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Investment criteria
Henderson Global Care
Managed Fund

2014

Henderson Global Care Managed OEIC

Investment Criteria

The Henderson Global Care Managed OEIC is managed according to the following social, environmental and ethical criteria. These encompass both positive selection and avoidance criteria and are implemented using the Henderson research and engagement methodology.

Positive Selection Criteria

Impacts on people

Community Involvement: companies active in the community with programmes that may include staff secondment, support of Business in the Community, the Per Cent Club or charitable giving and fundraising.

Corporate Governance: companies that demonstrate accountability to their investors and are seeking compliance with the recommendations of the Cadbury Committee on Corporate Governance.

Education And Training: Companies supplying education or training services to enhance the quality of life and opportunity in the workplace.

Employee Relations: companies with good industrial relations records and policies that include, for example, measures to encourage employee participation, support for women and minorities, and Employee Share Ownership Plans.

Healthcare Services: companies supplying medical equipment, nursing services, care for the elderly or holistic therapies.

Health & Safety Equipment: stricter legislation and corporate focus on employee safety has created a demand for equipment that minimises the risk of industrial accidents and improves workplace conditions. We look for companies supplying specialist equipment or devices that have a health, safety or environmental application.

Policy Statements, Audits & Openness: companies with clear policies and systems of accountability. For example, those that publish a statement of business ethics or code of conduct, have environmental management systems (such as EMAS) or conduct social audits and make them publicly available, and respond fully to external enquiries.

Progressive Relationships & Strategy: companies that clearly outline and explain the environmental implications of their corporate strategy. Companies which actively promote the interests of staff; such as maternity/paternity leave, counselling services; customers, for example, those with eco-labelling of products; suppliers, such as those implementing audits for environmental performance and fair trade; and the public, such as those which contribute to community activities.

Impact on the environment

Energy conservation: Companies engaged in the supply of energy conservation services such as domestic or industrial insulation, or electronic energy efficiency devices.

Mass transit systems: Companies engaged in the provision of bus and rail services, or manufacture of bicycles, buses and trains.

Multimedia & telecommunications: Companies which are directly involved in transforming the use of information, communication or ways of working, including developments in the internet, CD-ROMS, teleworking and mobile telephony.

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Pollution monitoring/pollution control equipment: Companies engaged in the manufacture, supply or operation of pollution control equipment or monitoring devices.

Process control equipment: Companies engaged in the manufacture or supply of efficiency improvement devices that provide water, energy or materials savings.

Recycling services: Companies engaged in the collection and recycling of waste or which use a high proportion of recycled waste in their products.

Renewable energy: Companies involved in the generation of electricity from renewable resources such as wind, solar and hydro power.

Water management: Companies involved in the protection and provision of water supplies, or provide water purification services or equipment.

Impact on animals

Textiles: Companies developing alternative textiles to leather

Vegetarian foods: Companies active in processing or retailing vegetarian foods.

Avoidance Criteria

Impact on people

Alcohol: We avoid companies involved in the production of alcoholic drinks or which generate more than 10% of their turnover from its sale.

Armaments: We avoid companies involved in the sale or production of strategic goods or services for military weapons or operations.

Gambling: We avoid companies with activity related to gambling, including the National Lottery and ownership or operation of betting shops, horse and greyhound racing tracks, licensed bingo halls, casinos or gaming clubs.

Irresponsible marketing: We avoid companies that have consistently had public complaints upheld against them by the Advertising Standards Authority (ASA) or have irresponsibly marketed products, such as breast milk substitutes, to developing countries.

Oppressive regimes: Companies with subsidiaries or associated interests which support the activities of oppressive regimes, or companies which use forced labour are avoided.

Pornography: We avoid companies that publish, print or distribute newspapers or magazines, or distribute films or videos, classed as pornographic.

Tobacco: We avoid companies that engage in activities related to the production of tobacco products or generate more than 10% of turnover from tobacco sales.

Impact on the environment

Contentious industries: Investments will not be made in companies in contentious industries such as mining, oil, chemicals, car manufacture, or in pharmaceutical companies using animal testing, unless the company can demonstrate an outstandingly positive response towards environmental and social concerns.

Chemicals: We avoid companies which manufacture, store, wholesale or retail chemicals or products containing chemicals which are subject to bans or severe restrictions in major markets around the world or

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referenced by internationally agreed lists (e.g. the Rotterdam Convention) and seek at all times to operate to the highest standards available.

Nuclear power: We avoid companies which are involved in the uranium fuel cycle, treat radioactive waste, or supply nuclear related equipment or services for constructing or running nuclear plant or facilities.

Ozone layer: We avoid companies that make or sell ozone depleting chemicals or users of ozone depleting chemicals that have yet to set dates for their phase-out.

Road building: We avoid companies generating more than 10% of turnover from road building.

Tropical hardwood: We avoid companies active in the extraction, clearing, processing or import of tropical hardwood products.

Water pollution: We avoid companies consistently exceeding discharge consents.

Impact on animals

Fur: We avoid companies involved in the sale or manufacture of animal fur products

Genetic engineering: We avoid companies involved in the deliberate release of genetically modified organisms (e.g. animals or plants). Medical and industrial applications in a contained setting will be assessed on a case by case basis.

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Important information

Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser.

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.

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.

Any investment application will be made solely on the basis of the information contained in the 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 prospectus, and where relevant, the key investor information document before investing.

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