

# Henderson Horizon Pan European Smaller Companies Fund

For professional investors only



Ollie Beckett

## Fund particulars

### Status

Sub-fund of Luxembourg SICAV, UCITS III

### ISIN code

LU0046217351

### Fund manager

Ollie Beckett

### Investment objective

The investment objective of the Henderson Horizon Pan European Smaller Companies Fund is to seek long-term capital appreciation by investing at least 75% of its assets in companies registered in Europe which will generally fall within the bottom 25% of their relevant market by way of market capitalisation.

### Launch date

August 1993

### Benchmark

HSBC Smaller Companies Pan European Index

### Target tracking error

5 - 10%

### Average number of holdings

50-100

### Capitalisation range

Small cap

### Base currency

EUR (also available in GBP, USD)

### Management fees

1.2%

### Minimum investment

€ 2,500 (or foreign currency equivalent)

### Initial charge

Max. 5.0%

### Redemption fees

None

### Valuation frequency

Daily at 1.00 pm Luxembourg time

### Dealing

Orders placed at D (dealing day) before 1.00 pm Luxembourg time are executed for value on D. After 1.00 pm, the value date will be D+1.

### Settlement date

D+4

### Investment Manager

Henderson Global Investors Ltd

### Custodian

BNP Paribas Securities Services



Ratings at 31 July 2011.

Feri Fund Rating: (B)

## Key selling points

- **The opportunity within Pan European markets.** European equity markets should present notable opportunities for the patient investor during the years ahead. In particular, the European smaller companies market contains a number of quality companies with excellent management. Some of these companies are world leaders operating in niche markets, yet remain available at attractive valuations.
- **Making the case for smaller companies.** At the stock level, there are a number of well-managed, attractively-valued companies currently trading at significant discounts to historical valuations.
- **An undervalued, under-researched region, rich in potential.** Fund manager Ollie Beckett believes that European markets are slow to recognise fundamental changes in certain smaller companies. The pricing anomalies that exist within the European smaller company markets offer investors significant opportunities for outperformance. The Henderson Horizon Pan European Smaller Companies Fund aims to identify stocks that are undervalued and offer strong growth prospects.
- **Why choose the Henderson Horizon Pan European Smaller Companies Fund?** Fund manager Ollie Beckett has been managing the fund since 2005 and is an Associate Director in the company's highly respected Pan European Equity Team, which covers large, medium and small-cap equities across all European sectors.

## Understanding the fund

The fund manager looks to form a qualitative assessment of companies in order to exploit significant pricing anomalies within the European small companies investment universe. The portfolio consists of smaller company names that are expected to grow into larger companies over the long-term, but are available at valuations that are relatively inexpensive, both on an absolute basis and compared to the wider market.

The fund invests in a range of small-cap stocks, with approximately half of the portfolio comprising companies with a market capitalisation of less than €700m. This is believed to be smaller than the market cap of several of the fund's peers, but it is the area of the market which the manager believes offers significant value. With fewer analysts to cover the smaller cap names the market is less efficient and therefore offers greater opportunities to discover hidden gems that have been ignored or discounted by the wider market.

The smaller companies market is not a short-term play on recovery, but remains a fertile hunting ground for stock-picking fund managers who are able to take advantage of the lack of research and analytical coverage of the sector. The sheer size of the investment universe, and lack of sufficient broker coverage, provides excellent investment opportunities to generate returns throughout the economic cycle.

**To place an order**  
BNP Paribas Securities Services  
(Luxembourg branch)  
Tel: +352 2696 2050  
Fax: +352 2696 9747



# Henderson Horizon Pan European Smaller Companies Fund

## Important information

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The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

A copy of the Fund's full and simplified prospectuses, articles of incorporation, annual and semi-annual reports can be obtained free of cost from the Fund's: Austrian Paying Agent Raiffeisen Zentralbank Österreich AG, Am Stadtpark 9, A-1030 Vienna; French Paying Agent BNP Paribas Securities Services, 3, rue d'Antin, F-75002 Paris; German Information Agent Marcard, Stein & Co, Ballindamm 36, 20095 Hamburg; Belgian Financial Service Provider Dresdner Van Moer Courtens S.A./N.V. Société de bourse, Drève du Prieuré 19, 1160 Bruxelles; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid; or Swiss Representative Fortis Foreign Fund Services AG, Rennweg 57, 8021 Zurich. BNP Paribas (Suisse) S.A., Place de Hollande 2, 1204 Genf is the Paying Agent in Switzerland.

## Investment approach

The investment approach applied to this fund is to identify trends that drive consistent performance and to find companies with a strong competitive position and good long-term potential. A key focus is on the sustainability of returns and strategy.

This includes appraisal of the barriers to entry and also of the structures of customers and suppliers to ensure that the company is well positioned to defend its profit margins. The team undertakes an extensive programme of between 500 and 700 visits and meetings per year with senior management. These meetings are used to assess company business strategies and the ability of management to implement these strategies. Such meetings are often more constructive and easy to arrange when compared against dealing with the management of larger companies.

The manager also considers it important to be aware of the long-term trends within an industry. This incorporates the examination of structural changes, consumer behaviour and technological advances in the assessment of how specific sectors fit within the overall economic cycle. It is considered important to understand the dynamics of a business and to be aware of the valuation attached to it. In essence this comes down to the quality of earnings growth, risk factors, and the potential return offered by the valuation. The combination of a strong business at an attractive price determines whether the stock is considered a good investment.

## Investment expertise

Ollie Beckett, the fund manager, has more than 15 years' experience of analysing and investing in equity markets. Ollie first joined Henderson in 1998 from AMP Asset Management, working as an assistant portfolio manager for European equities before becoming fund manager in 1999. Ollie works within Henderson's Pan European Equity Team which manages around €12.8bn\* in assets across all European sectors and small, medium and large market capitalisations.

\* Source: Henderson Global Investors at 30 June 2011.

## For further information

**Henderson Horizon Pan European  
Smaller Companies Fund  
please visit our website at  
[www.henderson.com](http://www.henderson.com)**

