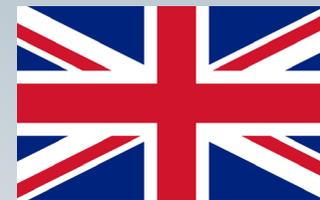
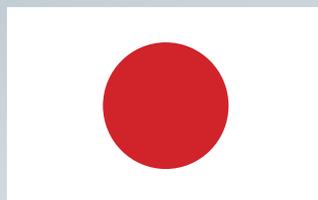


Global growth strong but probably peaking



Highlights:

US

Hawkish Fed

The Federal Open Market Committee raised rates in March and continued to signal two more increases by end-2017, despite core inflation – as measured by the personal consumption price index excluding food and energy – remaining stable at 1.8% in February, below its 2% target.

China

Stealth tightening

The People's Bank of China left benchmark lending and deposit rates unchanged but raised its money market intervention rates and withdrew liquidity, resulting in the Shanghai three-month interbank rate firming from 3.3% at end-2016 to 4.4% by end-March.

Japan

Labor shortage

The unemployment rate fell to a 23-year low of 2.8% in February, while the net percentage of companies reporting a shortage of workers rose further to +26% in the first quarter, according to the Bank of Japan Tankan business survey.

Eurozone

Relative strength

The purchasing managers' composite output index rose to a six-year high in March, surpassing readings for the US, UK and Japan. Country details showed broad-based strength, with the French index moving above the German level despite political uncertainty.

UK

Real wage squeeze

Consumer price inflation rose to 2.3% in February while annual growth of regular weekly earnings slipped back to 1.9% in January. Consumer financial expectations in March were the weakest since just after the Brexit vote, according to the EU Commission survey.

Emerging markets

Capital returning

Portfolio flows into emerging markets rose to \$30 billion in March, according to the Institute of International Finance. China attracted funds for the first time since 2014, while the inflow to other markets reached a four-month high.

Trends to watch:

US

Soft money growth

Inflation-adjusted money measures slowed sharply in late 2016 / early 2017, suggesting sluggish economic growth over the spring / summer. With fiscal stimulus looking less certain, softer economic news may cause markets to question the Fed's rate-hiking plans.

China

Renminbi rebound?

The 2015-16 capital exodus may be starting to reverse in response to solid economic data and a rising Chinese / US rate spread. The authorities may be reluctant to intervene to hold down the currency for fear of antagonising the US administration.

Japan

Faster wage growth?

The ingredients for a wages pick-up are in place: the labor market is tight, corporate profits are at a record high and inflation is probably bottoming as the drag from yen strength abates. Stronger growth would increase confidence that Japan has escaped deflation.

Eurozone

Falling unemployment

The unemployment rate is dropping fast and may reach 9.0% by end-2017, close to estimates of the non-inflationary equilibrium rate. Vanishing labor market slack and strong money growth argue for an earlier policy exit by the European Central Bank.

UK

Current account relief

The current account deficit narrowed to 2.4% of GDP, a five-year low, in the fourth quarter, reflecting better trade performance and higher overseas income. A sustained turnaround could support sterling despite Brexit uncertainty and a likely economic slowdown.

Emerging markets

Brazil/Russia stabilizing

Inflation-adjusted money is growing again in Brazil and Russia, signalling an end to recessions. Further interest rate cuts may sustain the monetary turnaround as inflation continues to ease in response to earlier economic weakness and currency recoveries.

Key market data

Equity market returns for Q1 2017 (%)	Local	Sterling	Dollar
US S&P 500	5.5	4.3	5.5
Japan: Topix ¹	-0.4	3.0	4.2
Euro area: Euro Stoxx	6.7	7.0	8.2
UK: FTSE All Share	3.0	3.0	4.2
MSCI Far East ex Japan (US\$)	-	11.4	12.8
MSCI Emerging Markets (US\$)	-	9.8	11.1

Source: Thomson Reuters Datastream, Henderson Global Investors, index price returns, as of 3/31/2017.

¹Note: The TOPIX Index Value and the TOPIX Marks are subject to the proprietary rights owned by the Tokyo Stock Exchange, Inc. and the Tokyo Stock Exchange, Inc. owns all rights and know-how relating to the TOPIX such as calculation, publication and use of the TOPIX Index Value and relating to the TOPIX Marks. No Product is in any way sponsored, endorsed or promoted by the Tokyo Stock Exchange.

Consensus GDP growth forecasts (%)	2017	2018	2019
US	2.2	2.3	2.2
Japan	1.1	1.0	1.1
Euro area	1.6	1.6	1.4
UK	1.7	1.3	1.6
Asia ex Japan	5.8	5.7	5.8
BRICs	5.5	5.5	5.5
World	3.2	3.4	3.3

Source: Bloomberg, economic forecasts, as of 4/4/2017. GDP = real gross domestic product.

Constituents:

Euro area: EU member states using euro currency (currently 19)

Asia: China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam

BRICs: Brazil, Russia, India, China

World: G10, Eastern Europe & Africa, Asia, Latin America, Middle East

Bonds	March 31, 2017 yield	Q1 return %
US 10-year Treasury	2.40	0.22
Japan 10-year government bonds	0.07	-0.10
Germany 10-year Bund	0.33	-0.52
UK 10-year Gilts	1.07	1.41
Corporate bonds: (Barclays Global Aggregate Corporate Index \$)	-	0.07
High Yield: (Merrill Lynch Global High Yield \$)	-	3.07
Emerging market debt (JPM Global Emerging Markets Debt \$)	-	3.90

Source: Thomson Reuters Datastream, Henderson Global Investors, as of 3/31/2017.

