

Henderson

Horizon

Fund

Fund Manager comments, July 2010

Henderson Horizon Fund – American Equity Fund

Overview

US equities moved higher in July as the start of the quarterly earnings season enabled investors to focus on generally upbeat commentary coming from corporate management teams. Economic statistics were mixed, but sentiment moved in the right direction as news of stress test results for the European banks and signs of a loosening in policy in China led to some relief following a period of negative macroeconomic headlines. The S&P 500 index ended the month with a total return of 7%.

Performance and activity

Anadarko Petroleum contributed positively to performance as BP made progress in plugging the leaking Macondo well in the Gulf of Mexico, in which Anadarko has a stake. This was offset by disappointing results from Thermo Fisher, where organic growth failed to meet expectations, and concerns over pricing pressure in the pharmacy benefit management industry, which caused weakness in the shares of Express Scripts.

During the month we sold Lender Processing Services, a provider of mortgage processing and default management services to mortgage lenders. The company reported earnings and although it is doing a good job of controlling costs, there is increasing pressure on revenue growth and this will make it difficult for the company to beat expectations going forward.

Outlook

The recent market correction has left US equities trading at very attractive valuations based on a more normalised earnings environment. Economic statistics from the US are mixed, but we believe that ongoing stimulus measures will enable growth to continue despite increased headwinds from overseas. We continue to believe that as the range of economic outcomes narrows, the market should broaden out and allow company fundamentals to be the main driver of performance. This should make for a fruitful environment for stock pickers and result in the outperformance of both the higher quality cyclical stocks and the underappreciated growth opportunities that typify our investment approach.

Henderson

Horizon

Fund

Henderson Horizon Fund – American Equity Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests its assets in equity securities and equity instruments of companies across a variety of sectors in North America, including Canada but excluding Mexico
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in the region.
- Investments focused in a single country/region may carry higher concentration risk and market volatility than funds following a more diversified policy.
- Investments in the Fund involve investment risks (e.g. market, legal, financial, interest rate, 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Asia-Pacific Property Equities Fund

Overview

Over July, investor concerns began to ease over euro debts concerns, and sentiment was boosted by further encouraging news flow, including positive results from the European bank stress tests and a proliferating perception that Chinese property tightening has peaked. The relatively upbeat mood expanded investors' risk appetite, allowing the FTSE EPRA NAREIT Pure Asia index to rally 7.7%. Singapore's unexpectedly strong macroeconomic numbers boosted by structural changes in its tourism, pharmaceutical and petrochemical sectors, provided scope for the largest rerating, with property stocks gaining 11.9%. Continuing from June's momentum, Chinese and Hong Kong developers also amassed a healthy 8.9% surge as they benefited from a further uplift in sentiment and firmer asset prices. Australian property stocks fed on the improving confidence in the Chinese economy to register a c8.2% increase. Japan was the underperformer, gaining only 4.2% as underwhelming macro data dissipated any optimistic expectations of earnings.

Performance and activity

Successful stock picking mitigated our underweight in Australia and a considerable position in cash. Our conviction bets on Shimao Property, Shanghai Jinjiang, Kerry Properties, Kenedix Realty, and Ascendas REIT were rewarded handsomely as the stocks emerged amongst the top outperformers in their respective markets. Emerging market developers such as Bumi Serpong Damai and Alam Sutera also outperformed the Indonesian market to generate reasonably good returns. The aforementioned favorable stock picks thus compensated for our overly bearish positioning on Australia.

We traded actively for the month, taking profits on richly valued names including Japan Excellent, Premier Investment, and Cache Logistics Trust to fund cheaper stocks such as Glorious Property, Mitsubishi Estate, Mitsui Fudosan, Sumitomo Realty, MID REIT, Global One REIT, and Westfield Group. Building on our sanguine outlook for Indonesia, we also continued to increase our position in Alam Sutera.

Outlook

Although strong European consumer demand is unlikely to be a main driver of China's growth going forward, a consistent, low European demand would, in our opinion, could contribute to a steady Chinese income and asset growth. Post-tightening, China is now poised to be ushered into a new phase of growth, fuelled by waves of wage-growth induced consumption, strong demographics, and a prominent urbanisation trend. Emerging Southeast Asian markets, characterised by structural growth drivers, such as demographics, an infrastructure boom and a secular decline in cost of capital should also increasingly play a bigger role in the next chapter of the Asian growth story. Furthermore, at the heart of this nascent ASEAN growth is Singapore – the city state that can crystallise the region's potential by providing a stable sanctuary for the region's growing wealth as well as the growth-seeking yet relatively risk-averse Western capital.

