

Unless otherwise defined herein, terms used in this notice shall have the same meanings as those defined in the Prospectus dated April 2014.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION TO BE TAKEN YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, RELATIONSHIP MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**HENDERSON HORIZON FUND (the "Company")  
SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE (SICAV)  
LUXEMBOURG  
RCS B 22847**

5 September 2014

Dear Shareholder,

### **Changes to certain Sub-Funds of the Company**

We are writing to you as a Shareholder in one or more of the sub-funds (the "Sub-Funds") of the Company to inform you of certain changes. In summary:

With effect from **8 October 2014**:

- I. Changes to the investment policy of the Henderson Horizon Fund - Asian Dividend Income Fund**
- II. Change to the benchmark of the Henderson Horizon Fund – Pan European Alpha Fund**

With effect from **17 November 2014**:

- III. Changes to the base currency of the Henderson Horizon Fund – Japanese Equity Fund and/or Henderson Horizon Fund – Japanese Smaller Companies Fund**

Please refer to the relevant appendix for further information on the changes to the Sub-Funds.

### **Action to be taken**

If you are happy with the proposed changes, you need take no action.

If you are not happy with the proposed changes, you can, free of any charge, redeem or switch your Shares on any date up to **7 October 2014** for the changes mentioned in I and II above and **14 November 2014** for the changes mentioned in III above in accordance with the provisions of the Prospectus.

Please see 'Redemption and Switching of Shares' section below for further details on how to redeem or switch your holding.

## Redemption and Switching of Shares

You may apply to redeem your holding or switch it into shares of any other SFC authorised Sub-Funds of the Company by submitting your request to the local representative in Hong Kong (please refer to the contact details set out below) in accordance with the procedures set out in the Hong Kong offering document (comprising the Prospectus, the Hong Kong Covering Document and the relevant Product Key Fact Statements).

You may also apply to redeem or switch your holding by instructing the Registrar and Transfer Agent by contacting:

Before 13 October 2014:

BNP Paribas Securities Services, Luxembourg Branch  
33 rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg  
Telephone: (352) 2696 2050  
Fax: (352) 2696 9747

After 13 October 2014

RBC Investor Services Bank S.A.  
Registrar Agent,  
14, Porte de France,  
L-4360 Esch-sur-Alzette,  
Grand Duchy of Luxembourg

Telephone: (352) 2605 9601  
Fax: (352) 2460 9500

If you choose to redeem your Shares, the redemption proceeds will be paid to you in accordance with the provisions of the Prospectus, except that no fee will be imposed on redemptions or switches made as a result of the changes described herein. Please be advised that we may require documentation to verify your identity if we do not already hold it and that your redemption proceeds may be delayed until such verification is received. Settlement of redemptions will normally be made in accordance with the standing instructions we hold on file. If you have changed your bank account and not advised us, please confirm your up-to-date details in writing to BNP Paribas Securities Services, Luxembourg Branch at the address provided above.

If you choose to switch your Shares to a holding in a different SFC authorised Sub-Fund of the Company, then the proceeds will be utilised to purchase shares in the Sub-Fund(s) specified by you at the share price applicable to that Sub-Fund in accordance with the provisions of the Prospectus.

**As is always the case, any switch or redemption of your Shares may affect your tax position. You should therefore seek guidance from your professional advisers on any applicable taxes in the country of your respective citizenship, domicile or residence.**

## Additional information

If you have any questions, before 13 October 2014, these may be directed to BNP Paribas Securities Services, Luxembourg Branch, the current Registrar and Transfer Agent at 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg, (Tel: +352 2696 2050, Fax: +352 2696 9747). After 13 October 2014, please direct any questions to RBC Investor Services Bank S.A., the new Registrar and Transfer Agent at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg (Tel: +352 2605 9601, Fax: +352 2460 9500). For Hong Kong investors you may contact your local representative in Hong Kong, Connie Tsang of RBC Investor Services Trust Hong Kong Limited, 51/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong (Tel: +852 29785656, Fax: +852 2845 0360). The Hong Kong

offering document (comprising the Prospectus, the Hong Kong Covering Document and the relevant Product Key Fact Statements), the Articles as well as the annual and semi annual reports of the Company may be obtained free of charge from the Hong Kong representative.

The Directors of the Company accept responsibility for the accuracy of the contents of this letter.

