

## First Quarter 2015 Trading Statement

### Sale of 40% stake in TH Real Estate

28 April 2015

Henderson Group plc (“Henderson”) publishes its First Quarter 2015 Trading Statement today. The comments below refer to the period 1 January 2015 to 31 March 2015 (“the period”) unless otherwise stated.

#### Key points

- Assets under management (“AUM”) up 10% to £89.4bn on 31 March 2015 (31 December 2014: £81.2bn).
- Record quarterly net inflows of £3.6bn, £2.9bn into Retail and £0.7bn into Institutional.
- Investment performance strengthened, with 86% of funds outperforming over three years.
- Henderson has agreed to sell its 40% stake in TH Real Estate to TIAA-CREF for £80m, improving its cash position by c.£110m.

**Andrew Formica, Chief Executive of Henderson,** said: “The strong growth in new business we saw last year accelerated in the first quarter. Evolving client needs have driven us to develop a broad range of investment capabilities over the last few years which has enabled us to deliver market share gains in all of our major markets.

“Our first quarter flows were boosted by the announcement of European quantitative easing in January. Increased client demand for European assets has coincided with a sustained period of excellent investment performance from our core European products. However, it is difficult to predict how long the QE effect will last, the UK market outlook remains uncertain and US interest rates look set to rise later this year. Notwithstanding these market uncertainties, our strong momentum and the investments we have made to build a well-diversified, global business should help us make good progress towards our long term growth targets this year.”

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## AUM and flows

Channel (£m)	Opening AUM	Net flows	Market / FX	Acquisitions & disposals	Closing AUM
	31 Dec 14	1Q15			31 Mar 15
Retail	46,007	2,898	2,969	470	52,344
Institutional <sup>1</sup>	35,155	656	1,196	-	37,007
<b>TOTAL AUM</b>	<b>81,162</b>	<b>3,554</b>	<b>4,165</b>	<b>470</b>	<b>89,351</b>

<sup>1</sup> Includes Henderson's 40% share of TH Real Estate assets - £5.6bn

Total AUM increased by 10% in the period to £89.4bn, driven by strong flows and supported by market and FX gains. The merger of Old Mutual's property fund into the Henderson UK Property OEIC in January 2015 added £470m of assets.

**Retail** net flows totalled £2.9bn for the period, driven by exceptional flows into the SICAV range.

SICAVs had a record quarter, with net flows of £1.9bn. The top selling funds in the SICAVs range were the Henderson Gartmore Continental European equities fund, Henderson Horizon Euro Corporate Bond and Henderson Gartmore UK Absolute Return.

As expected, flows into the UK Retail range were relatively subdued at £0.4bn after a slow start to the year across the industry. The Henderson UK Property OEIC remained Henderson's top selling UK fund, as clients continued to search for alternative sources of income.

US Mutuals returned to strong positive net inflows of £0.6bn, driven by strong investment performance and increased client demand for European assets.

**Institutional** net flows of £0.7bn were largely driven by a substantial UK fixed income mandate win, offset by a UK fixed income mandate loss, net outflows from Geneva Capital Management – although at a reduced rate – and the rebalance of an enhanced index mandate in Australia.

### Investment performance

Investment performance strengthened, with 75% of funds outperforming over one year and 86% over three years (December 2014: 66% over one year and 83% over three years). Fixed income and multi-asset performance improved significantly during the period, and equity performance remained strong.

### **Sale of 40% stake in TH Real Estate to TIAA-CREF**

Henderson has agreed to sell its 40% interest in TIAA Henderson Real Estate (“TH Real Estate”) to TIAA-CREF. The transaction is expected to complete on 1 June 2015, subject to regulatory approvals, and will result in TIAA-CREF owning 100% of TH Real Estate.

Following this transaction, Henderson’s cash position will improve by c.£110m. This amount comprises sale proceeds of £80m, plus loan and debt repayments and the sale of seed capital.

**Andrew Formica, Chief Executive of Henderson,** said: “Our decision to sell our 40% holding in TH Real Estate will give them the best possible opportunity to grow their business.

“The sale price rewards Henderson and its shareholders for the significant contribution made before and after the creation of TH Real Estate, and considerably strengthens our cash and capital positions.

“We will retain a strong commercial relationship with TH Real Estate, as they will continue to sub-advise our highly successful Henderson UK Property OEIC.”

### **2015 interim results**

Henderson intends to release its 2015 interim results on Thursday 30 July 2015.

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### Conference call

Andrew Formica and Roger Thompson will host a conference call to discuss the Q1 Trading Statement on 28 April 2015 at 8.45am (London time) / 5.45pm (Sydney time). They will be joined by Rob Gambi, Chief Investment Officer, and Greg Jones, Head of EMEA Retail and Latin America.

### Teleconference details

Participants are recommended to start dialling in 5-10 minutes prior to the start of the presentation.

<i>Dialling from:</i>	
United Kingdom	0800 376 7922 (free call)
Australia	1800 092 439 (free call)
All other countries	+44 (0) 207 192 8000 (this is not a free call number)
Conference title	Henderson Group, Q1 Trading Statement
Conference ID	20504513
Chair person	Andrew Formica
<i>Replay number, dialling from:</i>	
United Kingdom	0800 953 1533; Access code: 20504513
All other countries	+44 (0) 1452 550 000; Access code: 20504513
	<i>Available from 28 April to 11 May 2015</i>

### Audio cast details

You can log on to the audio cast of the Q1 Trading Statement which will start at 8.45am (London time) / 5.45pm (Sydney time) via the relevant link on [www.henderson.com/IR](http://www.henderson.com/IR). An archive of the audio cast will be available shortly after the event.

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### **About Henderson**

Henderson is an independent global asset manager, specialising in active investment. Named after its first client and founded in 1934, Henderson is a client-focused global business with over 900 employees worldwide and assets under management of £89.4bn (31 March 2015). Its core areas of investment expertise are European equities, global equities, global fixed income, multi-asset and alternatives.

Henderson is dual-listed on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) and has a market capitalisation of approximately £3.3bn (24 April 2015).

Further information can be found at [www.henderson.com/IR](http://www.henderson.com/IR).

### **Forward-looking statements and other important information**

This announcement contains forward-looking statements with respect to the financial condition, results and business of Henderson Group plc. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. Henderson's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement. Nothing in this announcement should be construed as or is intended to be a solicitation for or an offer to provide investment advisory services.