

Sub-fund of Luxembourg-domiciled Sicav

Fund owner: Henderson Global Investors

Fund manager/adviser: Henderson Global Investors

Named portfolio manager/adviser(s):

Richard Pease (since launch), Simon Rowe (since April 2009)

Peer group: European Mainstream ex UK Equities

Location: London

Launch date: July 2001

Fund size (November 2010): €75.15m

Contact group: +44 845 608 8703 or www.henderson.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date January 2011

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

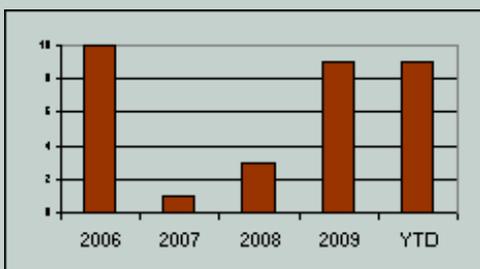
	Three years
Fund	-13.9%
Standard & Poor's peer median	-10.3%
Index**	-20.8%
Fund rank	7/303

Note: returns are cumulative

Three-year risk characteristics

Maximum monthly drawdown (%)	-15.6
Volatility	23.0
Correlation	0.9
Beta	1.0

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2010 Lipper Inc. All rights reserved. All statistical data on this report has been run to 31 October 2010 on NAV to NAV basis, with gross income reinvested, in EUR.

Standard & Poor's opinion (January 2011)

Henderson has announced the terms of its proposed acquisition of Gartmore. Subject to a number of shareholder and regulatory approvals and certain conditions, the deal should complete by end-April. This may lead to some changes in the team involved with this fund in future.

This was originally a New Star fund, but it was rebranded in June 2010 to reflect the new owner, Henderson Investors. It has been managed by Richard Pease since its launch in 2001.

Pease brought two colleagues with him from New Star and they effectively form a distinct and separate team within the Henderson group, preferring to continue operating as they have in the past - conducting their own analysis based on a thorough understanding of business fundamentals and management motivation. Valuation levels are key to the timing of purchases, with cashflow measures favoured.

The fund continues to be managed with a clear bottom-up focus and as a result, deviations from benchmark are often significant at the sector and country levels. The main risk controls are in terms of stock level analysis, with the manager relying on his extensive experience to ensure the fund retains sufficient diversification.

Although Simon Rowe is officially named as co-manager on the fund, Pease remains the final decision-maker. He has, however, worked closely with Rowe since 2001 and the two have developed a strong long-term performance track record.

The team now appears settled at Henderson and content with the separate "boutique" they have created within the European team. As a result, the fund regains an S&P AAA rating.

Fund manager & team

Richard Pease joined Henderson after its acquisition of New Star, taking with him New Star colleagues Simon Rowe and James Milne. They effectively form a distinct group within the Henderson European team, though sit with the Henderson European team and share some company meetings.

Richard Pease - fund manager - general arts (Durham University), was a fund manager at the central board of finance for the Church of England, before joining Windsor Investment Management in 1987. He moved to Jupiter in 1990, leaving in early 2001 to transfer to New Star later in the year.

Simon Rowe - history (Cambridge University), initially worked as a financial journalist in London and Munich, then on the Germany equity analysis team at Kleinwort Benson, later moving to Smith New Court. He worked in consultancy, before joining New Star in 2001.

Management style

Pease's approach is bottom-up. As core holdings, he seeks companies with strong business models in attractive industries, enjoying high margins and growing steadily.

Crucially, the management must have demonstrated its strength through consistently strong execution and free cashflow generation. Typically they will own a share of the business, aligning their objectives with those of shareholders. Ideally he looks to buy at a discount to intrinsic value.

Pease's approach is subjective using his in-depth knowledge of a company's long-term management capability, but he also uses his colleagues to conduct in-depth financial analysis. His investment horizon is usually five to 10 years, leading to low turnover levels. Outside the core and on a shorter view, he may hold highly undervalued stocks that do not meet his strict criteria.

Portfolio construction is unconstrained. Pease pays no attention to benchmark; this may lead to substantial deviations from index at stock level, although the overall tracking error is moderate.

The portfolio often has a small-/mid-cap bias. Stock positions do not exceed 7%. The fund is now managed in a reasonably concentrated fashion with around 45 stocks.