Yours faithfully



**Iain Clark**  
Chairman

## APPENDIX I

### Changes to the investment policy of the Henderson Horizon Fund - Asian Dividend Income Fund (the "Asian Dividend Income Fund")

The investment policy of the Asian Dividend Income Fund currently indicates that the Investment Manager, Henderson Global Investors Limited, may generally use derivatives for the purposes of enhancing the fund's performance as well as for efficient portfolio management. Pursuant to the existing investment policy, the Asian Dividend Income Fund may use derivatives extensively to achieve its investment objectives or extensively for investment purposes, however, currently the Investment Manager adopts an option strategy to enhance income with a risk level which is consistent with the risk profile of the Asian Dividend Income Fund and the risk diversification rules laid (if necessary) but does not utilise derivative instruments extensively for investment purposes with a view to enhancing the Asian Dividend Income Fund's performance.

The Directors of the Company have resolved to amend the investment policy of the Asian Dividend Income Fund, to better reflect the fact that the Investment Manager only uses derivatives for efficient portfolio purposes, which includes income enhancement, within a tightly controlled framework (i.e. the Asian Dividend Income Fund will not use derivatives extensively for hedging and/or efficient portfolio management purposes and neither will it use derivatives extensively or primarily to achieve its investment objectives or for investment purposes. The change of investment policy will be effective from **8 October 2014**.

- **The investment policy of the Asian Dividend Income Fund shall be amended from:**

*"The investment objective of the Asian Dividend Income Fund is to seek an above-benchmark dividend yield from a portfolio of Asian stocks with a focus on value and long-term capital appreciation. At least two-thirds of the Fund's total assets (after deduction of cash) will be invested in Asian equity securities and equity instruments which in the view of the Investment Manager offer prospects for above average dividends or reflect such prospects.*

*The Fund may make use of one or a combination of the following instruments / strategies in order to achieve the Fund's objective: asset and mortgage backed securities, convertible bonds, structured notes, options, futures and forwards on stocks, indices, bonds and interest rates, contracts for difference, warrants, OTC swaps including equity swaps, asset swaps and credit default swaps, warrants, equity linked notes and currency forwards.*

*The Investment Manager may from time-to-time consider hedging currency and interest rate exposure, but will not generally enter into contracts involving a speculative position in any currency or interest rate."*

**to**

*"The investment objective of the Asian Dividend Income Fund is to seek an above-benchmark dividend yield from a portfolio of Asian stocks with a focus on value and long-term capital appreciation. At least two-thirds of the Fund's total assets (after deduction of cash) will be invested in Asian equity securities and equity instruments which in the view of the Investment Manager offer prospects for above average dividends or reflect such prospects.*

*The Investment Manager may selectively use derivatives within the limits set forth in the Section 'Investment Restrictions' of this Prospectus in order to enhance yields."*

A comparison between the existing investment policy of the Asian Dividend Income Fund and the proposed new investment policy of the Asian Dividend Income Fund is set out below for your reference:

*"The investment objective of the Asian Dividend Income Fund is to seek an above-benchmark dividend yield from a portfolio of Asian stocks with a focus on value and long-term capital appreciation. At least two-thirds of the Fund's total assets (after deduction of cash) will be invested in Asian equity securities and equity instruments which in the view of the Investment Manager offer prospects for above average dividends or reflect such prospects.*

~~The Fund may make use of one or a combination of the following instruments / strategies in order to achieve the Fund's objective: asset and mortgage backed securities, convertible bonds, structured notes, options, futures and forwards on stocks, indices, bonds and interest rates, contracts for difference, warrants, OTC swaps including equity swaps, asset swaps and credit default swaps, warrants, equity linked notes and currency forwards.~~

~~The Investment Manager may from time to time consider hedging currency and interest rate exposure, but will not generally enter into contracts involving a speculative position in any currency or interest rate.~~ selectively use derivatives within the limits set forth in the Section 'Investment Restrictions' of this Prospectus in order to enhance yields."

From the 8 October 2014 the Asian Dividend Income Fund will use the Commitment Approach instead of the relative value at risk (VaR) approach to determine its global risk exposure. The commitment approach is a methodology used to determine global risk exposure of the Asian Dividend Income Fund, whereby financial derivative instruments positions of the Asian Dividend Income Fund are converted into the market value of the equivalent position in the underlying asset(s) of the financial derivative instrument.

The change to the investment policy will not materially prejudice investors in the Asian Dividend Income Fund and will not result in any change in the Asian Dividend Income Fund's investment objective or alter the investment process favoured by the investment manager of the Asian Dividend Income Fund. This change will not result in any change in fee level or cost in managing the Asian Dividend Income Fund.

