

Asia-Pacific Property Update



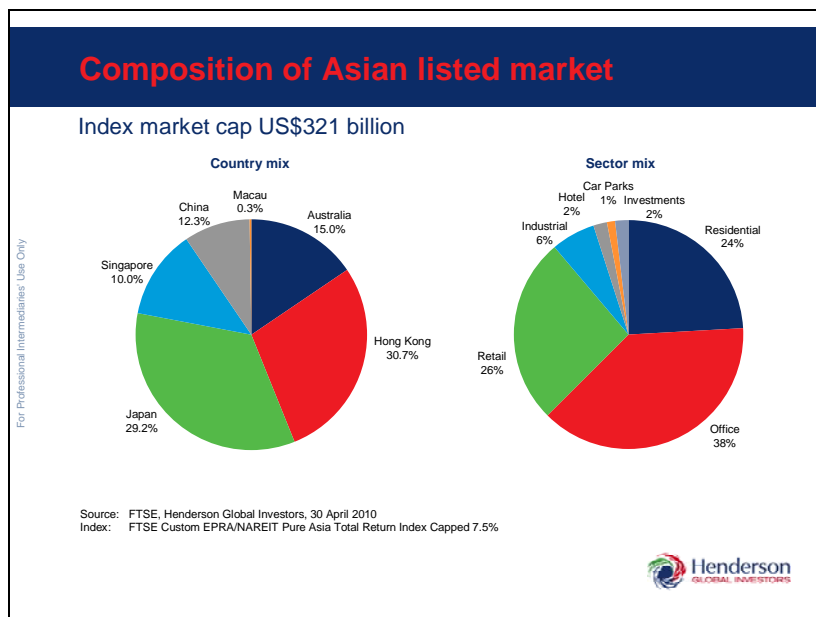
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Henderson Horizon Fund – Asia-Pacific Property Equities Fund (the 'Fund')

The beginning of the year has been marked by macroeconomic uncertainty and policy tightening in the residential markets of China, Hong Kong and Singapore, and this has added significant volatility to the Asian property securities sector. Nevertheless, there are still stock opportunities that offer growth from a sectoral and secular perspective.

Key investment themes

1. Residential only accounts 24% of the property sector mix in Asia. By investing in the Fund, investors can access the **commercial property recovery** which runs a different (recovering) cycle than residential and accounts more than 70% of the sector mix.

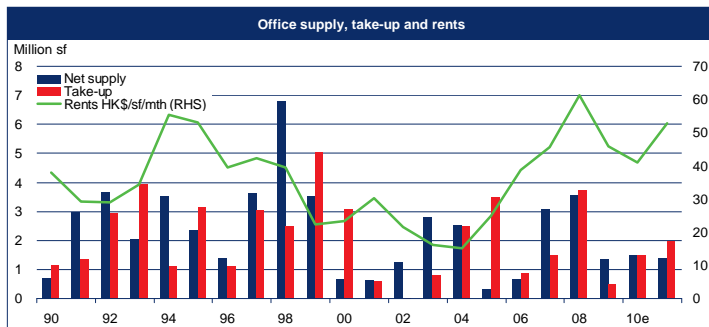


2. We favour the **office theme** and rents and asset values in both Hong Kong and Singapore's commercial markets have yet to experience the acceleration in growth that is typically associated with a steady growth in the economy and a vibrant job market. According to global real estate services firm Jones Lang LaSalle, office rents in Central Hong Kong grew by 7.5 per cent in the first quarter. Demand was mainly driven by the resumption of expansion plans by financial institutions this year, while many professional services companies from the United States and Europe also came to Hong Kong and Singapore to set up new offices. For example, according to CLSA estimates, post Marina Bay Financial Centre in Singapore will increase its office space needs by nearly 50%. Goldman Sachs is also looking to increase their office space in Singapore by around 12%. Over in Hong Kong, HSBC's high-ranked officials including its CEO have been re-located there since the beginning of the year.

