

# Henderson Horizon Pan European Alpha Fund



**Fund manager**  
Paul Casson

## Fund facts at 31 December 2010

### Structure

Sub-Fund of Luxembourg SICAV  
(UCITS III sophisticated)

### Domicile

Luxembourg

### Launch date

December 2006

### Minimum investments

US\$ 2,500

### Share classes available

EUR, SGD, GBP, USD

### Base currency

EUR

### No of holdings

55

### NAV (EUR)

A1: 10.95

A2: 11.12

### YTD High/Low NAV (EUR)

A1: 11.07/9.83

A2: 11.18/9.91

### Last dividend

EUR 0.05 (1/10/09)

### Fees

Annual management fee: 1.20%

Performance fee: 20% of net  
performance (with hurdle rate)

### Benchmark

50% MSCI Europe Index (net), 50%  
ECB Benchmark Rate

### Parameters

Net exposure limits: -20% to 150%

Gross exposure limit: 200%

Typical position sizes: 2-5% (long)

2-4% (short)

Typical number of holdings: 40 to 60

## About the fund

The investment objective of the Pan European Alpha Fund is to seek long-term capital appreciation through exposure primarily to European equities. At least two-thirds of the Fund's total assets (after deduction of cash) will be invested in equity securities and equity related instruments (excluding convertible debt securities) of companies that are domiciled in Europe (including the UK) or derive the majority of their revenue from business activities in this region. The Fund is denominated in EUR with GBP, US \$ and SGD as additional dealing currencies and is a Sophisticated Fund under UCITS III rules.

To obtain commentary from our fund manager and prospectus please visit our website on: [www.henderson.com](http://www.henderson.com).

## Fund size

€150.31m

Information is relevant for A2 share class only.

	EUR
NAV per share	11.12
1 month	2.96
Year to date	5.50
1 year	5.50
Since inception (annualised)	2.63

Source: at 31 Dec 10. © 2011 Morningstar. All Rights Reserved, bid-bid, gross income reinvested.

## Fund performance EUR



## Monthly performance (%)

Paul Casson took over management of the Fund from David Elms on 1 July 2008.

EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007	2.41	-2.16	1.92	4.34	3.52	-1.75	-3.11	-0.82	0.46	2.12	-5.32	-0.48	0.67
2008	-12.91	0.55	-6.00	4.65	2.77	-12.20	0.98	0.00	-5.12	-3.72	5.33	-1.01	-25.24
2009	-1.53	-3.77	2.29	9.37	3.74	-0.47	7.01	8.08	4.65	-2.12	-0.89	4.88	34.78
2010	-3.04	0.88	6.01	-0.82	-5.17	-1.17	2.76	-1.53	2.82	2.37	-0.18	2.96	5.50

Source: at 31 Dec 10. © 2011 Morningstar. All Rights Reserved, bid-bid, gross income reinvested.

## Holdings and exposures

### Geographic profile (%)

Country	Net
UK	26.6
France	13.6
Norway	8.6
Germany	8.5
Netherlands	7.3
Switzerland	5.1
Ireland	4.9
Greece	2.2
Italy	2.0
Bermuda	1.4
Sweden	-0.1
Denmark	-1.6
Spain	-5.6

### Sector profile

Sector	Net exposure %
Consumer Discretionary	15.6
Energy	15.5
Telecommunication Services	14.1
Healthcare	9.9
Industrials	6.2
Financials	4.4
Consumer Staples	4.4
Materials	2.9
Utilities	1.9
Information Technology	-1.8

### Top ten largest investments

Holding	Sector	(%)
Vodafone Group	Telecom Services	3.6
Fresenius	Healthcare	3.4
SES S.A.	Consumer Discret.	3.4
France Telecom	Telecom Services	3.2
BP	Energy	3.1
Novartis	Healthcare	3.1
Royal Dutch Shell	Energy	3.0
Glaxosmithkline	Healthcare	2.9
Deutsche Telekom	Telecom Services	2.7
Statoil Asa	Consumer Staples	2.6

### Total exposure

	(%)
Long Exposure	90.2
Short Exposure	-17.2
Net Market Exposure	73.0
Gross Market Exposure	107.4

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## Managers profile

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Paul Casson, Director of Pan European Equities, began his career in 1995 at KPMG in Belfast as a Trainee Accountant in their Audit department. In 1997 he joined Martin Currie Investment Management as a Fund Manager for European Equities where he stayed until 2001 before moving to SVM Asset Management as a Fund Manager for Pan-European Equities.

Paul has an MSc in Investment Analysis from the University of Stirling. He also holds an MSc with Distinction as well as a BSc (Hons) First Class in Accounting from the Queen's University, Belfast.

## Managers comments

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Following a difficult November, macro worries subsided in December and allowed European equity markets to post impressive gains in the final month of the year. No additional bad news emerged on the topic of government debt burdens, while company news and economic data continued to show the steady improvement that has been evident for some time now.

### Performance

The market strength in December led to the fund returns being dominated by the long book. In the energy sector, Seawell continued to make new highs, assisted by the news of another acquisition in the oilfield services sector. Prospects of a more normalised drilling environment in the US Gulf of Mexico allowed CGG Veritas to be the best performing stock in the fund during the month, while Statoil and BP also did well. Elsewhere, the winners had a distinctly Irish feel – with Paddy Power and Grafton making meaningful contributions to returns. Not necessarily what would have been expected given the backdrop of unrelenting bad news on the political and government debt fronts. Losers on the long side tended to be among the more defensive names, with SES Global and Fresenius detracting from fund performance. We only had one winning short, Inditex, while the rest of the short book was unable to battle the rising tide of the market and lost money.

### Activity

Fund activity in the month was quite brisk, with United Internet, Capita and Prospector Offshore Drilling added to the long book. The latter is a clear play on the strength of the high-end jack-up rig market globally and we expect significant contract news in the coming quarters. On the short side we took some profits in SMA Solar.

### Outlook

European equity markets faced a variety of demons in 2010 and still delivered healthy returns. We expect the early part of 2011 will be more of the same – steadily improving economic and corporate newsflow punctuated by episodes of risk aversion surrounding indebted governments and their ability to make tough decisions. Overall we expect the balance to come out positive but volatile, hence with interesting opportunities for the short book as well.

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