#### **Action to be taken**

If you are happy with the proposed change, you need take no action.

If you are not happy with the proposed change, you can, free of any charge, redeem or switch your Shares on any date up to **7 October 2014** in accordance with the provisions of the Prospectus.

Please see the 'Redemption and Switching of Shares' section in the main part of the notice for further details on how to redeem or switch your holding.

## APPENDIX II

### **Change to the benchmark of the Henderson Horizon Fund – Pan European Alpha Fund (the “Pan European Alpha Fund”)**

Since Leopold Arminjon and John Bennett (the “fund managers”) took over responsibility for the Pan European Alpha Fund on 17 December 2012, it has been run with a lower net exposure to European equities than before (“net exposure” is the sum total of long positions minus short positions taken on the Pan European Alpha Fund) and more focus on producing a long-term positive ‘absolute’ (more than zero) return.

After careful consideration, the Directors have concluded that the performance benchmark of the Pan European Alpha Fund should be changed to better align the Pan European Alpha Fund to how it is being managed. With effect from **8 October 2014**, the performance of the Pan European Alpha Fund will be measured against the Euro Base Rate (Euro Main Refinancing Rate) (the “New Benchmark”). This replaces the current benchmark, the 50% MSCI Europe (inc UK) Total Return Net Dividends Index / 50% European Central Bank (ECB) Benchmark Rate (the “Current Benchmark”).

A cash benchmark, such as the New Benchmark, is a more appropriate performance hurdle for a long/short equity fund aiming to produce a long-term positive ‘absolute’ (greater than zero) return because typically, cash investments generate a positive absolute return over time. The New Benchmark is the minimum level of interest that banks have to pay when they borrow money from the European Central Bank, and represents the most secure and lowest-risk form of investment for European savers. Where the Current Benchmark includes an equity portion, MSCI Europe (inc UK) Total Return Net Dividends Index<sup>1</sup>, the Pan European Alpha Fund would be expected to broadly follow the performance of the European stock market, so if the market falls, the performance of the Pan European Alpha Fund is likely to fall as well. A fund focusing on producing a long-term positive ‘absolute’ (more than zero) return should not be measured against an equity benchmark as it aims to deliver positive returns regardless of market conditions. By having an equity portion to the benchmark this could encourage the fund manager to take on more market risk to outperform the equity benchmark.

Given the Pan European Alpha Fund’s targeted investment strategy (to produce a long-term return that is greater than zero) and its expected level of risk, the New Benchmark therefore represents a more appropriate benchmark than the Current Benchmark.

Please note that the change in benchmark will not result in any change to the Pan European Alpha Fund objective, investment process and policies or restrictions in the Pan European Alpha Fund and will not materially prejudice investors. The Pan European Alpha Fund’s investment universe (large and mid-cap European equities) will remain unchanged.

Up until the 8 October 2014, the performance fee will be determined based on the Current Benchmark. Upon the change in benchmark, the performance fee in respect of the Pan European Alpha Fund will be determined based on the New Benchmark. As such, the circumstances in which a performance fee will be payable may be different as a result of the change in benchmark, as the performance of the two benchmarks are likely to differ. For the purpose of calculating the performance fee of the Pan European Alpha Fund, the index value of the New Benchmark will be adjusted, on the 8 October 2014, taking into account the under/over-performance of the Current Benchmark over the relevant performance period up to the 8 October 2014.

Generally, each period from 1 July of a year to 30 June the following year shall be a performance period. For the purpose of this calculation the last time that a performance fee was paid (or the date on which the performance fee was introduced for the first period, whichever is later) will be considered to be the start of the relevant performance period. For example, where the Current Benchmark has appreciated 30% from 1 July 2014 up to the 8 October 2014, the New Benchmark will be assigned a start index value such that the New Benchmark will also have 30% of over-performance from 1 July 2014 to 8 October 2014. Such

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<sup>1</sup> MSCI Europe (inc UK) Total Return Net Dividends Index - a large and mid-cap representation across 15 developed markets countries in Europe

adjustment is made to ensure the continuity and consistency in the calculation of the performance fee notwithstanding a change in the Pan European Alpha Fund's benchmark.