Asia-Pacific Property Update



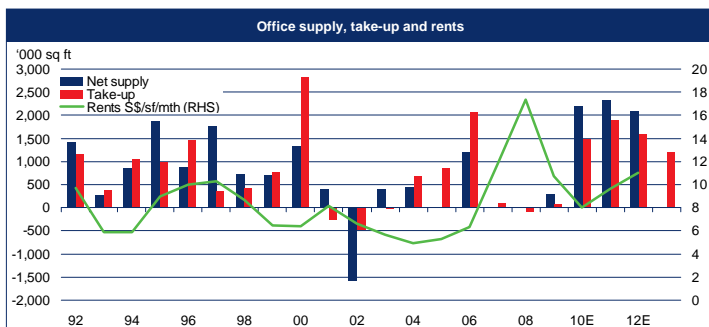
Hong Kong office



Source: CEIC, JLL, Nomura Research, Henderson Global Investors as at December 2009



Singapore office



Source: JLL Research, JPMorgan, Henderson Global Investors as at December 2009



The Fund's strategic allocation to office stocks continued to reap dividends, with our largest fund weight, **Hongkong Land**, and our largest overweight bet, **Keppel Land**, benefitting from improving occupier demand in both Hong Kong and Singapore office markets.

3. Another theme we favour is real estate in **emerging countries such as Indonesia**, where we expect economic growth and demographics to play a core role in the rerating of the property sector. These markets economies possess excellent structural growth drivers and should remain relatively immune to global shocks given their self-reliant nature.

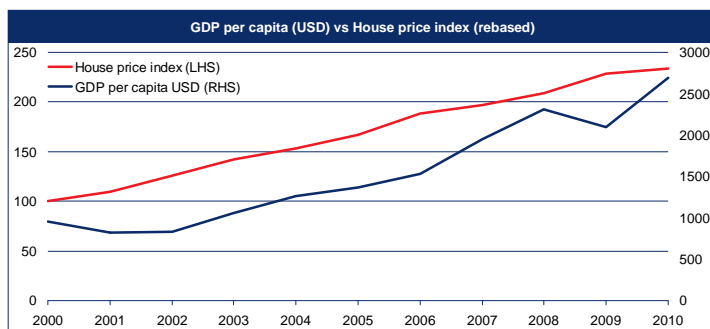


Asia-Pacific Property Update



Our venture into the Indonesian property market through Bumi Serpong (township home builder in Jakarta) proved extremely successful with the stock gaining 38% in April. Home sales in Jakarta have increased by 70% year on year in Q1, 2010, as a result of improvement in infrastructure and road.

Indonesia

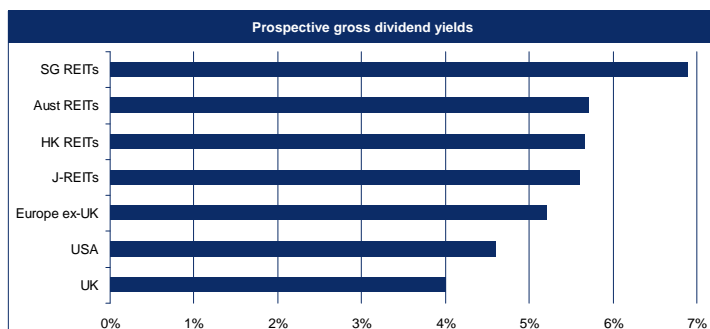


Source: CEIC, Indonesian National Statistics Bureau, UBS Research as at 31 March 2010



4. **Property dividend yields in Asia** are attractive vs. the rest of the world. The Fund has exposure to Japan via JREIT, Singapore and Australian industrial REITs that yield more than 5%. We also recently participated in the initial public offering of an industrial REIT in Singapore, Cache Logistics Trust due to its high yield and quality portfolio.

Dividend yields (2010)



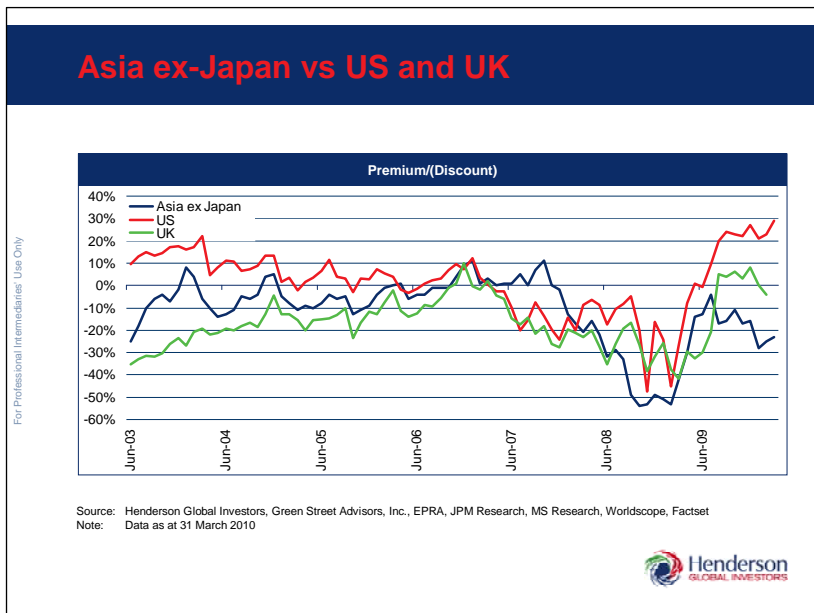
Source: Bloomberg, Morgan Stanley estimates, Henderson Global Investors as at 29 April 2010
Note: Yields do not take into account currency effects.