Henderson

Horizon

Fund

Henderson Horizon Fund - Asia-Pacific Property Equities Fund (continued)

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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Asian Dividend Income Fund

Overview

July was another strong month for Asian markets as risk aversion fell following more supportive economic data from the US and Europe. A slowing Chinese economy led to improved optimism that further policy tightening would not be required. This was positive for Chinese property stocks and materials. The best performing market was Australia, buoyed by stronger commodity prices and a rising currency. India and Indonesia underperformed, however, following significant year-to-date outperformance. The consumer sector, which has led the way most of the year, struggled while financials and materials outperformed.

Performance and activity

The portfolio performed well in July despite being underweight Australia, the best performing market. The strong performance of financials helped, as did the overweight positions in Singapore and Thailand. Although the broader Chinese market underperformed, the financials and property stocks in which the fund is overweight bucked the trend.

We sold out of Siliconware Precision in Taiwan following some poor results and switched into Mediatek. We also sold out of Shenzhen International and added diversified Taiwanese financial Yuanta. Lastly, we added Indonesian gas utility PGAS to the portfolio following a positive company meeting.

Outlook

We continue to expect that conditions will remain volatile as investors digest various economic data releases and as markets deal with the fallout from the peripheral economies in Europe. Asian markets look attractive in the medium term and we will look to add to positions as opportunities arise.

Henderson

Horizon

Fund

Henderson Horizon Fund - Asian Dividend Income Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in a portfolio of equity securities and equity instruments of companies in the Asia-Pacific region for seeking an above benchmark dividend yield from the portfolio.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in the Asia-Pacific region.
- The Fund may invest a substantial amount of its assets in companies located in a single country within the Asia-Pacific region (including emerging market) which 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.
- The Fund uses trading strategies that use derivatives which may be unsuccessful due to a number of reasons; including volatile market conditions, imperfect correlation between the movements in securities on which derivatives are based, lack of liquidity within markets and counterparty default risk.
- Investments in the Fund involve varying degree of investment risks (e.g. 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. Intended quarterly dividend distribution by the Fund and its derived yield are not guaranteed and subject to change without any prior notice.

Henderson

Horizon

Fund

Henderson Horizon Fund – Asian Growth Fund

Overview

Asia performed well during July, led by the more cyclically-exposed markets of Korea, Taiwan, and Singapore. Despite continued poor economic data from the US, Asian investors were encouraged by strong company earnings and signs that the Eurozone economies may have passed the worst point in the current crisis. India and the ASEAN markets of south Asia were relative laggards given their very strong performance year to date. China and Hong Kong were broadly in line with the rest of the region.

Performance and activity

The fund performed well, led by property shares in China and Hong Kong, which rebounded on signs that China may have passed the most aggressive phase of its policy tightening measures. The fund also benefitted from holdings in airline companies, Air China, EVA Air, and China Airlines, as well as port operator China Merchant Holdings as the cyclical outlook for travel and trade continued to improve. Smartphone company, HTC in Taiwan was the single biggest contributor to performance as its Android handset continued to sell very well.

The fund sold Chinese property company Guangzhou R&F and switched into Shimao Property given Shimao's better balance sheet and strong growth prospects.

Outlook

We expect the macroeconomic headwinds that have held back a number of key holdings in the portfolio over the last six months to moderate over the remainder of the year and, in particular, we expect Chinese stocks to recover some of their underperformance relative to the rest of the region.

Henderson

Horizon

Fund

Henderson Horizon Fund – Asian Growth Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies in a variety of sectors across the Asia-Pacific region, excluding Japan.
- Investments in the Fund are exposed to 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) which 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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund – China Fund

Overview

The MSCI China index rebounded in July, rising 4.3%. June's consumer price index rose 2.9%, lower than the 3.1% from the previous month, reducing some of the concerns on the overheating of the economy. A slowdown in transaction volume as a result of recent property measures bearing fruit has also eased off the pressures of further price appreciation. Markets were cheered by the fact that fears of further drastic policy tightening has waned. Cyclical sectors including financials, cement, steel, non-ferrous metals and machinery outperformed the defensive telecom and utility sectors.

