



Henderson

# Worldwide Income Fund

HFAAX, HFABX, HFACX

Q1, 2011

# Henderson Global Investors

## An influential legacy



- Henderson Global Investors has been managing client investments since 1934, beginning with the assets of its visionary founder, Alexander Henderson, the first Lord Faringdon
- As his financial empire grew, Alexander identified untapped resources and pursued investments in South America, Europe, the Far East and Africa

- By 1887, the expansive nature of his investments and the maturing of his children required a more formal management of the family's assets
- That organization would eventually become known as Henderson Global Investors, provider of global investment products and services to institutional, retail, and high net worth investors



# Henderson Global Investors

## Investment resources

- Headquartered in London, managing client investments since 1934
- Approximately 930 employees located in 16 countries across the globe
- Assets under management of \$96.4 billion as of 12/31/10



# Henderson Global Investors

## US retail products: The Henderson Difference

- An opportunistic approach
- Bottom-up stock selection
- Global perspective with local insight
- Focused portfolios
- Loyalty of investment managers
- Entrepreneurial culture
- Unwavering focus on investment management

# Henderson Worldwide Income Fund

## Key characteristics

### Investment objective

- Aims to provide a total return through current income and capital appreciation

### Principal investment strategies

- Invests primarily in income producing securities including international high yield debt, US investment grade corporate debt, and investment grade government debt
- May invest in dividend-paying equity securities of companies domiciled in the US or abroad
- The Fund will take strategic asset allocation decisions between countries, asset classes, sectors and credit ratings

International investing involves certain risks and increased volatility not associated with investing solely in the US. These risks included currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. The Fund may invest in securities issued by smaller companies which typically involves greater risk than investing in larger companies. Also, the Fund may invest in limited geographic areas and/or sectors which may result in greater market volatility. In addition the Fund may invest in derivatives. Derivatives involve special risks different from, and potentially greater than, the risks associated with investing directly in securities and may result in greater losses.

The Worldwide Income Fund invests in high yield, lower rated (junk) bonds which involve a greater degree of risk than investment grade bonds in return for higher yield potential. As such, securities rated below investment grade generally entail greater credit, market, issuer and liquidity risk than investment grade securities. Moreover, the Fund is subject to interest rate risk which is the risk that debt securities in the Fund's portfolio will decline in value because of increases in market interest rates. The Fund may borrow money, which may adversely affect the return to shareholders of the Fund, also known as leverage risk.



