

TOTAL RETURN BOND FUND

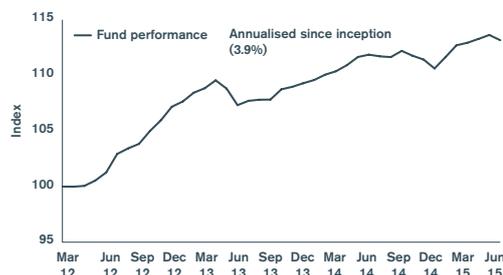
Quarter end 30 June 2015

Fund overview

The Henderson Horizon Total Return Bond Fund is designed to be a core bond holding for investors in a rapidly changing global market environment. The fund is not tied to a market capitalisation based bond index, which allows flexibility in picking the best risk-adjusted opportunities across government, corporate and secured bond assets.

The fund invests dynamically across developed and emerging markets, across investment grade and high yield markets as well as across public and private debt markets, using the best instruments and tools to effectively manage risk. With its diversified risk managed exposure to global bond securities, the fund's long-term aim is to deliver a higher total return than a traditional actively managed investment-grade bond portfolio with similar volatility.

Fund performance



Source: Henderson Global Investors, in sterling, as at 30 June 2015.

Returns are quoted gross of fees, based on close of business prices. Performance is cumulative except for where stated otherwise.

The importance of flexibility

With rates and bond yields at historic lows in developed markets, investors are faced with the challenge of generating yield and preserving capital. Bond indices are naturally biased towards the most indebted issuers, reliant on backward looking credit ratings and dominated by a structural exposure to duration (interest rate sensitivity). Our approach is built around bringing together the best risk-adjusted return opportunities in fixed income, rather than restricting portfolio construction around an index.



Entire process structured to capture best ideas

The fund aims to strike a balance between investors' need for yield and a desire for capital preservation. To achieve this, the team seeks to generate returns from exposure to bond risk premia such as duration (interest rate) risk, credit spreads and illiquidity premium to earn yield, alongside more absolute return oriented strategies that have less exposure to overall market direction.

The investment process starts by looking at the entire global bond universe. We employ teams of specialists to analyse the security-specific risk and return opportunities using quantitative and qualitative tools to propose their best investment ideas within their area of expertise. To identify the best yield-generating opportunities, these teams analyse in which markets and where on the yield curve the best risk-adjusted opportunities lie. Duration exposure is an active decision based on risk-reward, not the by-product of an index.

Key features

Fund aim

To achieve a positive total return, in excess of cash over a rolling three year period, through income and capital gains, by investing in a broad range of global fixed income asset classes and associated derivative instruments.

Structure

Sub-Fund of Luxembourg SICAV (sophisticated)

Fund manager

Fixed Income Investment Strategy Group

Fund launch date

March 2012

Fund size

€769.1m

Typical expected return

3-5% per annum on average over the next three years*

Base currency

EUR

Other hedged share classes available

Dealing

Daily at 1.00 pm Luxembourg time

*Source: Henderson Global Investors at 30/06/15. The typical expected return was 6% prior to this date.

Summary of key differentiators

- **Flexible and dynamic approach** to investing in bond markets, which is not tied to a bond benchmark
- **Breadth of ideas**
The investment process brings together the best ideas from our investment specialists across the full range of fixed income markets
- **The Fixed Income Investment Strategy Group (ISG)** is a group of our most experienced fixed income specialists who are responsible for asset allocation and top-down risk budgeting of the fund

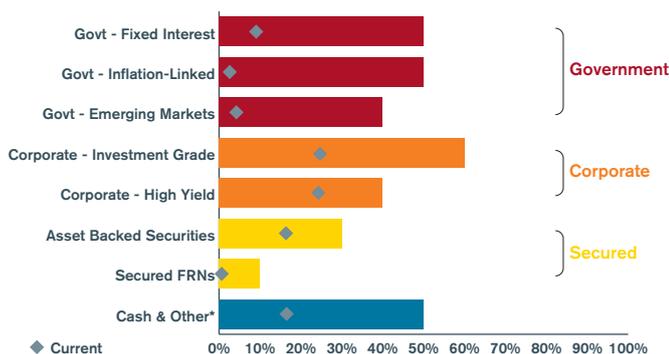
An experienced fund management team

The total exposure of the fund is adjusted dynamically by the Fixed Income Investment Strategy Group (ISG). The risk budgeting skill of this fund management team is a crucial part of the process, ensuring overall portfolio risk is managed and is appropriate to the economic environment.

Current themes

- Preference for Corporate/Secured debt
- Selective exposure in government bond markets focused on highest conviction views, including Mexico and Italy
- Positive view on US dollar versus euro/sterling and New Zealand dollar

Henderson Horizon Total Return Bond Fund – Indicative asset class investment ranges and current positioning



Source: Henderson Global Investors, at 30 June 2015

* Includes short dated bonds with <1 year to maturity, derivatives and funded alpha strategies

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.

Fixed Income Investment Strategy Group



Phil Apel
Head of Fixed Income and Chair of Investment Strategy Group
 27 years' industry experience
 Joined Henderson 2005



Stephen Thariyan
Global Head of Credit
 24 years' industry experience
 Joined Henderson 2007



Colin Fleury
Head of Secured Credit
 29 years' industry experience
 Joined Henderson 2007



James McAlevey
Head of Interest Rates
 15 years' industry experience
 Joined Henderson 2012



Kevin Adams
Director of Fixed Income
 32 years' industry experience
 Joined Henderson 2003



Jo Murdock
Portfolio Manager Fixed Income
 11 years' industry experience
 Joined Henderson 2004



Bill McQuaker
Co-Head of Multi-Asset
 29 years' industry experience
 Joined Henderson 2005

Contact us

Telephone: **+44 (0)20 7818 4444**

Email: **europaan.institutional@henderson.com**

Website: **henderson.com/institutional**

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