In respect of the current performance period from 1 July 2014 to 30 June 2015, any performance fee accrued will be paid to the Investment Manager on 30 June 2015. As at the date of this Notice, there are performance fees accruing against the Current Benchmark in respect of the Pan European Alpha Fund. Such accrued performance fee will not be crystallised, but will remain as an accrual in the Sub-Fund. Performance fee against the Current Benchmark may continue to accrue from the date of this Notice until the 8 October 2014 and from the 8 October 2014 until 30 June 2015 against the New Benchmark. The aggregate accrued performance fee for the performance period from 1 July 2014 to 30 June 2015 will crystallise at the end of the performance period and be paid to the Investment Manager at the end of the performance period on 30 June 2015. To the extent that the Pan European Alpha Fund underperforms either benchmark, no performance fee will be accrued until such decrease and any underperformance on a per Share basis has been made good in full and any previously accrued but unpaid performance fees will be partly or fully reversed accordingly.

Please note that the net asset value per Share of the Pan European Alpha Fund will be adjusted on a daily basis to reflect the level of the performance fee accrued where either:

- (a) the increase in the net asset value per Share of the Pan European Alpha Fund outperforms the increase in the relevant benchmark. The fee payable will be 20% of the value added over and above that benchmark in accordance with the high water mark principle; or
- (b) the net asset value per Share of the Pan European Alpha Fund increases and the relevant benchmark decreases. The fee payable by the Pan European Alpha Fund will be 20% of the positive growth of the Pan European Alpha Fund in accordance with the high water mark principle.

The current high water mark for the purpose of determining the performance fee of the Pan European Alpha Fund will not be affected by the change in the benchmark and will be carried forward for the purpose of determining the performance fee based on the New Benchmark. For further details regarding the high water mark principle and calculation of performance fees, please refer to the section in the Prospectus titled "Fees, Charges and Expenses – Performance Fees" or for Hong Kong investors, also of the section in the Hong Kong Covering Document titled "Performance Fees".

This change will not result in any change to the running costs of managing the Pan European Alpha Fund.

#### **Action to be taken**

If you are happy with the proposed change, you need take no action.

If you are not happy with the proposed change, you can, free of any charge, redeem or switch your Shares on any date up to **7 October 2014** in accordance with the provisions of the Prospectus.

Please see the 'Redemption and Switching of Shares' section in the main part of the notice for further details on how to redeem or switch your holding.

## APPENDIX III

### Changes to the base currency of the Henderson Horizon Fund – Japanese Equity Fund and Henderson Horizon Fund – Japanese Smaller Companies Fund (the “Sub-Funds”)

The directors of the Company have resolved to change the base currency of the Sub-Funds from US Dollars to Japanese Yen and amend the specific reference to the base currency of the Sub-Funds in the respective “Investment Objectives and Policies” sections of the Sub-Funds in the Prospectus accordingly to reflect this. This change is consistent with the fact that the majority of the Sub-Funds are invested in Japanese companies valued in Japanese Yen. The change of base currency will be effective from **17 November 2014**.

The specific reference to the base currency of the Sub-Funds in the respective “Investment Objectives and Policies” sections of the Sub-Funds in the Prospectus shall be amended from:

*“The Fund is denominated in US\$.”*

**to**

*“The Fund is denominated in US\$, with effect from 17 November 2014, the Fund will be denominated in YEN.”*

Following the change to the base currency of the Sub-Funds, financial information relating to the Sub-Funds will be presented in Japanese Yen in the audited annual reports and unaudited semi-annual reports of the Company.

Save as aforementioned, there are no other amendments to the investment policies of the Sub-Funds. This change will not prejudice existing or future investors in the Sub-Funds and will not result in any change to the Sub-Funds’ investment objectives or alter the investment process favoured by the fund managers. This change will not result in any change in the risk profile of the Sub-Fund or a change in fee level or cost in managing the Sub-Fund.

Further, there will be no change to the value of existing issued Shares as a result of the change in the base currency of the Sub-Funds. However, the net asset value per Share may fluctuate as a result of the fluctuation in the value of the underlying assets of the Sub-Funds.

#### **Action to be taken**

If you are happy with the proposed change, you need take no action.

If you are not happy with the proposed change, you can, free of any charge, redeem or switch your Shares on any date up to **14 November 2014** in accordance with the provisions of the Prospectus.

Please see the ‘Redemption and Switching of Shares’ section in the main part of the notice for further details on how to redeem or switch your holding.

If you have any questions regarding the change of base currency from US Dollars to Japanese Yen, including but not limited to the exchange rate being applied on the date of the change, the presentation of financial statements after the change etc, you may contact your local representative in Hong Kong, Connie Tsang of RBC Investor Services Trust Hong Kong Limited, 51/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong (Tel: +852 29785656, Fax: +852 2845 0360).