

HENDERSON HORIZON FUND - GLOBAL PROPERTY EQUITIES FUND

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: Henderson Global Investors

Fund manager/adviser: Henderson Global Investors

Named portfolio manager/adviser(s):

Patrick Sumner (since launch), Guy Barnard (since October 2008)

Peer group: global property equity

Location: London

Launch date: January 2005

Fund size (June 2011): US\$919.8m

Contact group: +352 2696 2050 or www.henderson.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date August 2011

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

Three years

Fund	-1.9%
Standard & Poor's peer median	-7.2%
Index**	-1.6%
Fund rank	97/389
Volatility adjusted ranking	95/389

Note: returns are cumulative

Three-year risk characteristics

Maximum monthly drawdown (%)	-31.7
Volatility	33.5
Correlation	1.0
Beta	1.0

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2011 Lipper Inc. All rights reserved. All statistical data on this report has been run to 31 May 2011 on NAV to NAV basis, with gross income reinvested, in USD.

Standard & Poor's opinion (August 2011)

Henderson's property securities team has experienced some changes during the past 12 months, but looks more stable going forward. After losing its Singapore-based head of Asia in September 2010, Henderson recruited Tim Gibson from AMP Capital Brookfield in March. Gibson has no prior Asian experience, but has specialised in property securities for many years, both on the buy and sell side, and has moved to Singapore to get up to speed on the region. In the intervening period, team head Patrick Sumner led the Asia team from London, taking a more top-down approach. This did not work as well as previously, and is the main reason why the fund has underperformed in the current year. However, now that Gibson has got a grip on Asia, the approach is again more stock specific.

The team has also recently lost Adrian Elwood, who was head of Europe. He has been replaced by Guy Barnard, who supported him on the region and has been managing the Europe portion of this fund since October 2008. Elsewhere, the US team remains stable by composition, but has moved from Transwestern Securities to Chicago-based Harrison Street Securities - a real estate boutique.

Henderson property securities team is well resourced relative to peers and has a strong long-term track record (just outside the S&P global property sector's top quartile over three years and well above median over five). Performance during the current year to June 2011 has been disappointing, but the reasons are clear and have been addressed by Henderson. The fund therefore maintains its S&P AA rating.

Fund manager & team

Henderson has over \$1.9bn in property equities, split between 10 mandates. The team is led by Patrick Sumner, who focuses largely on global asset allocation, leaving European stock selection to Guy Barnard and two analysts in London. A three-man team in Singapore covers the Asia-Pacific region. Management of North American assets is delegated to three portfolio managers at Chicago-based, real estate boutique Harrison Street Securities. Additional input is provided by the in-house economics team and the extensive direct property research team.

Patrick Sumner - modern languages (Oxford University), MSc business (London Business School), started his career in 1983 at Hillier Parker and worked at several property companies before joining Henderson's property team in 1997, becoming head of property equities in 2001.

Guy Barnard - maths (Loughborough University), began his career in 2003 at UBS. He joined the Henderson team in May 2006 and began managing the European portion of the global fund in October 2008.

Tim Gibson - joined Henderson in March 2011 with prior experience as a European Reit fund manager at AMP Capital Brookfield and as a property analyst at Morgan Stanley Asset Management.

Management style

The fund is managed against the FTSE EPRA/NAREIT Developed TR index.

Sumner sets the strategic regional asset allocation and assists in developing country views, but stock selection is expected to be the key driver of returns. The regional teams conduct bottom-up research incorporating country and sector considerations.

Within each region, slightly different approaches are adopted to meet local market drivers. In the US, forecast distributions and cashflows are key factors, while in Europe and Asia the teams focus more on net asset value. Common to all is an assessment of likely changes in the discount to NAV.

The European and Asian teams rank stocks according to growth, income and expected rating changes to produce target returns over various timescales. These returns encompass the top-down assessment of holdings by country and sector together with assessment of company management in terms of their ability to add value.

Sumner targets 80-100 holdings and a tracking error range of 3-6%. Regional exposure tends to be index neutral but can deviate +/-15% for Europe or the US and +/-10% for Asia. Currency positions are not hedged.

Cash levels are managed strategically up to 10%.