Performance and activity

The fund outperformed this month. Property names including Guangzhou R&F, Shimao Property, and Evergrande Real Estate were the largest contributors. Positions in CNOOC and Sinopec were the top detractors for the month. One of the new positions we added this month was Asiainfo-Linkage, the largest billing solution provider to all three Chinese telecom operators. During the recent results announcement, the company's management lowered near-term revenue growth guidance in view of the delay in projects from China Unicom and China Telecom as a result of internal restructuring. Although the stock price took a large hit on the disappointing guidance, we believe that it will continue to benefit from a steady increase in IT spending from the major operators in coming years and the delay in projects is likely to have only a short-term impact on company's earnings. Therefore we took the opportunity to add to the position on weakness.

Outlook

We think that the moderation in growth is well within market expectations as it has been engineered by government policies to bring the growth rate down to a more sustainable level. Low valuations have also been a catalyst for the rebound this month. We think that market sentiment has improved as concerns over an economic hard landing have been overridden by expectations of policy normalisation. For the near term, we intend to remain fully invested and are looking to add more names demonstrating growth potential should markets dip.

Henderson

Horizon

Fund

Henderson Horizon Fund – China Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies listed in China, Hong Kong and Taiwan and may also invest in companies incorporated elsewhere that have significant assets, business, production, trading activity or other interests in China, Hong Kong or Taiwan.
- The Fund may invest a substantial amount of its assets in companies in China (emerging market) which may involve a higher concentration of risk and also may experience higher risks of economic, political, regulatory and social development changes. Investments in emerging market may be less liquid and more volatile than funds that invest in developed and more geographically diversified markets.
- The Fund uses trading strategies that use financial derivative instruments (“FDI”) which may be unsuccessful due to a number of reasons; including volatile market conditions, imperfect correlation between the movements in securities on which derivatives are based, lack of liquidity within markets and counterparty default risk.
- The Fund typically holds long and short positions mainly through the use of FDI combining with direct investments and its total gross market exposure may exceed 100%. Such investment strategy and the use of FDI are inherently volatile and depending on market condition, the Fund could potentially be exposed to additional risk and costs should the market move against it and incur losses consequently.
- Investments in the Fund involve varying degree of investment risks (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Continental European Equity Fund

Overview

July was a much better month for European stock markets. The results of stress tests on the banking sector didn't cause too many concerns, while the shape of future rules on capital and funding levels was more benign than expected. Alongside this, the first half of the results season has been good, with positive surprises greatly outnumbering negative ones.

Performance and activity

Most of the companies in the portfolio that have reported results so far have shown encouraging signs of growth. Even the telecoms sector, long ignored due to the late cycle nature of the business, has begun to show improving revenue trends. Being home to some of the cheapest stocks in the market, it is thus no surprise that the share prices of Telefonica and France Telecom have responded well to this better trend. The banking sector rose sharply in July, helping our holdings in UBS, Societe Generale, and Bank of Ireland post some of the strongest gains in the fund. A rising oil price helped the energy sector, where Sevan Marine recovered sharply after falling in June. Less impressive was the healthcare sector. We are attracted to the strong cash-flow generation and cheap valuation of the sector, but results season has not been kind to the sector. Rather it seems to have provided an excuse for the stocks to have been sold to fund other investments and our holdings in Roche and Novartis have been very disappointing.

Two new holdings were introduced to the fund this month. The first of these was Nokia, a compelling value case with a number of upcoming catalysts we expect to drive performance. TNT was the second and here we are backing ongoing recovery in global trade. We also made a number of additions to existing holdings during the month, including Aegon, DCC, and Hellenic Telecom. Funding came from GAM, ArcelorMittal, and ST Microelectronics.

Outlook

We see the economic picture as one of lower growth rather than a return to recession. With equities trading on attractive valuations, we believe this is enough to allow further gains in the remainder of the year.

Henderson

Horizon

Fund

Henderson Horizon Fund - Continental European Equity Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies in a variety of sectors within the European Economic Area ("EEA"), excluding the United Kingdom.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in the EEA region.
- The Fund may invest substantial sum of its assets in companies located in a single country within the region which may carry higher concentration risk and market volatility than funds following a more diversified policy.
- Investments in the Fund involve varying degree of investment risks (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund – Global Opportunities Fund

Overview

After a poor second quarter, global equities recovered during July, returning 8.1% in US dollar terms. Markets were boosted by company earnings reports for the second quarter, which were generally above consensus, a positive outcome to the European banking stress test and potential Basel III banking reforms, and generally improving macroeconomic data. By sector, positive company results boosted telecoms, banks recovered much of their second quarter underperformance, while industrials also rallied. BP's rebound from depressed levels also supported the energy sector.

