

# Accelerating growth in Australia

2 June 2015

Andrew Formica – Chief Executive  
Rob Adams – Executive Chairman, Pan Asia  
Roger Thompson – Chief Financial Officer



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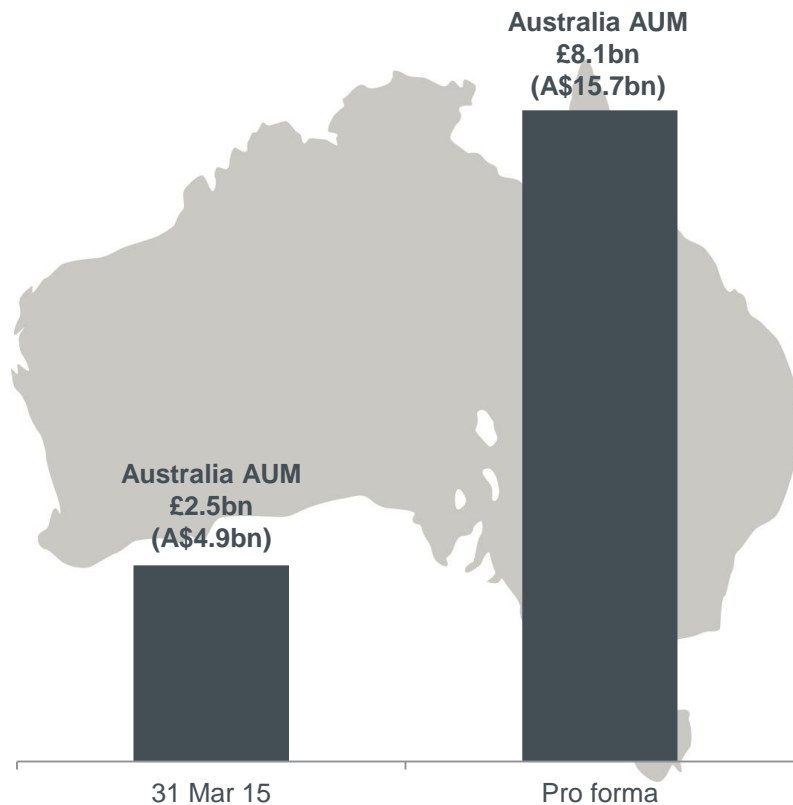
# Agenda

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- Strategic context for today's transactions
- Perennial Fixed Interest
- Perennial Growth Management
- 90 West
- Financial considerations

# Acceleration of our Australian growth plans

## Strong fit with growth and globalisation strategy



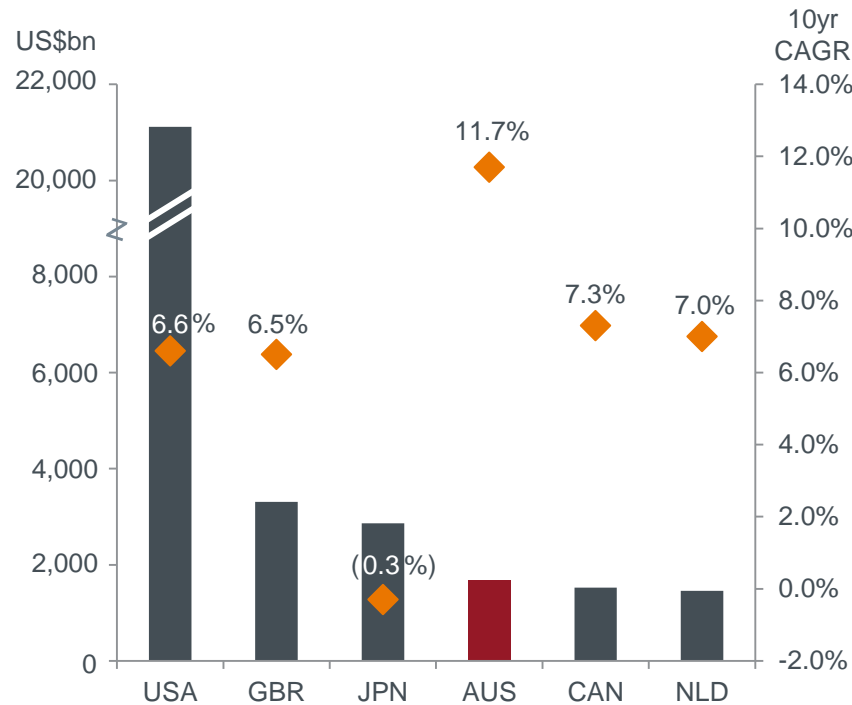
- More than trebles AUM in Australia
  - Henderson within Top 30 Australian asset managers
- Participation in domestic markets to complement global offerings
- Significantly increases Australian-based investment management
  - Australian fixed income, Australian equities, global natural resources equity, commodities and agriculture
- Perennial acquisitions give exposure to a broader institutional and retail client base
- Opportunity to forge a strong relationship between Henderson and IOOF
- 90 West has benefited from Henderson's institutional quality processes, scale and investment

