

First Quarter 2016 Trading Statement

27 April 2016

Henderson Group plc (“Henderson”) publishes its First Quarter 2016 Trading Statement today. The comments below refer to the period 1 January 2016 to 31 March 2016 (“the period”) unless otherwise stated.

Key points

- Assets under management (“AUM”) increased to £92.7bn (31 December 2015: £92.0bn)
- Inflows of £0.1bn into Retail; outflows of £0.8bn from Institutional
- Market and FX benefit of £1.4bn
- Long-term investment performance remained strong, with 77% of funds outperforming over three years.

Andrew Formica, Chief Executive of Henderson, said: “Volatile markets saw our clients temper their investment decisions over the quarter. Our Retail flows improved as the quarter progressed and, looking beyond previously announced mandate losses, our Institutional pipeline remains healthy.

“Henderson continued to benefit from diversification by geography and investment style, with flows strongest in US Retail, and good investment performance as well as client demand in absolute return and income-focused strategies. We continue to track well against our priorities to broaden and grow our global business.”

AUM and flows

Total AUM increased in the period to £92.7bn (December 2015: £92.0bn), with a small net inflow in Retail and net outflows from Institutional. Negative market movements were counterbalanced by FX translation gains, driven by AUD, USD and EUR strength against GBP.

Channel (£m)	Opening AUM	Net flows	Market / FX	Acquisitions & disposals	Closing AUM
	31 Dec 15	1Q16			31 Mar 16
Retail	56,915	90	342	-	57,347
Institutional	35,070	(769)	1,081	-	35,382
TOTAL	91,985	(679)	1,423	-	92,729

Retail net flows totalled £90m.

Net flows into UK and other Retail¹ held up well at £44m, helped by the diversified nature of this product range. Client demand remained strong for income and absolute return strategies, leading to good sales of Henderson UK Absolute Return, Henderson Strategic Bond and the Henderson Fixed Interest Monthly Income Fund.

SICAVs saw a net outflow of £271m, although flows returned to net positive in March. There were net outflows from Europe-focused products in negative markets, but net inflows into Henderson Gartmore UK Absolute Return.

In US Mutuals, the net inflow of £317m was driven by continued demand for International Opportunities and Global Equity Income, as well as promising levels of interest in Henderson's broadening US product line.

Institutional saw a net outflow of £769m, driven by £500m of previously notified redemptions and outflows linked to fund closures in areas of limited client demand. On the positive side, there were good flows into absolute return bond and UK fixed income strategies. Longer term Institutional prospects remain good, with a developing pipeline of opportunities globally, across a range of strategies.

Investment performance

Long-term investment performance remained strong, with 77% of funds outperforming over three years (December 2015: 81%). Over one year, 52% of funds outperformed (December 2015: 78%), as Henderson's fund range remained cautiously positioned through the end-of quarter rally in materials, commodities and emerging markets.

¹ This category now includes Australian Retail flows.

Conference call

Andrew Formica will host a conference call to discuss the Q1 Trading Statement on 27 April 2016 at 8.30am (London time) / 5.30pm (Sydney time). He will be joined by Roger Thompson, Chief Financial Officer and Phil Wagstaff, Global Head of Distribution.

Teleconference details

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

<i>Dialling from:</i>	
United Kingdom	0800 694 0257 (free call)
Australia	1800 020 199 (free call)
All other countries	+44 (0) 1452 555 566 (this is not a free call number)
Conference title	Henderson Group, Q1 Trading Statement
Conference ID	84126275
Chair person	Andrew Formica

Audio cast details

You can log on to the audio cast of the Q1 Trading Statement which will start at 8.30am (London time) / 5.30pm (Sydney time) via the relevant link on 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 1,000 employees worldwide and assets under management of £92.7bn (31 March 2016). 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 £2.9bn (25 April 2016).

Further information can be found at 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.