Performance and activity

Stock selection in healthcare, consumer discretionary and financials offset positive returns in materials. Within healthcare, positions in Thermo Fisher Scientific and Covidien, both US medical suppliers, detracted from returns; while both reported in line quarterly results, Thermo tempered revenue guidance for the full year and Covidien reported weaker-than-expected growth in its profitable generics division. Within the energy sector, after a strong second quarter, the position in Essar Energy lagged the recovery in the sector, led by BP. However, a position in Anadarko recovered strongly from recent weakness due to its 25% stake in the Macondo oil well. Within financials, European banks responded positively to the stress tests, which excluded their long-term sovereign debt exposure, and the prospect of a better-than-expected regulatory environment from the upcoming Basel III reforms. While the underweight position here detracted from returns, a position in UBS added value.

During the month we added a position in Barclays, where the investment bank should benefit from the better-than-expected environment post Basel III. We also sold out of Ctrip.com on concerns that Chinese travel agents will reduce their commission rates.

Outlook

With macroeconomic data having seemingly found a base from which to build on and companies reporting robust earnings, the outlook for global equities has improved from the second quarter. We remain broadly positive on equities, biased towards growth in the East, where the Chinese consumption story should resume as inflation moderates. We remain confident in the sustainability of the global recovery and believe that companies with true earnings potential should continue to attract a premium valuation.

Henderson

Horizon

Fund

Henderson Horizon Fund – Global Opportunities Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies in any geographic area in the world.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes globally.
- The Fund may invest substantial sum of its assets in companies located in a single country (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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Global Property Equities Fund

Overview

Equity markets bounced during July as confidence in the banking environment, and financial markets in general, improved. European banks underwent stress testing with the majority passing the test comfortably. This, coupled with more relaxed banking regulations proposed by the Basel Committee, encouraged more positive investor sentiment. US markets gained momentum after the 4 July holiday, while in Asia confidence in Chinese domestic consumption buoyed market returns. In property equities, the earnings season saw companies cautiously optimistic, with rents bottoming and property values growing over the first half of 2010. Overall, the FTSE EPRA/NAREIT Developed index (USD) increased 9.6%.

Performance and activity

In Asia, successful stock picking only partially mitigated our underweight in Australia and a considerable position in cash. Emerging market developers Bumi Serpong Damai and Alam Sutera outperformed the Indonesian market to generate good returns, but holdings in Australian stocks Westfield and CFS Retail Property Trust were costly. In the US, security selection in the hotel sector was the largest positive contributor, with off-benchmark positions in Las Vegas Sands and Starwood Hotels adding value. Detracting from performance was our large overweight position in small-cap industrial company EastGroup. Additionally, zero weight positions in two large-cap commercial names, Boston Properties and Vornado, lost ground. In Europe, underweight positions in UK majors Hammerson and Segro proved costly. However, overweight exposure to West End specialist Shaftesbury went some way towards offsetting these losses.

In Asia, we took profits in richly valued names such as Japan Excellent and Cache Logistics Trust and added cheaper stocks including Glorious Property, Mitsubishi Estate and Mitsui Fudosan. Building on our confident outlook for Indonesia, we also increased our position in Alam Sutera and Bumi Serpong Damai. In the US, we liquidated our position in American Campus Communities. The trade was driven by relative valuation, but also by a desire to reduce our exposure to the perceived defensive student housing segment. In the commercial sector, we added a position in ProLogis, which has dramatically underperformed the REIT index, resulting in a compelling valuation. Furthermore, we believe that an uptick in the global economy will be felt in the industrial space largely before it is felt in the office space area. In Europe, we opportunistically added to our French exposure, increasing Klepierre when it was unduly punished by the market after a cautious results presentation. In the UK, we participated in a capital raising by Development Securities, which is looking to capitalise on opportunities early in the development cycle.

Outlook

Despite the recent volatility, property fundamentals remain on a gently sloping recovery path. The greatest challenge, in our view, is negative investor sentiment. This stems in part from a view that the upside has already been seen and partly from fears of the outstanding debt burden overhanging the sector. Despite this, we believe that property is still in the early stages of a long-term recovery and that there will continue to be investment opportunities over the next few years for those with the right balance sheet and skills.

