



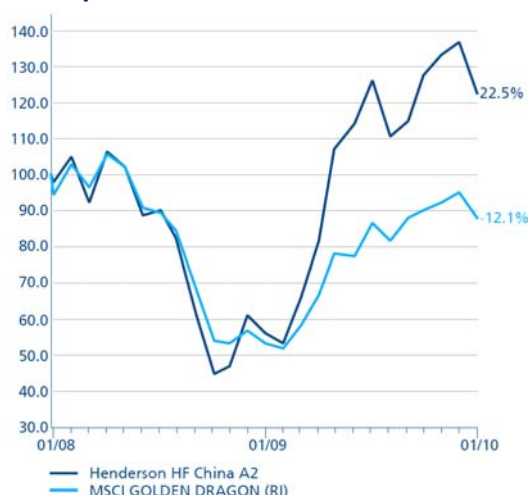
Henderson Horizon Fund – China Fund

31 January 2010

About the Fund

The investment objective of the Henderson Horizon Fund – China Fund is to seek long-term capital appreciation through investment in securities listed primarily in China, Hong Kong and Taiwan. The Investment Manager 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 is denominated in US\$.

Cumulative performance chart since inception in USD*



Performance as at 31 January 2010*

Share Class (USD)	Fund %	Index %
3 months	-4.2	-2.6
6 months	-2.8	+1.3
1 year	+119.1	+65.7
Since launch (p.a.)	+10.6	-6.2

(Net of 5% initial sales charge)**

Share Class (USD)	Fund %	Index %
3 months	-9.0	-2.6
6 months	-7.6	+1.3
1 year	+108.2	+65.7
Since launch (p.a.)	+7.8	-6.2

Country positions (%)

	Long	Short	Net
China/Hong Kong	133.7	-33.9	99.8
Taiwan	14.4	-20.5	-6.2
Others	1.3	-	1.3
Total	149.3	-54.5	94.9

Sector positions (%)

	Long	Short	Net
Consumer Discretionary	13.4	-	13.4
Consumer Staples	7.7	-	7.7
Energy	20.3	-	20.3
Financials	55.9	-3.9	52.0
Industrials	14.3	-2.4	11.9
Information Technology	23.8	-	23.8
Materials	14.1	-	14.1
Telecom Services	-	-10.2	-10.2
Utilities	-	-22.0	-22.0
Multi-industry	-	-16.0	-16.0
Total	149.3	-54.5	94.9

Top 10 long holdings

Company	Sector	%
China Construction Bank	Financials	10.4
Bank of China	Financials	8.5
Petrochina	Energy	5.9
Shimao Property Holdings	Financials	5.5
China Shen	Energy	5.3
China Life Insurance	Financials	5.0
Sands China	Consumer Discretionary	4.4
Baoye Group Co Ltd	Industrials	4.3
Wistron	Information Technology	4.1
Microelec	Information Technology	4.1
Total		57.5

No. of holdings

Long	45
Short	9

Exposure

Long exposure	149.3
Short exposure	-54.5

Net market exposure	94.9
Gross market exposure	203.8



Henderson

Horizon Fund

Fund Particulars

Launch date:
January 2008

Fund Managers:
Andrew Mattock &
Caroline Maurer

Base currency: USD

Other dealing currency:
SGD

Benchmark:
MSCI Golden Dragon Index

Minimum Investment:
US\$ 2,500 / S\$ 2,500

Fund size:
US\$ 347.32 m

No of holdings: 54

NAV (US\$):
A2: 12.25

NAV (S\$):
A2: 17.20

YTD High / Low NAV (US\$):
A2: 14.27 / 12.12

Fee structure:
- **Initial charge:** Up to 5%
- **Annual management fee:** 1.2% pa

Investors should refer to the prospectus of the Fund for full details on fee structure.

Trading Frequency: daily

Codes:
ISIN: LU0327786744
Bloomberg: HENCHFA LX
Reuters: 65101640

Published NAV:
• The Business Times
• www.henderson.com.sg

Managers' Commentary

Overview

The earlier-than-expected 50 basis points hike in the reserve requirement ratio (RRR) issued by the Chinese central bank in January provoked fears that more aggressive tightening measures are due out of China. The equity market pulled back sharply, with the MSCI China index ending the month down by over 8%. The financial sector, including commercial banks and property, suffered the most, while telecoms and utilities outperformed as investors returned to more defensive sectors.

Performance

The Fund's holdings in stocks such as Sands China and 361 Degrees contributed positively this month. Sands China owns and operates Sands Macao, Venetian Macao, and The Plaza. It is the first to offer a mix of gaming and non-gaming services in Macau's gaming market. Over the next three years, the company is expected to deliver robust earnings growth as it continues to gain mass market share, expand new capacity, and execute cost saving plans. The recently reported record-high monthly gaming revenue in Macau in January also bodes well for its future prospects. The largest detractors were our short positions in Hong Kong utilities as they have always been perceived by investors as a safe haven during a market sell-off.

Investment activity

We viewed the market correction as a good opportunity to buy or add to the positions we like. New investments were made this month in Dongfeng Motor. China is expected to continue to provide policy support for the auto sector as it strives to shift growth from fixed asset investment and exports to domestic consumption. We also took the opportunity to close our short position in China Overseas Land, thereby increasing the net exposure to Chinese residential property developers.

Outlook

We view the recent tightening move as part of a normalisation process, away from a very loose monetary environment in 2009. Although the equity market has corrected over fears of credit tightening and the possible hard landing of the economy, we hold on to our view that China's economic growth prospects are largely intact and that these pre-emptive tightening measures are supportive of a more sustainable growth path for the economy. Backed by corporate earnings growth and sensible market valuation levels, we believe that the potential market upside outweighs the downside risks for 2010. The recent correction is probably overdue, but offers good investment opportunities for long-term investors.

* **Source:** Henderson Global Investors Limited / Datastream, calculated as at 31 January 2010 on a NAV to NAV basis for Accumulation (A2) shares, with gross income reinvested at NAV price, rebased at 100.

** **Source:** Henderson Global Investors Limited, calculated as at 31 January 2010 on a NAV to NAV basis for Accumulation (A2) shares, **net of 5% initial charge**, with gross income reinvested at NAV price. Note: The performance calculation is based on a maximum initial sales charge of 5%. The actual initial sales charge paid by the unitholder may be different based on the discount, if any, applied by distributors. As such, the performance return may differ based on the discount, if any, applied by distributors.

This document has been prepared by Henderson Global Investors (Singapore) Limited, who has been appointed as the Singapore Representative of the Henderson Horizon Fund – China Fund (the "Fund") in Singapore. Investors should note that the Fund may make use of financial derivative instruments other than for efficient portfolio management and/or hedging purposes. Please refer to the prospectus of the Fund for more information. The prospectus of the Fund is available and may be obtained from the Singapore Representative's office and the participating distributors' offices or branches. Investors should read the prospectus before deciding whether to invest in shares of the Fund. All applications for shares in the Fund must be made on the application form accompanying the prospectus. Past performance of the Fund and/or the Managers and any forecast made are not necessarily indicative of future or likely performance of the Fund and/or the Managers. The value of the shares and the income from the Fund may fall as well as rise. Investments in the Fund are not obligations of, deposits in, or guaranteed by Henderson Global Investors (Singapore) Limited or any of its affiliates or distributors. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, the investor should consider whether the Fund is suitable for him. Note: The Henderson Horizon Fund is not registered in the United States of America under the Investment Company Act of 1940 and will not be made available to any U.S. Person. Unless otherwise stated, the source is from Henderson Global Investors.

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