

Henderson Horizon Fund

Asia-Pacific Property Equities

Fund

Fund Particulars

Structure:
Sub-Fund of Luxembourg
SICAV

Launch date:
October 2005

Fund Manager:
Tim Gibson

Base currency: USD

Benchmark:
FTSE EPRA/NAREIT Pure
Asia total return net dividend
Index (Capital constrained)

Minimum Investment:
US\$ 2,500

Fund size:
US\$ 279.91 m

NAV (US\$):
A1: 10.13
A2: 10.91

YTD High / Low NAV (US\$):
A1: 14.42 / 9.81
A2: 15.32 / 10.57

Last dividend:
US\$ 0.14 (30/09/11)

Fee structure:

- **Initial charge:** Up to 5%
- **Annual management fee:** 1.2% pa
- **Performance fee:** 10% of the Relevant Amount

Investors should refer to the prospectus of the Fund for full details on fee structure.

Trading Frequency: Daily

Codes (A2):
ISIN: LU0229494975
Bloomberg: HENAPAA LX
Reuters: 65008839

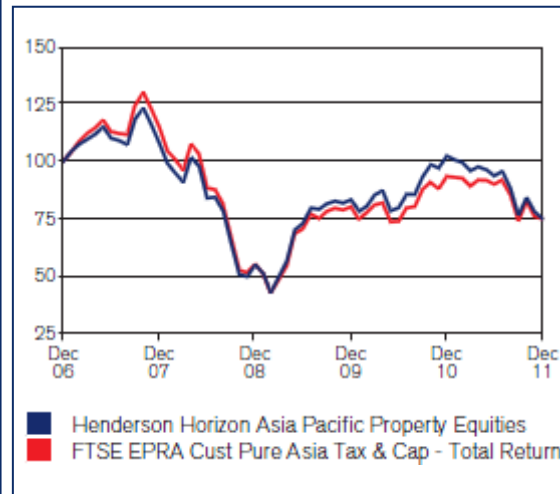
Published NAV:

- Bloomberg
- The Business Times
- www.henderson.com.sg

About the fund

The investment objective of the Henderson Horizon Fund - Asia-Pacific Property Equities Fund (the "Fund") is to seek long-term capital appreciation by investing at least 75% of its total assets in the quoted equities of companies or Real Estate Investment Trusts (or their equivalents) having their registered offices 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. The Fund is denominated in US\$.

5 years cumulative performance chart in USD* Performance as at 31 December 2011*



Share Class (USD)	Fund %	Index %
3 months	-1.9	+1.2
6 months	-20.1	-16.9
1 year	-26.8	-20.0
3 years (pa)	+10.9	+10.7
5 years (pa)	-5.7	-5.7
Since launch (pa)	+1.4	+2.6

(Net of 5% initial sales charge)**

Share Class (USD)	Fund %	Index %
3 months	-6.8	+1.2
6 months	-24.1	-16.9
1 year	-30.5	-20.0
3 years (pa)	+9.0	+10.7
5 years (pa)	-6.6	-5.7
Since launch (pa)	+0.6	+2.6

Top 10 holdings

	%
Sun Hung Kai Properties	9.5
Mitsui Fudosan	9.1
Mitsubishi Estate	8.9
Hang Lung Properties	6.5
Link	4.5
Sumitomo Realty & Development	4.3
Mirvac	4.1
CFS Retail Property	3.8
Ascendas	3.8
Westfield	3.8

Total number of holdings 30

Country breakdown

	%
Japan	35.0
Hong Kong	26.8
Australia	18.8
Singapore	10.1
China	2.8
Indonesia	1.8
India	0.5
Cash	4.1

Henderson Horizon Fund – Asia-Pacific Property Equities Fund

Manager's Commentary

Overview

Risk appetite returned for the month of December for two reasons. First, a temporary semblance of stability was restored in Europe as central banks around the globe engaged in a coordinated response to provide US dollar liquidity to European banks. Second, the market increasingly discounted an inflexion point in the Chinese monetary tightening cycle following the cut to the bank reserve requirement ratio at the end of November, coupled with economic data which suggested a marked slowdown in economic activity in China. Nonetheless, the FTSE EPRA NAREIT Pure Asia Index was down 1.7%, pulled lower by the 6.2% fall in Japanese developers, despite attractive valuations and benign newsflow. In contrast, the higher beta Chinese property stocks outperformed (+6.4%) on the back of increasing hopes of a policy turnaround. Hong Kong developers (+5.0%), with a material exposure to China, were close behind. Australia (-2.8%), being more defensive, lagged behind in the race for beta. Unsurprisingly, Singapore (-7.9%) was the worst performer for the month as the government introduced a punitive set of property measures to cool the residential market by imposing additional buyers stamp duty on property purchases. Outside core markets, Indonesia proved to be the best performer on the back of a positive inflation print (3.8%) and the approval of a land acquisition bill, which will improve the speed and execution of property development.

Performance and Activity

The Fund underperformed the benchmark due to our cautious outlook on the increased risk of the Chinese residential sector, as well as our preference for Japanese developers, which were out of favour over the month.

No major changes to the portfolio were undertaken for the month and we retain our preference for large, blue chip quality names.

Outlook

We enter 2012 cautiously optimistic expecting volatility to remain with macro events (centering around Europe) to continue to dominate equity markets. We believe that the threat of a funding risk within European banks has receded somewhat post the ECB easing through an increase in liquidity in the European banking system. With expectations of an absolute resolution on the Euro crisis already low, share prices in Asian property already reflect a lot of negative news. It is also pertinent to note that property supply fundamentals, in most markets, are much more favourable than in previous cycles.

Against the backdrop of weakening global demand coupled with domestic tightening, China's policy response this year may detract from a long run ideal of a consumption centric model in pursuit of short term pragmatism. Thus, to safeguard the current economic structure, we expect credit easing to happen some time this year, albeit to a smaller extent to that seen in 2009.

* Source: Henderson Global Investors Limited / Morningstar, calculated as at 31 December 2011 on a NAV to NAV basis for Accumulation (A2) shares, with gross income reinvested at NAV price, rebased at 100.

** Source: Henderson Global Investors Limited, calculated as at 31 December 2011 on a NAV to NAV basis for Accumulation (A2) shares, **net of 5% initial charge**, with gross income reinvested at NAV price. Note: The performance calculation is based on a maximum initial sales charge of 5%. The actual initial sales charge paid by the unitholder may be different based on the discount, if any, applied by distributors. As such, the performance return may differ based on the discount, if any, applied by distributors.

Note: The Fund offers Distribution (A1) and Accumulation (A2) Shares.

Important Information

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Henderson Global Investors (Singapore) Limited
Address: 6 Battery Road, #12-01, Singapore 049909
Tel: (65) 6836 3900 Fax: (65) 6221 0039
Website: www.henderson.com.sg
Company Registration No. 199700782N

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