Henderson

Horizon

Fund

Henderson Horizon Fund - Global Property Equities Fund (continued)

Key investment risks to be considered before investing

- The Fund does not invest in real estate directly but it 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 globally.
- The Fund may invest substantial sum of its assets in companies located in a single country (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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Global Technology Fund

Overview

The Horizon Global Technology Fund slightly outperformed the MSCI AC World IT index during July.

Performance and activity

The best performing sectors were hardware, IT services, and software. In hardware, NetApp continued to take market share within the growth area of data storage as enterprises continue to spend on server and storage facilities. Our underweight position in the IT services sector proved beneficial in July as the sector lagged. In software, VMWare experienced a very good quarter, beating estimates as its strong position within the server virtualisation market enabled the firm to benefit greatly from the increased spend by enterprises on virtualisation.

The worst performing sectors were the internet and communications equipment.

Within the internet, Vistaprint was disappointing as the company showed a decelerating revenue growth rate and mixed results from its TV advertising campaign. Also weak in the internet sector was GSI Commerce, as it reported decelerating growth trends and a slightly worse-than-expected operating margin.

We initiated some new positions during July. These included Brazilian software company Totvs, which provides enterprise resource planning software and customer relationship management software. We also established a new position in Taiwanese mobile phone manufacturer HTC and initiated in Ingram Micro, an IT hardware and software distributor. We sold our holding in Mediatek as handset sales slowed and its inventory grew during the quarter.

Outlook

As the macroeconomic picture remains unclear our outlook for technology is unchanged. We still believe that the sector can outperform the general equity market on a relative basis, with our emphasis still placed upon the cleaner balance sheets and encouraging demand and supply picture within the sector.

Henderson

Horizon

Fund

Henderson Horizon Fund - Global Technology Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of technology related companies globally.
- Investments in the Fund are exposed to technology sector-specific risks and varying degree of risks to economic, political, regulatory and social development changes globally.
- The Fund may invest substantial sum of its assets in companies located in a single country (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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund – Industries of the Future Fund

Overview

Global markets rose in July as fears of a 'double dip' recession receded and the regulation of financials turned out to be not as onerous as feared. The US dollar fell against most major currencies as investors saw value elsewhere.

Performance and activity

Lack of exposure to financials contributed to the fund's underperformance in July, as this was the best performing sector, but the health sector was the worst amid concerns over volumes and the impact of higher deductible insurance policies in the US. With Health being one of our largest themes, this constituted a significant headwind for the fund.

The worst contributor was US home health company, Amedisys, which reported weak figures due to a decline in volumes with no clear explanation. The company's shares fell sharply and are now trading on a heavily discounted valuation. We are reluctant to sell the stock, believing that the market is not allowing for future growth potential. Paediatric care company, Mednax, also fell sharply on expectations of weak volumes when they report next month. Meanwhile, laboratory equipment company Thermo Fischer Scientific reported figures in line with expectations, but this was not enough to reassure the market about volume concerns and its shares sold-off harshly.

Against these negative contributions, LED equipment manufacturer Veeco performed well, with strong orders due to the increased penetration of LED TV's, and wind turbine company Vestas was able to show some significant orders, which boosted the share price.

We initiated a position in the speech recognition company Nuance, which fits in the Health theme because of the high use of this technology by doctors dictating patient notes. The company has a dominant position and, we believe, a strong growth potential. We also purchased New York Community Bankcorp (Social Property & Housing theme) as we like the defensive nature of its loan portfolio demonstrated by a strong performance throughout the credit crunch. The fund participated in the initial public offering of Efficiency solutions company Ameresco, as we like the way in which it is able to offer an immediate cash flow uplift to customers who take up their efficiency propositions. We sold out of dental equipment distributor Henry Schein, thinking it could be vulnerable to volume concerns, and geothermal company Ormat, which has had persistent operational issues.

Outlook

We remain cautious on the markets, with a continuing tough economic background and austerity measures starting to have an impact. We continue to see strong long-term growth prospects for our themes and for companies that are providing economic solutions to the challenges they represent.