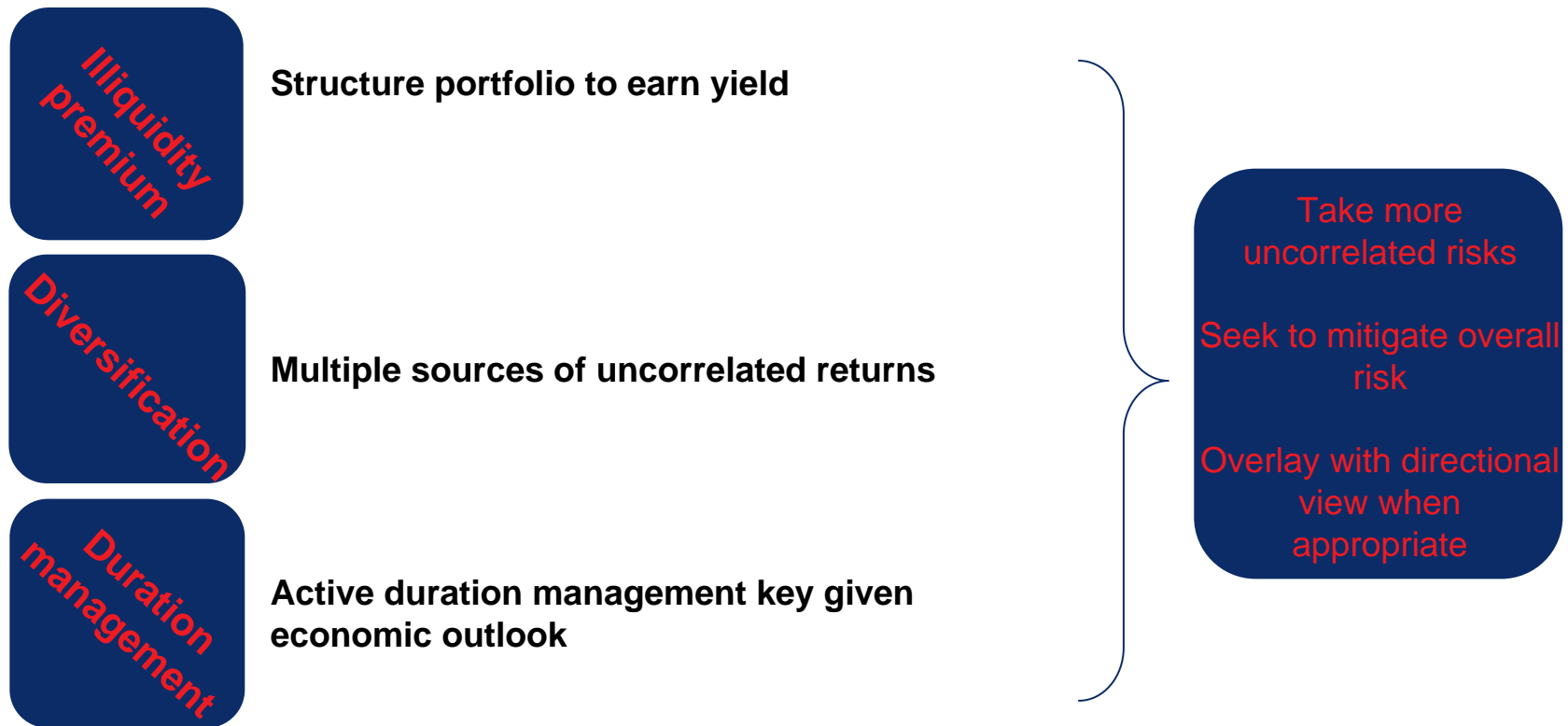
# Henderson Worldwide Income Fund

## Investment philosophy

- Access to all asset classes
- We believe bond funds should be structured around outcomes, not sector definitions or internal constraints
- Security selection includes a high degree of equity-style thinking in our analysis
- Blend or trend approach to asset allocation
- Returns driven from income and/or capital

# Henderson Worldwide Income Fund

## Guiding principles for building an asset portfolio



Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates.

# Henderson Worldwide Income Fund

## Portfolio construction

- The Fund will generally hold over 50 holdings
- Active asset allocation is pivotal
- Duration is actively managed
- Maximum holding size limited to 4% for a corporate issuer
- Cash may be used defensively
- Currency may be used as an asset class
- Turnover concentrated in sovereign and more liquid corporate bonds

# Henderson Worldwide Income Fund

## Risk management and monitoring

- Continually monitor the portfolio for:
  - Duration exposure
  - Yield/price distribution
  - Credit rating
  - Asset class mix by duration, yield, sector and ratings
  - Currency exposure
- Use Henderson's Portfolio Modeller software and Bloomberg to produce this material
- Monthly fund compliance sign-off and pre-trade compliance monitoring through CRD system
- Peer review

# Henderson Worldwide Income Fund

## Sell discipline

- The main reason is a deterioration in the outlook for the issuer, eg,
  - A change in strategy that we do not believe in
  - A surprisingly poor trading update
  - A deterioration in the outlook for the equity
- We look to sell 'early' in such situations
- We also sell where the spread has tightened to a point where we find other assets more attractive
- We see our sell decisions as critical to the success of the Fund
  - Reflecting the asymmetric risk of investing in bonds

# Henderson Worldwide Income Fund

## Portfolio management

- **John Pattullo, Head of Retail Fixed Income**
  - Joined Henderson Global Investors in 1997
  - Previously worked as a chartered accountant with PriceWaterhouseCoopers
  - Mr. Pattullo is a member of the Institute of Chartered Accountants of Scotland and an Associate Member of the Society of Investment Professionals
  
- **Jenna Barnard, CFA, Director, Retail Fixed Income**
  - Joined Henderson Global Investors in 2002
  - Began with Henderson as Credit Analyst, Assistant Portfolio Manager and progressed to Credit Portfolio Manager in 2004
  - Prior to joining Henderson, Ms. Barnard worked as an Investment Analyst with Orbitex Investments
  - Ms. Barnard is a CFA charterholder, and an affiliate member of UKSIP



# Henderson Worldwide Income Fund

Performance, as of 3/31/11

	1 year	3 years	5 years	Since inception*
<b>HFAAX at NAV</b>	<b>7.17%</b>	<b>3.80%</b>	<b>3.08%</b>	<b>5.50%</b>
<b>HFAAX w/sales charge</b>	<b>2.07%</b>	<b>2.12%</b>	<b>2.09%</b>	<b>4.81%</b>
50% ML Global High Yield/50% ML Global Broad Market Corporate Index	9.28%	10.31%	7.58%	7.19%
Lipper Global Income Funds Average <sup>1</sup>	7.13%	4.63%	5.90%	5.64%

<sup>1</sup>For the periods ended 3/31/11. Lipper Inc. is an independent mutual fund rating service that ranks funds in various fund categories by making comparative calculations using total returns. Lipper returns do not take into effect sales charges.