Note: Converted at exchange rate of £1: A\$1.94

# Strategic importance of the Australian market

Henderson has built strong foundations since launch in 2013

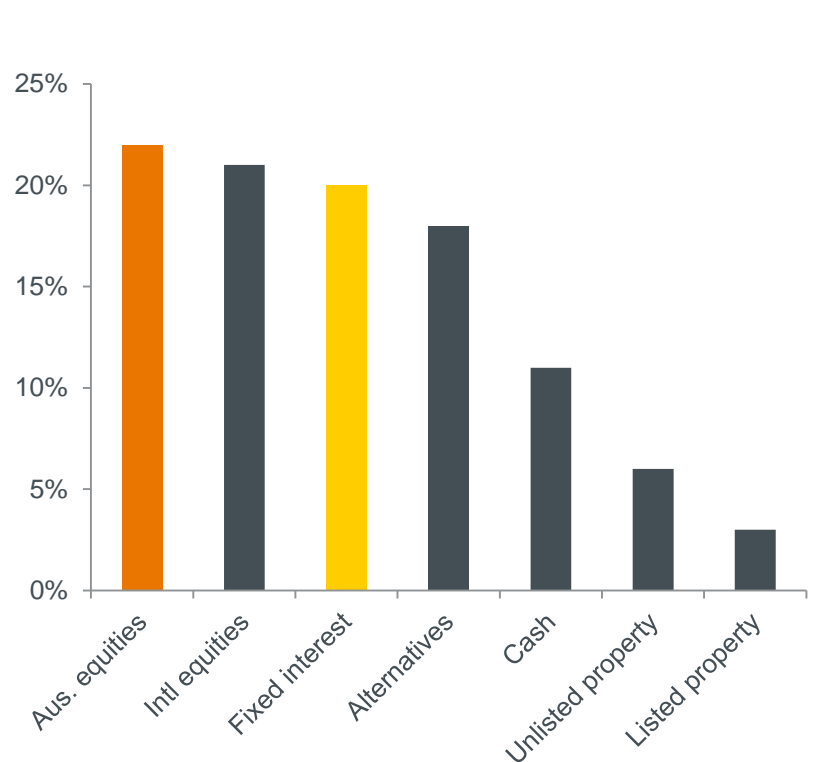
Global pension assets and 10 year CAGR<sup>1</sup>



<sup>1</sup> Source: Towers Watson, February 2015.

<sup>2</sup> Source: Rainmaker, December 2014.