Henderson

Horizon

Fund

Henderson Horizon Fund – Industries of the Future Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies that enable an environmentally sustainable and socially responsible economy.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes globally.
- The Fund may invest substantial sum of its assets in companies located in a single country (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 (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Japanese Equity Fund

Overview

Global markets rallied sharply in July, thereby recovering some of the losses sustained in recent months. Japan lagged behind, weighed down by strength in the yen and by foreign investor selling. The Upper House elections in Japan were a disappointment, with the ruling Democratic Party of Japan failing to take as many seats as hoped. Political manoeuvrability may become hampered near term, although a corporate tax cut remains probable next year. There were a number of corporate announcements, with NTT purchasing Dimension Data of South Africa and Kirin Holdings taking a stake in Fraser & Neave of Singapore, indicating a continuing appetite for diversification by Japanese companies. Data reflected a slowing in the rate of economic improvement, which is to be expected as fiscal stimuli fade and as export growth slows. The trend towards a more moderate level of expansion should persist.

Performance and activity

A good showing from the financial sector and a recovery in technology stocks were amongst the strongest contributors within the portfolio. Credit Saison (credit cards) and Canon (technology) both rose in double-digit terms. TDK (technology) and the portfolio's bank holdings also contributed. On the downside, software companies that had performed strongly over previous months 'sat back', while two domestic related issues – Yamato Holdings (logistics) and Tokyo Broadcasting – were weak. Nintendo also suffered as the launch of the handheld 3DS console has been slightly delayed.

It was an active time for the portfolio. As mentioned as a possible move in last month's report, we added to a number of the more cyclical holdings in anticipation of a rally in the market. We increased positions in the technology and financial sectors, while reducing holdings of a more defensive nature. This has resulted in the portfolio having a large commitment to the financial sector and a corresponding underweight in defensive areas. We sold our remaining holding in ABC Mart ahead of quarterly results that proved a disappointment, and the share price fell. We established a new position in oil exploration company Inpex, which raised capital through a secondary offering. The share price reacted poorly to this somewhat surprising announcement, providing a purchasing opportunity.

Outlook

Equity markets have rallied over the past month, although sentiment feels more that we are living 'hand to mouth', rather than making a full recovery. Thus, market movements may be volatile and increasingly so over the habitually thinly traded summer months. Japan has lagged the rallies elsewhere, so some catch-up is to be expected. Near term, the strength in the yen appears to have run its course and this alone may trigger a move up in the Japanese market. The portfolio has shifted to a more aggressive stance in anticipation of such an outcome.

Henderson

Horizon

Fund

Henderson Horizon Fund - Japanese Equity Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests its assets in equity securities and equity instruments of large and small companies across a variety of sectors in Japan but largely weighted towards companies of large market capitalization.
- The Fund may invest in OTC markets which are operated and regulated differently from other regulated markets and accordingly carry higher risks.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in Japan.
- Fund's investment focus on a single country may carry higher concentration risk and market volatility, including liquidity risks for investments in smaller companies, than funds following a more diversified policy.
- Investments in the Fund involve investment risks (e.g. market, legal, financial, interest rate, 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Alpha Fund

Overview

July was a much better month for European stock markets. The results of stress tests on the banking sector didn't cause too many concerns, while the shape of future rules on capital and funding levels was more benign than expected.

Performance and activity

Most of the companies in the portfolio that have reported results so far have shown encouraging signs of growth. Even the telecoms sector, long ignored due to the late cycle nature of the business, has begun to show improving revenue trends. Being home to some of the cheapest stocks in the market, it is thus no surprise that the share prices of Telefonica and France Telecom have responded well to this better trend. The banking sector also rose sharply in July, helping our holdings in UBS, Societe Generale, and Bank of Ireland post some of the strongest gains in the fund. Less impressive was healthcare, where we are attracted to the strong cash-flow generation and cheap valuations. However, the continued derating of the constituents has hurt returns from our long book, but we are not ready to give up on such strong franchises just yet. Most shorts lost money in a strongly rising market. Nevertheless, profit warnings from Ericsson and Indra allowed us to capitalise on short positions as the stocks fell significantly.

Two new long holdings were introduced to the fund during July. The first of these was Nokia, a compelling value case with a number of upcoming catalysts that we expect to drive performance. TNT was the second and here we are backing ongoing recovery in global trade. These were funded by selling GAM, STMicroelectronics, and RWE. On the short side we have taken profits on Indra, while no new holdings have been added.