Asia-Pacific Property Update



5. From valuation perspective, the Asia property sector is currently **trading at range of 10-35% discount to NAV depending on the region**. Asia property market has generally underperformed the US and European property market over the last 10 months due to the roll-out of the real estate tightening measures to date, concerns over lower growth in the Chinese economy and continuing rate hikes in this region. The stockmarket tends to do two things: anticipate what it expects the underlying market to do, perhaps six months in advance; and also overshoot, both on the downside and the upside. We reckon the bad news is already reflected in the price and believe that there's a higher probability for Asia property market to outperform the rest over the next 6-12 months by our economic and sector fundamental.



6. Property including property equities is an **effective inflation-hedge**. Commercial property is less sensitive to rate hikes than residential property as value of the former is driven by business volume growth rather than leveraging and affordability for the latter. Investing in a property equities fund provides liquidity, diversification and 3 key elements of stock performance - dividend, growth in NAV or earnings and repricing.

About the Henderson Horizon Fund – Asia-Pacific Property Equities Fund

Performance:

	3 months % Chg	6 months % Chg	Year to date % Chg	1 year % Chg	Annualised 3 years % Chg	Annualised since inception % Chg
Henderson Horizon Fund - Asia-Pacific Property Equities Fund A2	11.39	5.56	4.78	54.44	-7.96	5.38
FTSE EPRA/NAREIT Pure Asia total return net dividend Index (Capital constrained)	9.53	2.79	2.08	50.03	-10.66	5.59

Source: Morningstar's Workstation v4.0, Bid to Bid, Gross income reinvested, Net of fees, USD, as at 30 April 2010. Note: Past performance is not necessarily indicative of the likely or future performance of the Fund.

Asia-Pacific Property Update



Investment strategy:

Concentrated stocklist	27 names (vs. index of 65 names)
Regional exposure	Slight overweight in China (due to hotel and retail mall exposure) and Hong Kong (due to Hongkong Land) Significant underweight (by 7.8% of benchmark) in Japan
Sector exposure	Overweight towards office sector recovery and industrial Top 5 stocks (Hongkong Land, Mitsubishi Estate, Keppel Land, Sun Hung Kai, Mitsui Fudosan) account around 38% of Fund's NAV.
Property companies: REITS	Approximately 80% property companies and 20% REITs exposure

Source: Henderson Global Investors as at 31 May 2010

Key investment risks to be considered before investing

- The Fund does not invest in real estate directly but primarily invests in equity securities and equity instruments of companies or REITs (or its equivalent) which engaged in real estate businesses.
- Investments in the Fund are exposed to property-sector specific risk and varying degree of risks to economic, political, regulatory and social development changes in the Asia-Pacific region.
- The Fund may invest substantial sum of its assets in companies located in a single country within the Asia-Pacific region (including emerging market) and may involve a higher concentration of risk and market volatility, including liquidity risks for investments in emerging markets, than funds investing in developed markets and following a more diversified policy.
- Investments in the Fund involve varying degree of investment risks (eg. market, legal, financial, interest rate, currency, etc). In extreme market conditions, you may lose your entire investment in the Fund.
- The Fund may not be suitable for all investors. The intermediary who offers it to the investor should advise the investor why the product is suitable for him and how it is consistent with his investment objectives and meet his financial needs.

Note: The above investment risks summary may not have set out all the risks and other significant aspects involved in investing in the Fund. You are advised to read the Prospectus of the Fund for more details of the investment risks.

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Asia-Pacific Property Update



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Henderson Global Investors (Singapore) Limited Company Registration No. 199700782N

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