Biggest asset classes in Australia<sup>2</sup>

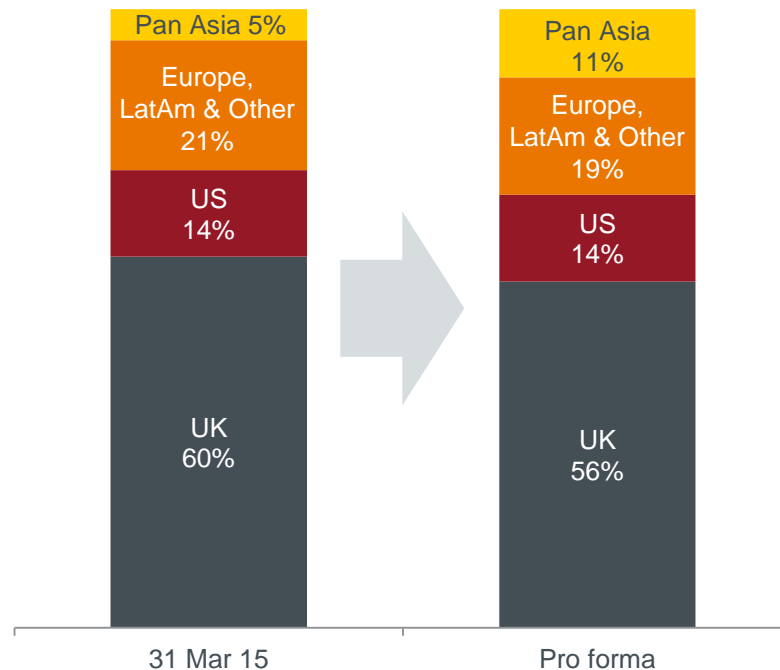
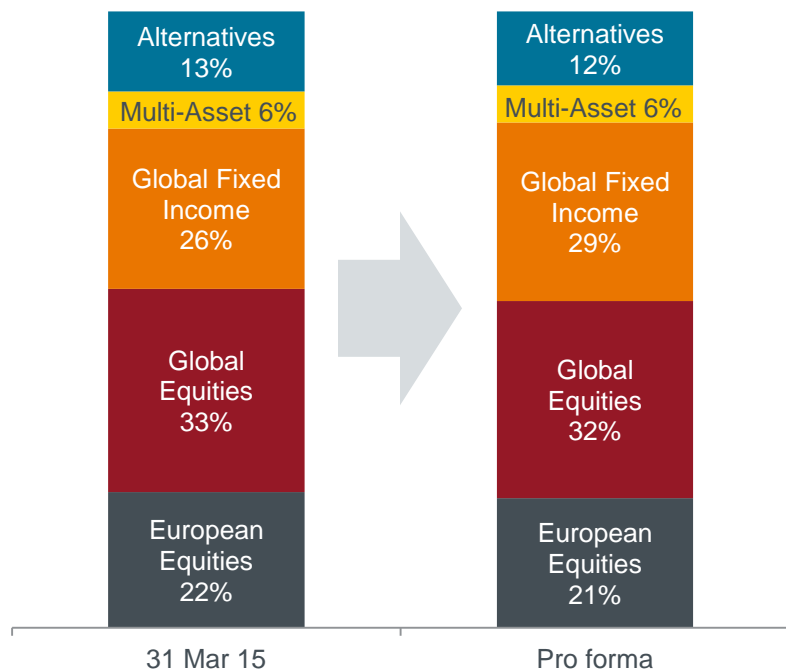


# Further diversification by product and geography

Focus remains on organic growth, supported by relatively small acquisitions

Group AUM by product

Group AUM by geography

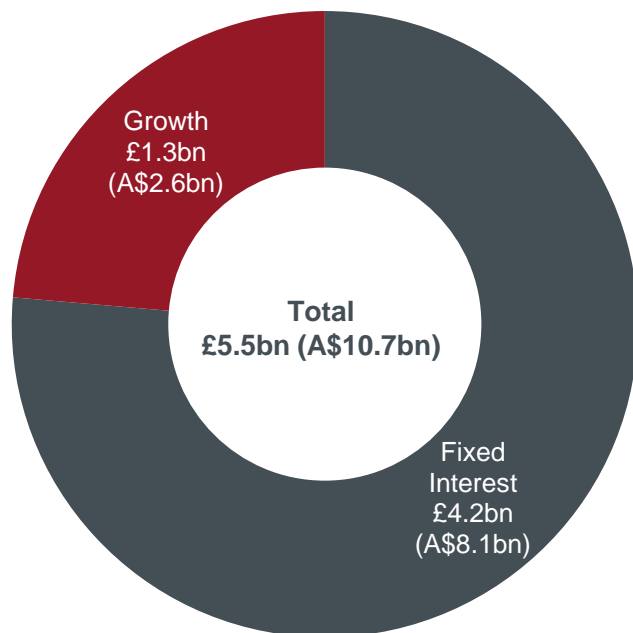


Note: Excludes Henderson's 40% shared of TH Real Estate assets.

**Rob Adams**  
**Executive Chairman, Pan Asia**

# Perennial Fixed Interest (PFI) and Perennial Growth Management (PGM)

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Note: AUM as at 31 March 2015, unless otherwise stated

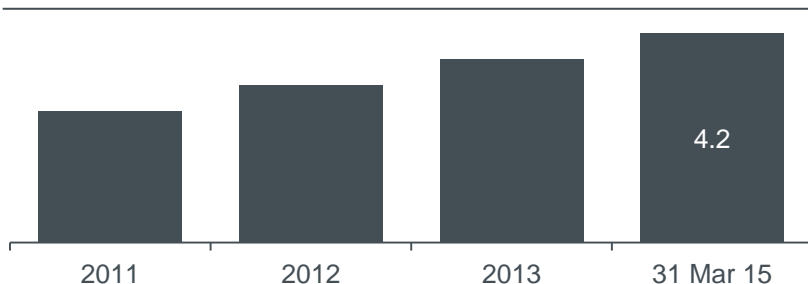
## Why PFI and PGM?

