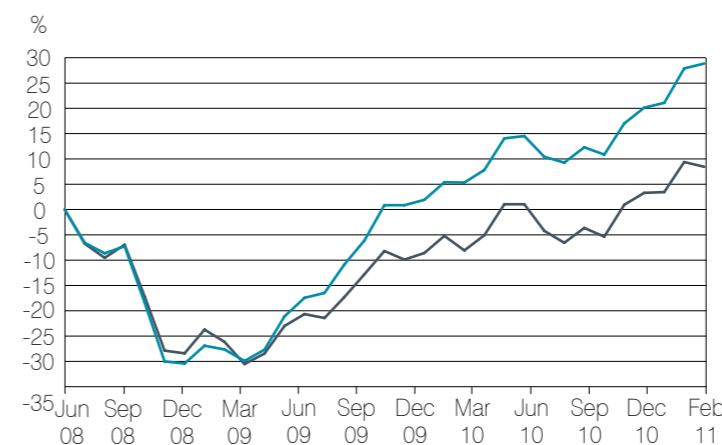
Alternatives Allocation at 28 February 2011



Cash & Fixed Interest at 28 February 2011



Performance percentage growth, UK basic rate, based in UK sterling, 2 June 2008 to 28 February 2011



Source: Morningstar, mid-mid, net income reinvested.

Cumulative Performance to 28 February 2011

	Fund % change	Sector % change	Quartile†
3 months	6.4	4.8	1st
6 months	16.2	14.7	2nd
1 year	19.5	13.8	1st
Since launch 02/06/08	28.8	8.4	1st

Source: Morningstar, mid-mid, UK sterling, net income reinvested.

Discrete Performance to 31 December 2010

	Fund % change	Sector % change	Quartile†
30/12/2009 to 29/12/2010	21.3	14.6	1st
31/12/2008 to 30/12/2009	44.1	24.8	1st
31/12/2007 to 31/12/2008	n/a	-26.0	n/a
29/12/2006 to 31/12/2007	n/a	6.1	n/a
30/12/2005 to 29/12/2006	n/a	10.2	n/a

Source: Morningstar, mid-mid, UK sterling, net income reinvested.
 † 1st quartile means the fund is in the top 25% of funds in this sector.