



Henderson Horizon Fund – Pan European Alpha Fund

31 January 2010

About the Fund

The investment objective of the Henderson Horizon Fund - 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 €.

Cumulative performance chart since change of manager (01/07/08) in EUR *



++ MSCI Europe Index (net) since inception to 31 March 2009.
The Fund offers Distribution (A1) and Accumulation (A2) Shares.

Country	Exposure %	Sector	Exposure %
Italy	2.6	Consumer Discretionary	13.4
Germany	22.5	Health Care	12.8
France	16.9	Energy	12.5
UK	14.3	Financials	11.8
Switzerland	9.6	Telecom Services	11.3
Netherlands	8.6	Industrials	10.4
Ireland	7.7	Materials	6.8
Norway	7.1	Consumer Staples	6.2
Greece	4.8	Utilities	4.8
Sweden	-3.1	Information Technology	2.2
Denmark	2.2		
Spain	-1.0		
		Total Exposure	%
		Long exposure	106.3
		Short exposure	-14.1
		Net market exposure	92.2
		Gross market exposure	120.3

Top ten largest investments

Holdings	Sector	%
1 A P Moller – Maersk B	Industrials	3.7
2 Total	Energy	3.7
3 Statoil	Energy	3.6
4 Fresenius	Health Care	3.6
5 SES Global	Consumer Discretionary	3.6
6 CRH	Materials	3.4
7 France Telecom	Telecom Services	3.1
8 RWE	Utilities	3.1
9 Novartis	Health Care	3.1
10 Heineken	Consumer Staples	3.1

Performance as at 31 January 2010*

Share Class (EUR)	Fund %	Index %
3 months	+0.8	+2.4
6 months	+11.6	+5.5
1 year	+32.7	+11.8
3 years (p.a.)	-1.3	-15.2
Since launch (p.a.)	+0.7	-12.6

(Net of 5% initial sales charge)**

Share Class (EUR)	Fund %	Index %
3 months	-4.2	+2.4
6 months	+6.0	+5.5
1 year	+26.1	+11.8
3 years (p.a.)	-3.0	-15.2
Since launch (p.a.)	-0.9	-12.6

Henderson Horizon Fund

Fund Particulars

Launch date:
December 2006

Fund Manager:
Paul Casson

Base currency: EUR

Other dealing currency:
SGD

Benchmark:
50% MSCI Europe (inc UK)
Total Return Net Dividends
Index and 50% ECB
benchmark rate ++

Minimum Investment:
€2,500

Fund size:
€75.02 m

No of holdings: 59

NAV (€):
A1: 10.14; A2: 10.22

NAV (\$):
A1: 19.88; A2: 20.04

Fee structure:
- **Initial charge:** Up to 5%
- **Annual management fee:**
1.2% pa

Investors should refer to the prospectus of the Fund for full details on fee structure.

Trading Frequency: daily

Codes:
ISIN: LU0264597617
Bloomberg: HEUALPP.LX
Reuters: 026459761X.LU

Published NAV:
• The Business Times
• www.henderson.com.sg

Manager's Commentary

Overview

The overwhelming factor influencing European stock markets in January was concern over the actions of governments. Investors worried about policy responses in China to slow the pace of growth, in Greece as the nation faces up to austerity measures, and in the US where the President launched an attack on major banks. All of this combined to yield a mood of nervousness and the outcome was a sell-off in equities.

Performance

Given our net exposure of approximately 80%, the Fund's net asset value also fell during the month. It is important to remember that our positioning reflects our outlook for the coming months, not simply the month of January. Nevertheless, the long book generated most of the losses during the month, with recent strong performers Daimler, Arcelormittal, and Heidelbergcement amongst the worst. Our short book did manage to provide some offsetting gains. In particular, our long-standing stance against the problems of the European renewable energy sector paid off, with material falls in Vestas, Q-Cells, Solarworld, and SMA Solar. We remain short of all of these and had added to some of them prior to the worst of the declines.

Investment activity

Two new positions in the Fund are worthy of comment. The first one is a long in Hellenic Telecom, perhaps controversial against the backdrop of Greek malaise. Nevertheless, we believe its cash flow will remain strong and the influence of Deutsche Telekom as major owner will continue to develop positively. The recent sell-off afforded us a good entry point. Conversely, our short in Electrolux targets an expensive cyclical, which we believe has run far ahead of any reasonable prospects of growth in 2010. In addition, raw material cost pressures will have to be dealt with and price rises will be hard to push to a cautious consumer.

Outlook

We believe revenue growth will be the key differentiating factor between long and short positions this year, with strength rewarded and weakness seized upon as an excuse to sell. This may give us an opportunity to utilise our short book more fully, something that has been difficult during the strong market rally of 2009.

* **Source:** Henderson Global Investors Limited / Datastream, calculated as at 31 January 2010 on a NAV to NAV basis for Accumulation (A2) shares, with gross income reinvested at NAV price, rebased at 100.

** **Source:** Henderson Global Investors Limited, calculated as at 31 January 2010 on a NAV to NAV basis for Accumulation (A2) shares, **net of 5% initial charge**, with gross income reinvested at NAV price. Note: The performance calculation is based on a maximum initial sales charge of 5%. The actual initial sales charge paid by the unitholder may be different based on the discount, if any, applied by distributors. As such, the performance return may differ based on the discount, if any, applied by distributors.

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