HENDERSON HORIZON EUROPEAN GROWTH FUND

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Portfolio & performance analysis (November 2010)

The fund has seen limited change to its positioning over the past year, with turnover being low at around 15%. Changes that have been seen have been very stock specific, in-keeping with the investment approach. Purchases have included stocks such as Novartis, Givaudan, Zodiac Aerospace, CRH and Reed Elsevier. All of which represented stocks with good longer-term prospects, trading at low current valuations.

The fund is managed primarily from the bottom-up and as a result, sector and country deviations from index can be substantial. Currently the largest active sector position is the 14.3% underweight to financials, where the team feels the outlook is not clear enough to make accurate forecasts with any degree of certainty. Consumer goods is the other major underweight at -10%, while consumer services at +13.5% and industrials +12% are the main overweights.

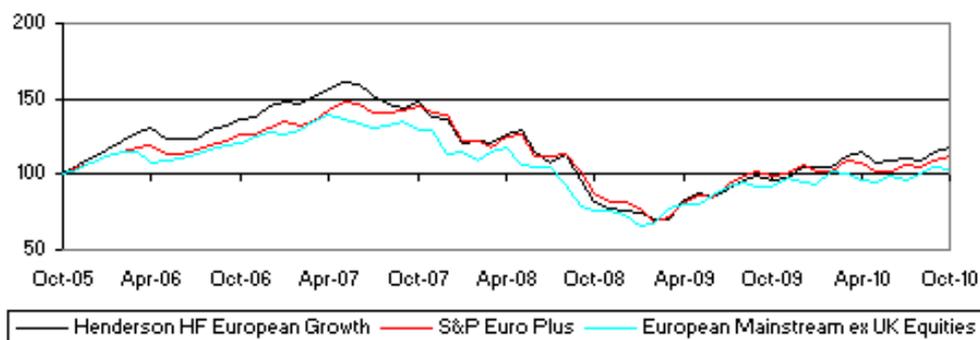
The fund retains its bias to small-/mid-cap stocks with just over 38% in sub-£5bn market-cap names.

Pease has produced a very strong performance track record with this fund since its launch in mid-2001, with the exception of 2007 when the manager suffered a period of unusual weakness when the markets turned down.

Unlike its UK onshore sister fund, this fund also underperformed in 2008 as the headwinds of its small- and mid-cap bias were exacerbated by huge redemptions. In 2009 the fund performed strongly in the initial rally, with its small-cap tilt proving particularly beneficial. Specific stock successes included Randstad, Fuchs Petrolub and KONE. Subsequently, it struggled versus benchmark, before rallying late in the year.

Over the past year performance has been strong, driven by stock selection across and number of sectors. Success was seen in financials, healthcare, industrials, oil & gas and utilities. The most significant stock contributors were Schindler, KONE, Novo Nordisk, and Fugro.

Cumulative performance



Discrete performance (calendar years)

	2006		2007		2008		2009		YTD 31/10/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	31.1	11/256	-6.5	273/274	-44.6	277/321	38.3	20/358	13.4	29/389
Index**	21.5		6.2		-41.3		29.0		5.7	
Median	19.2		10.7		-27.1		22.1		4.3	

** S&P Euro Plus EUR

Fund benchmark: FTSE World Europe ex UK Total Return Index

Share class screened: LU0504465815 (R EUR)

STANDARD & POOR'S



Portfolio characteristics (1 November 2010)

No. of holdings	49
Turnover ratio (%)	15
% in top 10	36

Asset allocation

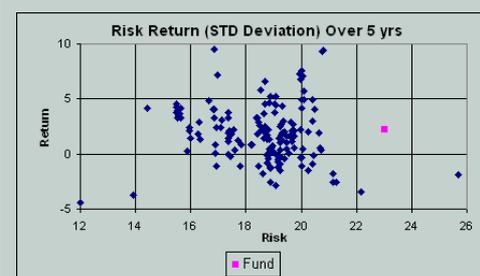
	%
Basic materials	7.7
Consumer goods	6.6
Consumer services	18.9
Financials	9.7
Healthcare	7.6
Industrials	25.5
Oil & gas	15.3
Technology	2.6
Telecommunications	1.9
Utilities	2.9
Other	-0.6
Cash	1.9

Top 10 holdings

	%
Schindler-Hldg	5.0
Kone	4.9
Fuchs Petrolub	4.5
Wolters Kluwer	4.1
Sampo	4.0
Fugro	3.2
Fortum	2.9
Novartis	2.7
Novo Nordisk	2.6
Royal Dutch Shell	2.6

* In top 10 holdings a year ago

Risk return over five years (standard deviation)



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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

Absolute return fund ratings

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months' relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating LTFMR The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.