

Improving our Fund range

This document serves as a useful reference guide for the Henderson fund rationalisation taking place in May and June 2010. It outlines each proposal and provides a short bullet point rationale. It should be used in conjunction with the corresponding circular, which provides full details and a thorough explanation of the proposal, its implications and how your clients can vote. You can find copies of each circular on our website at www.henderson.com/integration, together with sample letters of those that we are sending to your clients.

Fund changes (subject to shareholder/unitholder approval)

Fund (IMA Sector)	Proposed changes /Fund manager	Rationale	Effective date of changes	Circular
Henderson Cautious Portfolio Unit Trust (Cautious Managed)	Fund to be merged into Henderson Multi-Manager Income & Growth Fund . Bill McQuaker	<ul style="list-style-type: none"> Bill McQuaker has strong track record of managing cautious managed mandates. Income units on Henderson Multi-Manager Income & Growth Fund better reflect principle of cautious managed funds. 	18 June 2010	10
Henderson Multi-Manager Growth Fund (Active Managed)	Fund to be merged into Henderson Active Portfolio . Mark Harris and Craig Heron Fund will change name to the Henderson Multi-Manager Active Fund .	<ul style="list-style-type: none"> Mark Harris and Craig Heron have strong track record in managing active managed mandates. Funds have similar objectives. The merger will remove duplication of fund manager time allowing more time to focus on investment research and analysis. 	18 June 2010 21 June 2010	6
Henderson UK Extra Income Fund (UK Equity & Bond Income)	Fund to be merged into Henderson Managed Distribution Fund . John Pattullo, Trevor Green and Jenna Barnard	<ul style="list-style-type: none"> Stronger management team of three with dedicated equity and bond managers. More flexible investment mandate, particularly with regard to derivative use and being able to invest across fixed income spectrum and not just investment grade bonds. Lower annual management fee. 	18 June 2010	8
Henderson UK Growth & Income Fund (Class A) (UK Equity Income)	Fund to be merged into Henderson Higher Income Fund . Graham Kitchen and Andrew Jones	<ul style="list-style-type: none"> Funds have essentially the same objective and already have the same managers. A merger removes duplication of fund manager time allowing more time to focus on investment research and analysis. 	18 June 2010	2
Henderson UK Growth Fund (UK All Companies)	Fund to be merged into Henderson UK Alpha Fund . Stephen Peak	<ul style="list-style-type: none"> Stephen Peak has a strong performance record Henderson UK Alpha Fund's more concentrated investment approach has delivered stronger performance over the years. 	18 June 2010	3
Henderson Global Equity Fund (Global Growth)	<ul style="list-style-type: none"> Name change to Henderson Global Dividend Income Fund. Change of investment objective and policy. To increase the annual management charge from 1.25% per annum to 1.50% per annum. To charge the annual management charge of the Fund to the capital of the Fund rather than income. To change the frequency of income distributions from half yearly to quarterly. Ben Lofthouse and Job Curtis	<ul style="list-style-type: none"> To aim for rising level of income and long-term capital growth from global equities. Investment mandate will be less restrictive allowing more flexibility in choice of equity investments. Rise in fee brings fund in line with peer group; the rise is being rebated in first year for investors who remain in the fund. Increased frequency of income distributions and charging annual management charge to capital reflect fund's greater focus on income characteristics. Track record of managers in this asset class. 	21 June 2010	7
Henderson Sterling Bond Unit Trust (£ Corporate Bond)	Change of investment policy permitting wider use of derivatives. Stephen Thariyan and Philip Payne	<ul style="list-style-type: none"> Fund managers believe that the ability to use derivatives for investment purposes and not just for efficient portfolio management will enhance the ability of the fund to generate income and prove useful in managing risks within the portfolio. 	21 June 2010	5
Henderson Extra High Yield Bond Unit Trust (£ High Yield)	<ul style="list-style-type: none"> Name change to Henderson Extra Monthly Income Bond Fund Change of investment policy permitting wider use of derivatives. James Gledhill and Ben Pakenham	<ul style="list-style-type: none"> Fund managers believe that the ability to use derivatives for investment purposes and not just for efficient portfolio management will enhance the ability of the fund to generate income and prove useful in managing risks within the portfolio. 	21 June 2010	4