Outlook

We see the economic picture as one of lower growth rather than a return to recession. With equities trading on attractive valuations, we believe this is enough to allow further gains in the remainder of the year.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Alpha Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies across a variety of sectors in the European Economic Area (“EEA”), including UK.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in the EEA region.
- The Fund uses trading strategies that use financial derivatives instruments (“FDI”) which may be unsuccessful due to a number of reasons; including volatile market conditions, imperfect correlation between the movements in securities on which derivatives are based, lack of liquidity within markets and counterparty default risk.
- The Fund, mainly through the use of FDI combining with direct investments, may hold long and short positions. For short positions, the value of the Fund will be adversely affected if the value of the investment rises. Such investment strategy and the use of FDI are inherently volatile and depending on market condition, the Fund could potentially be exposed to additional risk and costs should the market move against it and incur losses consequently.
- Investments in the Fund involve varying degree of investment risks (e.g. 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Equity Dividend Fund

Overview

European equity markets rose during July; economic releases were mixed regarding the speed of economic growth, but corporate results were generally strong, in many cases beating analysts' expectations. There were also signs of increased merger and acquisition (M&A) activity, particularly in the UK market, indicating that both corporate and professional investors' confidence is increasing.

Performance and activity

The most significant events during the month in Europe centred on banking regulation; regulators released the results of the banking stress tests and revised Basel III recommendations in quick succession, and in both cases the results were better than investors expected, leading to a rally in the sector. Whilst the strongest contributors to performance during the month included holdings in the bank sector, such as BNP Paribas, Bank of Cyprus, and Banco Santander, the fund's underweight position in the sector did lead to relative underperformance. Other strong performers included Dana Petroleum, which received a bid from the Korean nation oil company at a premium of over 50% to the share price (at the time), and holdings in media companies UBM and Reed Elsevier, which rallied on signs of improved trading in the more cyclical parts of their businesses.

During the month we sold out of positions in Vivendi, Unibet, and RWE on concerns that changes in their operating environments threaten dividend growth in the medium term. New positions were opened in pharma company Novartis, which has a well balanced portfolio of businesses that should generate earnings growth, and Barclays, which looks attractively valued and had a significant uncertainty removed by the revisions to Basel III.

Outlook

Whilst many commentators worry that personal and public balance sheets are still stretched, the corporate sector is generating significant cash flows, which are building on balance sheets, and in such a low interest rate environment acquisitions can be very accretive to earnings. We expect more M&A activity during the rest of the year, which should help drive equity valuations higher.

Henderson

Horizon Fund

Henderson Horizon Fund - Pan European Equity Dividend Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in a portfolio of equity securities and equity instruments of companies across a variety of sectors in the European Economic Area (“EEA”) for seeking an above benchmark dividend yield from the portfolio.
- Investments in the Fund are exposed to varying degree of risks to economic, political, regulatory and social development changes in the EEA region.
- The Fund may invest substantial sum of its assets in companies located in a single country within the EEA region which may involve a higher concentration of risk and market volatility than funds following a more diversified policy.
- Investments in the Fund involve varying degree of investment risks (e.g. 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.

Intended semi-annually dividend distribution by the Fund and its derived yield are not guaranteed and subject to change without any prior notice.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Equity Fund

Overview

After three disappointing months equity markets benefited from a more positive backdrop in July. There were favourable developments for European banks with the encouraging results of the sector stress tests (even if the 'stress' could have been set at a higher level) and the watering down of the proposed Basle 3 regulations. Earnings season has also been providing better-than-expected numbers in both the US and Europe. Against this more positive backdrop it was unsurprising to see European equities rally strongly.

Performance and activity

The fund underperformed its benchmark index in July, with many of the stocks that had served us well in the first half of the year lagging the strong market. Our underweight in banks was also a negative but over the month we added both Credit Suisse and Lloyds Banking Group and now have the smallest underweight in financials that we have had for some time.

Results season has been mixed for the fund's holdings - France Telecom (confirmation of dividend to 2012), Fresenius (upgraded guidance) and Deutsche Bourse (strong rises in volumes) have all responded positively post results. The main disappointment has been Ericsson which has come under some short term pressure; we continue to hold it for its long-term prospects. Some stocks (e.g. Lufthansa) lost ground even after results which show a significant beat to consensus. This perhaps suggests 'fast money' is selling on good news rather than focusing on continuing robust and confident outlook statements (e.g. Siemens and ABB).

We also returned to Nokia following recent share price declines left the stock offering extremely good value with potential catalysts on the horizon to help change the company's fortunes.

