

Henderson Horizon

# Global High Yield Bond Fund

## Fund aim

The Henderson Horizon Global High Yield Bond Fund aims to provide a high overall yield and potential for capital growth by investing at least 80% of its assets in debt securities with a sub-investment grade credit rating (BB+ or lower) from issuers around the world.

## Global perspective with local insight

The fund offers all the characteristics of a high yield bond fund, with the added benefit of global diversification. Reflecting its global nature, the fund is jointly managed by Kevin Loome in the US and Chris Bullock, who is based in Europe.

- **US:** team based in Philadelphia provides coverage of North America. As the world's largest and most mature market, the US will typically represent more than 50% of the portfolio.
- **Europe:** team based in London covers the European high yield market, which is fast growing in size as a structural shift to high yield financing takes place.
- **Emerging markets:** covered by sector specialists, with a bias towards the more liquid issuers.

## High yield can equal high total return

The yields on high yield bonds not only offer a degree of cushioning against potential interest rate rises, but contribute significantly to total return. Through careful fundamental research, Henderson credit analysts feed their best ideas to the fund managers, with potential for additional return offered for taking on higher risk. The emphasis is on identifying relative value and avoiding defaults. Selective use of derivatives and the ability to invest 20% of the portfolio off-benchmark provide added flexibility.

## Key reasons to invest

- Exposure to high yield securities at a time when yield is scarce.
- Typically low correlation to government bonds and less sensitivity to the interest rate cycle than other fixed income securities.
- Global capability with experienced credit management team based in Europe and the US.
- Global reach and flexible investment process aids navigation of the credit cycle.
- Strong track record of credit selection with emphasis on bottom-up fundamental research.

## Fund characteristics

<b>Fund managers</b>	Kevin Loome and Chris Bullock
<b>Launch date</b>	19 November 2013
<b>Structure</b>	Luxembourg domiciled SICAV fund
<b>Base currency</b>	USD
<b>Share classes</b>	USD, EUR
<b>Benchmark</b>	BofA ML Global High Yield Constrained
<b>Management fee</b>	0.75%
<b>Performance fee</b>	10% of return above benchmark return (see prospectus for further information)
<b>Minimum investment</b>	A class: \$2,500 or currency equivalent I class: \$1m or currency equivalent
<b>ISIN codes</b>	LU0978624194 (A2 USD) LU0978624277 (A2 hedged EUR) LU0978624350 (I2 USD) LU0978624434 (I2 hedged EUR)
<b>Distribution</b>	20 Jan, 20 Apr, 20 Jul, 20 Oct

## A focused approach that exploits our credit expertise

The fund holds a concentrated portfolio of between 75 and 150 securities, which allows the fund managers to have a high conviction in each holding but also means that careful assessment of issuers and monitoring of each holding is important. Economic and interest rate analysis is carried out but the main thrust of research is analysing credit fundamentals:

- **Business:** analysis of company strategy, industry dynamics, meetings with management.
- **Financial:** evidence of strong cash flow, acceptable debt levels, rigorous analysis of metrics and bond covenants.
- **Technical and valuation:** analysis of issuance needs, positive catalysts and ratings potential, good liquidity and relative value.



Henderson Horizon

# Global High Yield Bond Fund

## Three-pronged risk management

An attractive total return is the ultimate goal of the fund, but effective risk management also contributes to performance.

### Qualitative

Monitoring of credit specific risk at the company level. Portfolio construction is reviewed to ensure sufficient sector balance and liquidity of positions. All non-US\$ positions are hedged back to US\$.

### Quantitative

Risk is measured through specialist tools such as DV01 (which measures a bond's interest rate risk and VaR (Value at Risk), together with formal attribution and scenario analysis.

### Independent

Pre- and post-trade compliance checks are undertaken. The portfolio is reviewed by an independent Risk Team and a dedicated team provides performance measurement.

## The fund managers



**Kevin Loome,**  
CFA

- Joined Henderson in 2013 as Head of US Credit
- 22 years' investment experience
- Previously Head of High Yield at Delaware Investments and fund manager at T Rowe Price
- BSc in Commerce, University of Virginia
- MBA, Amos Tuck School, Dartmouth College



**Chris Bullock,**  
CFA

- Joined Henderson in 2003
- 11 years' investment experience
- Co-manages Henderson Horizon Euro High Yield Bond Fund and Henderson Horizon Euro Corporate Bond Fund
- BEng Chemical Engineering, Aston University
- Member Chartered Institute of Management Accountants

## Henderson – who we are and what we do

- One of Europe's largest independent investment managers, founded in 1934
- Global operations with expertise in core asset classes and alternatives
- More than 1,000 employees spread across Europe, the US and Asia-Pacific
- 273 investment professionals with an average of 14 years' investment experience
- Focused on delivering investment performance that meets client expectations

Source: Henderson Global Investors at 28 June 2013.

## Henderson for fixed income

- €20.7 billion of fixed income assets under management
- 58 fixed income specialists with an average of 14 years experience
- Coverage across the full range of fixed income asset classes, including government, corporate, emerging, ABS, loans and derivative instruments
- Proven managers with a history of success in managing credit
- Risk control embedded throughout the investment process and overseen by separate Investment Risk team

Source: Henderson Global Investors at 28 June 2013.

## Contact us

General enquiries: +44 (0)207 818 4411

Email: [sales.support@henderson.com](mailto:sales.support@henderson.com)

Website: [www.henderson.com](http://www.henderson.com)

### Important Information

**This document is solely for the use of professional intermediaries and is not for general public distribution. Please read the prospectus before investing.**

The Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985. This document is intended solely for the use of professionals and is not for general public distribution. Any investment application will be made solely on the basis of the information contained in the Fund's full prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the Fund's full prospectus before investing. A copy of the Fund's full prospectus and Key Investor Information Document can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor. Issued in the UK by Henderson Global Investors. Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355) (incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE and authorised and regulated by the Financial Services Authority) provide investment products and services. Telephone calls may be recorded and monitored. Past performance is not a guide to future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. 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. The securities included in this document are not registered in the Foreign Securities Registry of the Superintendencia de Valores y Seguros for public offering and, therefore, the use of this document is only for general information purposes. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme. A copy of the Fund's full prospectus, Key Investor Information Document, articles of incorporation, annual and semi-annual reports can be obtained free of cost from the Fund's: Austrian Paying Agent Raiffeisen Zentralbank Österreich AG, Am Stadtpark 9, A-1030 Vienna; French Paying Agent BNP Paribas Securities Services, 3, rue d'Antin, F-75002 Paris; German Information Agent Marcard, Stein & Co, Ballindamm 36, 20095 Hamburg; Belgian Financial Service Provider Caceis Belgium S.A., Avenue du Port, 86C Bte 320, B-1000 Brussels; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid; or Swiss Representative BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent.

H004688\_1013