

# Henderson Horizon Asia-Pacific Property Equities Fund

For professional investors only



Tim Gibson

## Fund particulars

### Status

Sub-fund of Luxembourg SICAV, UCITS III

### ISIN code

LU0229494975 (accumulation)

LU0229494629 (income)

### Fund manager

Tim Gibson

### Investment objective

The Fund seeks long-term capital appreciation by investing at least 75% of its assets in the quoted equities of companies or Real Estate Investment Trusts (or REIT equivalents) having their registered office in the Asia-Pacific region listed or traded on a regulated market which derive the predominant part of their revenue from the ownership, management and/or development of real estate in the Asia-Pacific region.

### Launch date

October 2005

### Benchmark

FTSE EPRA/NAREIT Pure Asia Total Return Net Dividend Index (Capital Constrained)

### Target tracking error

2-4%

### Average number of holdings

25-40

### Base currency

USD (also available in GBP, EUR)

### Management fees

1.2%

### Minimum investment

US\$ 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

## Key selling points

- **The opportunity in Asia-Pacific property equities:** Prior to the Japanese earthquake, fears of housing bubbles and inflation in developing markets led to a sharp fall in some Asian stock markets, including property stocks, in early 2011. Attempts to curb residential prices through regulation and taxation appear to have more effect on investor sentiment than on homebuyers, and we see attractive value emerging in certain stocks. Then the disaster in Japan further destabilised markets, although they have partially recovered. Fortunately the Japanese real estate to which the fund is exposed is hardly affected, and we expect a boost to some stocks, notably the JREITs, from Bank of Japan intervention. The "developed" markets of Japan and Australia outperformed in February, but this trend reversed in March, with China developers recovering strongly. The economic outlook remains positive, however, concerns about inflation and liquidity look set to continue.
- **Why invest in property equities?** In the medium to long term the performance of property equities reflects that of underlying assets. Despite some equity market volatility in the short term, they offer a truly diversified and liquid way of investing in real assets in the most dynamic economic region in the world. The range of opportunities, from Chinese developers to stable Japanese REITs, provides a flexible mix of strategies to the active fund manager.
- **Why choose the Henderson Horizon Asia-Pacific Property Equities Fund?** Henderson has been investing in the Asia-Pacific property sector for ten years, with an enviable track record. The Singapore-based team is part of a global network and has a wealth of experience that combines a bottom-up knowledge of markets and companies with a risk-control process that takes account of broader macro-economic themes.
- **Global property expertise from Henderson:** Henderson has a long established specialisation and reputation in property investment and is one of the major managers in this sector with US\$19.8bn\* of property assets under management.

## Understanding the fund

The Henderson Horizon Asia-Pacific Property Equities Fund uses an active total return approach that blends income and capital growth to create a well-diversified portfolio. The primary driver of outperformance is individual stock selection, complemented by top-down market forecasts. The fund employs a flexible investment approach and does not maintain constant biases towards yield, growth or styles. A focus on higher yields may give better returns in weak property markets, while a preference for growth stocks, with lower payouts, will be more rewarding in rising property markets. The fund typically contains between 25 and 40 benchmark and non-benchmark holdings. These include REITs and non-REITs, developers and investment companies.

Expectations of growth in Asia have generated increased interest in the region's property equity markets, particularly among institutional investors seeking to increase their long-term allocations to property assets. A key factor underpinning demand for property is population growth which, with the exception of Japan and Australia, is forecast to be much greater in the Asia-Pacific region than globally. At the same time, the rapid development of the region's real estate investment trust (REIT) market has improved transparency and liquidity, and increased the opportunities for building well-diversified, efficient property portfolios. Asia-Pacific property markets are characterised by high volatility and a greater diversity of currencies than the other regions covered by Henderson's global property equities strategies. A contributing factor to the region's volatility is the relatively strong presence of property development companies. This environment creates the potential to generate high returns through active management.

\*Source: Henderson Global Investors at 30 June 2011

## To place an order

BNP Paribas Securities Services  
(Luxembourg branch)

Tel: +352 2696 2050

Fax: +352 2696 9747



# Henderson Horizon Asia-Pacific Property Equities Fund

## Important information

**This document is solely for the use of professionals and is not for general public distribution**

The Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985. This document is intended solely for the use of professionals and is not for general public distribution. Any investment application will be made solely on the basis of the information contained in the Fund's full prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the Fund's full prospectus before investing. A copy of the Fund's full and simplified prospectuses can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor.

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Past performance is not a guide to future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially.

The securities included in this document are not registered in the Foreign Securities Registry of the Superintendencia de Valores y Seguros for public offering and, therefore, the use of this document is only for general information purposes.

Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment.

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 BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent.

**For further information on the Henderson Horizon Asia-Pacific Property Equities Fund please visit our website at [www.henderson.com](http://www.henderson.com)**

## Investment approach

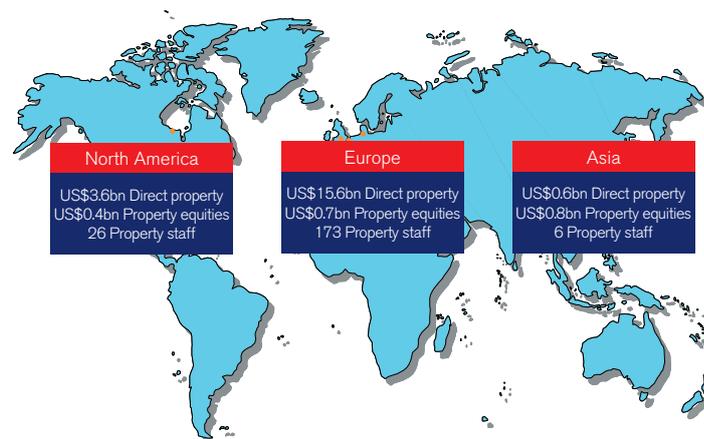
For the skilled active manager, inefficiencies in the property market provide multiple opportunities to add genuine value on behalf of clients. Fundamental property market research and forecasting is carried out by the fund manager, Tim Gibson and supported by assistant fund manager Michael Wong and analyst Eric Khaw. Their research covers the prospects for office, retail, industrial and residential sectors. In forming their views, the team draws on Henderson's economic research, property market data produced by approved third-party analysts, and their own research and observations. Their forecasts provide detailed coverage of the region's major markets of Australia, Singapore, Hong Kong and Tokyo, and general views of other cities.

The valuation models used in our Asia-Pacific research make a clear distinction between earnings derived from rents, which are relatively predictable, and those derived from development profits and trading, which are less so. The predominant valuation metric in the Asia-Pacific region is discount to net asset value, which is the most useful method for valuing the profits of development companies. Many income-yielding Australian property companies, however, are more suited to assessment in terms of their dividend yield, as are REITs, which are increasingly common in Singapore and Japan.

Unpredictable investor sentiment and exchange rate volatility are constant obstacles in Asia, and the fund manager therefore tends to maintain country positions that are close to neutral. The manager's primary concern is to anticipate the performance of individual sectors and stocks relative to their country peers. In this context, it is vital to understand sentiment in the respective markets

## Investment expertise

Henderson manages US\$1.9bn\* in regional property equities strategies. The Asia-Pacific Property Equities team is based in Singapore, providing them with excellent access to the region's markets. The team is led by Tim Gibson, Head of Property Equities, Asia. Tim is supported by Michael Wong and Eric Khaw and together, they manage US\$470m\* of Asia-Pacific property equity assets on behalf of institutional and retail investors in pooled and segregated mandates. The Asia-Pacific team is backed by the investment strength and capabilities of the Henderson property equities team based in London.



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