Fund changes (continued)

Fund (IMA Sector)	Proposed changes /Fund manager	Rationale	Effective date of changes	Circular
Henderson Fixed Interest Unit Trust (£ Strategic Bond)	<ul style="list-style-type: none"> Name change to Henderson Fixed Interest Monthly Income Fund Change of investment policy permitting wider use of derivatives. <p>James Gledhill and Ben Pakenham</p>	<ul style="list-style-type: none"> Fund managers believe that the ability to use derivatives for investment purposes and not just for efficient portfolio management will enhance the ability of the fund to generate income and prove useful in managing risks within the portfolio. 	21 June 2010	1
Henderson High Yield Bond Fund (£ Strategic Bond)	<ul style="list-style-type: none"> Name change to Henderson High Yield Monthly Income Fund Change of investment policy permitting wider use of derivatives. <p>James Gledhill and Ben Pakenham</p>	<ul style="list-style-type: none"> Fund managers believe that the ability to use derivatives for investment purposes and not just for efficient portfolio management will enhance the ability of the fund to generate income and prove useful in managing risks within the portfolio. 	21 June 2010	9

Fund name changes (these do not require shareholder approval)

Fund (IMA Sector)	New fund name	Effective date of changes	Circular
Henderson Active Portfolio (Active Managed)	Henderson Multi-Manager Active Fund	21 June 2010	n/a
Henderson Balanced Portfolio (Balanced Managed)	Henderson Multi-Manager Balanced Fund	21 June 2010	n/a
Henderson Managed Portfolio (Balanced Managed)*	Henderson Multi-Manager Managed Fund	21 June 2010	n/a
Henderson Tactical Portfolio (Global Growth)	Henderson Multi-Manager Tactical Fund	21 June 2010	n/a
Henderson Global Equity Fund (Global Growth)	Henderson Global Dividend Income Fund	21 June 2010	7
Henderson Extra High Yield Bond Unit Trust (£ High Yield)	Henderson Extra Monthly Income Bond Fund	21 June 2010	4
Henderson Fixed Interest Unit Trust (£ Strategic Bond)	Henderson Fixed Interest Monthly Income Fund	21 June 2010	1
Henderson High Yield Bond Fund (£ Strategic Bond)	Henderson High Yield Monthly Income Fund	21 June 2010	9

*Change of fund manager to Bill McQuaker

Ongoing changes already notified*

Fund (IMA Sector)	Proposed changes /Fund manager	Rationale	Effective date of changes
Henderson Managed Distribution Fund (Cautious Managed)	<ul style="list-style-type: none"> Change of investment policy permitting wider use of derivatives. To charge the annual management charge of the Fund to the capital of the Fund rather than half to capital and half to income of the Fund. <p>John Pattullo, Trevor Green and Jenna Barnard</p>	<ul style="list-style-type: none"> Fund managers believe that the ability to use derivatives for investment purposes and not just for efficient portfolio management will enhance the ability to generate income and prove useful in managing risks within the portfolio. Charging the whole of the AMC to capital would enable the fund to distribute a higher level of income. 	10 May 2010
Henderson Technology Unit Trust (Technology & Telecoms)	<ul style="list-style-type: none"> Name change to Henderson Global Innovation Unit Trust. Change of investment policy to allow the fund manager to invest not just in technology stocks but in other sectors which the Fund manager believes are innovation focused. Change of IMA Sector to Global Growth. <p>Stuart O'Gorman and Ian Warmerdam</p>	<ul style="list-style-type: none"> Fund managers believe that by opening up to a wider investment universe the Fund will be able to enhance its investment potential by diversifying into attractive areas of underappreciated growth such as healthcare, environmental and cleaner energy stocks. 	10 May 2010

*Subject to shareholder/unitholder approval

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