The above data is intended for illustration purposes only and is not indicative of the historical or future performance or the chances of success of any particular strategy. References made to individual securities should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase the security.

	Forecast P/E		Forecast EPS growth	
	2016	2017	2016	2017
World	17.9	15.8	1.8	12.9
Developed	18.6	16.5	0.9	12.8
Emerging markets	13.3	11.8	8.3	13.0
UK	17.4	14.3	-4.7	21.1
US	19.7	17.6	1.5	12.1
Eurozone	16.1	14.3	0.8	12.0
Japan	18.5	16.4	-3.5	12.4

Source: Thomson Reuters Datastream, Henderson Global Investors' calculations, and IBES (Institutional Brokers' Estimates System) estimates for MSCI Indices as of 3/31/2017. Forecast EPS (earnings per share), Forecast P/E (price-to-earnings ratio).

Consensus inflation forecasts (CPI %)	2017	2018	2019
US	2.6	2.5	2.5
Japan	0.7	0.7	0.9
Euro area	1.7	1.5	1.7
UK	2.6	2.6	2.4
Asia ex Japan	2.6	2.7	2.9
BRICs	3.0	3.1	3.2
World	3.1	3.2	3.3

Source: Bloomberg, economic forecasts, as of 4/4/2017. CPI = consumer price index.

Currencies and commodities	March 31, 2017	Q1 return %
Yen/\$	111.43	-
Yen/£	139.34	-
\$/£	1.25	-
Euro/\$	0.93	-
Euro/£	1.17	-
S&P GSCI Total Return Index \$	-	-5.05
Brent oil (\$/barrel)	-	-7.21
Gold bullion (\$/Troy oz)	-	7.75

Source: Thomson Reuters Datastream, Henderson Global Investors, as of 3/31/2017.

Multi-Asset Team: asset allocation dashboard

BONDS



	Outlook	Comments
Global corporate	◆	Spreads (the yields available over corresponding government bonds) are narrow and improving global growth is pressuring interest rates. However, some central banks continue with support.
UK gilts	◆	UK economic data remains robust and inflation is rising; however this is likely to be challenged by considerable uncertainties during Brexit negotiations.
Global sovereign	▼	Seasonal softness in US economic data is overplayed and Europe and Japan are showing considerable economic momentum. We expect upwards pressure on rates to re-emerge.
Emerging market debt	▲	Trade policy currently low on the US agenda and flows have returned to EMs. Spreads are quickly compressing, but we think EMD represents some of the best value in bonds.
High yield	◆	Spreads are approaching record tights, but should benefit from an improving growth outlook and stabilization in commodity markets.

CURRENCIES



	Outlook	Comments
£/\$	▼	We continue to believe that cable (GBP/USD rate) is vulnerable to adverse news flow throughout the Brexit negotiation process.
£/€	▼	Political risks in the Eurozone are abating and macroeconomic momentum appears robust.
£/¥	◆	Macroeconomic momentum in Japan is improving as UK data begins to wane; however, the Bank of Japan and recent price action constrain the extent to which the yen can rally.

Positive ▲ Neutral ◆ Negative ▼

Source: Henderson Global Investors as of 3/31/2017. These comments reflect the views of Henderson's Multi-Asset Team and should not be construed as investment advice. These views may differ from those of other Henderson fund managers.

¹ OPEC: Organization of the Petroleum Exporting Countries.

International and emerging markets investing involves certain risks and increased volatility not associated with investing solely in the US.

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 at henderson.com or by contacting your financial adviser. Please read it carefully before investing.

Past performance is not a guide to future performance. The information in this article does not qualify as an investment recommendation.

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EQUITIES



	Outlook	Comments
UK	◆	The benefits from weaker sterling are largely offset by Brexit uncertainties. Yield, however, remains attractive.
Europe	▲	Dominated by cyclical stocks that will likely benefit from improving economic data. Europe is under-owned and starting to see positive flows.
US	◆	Plenty of growth momentum but a highly popular trade. Higher US interest rates and a stronger dollar are tightening financial conditions materially.
Japan	◆	Dominated by cyclical stocks that will likely benefit from a weaker currency and higher global interest rates, but the market has performed strongly recently.
Asia	◆	A strong US dollar and waning Chinese mini-economic cycle remain headwinds. Trump's protectionist trade rhetoric is also a concern.
Emerging markets	◆	EM momentum has returned after investors' initial worries about US trade policy. Stable commodity markets also helpful.

ALTERNATIVES



	Outlook	Comments
Property	◆	Appears expensive and typically underperforms in a rising interest rate environment. However, yield remains higher than many asset classes.
Gold	▼	Most key macroeconomic drivers remain unfavorable, but gold retains its useful status as a hedge against outside risks.
Oil	◆	The recent correction has put oil back into the middle of its trading range. We believe that it will remain range-bound so long as OPEC ¹ members remain compliant.