

Henderson Money Market Unit Trust



Fund manager
Angus Teather

Fund facts at 30 December 2011

Fund aim

To achieve a high level of return consistent with a high degree of capital security. The fund will invest principally in short-term deposits and other money market instruments.

Launch date

December 1998

IMA sector

Money Market

Fund size

£79.90m

Yield* (%)

Income yield+ 0.22

Type of units

Accumulation

XD dates

1 Jan, 1 Jul

Income allocation dates

28 Feb, 31 Aug

Minimum investment

Lump sum £1,000

Subsequent £100

Regular saving £100 per month

Charges (%)

Initial 0.00

Annual 0.25

SEDOL number

0444051

Fund manager comment

In Q4 2011 the Bank of England's Monetary Policy Committee (MPC) announced a further round of quantitative easing at their October meeting, increasing gilt purchases by £75bn to £275bn. The decision was justified by comments that inflation will undershoot the 2.0% target in the medium term as the slowing pace of global activity and the ongoing turmoil in the euro area threatens the UK recovery. The gloomy outlook was reaffirmed when the chancellor, at the autumn budget statement, sharply downgraded the gross domestic product (GDP) growth forecasts to 0.9% and 0.7% for this year and the next, compared to 1.7% and 2.5% at the March budget.

In Europe conditions continued to worsen as both banks and sovereigns were continually downgraded. The European Central Bank (ECB) unexpectedly cut rates by 0.25% citing downside risks to real GDP growth. As the quarter continued the crisis caused a change of government in Italy and Spain, pushed Italian debt yields to record euro era levels, and caused some core European Union (EU) nations' debt yields to rise appreciably, even affecting Germany.

Demand for short-term funding from the interbank market, as well as reluctance by a number of the larger money funds to lend to certain sectors of the European market for anything other than day to day money, has pushed sterling Libor rates higher across the yield curve, with the one year rate at a two and a half year high of 1.87069%. With this tightening in liquidity the fund has reduced its weighted asset maturity (WAM) profile. This has been achieved through adopting a more defensive investment strategy by keeping new investments short term. The fund maintained its exposure to Spain as this is held on a call account with Santander UK, however, the exposure to French banks has been reduced as investments matured.

Fund information

Structure A UCITS III Compliant Authorised Unit Trust, authorised by the FSA and rated AAA/V1 by Fitch.

Domicile UK

Administrator BNP Paribas

Auditor PwC

Trustee Royal Bank of Scotland

Lawyer Eversheds

Distribution Accrued daily

Year End 31 May

Price Publication www.henderson.com

Fund breakdown

Financial Instruments	(%)
Certificates of Deposit	70.4
Call Accounts	15.2
Deposits	14.4

Credit Quality Analysis

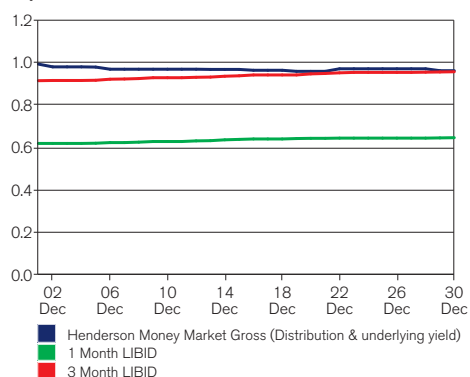
AA+	0.0
AA	3.8
AA-	28.4
A+	32.3
A	35.5

Weighted Average Maturity

(at 30 Dec 2011) 37 days

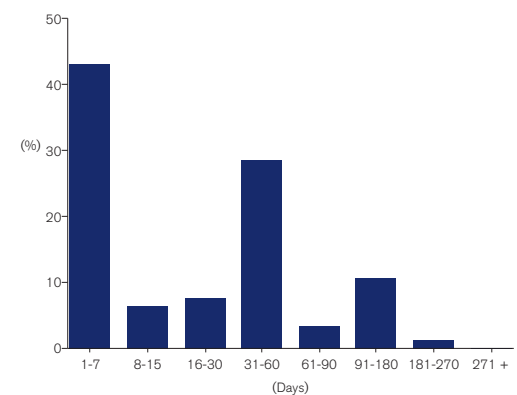
Yield comparison

Daily rates, December 11



Source: Bloomberg

Maturity schedule*



* for floating rate assets this schedule refers to the next interest rate re fix date.

Henderson Money Market

Unit Trust (continued)

General risks

- 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.

What are the risks specific to this fund?

- With funds investing in bonds there is a risk that interest rate fluctuations could affect the capital value of investments. Where long term interest rates rise, the capital value of shares/units is likely to fall, and vice versa. In addition to the interest rate risk, bond investments are also exposed to credit risk reflecting the ability of the borrower (i.e. bond issuer) to meet its obligations (i.e. pay the interest on a bond and return the capital on the redemption date). The risk of this happening is usually higher with bonds classified as 'sub-investment grade'. These may produce a higher level of income but at a higher risk than investments in 'investment grade' bonds. In turn, this may have an adverse impact on funds that invest in such bonds.

Important information

The Henderson Money Market Unit Trust does not invest primarily in stocks and shares. Instead it invests in money market assets, which include deposits with banks and other financial institutions. Since interest rates fluctuate, the Henderson Money Market Unit Trust's return will also fluctuate. Although money market assets do not fluctuate widely in value during the period of investment, if an institution with which money is placed were to default, you may not get back the amount you have invested and may not be covered in the scope of any investor compensation scheme. This document is provided for the purpose of information only. Third party data is believed to be reliable, but its completeness and accuracy is not guaranteed. Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. Yield+ is net of charges and gross of tax and is not guaranteed. All credit, country and sector breakdowns relate to end of day trading positions. 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. 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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