Outlook

We have stated previously that we are a believer in the global recovery (albeit a slow one) and the fact that we have seen companies beating estimates both in sales and earnings helps to confirm our view. We do believe that economic growth will be slow in coming years, but the fact that companies are also keeping costs in check as sales recover should bode well for a steady equity market.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Equity Fund (continued)

Key investment risks to be considered before investing

- The Fund primarily invests in equity securities and equity instruments of companies across a variety of sectors in the European Economic Area ("EEA") and its investments are exposed to varying degree of risks to economic, political, regulatory and social development changes in the region.
- The Fund may invest substantial sum of its assets in companies located in a single country within the EEA region which may carry higher concentration risk and market volatility than funds following a more diversified policy.
- Investments in the Fund involve investment risks (e.g. market, legal, financial, interest rate, 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.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Property Equities Fund

Overview

European equity markets bounced during July as confidence in the Eurozone improved. In macroeconomic news, the results of the European bank stress tests reassured the market, with only seven banks failing, and limited additional capital required. This, coupled with more relaxed banking regulations proposed by the Basel Committee, encouraged more positive sentiment in market conditions. In property equities, half year reporting season moved into focus with positive market reactions. In the UK, Land Securities released an upbeat Interim Management Statement, announcing it would start the first large retail development since the global credit crunch began. On the Continent, Unibail-Rodamco announced a €1.8bn return of capital, surprising the market, resulting in its share price increasing 5% on the day. Overall, the FTSE EPRA/NAREIT Developed Europe Capped index (EUR) increased 6.92%.

Performance and activity

Holdings in smaller, less liquid stocks, such as Max Property Group and LXB Retail Property, whose share prices did not move with the market, were detrimental to performance. However, conviction positions in UK majors Hammerson, Segro, and Land Securities added value.

The fund continued to reduce its relative weight in the UK, closing a position in mid-cap Helical Bar and in the UK majors, we continued to take profits in Segro. On the Continent, we opportunistically added to our French exposure, increasing Klepierre when it was unduly punished by the market after a cautious results presentation.

Outlook

Despite the recent volatility, property fundamentals remain on a gently sloping recovery path. The greatest challenge, in our view, is negative investor sentiment. This stems in part from a view that the upside has already been seen and partly from fears over the outstanding debt-burden overhanging the sector. Despite this, we believe that property is still in the early stages of a long-term recovery, and that there will be continue to be investment opportunities over the next few years for those with the right balance sheet and skills.

Henderson

Horizon

Fund

Henderson Horizon Fund - Pan European Property Equities Fund (continued)

Key investment risks to be considered before investing

- The Fund does not invest in real estate directly but it 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 EEA region.
- The Fund may invest substantial sum of its assets in companies located in a single country within the EEA 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 (e.g. 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.

Henderson

Horizon

Fund

Important Information

Henderson Global Investors (Singapore) Limited and its affiliates are referred to herein as Henderson Global Investors. This document has been produced based on Henderson Global Investors' research and analysis and represents our house view which is **solely for the use of professional intermediaries and not for general public distribution. All the information contained in the document is intended for information, illustration or discussion purposes only and should not be relied on for any investment decisions or regarded as a substitute for the exercise of your own judgement. The information contained in the document has not been reviewed or endorsed by the MAS.**

The contents of this document are prepared without consideration to the specific investment objective, financial situation and particular needs of any specific person. It does not constitute an advertisement and should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase any investment in any jurisdiction and do not purport to represent or warrant the outcome of any investment strategy, program or product. Any information and views provided herein is subject to change without further notice. None of the material, nor its content, nor any copy of it, maybe altered in any way, transmitted to, copied or distributed to any other party, without prior express written permission of Henderson Global Investors. The information contained herein is obtained and / or compiled from sources believed to be reliable and current and Henderson Global Investors do not warrant, guarantee or represent, either expressly or impliedly, the accuracy, validity or completeness of such information. Henderson Global Investors or any directors or employees of Henderson Global Investors shall not be liable for any damages arising from any person's reliance on this information and shall not be liable for any errors or omissions (including but not limited to errors or omissions made by third party sources) in this information. Unless otherwise indicated, the source for all data is Henderson Global Investors.

Past performance of any fund, a security, an investment or manager and any opinions, forecasts, assumptions, estimates or valuations made are not necessarily indicative of the future or likely performance of the fund, the security, investment or manager. An investment in collective schemes/funds, and/or other investment products is subject to investment risks, including the possible loss of the principal amount invested. The value of the units and the income from the funds may fall as well as rise as a result of market and currency fluctuations.

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

Date of issue: August 2010