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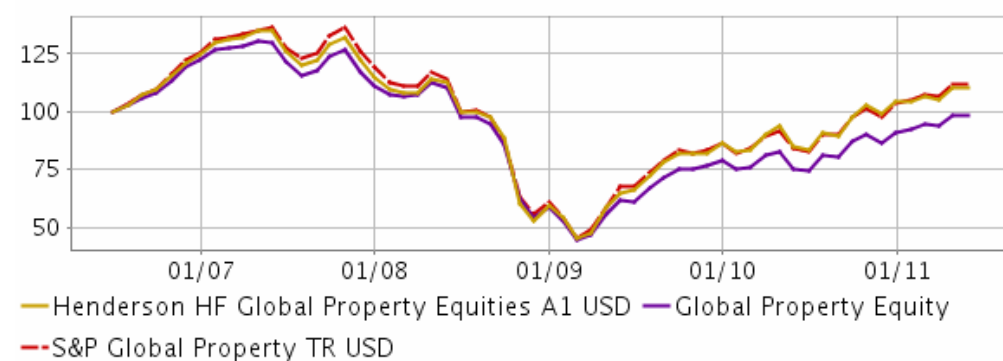
Portfolio & performance analysis (June 2011)

At June 2011 the portfolio had 82 holdings with overweights in the UK and US, and underweights in Continental Europe and Japan. By sector, industrials were overweight and retail underweight. Offices were neutral relative to benchmark, but with a bias towards central London through stocks like Land Securities, Derwent and Great Portland.

Following a strong 2009, when the fund was 11 percentage points ahead of the sector median, the team entered 2010 with a positive outlook for global Reits. Patrick Sumner raised the US allocation steadily to a 6% overweight by July, largely at the expense of Europe, but as the dollar weakened and a difficult autumn election loomed, he cut this back to index neutral with a focus on hotels and healthcare. Most of this money went into Asia, creating overweights in China and Singapore, while staying underweight Hong Kong and Japan. European exposure was kept slightly short of an index weighting, although the UK was kept above index neutral through a heavily overweight position in the London property market by way of the major players, including Land Securities and Shaftesbury. These changes proved successful generally, and the fund achieved another top quartile performance within the S&P global property equity peer group.

By contrast, the fund has fallen to the bottom quartile of the peer group during the current year to end May 2011. Underperformance is due to Asia, where overweighting China and underweighting Singapore was unsuccessful. Stock selection in the region also detracted, particularly in China.

Cumulative performance



Discrete performance (calendar years)

	2007		2008		2009		2010		YTD 31-05-11	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	-8.0	87/241	-48.3	204/341	46.0	72/420	20.3	75/443	6.1	377/463
Index**	-4.8		-48.8		41.2		20.2		8.0	
Median	-9.3		-47.5		35.6		16.2		8.1	

** S&P Global Property TR USD

Fund benchmark: FTSE EPRA/NAREIT Developed index

Share class screened: LU0209137206 (Inc)

STANDARD & POOR'S



Portfolio characteristics (1 June 2011)

No. of holdings	82
Turnover ratio (%)	94
% in top 10	29

Asset allocation

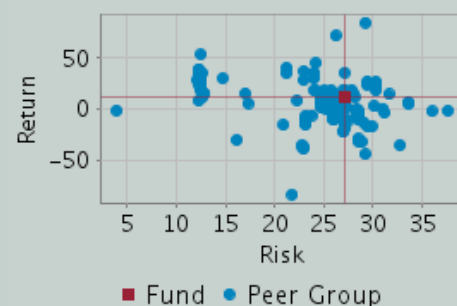
	%
Healthcare	6.2
Hotel	4.5
Industrial	8.4
Office	25.1
Resi	15.3
Retail	27.7
Storage	2.9
Other	9.0
Cash	0.9

Top 10 holdings

	%
Sun Hung Kai Properties *	4.3
Land Securities	3.3
Simon	3.2
Vornado *	2.8
Hong Kong Land Hldgs *	2.7
Unibail-Rodamco	2.7
Mitsui Fudosan	2.6
Health Care Property Invnt	2.5
Digital Realty	2.3
Avalonbay Communities	2.3

* In top 10 holdings a year ago

Risk return over five years (standard deviation)



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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

Absolute return fund ratings

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

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All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months' relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating LTFMR The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.