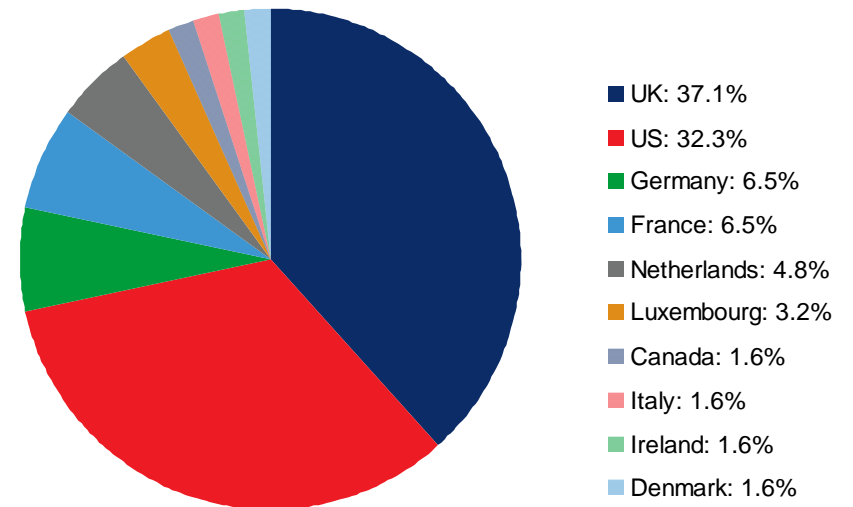
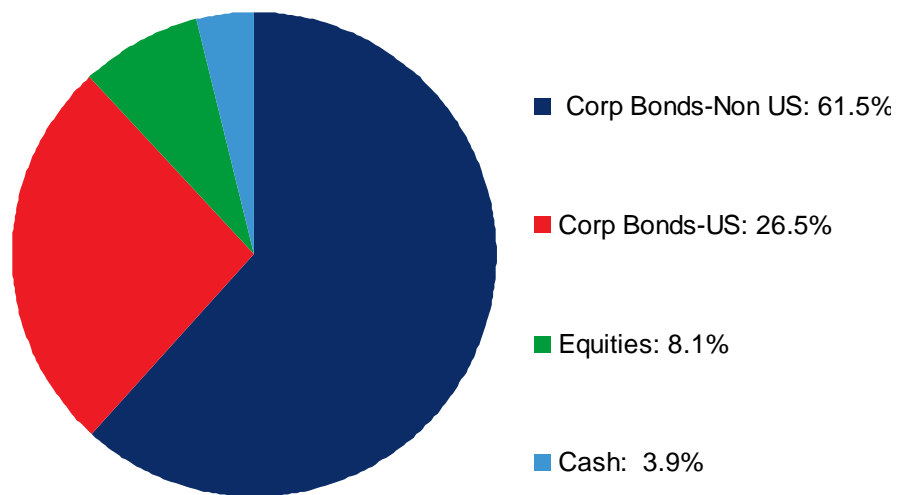
*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call 1.866.443.6337 or visit the Fund's website at [www.hendersonglobalinvestors.com](http://www.hendersonglobalinvestors.com). Performance results at offering price reflect the deduction of the maximum front-end sales charge of 4.75%. Performance presented at NAV which does not include these sales charges would be lower if these charges were reflected. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 1.64%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.31% which is in effect until July 31, 2020.*

\*Inception date for the Worldwide Income Fund is 9/30/03. Returns include the reinvestment of dividends and capital gains. Performance results reflect expense subsidies and waivers in effect during the periods shown. Absent these waivers, results would have been less favorable.



# Henderson Worldwide Income Fund

## Allocations: Sectors and top 10 countries



Data presented as of 3/31/11. Sub-portfolio and sector allocations subject to change. Countries are based on the legal domicile rather than the underlying exposure of its business.

## For more information

For additional information on any of the Henderson Global Funds or Separately Managed Accounts, please call 1.866.443.6337, visit our website at [www.hendersonglobalinvestors.com](http://www.hendersonglobalinvestors.com) or contact your financial adviser.

The Bank of America Merrill Lynch Global High Yield Index (USD-hedged) tracks the performance in US dollars on a hedged basis of Canadian Dollar, British sterling, US dollar and euro denominated developed market below investment grade corporate debt publicly issued in the major US or eurobond markets. The Bank of America Merrill Lynch Global Corporate Index (USD-hedged) tracks the performance in US dollars on a hedged basis of developed market investment grade corporate debt publicly issued in the major US and eurobond markets. One cannot invest directly in an index or an average. Holdings subject to change at any time for any reason and may not be current as of the publication of this piece or thereafter.

*One should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other important information is available in the Fund's prospectus and summary prospectus which are available at [www.hendersonglobalinvestors.com](http://www.hendersonglobalinvestors.com), by calling 1.866.443.6337 or by contacting your financial adviser. Please read the prospectus or summary prospectus carefully before investing.*

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