

Third Quarter 2015 Trading Statement

29 October 2015

Henderson Group plc (“Henderson”) publishes its Third Quarter 2015 Trading Statement today. The comments below refer to the period 30 June 2015 to 30 September 2015 (“the period”) unless otherwise stated.

Key points

- Net inflows of £1.3bn, driven by strong performance in Retail
- Investment performance remained strong, with 82% of funds outperforming over three years
- Assets under management (“AUM”) of £81.5bn (30 June 2015: £82.1bn), with market weakness outweighing new business gains
- Acquisitions of Perennial Fixed Interest and Perennial Growth Management in Australia on track to close on 1 November 2015.

Andrew Formica, Chief Executive of Henderson, said: “Henderson’s active fund management capabilities helped clients mitigate losses in a period of negative market returns. We continued to outperform in terms of investment performance and new business growth, and benefitted from being able to offer our clients a broad range of equity, fixed income and alternative investment strategies.

“Looking forward, we expect market conditions to remain challenging and regulatory oversight of asset managers to continue to intensify. That said, we continue to make good progress with our strategy to grow and diversify our business.”

AUM and flows

Channel (£m)	Opening AUM	Net flows	Market / FX	Acquisitions & disposals	Closing AUM
	30 Jun 15	3Q15			30 Sep 15
Retail	51,501	1,511	(1,625)	-	51,387
Institutional	30,595	(206)	(246)	-	30,143
TOTAL	82,096	1,305	(1,871)	-	81,530

Channel (£m)	Opening AUM	Net flows	Market / FX	Acquisitions & disposals	Closing AUM
	31 Dec 14	1Q-3Q15			30 Sep 15
Retail	46,007	6,200	(249)	(571)	51,387
Institutional	35,155	699	(85)	(5,626)	30,143
TOTAL	81,162	6,899	(334)	(6,197)	81,530

Flows remained strong in the third quarter at £1.3bn, but were more than offset by market and FX losses of £1.9bn. Henderson's active managers outperformed the major indices in the quarter and delivered strong downside protection to clients. Total AUM declined slightly in the quarter to £81.5bn.

Retail net flows totalled £1.5bn. Henderson made further market share gains, as clients continued to increase their exposure to European assets and invested for income and risk-adjusted returns.

Net flows into SICAVs held up well at £0.6bn, helped by the diversified nature of this product range. Henderson Gartmore UK Absolute Return and Henderson Gartmore Continental European were the top selling SICAVs in the quarter.

Net flows into the UK Retail ranges remained consistent with previous quarters at £0.4bn. Income and absolute return remained the dominant themes, leading to strong sales of the Henderson UK Property OEIC, Henderson UK Absolute Return and increasing flows into Henderson Strategic Bond.

In US Mutuals, the strong growth momentum continued, with demand for European and international assets generating net flows of £0.5bn.

Institutional saw a small net outflow of £0.2bn. On the positive side, the launch of the First Trust Dynamic Europe Equity Income Fund, a closed end fund, opened a new channel for Henderson in the US and added £208m. There was also good flow in the UK into outcome oriented strategies in fixed income, such as diversified credit and total return bond. However, these flows were more than counterbalanced by outflows from traditional mandates such as sterling credit, as well as offshore absolute return, together with other ongoing client asset allocation changes. Institutional flows are expected to be negative in the fourth quarter, driven by the planned roll-off of private equity assets (c.£420m) and a net negative short-term pipeline. Longer term, Institutional prospects remain good, following investments made over the last three years in global investment capabilities.

Investment performance

Investment performance remained strong, with 73% of funds outperforming over one year and 82% over three years (June 2015: 76% over one year and 83% over three years).

Conference call

Andrew Formica will host a conference call to discuss the Q3 Trading Statement on 29 October 2015 at 7.30am (London time) / 6.30pm (Sydney time). He will be joined by Rob Gambi, Chief Investment Officer, 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, Q3 Trading Statement
Conference ID	58090848
Chair person	Andrew Formica
<i>Replay number, dialling from:</i>	
United Kingdom	0800 953 1533; Access code: 58090848
All other countries	+44 (0) 1452 550 000; Access code: 58090848
	<i>Available from 29 October to 12 November 2015</i>

Audio cast details

You can log on to the audio cast of the Q3 Trading Statement which will start at 7.30am (London time) / 6.30pm (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 900 employees worldwide and assets under management of £81.5bn (30 September 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 £3.2bn (27 October 2015).

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.