

# Henderson European Selected Opportunities Fund



**Fund manager**  
John Bennett

## Fund facts at 30 December 2011

### Fund aim

The fund aims to provide long-term capital growth by investing in European company shares.

### Launch date

31 August 1984

### IMA sector

Europe excluding UK

### Fund size

£1.19bn

### Ratings

OBSR – A  
Standard & Poor's – AA  
Morningstar – ★★★★★

### Type of shares

Accumulation

### XD dates

1 Jun, 1 Dec

### Dividend pay dates

31 Jan, 31 Jul

### Minimum investment

Lump sum £1,000  
Subsequent £100  
Regular saving £100

### Charges (%)

Initial 5.00  
Annual 1.50

### SEDOL number

3243794

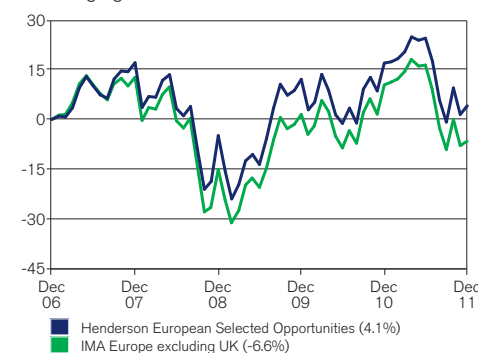
## Fund manager comment

The fund rose by 2.5% in December compared with a fall of 1.5% in the benchmark index. Over the calendar year the fund outperformed its benchmark index by 3.7%. The largest sector contributor to performance during the month was healthcare, reflecting our continuing overweight to that industry. Positive returns were also generated from the energy sector. The main detractor was technology. At the stock level, the month's best performing positions all came from the pharmaceutical sector: Roche, Sanofi and Novartis. Our holdings in German software company SAP and sportswear name Adidas detracted from performance. No new positions were added during the month. The number of positions was reduced through the sale of the holdings in Dutch nutrition and chemical company DSM and German telecom company Deutsche Telekom. We also disposed of the small positions in CRH, the building materials group, and Nokia, the telecom equipment group. While the usual diet of European summit after European summit is likely to be served up, we continue to focus on the opportunities now being presented by what is now universally accepted as bad economics. As we have said a number of times, bad economics is often the harbinger of great opportunity. Thus, we continue into 2012 with healthcare as our single largest overweight. It may seem outlandish to suggest right now, but we perceive the pharmaceutical industry as a growth sector trading at a value multiple. Indeed, it is to fallen growth stars that we look to lead the positive surprise that Europe can provide in the year ahead. As well as pharmaceuticals, we include in this category two former market darlings now valued as "ex-growth": Reed Elsevier, the media group, and Ahold, the food retailer. The latter is a particularly interesting example, having spent a decade or more in the doghouse following acquisition-led chicanery. New management is completing the cleansing and the company is focusing on its core competencies. We have recently built a meaningful position in the stock.

Top 10 holdings	(%)	Top 10 countries	(%)	Top 10 sectors	(%)
Novartis	6.4	Switzerland	23.4	Health Care	22.9
Roche	6.1	France	22.0	Consumer Goods	17.9
Sanofi	5.6	Germany	19.8	Oil & Gas	13.1
Total	4.5	Netherlands	10.7	Financials	12.4
Nestlé	4.3	Euroland	5.0	Industrials	7.2
SAP	3.7	Italy	4.6	Futures	7.0
Reed Elsevier	3.4	Sweden	4.5	Consumer Services	5.9
UBS	2.2	Spain	3.8	Technology	5.7
Henkel & Co	2.0	Denmark	1.7	Basic Materials	5.1
Fugro	1.8	Finland	1.6	Utilities	2.4
<b>Total number of holdings</b>	<b>62</b>		<b>Cash</b>	<b>0.5</b>	

## Performance

Percentage growth, 29 Dec 06 to 30 Dec 11.



Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

**Past performance is not a guide to future performance.**

Cumulative performance	Fund % change	Sector % change	Quartile ranking†
1 year	-11.0	-15.4	1st
2 years	-7.1	-7.9	2nd
3 years	9.5	10.0	2nd
4 years	-11.1	-17.1	1st
5 years	4.1	-6.6	1st

Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

Discrete year performance	Fund % change
31/12/2010 to 30/12/2011	-11.0
31/12/2009 to 31/12/2010	4.3
31/12/2008 to 31/12/2009	18.0
31/12/2007 to 31/12/2008	-18.8
29/12/2006 to 31/12/2007	17.1

Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

Discrete performance data may change due to final dividend information being received after quarter end. † 1st quartile means the fund is ranked in the top 25% of funds in its sector.



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# European Selected Opportunities Fund (continued)

## General risks

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- The value of the Funds and the income from them is not guaranteed and may fall as well as rise. You may get back less than you originally invested.
- Past performance is not a guide to future performance.
- You should note that your tax treatment in relation to any investments held outside an ISA will depend on your individual circumstances and may be subject to change in the future. Governments may change the tax rules which affect you or the Funds in which you have invested.

## Risk profile

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- Where the Funds invest in assets (including cash) which are denominated in currencies other than the base currency (pounds sterling) then currency exchange rate movements may cause the value of investments to fall as well as rise.

## Important information

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Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. FTSE classifications are used for sector data. The fund's annual Authorised Corporate Director's fee is charged to capital. This has the effect of increasing the distribution(s) for the year by 1.50% and constraining the fund's capital performance to an equivalent extent. Fund size at 12pm on last business day of month. Unless otherwise indicated all figures sourced from Morningstar, Henderson Global Investors and BNP Paribas. Please note the views, opinions and forecasts expressed in this document are based on Henderson Global Investors' research, analysis and house views at the time of publication. No recommendations to buy or sell investments are implied. 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. Issued in the UK by Henderson Global Investors. Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), Henderson Fund Management Limited (reg. no. 2607112), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), Henderson Alternative Investment Advisor Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE), Gartmore Investment Limited (reg. no. 1508030), Gartmore Fund Managers Limited (reg. no. 1137353), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Services Authority to provide investment products and services.

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