- Quality fixed income franchise
- Equities business has potential under new ownership
- Good cultural fit
  - Key people have signed long-term contracts with Henderson
  - Majority of proceeds to employee-shareholders are paid via deferred earn outs
- Contact with a much broader client base
  - All major investment platforms
  - Support of over 3,000 financial planners
- Potential for strong relationship with IOOF

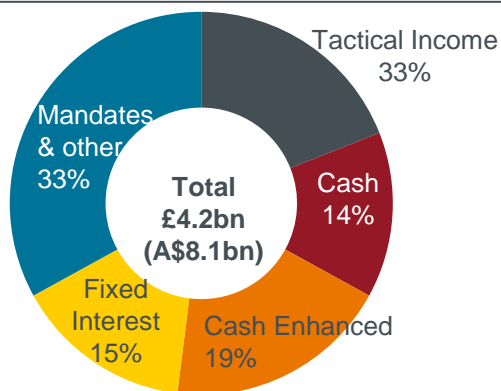
# Perennial Fixed Interest

## High quality business

AUM 2011 – 31 Mar 15 (£bn)



AUM by product



Investment performance<sup>1</sup>

	Incep.	Annualised net performance		
		1 year	3 year	5 year
<b>Aus Fixed Interest</b>	Aug 2002	9.9%	7.9%	8.2%
Benchmark		11.1%	7.1%	7.6%
Net excess return		(1.2%)	0.8%	0.6%
<b>Tactical Income</b>	Jun 2009	4.6%	6.0%	6.5%
Benchmark		6.8%	5.0%	5.7%
Net excess return		(2.2%)	1.0%	0.8%
<b>Cash Enhanced</b>	Aug 2002	3.1%	4.6%	5.3%
Benchmark		2.7%	3.0%	3.8%
Net excess return		0.4%	1.6%	1.5%
<b>Income Focused</b>	Oct 2012	4.1%	-	-
Benchmark		3.7%	-	-
Net excess return		0.4%	-	-

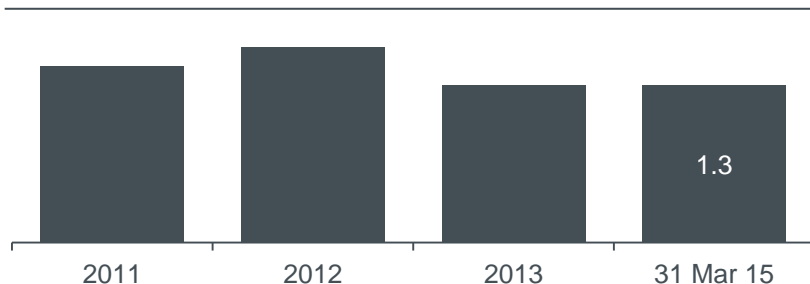
<sup>1</sup> Annualised net performance to 31 March 2015.



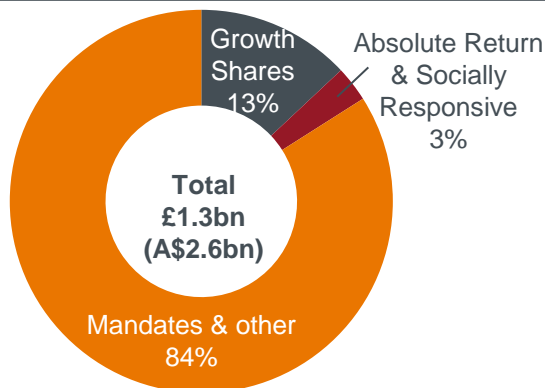
# Perennial Growth Management

Potential for growth under new ownership; deal structure limits downside

AUM 2011 – 31 Mar 15 (£bn)



AUM by product



Note: Converted at exchange rate of £1: A\$1.94.

<sup>1</sup> Annualised net performance to 31 March 2015.

Investment performance<sup>1</sup>

	Incep.	Annualised net performance		
		1 year	3 year	5 year
<b>Aus Growth Shares Trust</b>	Mar 2001	12.5%	14.3%	7.4%
Benchmark		13.9	15.3	8.3
Net excess return		(1.4%)	(1.0%)	(0.9%)
<b>Socially Responsive</b>	Dec 2001	13.3%	15.3%	7.7%
Benchmark		13.9%	15.3%	8.3%
Net excess return		(0.6%)	0.0%	(0.6%)
<b>Absolute Return</b>	May 2013	6.2%	-	-
Benchmark		2.5%	-	-
Net excess return		3.7%	-	-

# 90 West

## To benefit from institutionalisation, scale and investment

- Henderson took a 32% stake in 2013; increased to 41% in 2014
- Core capability is Global Natural Resources strategy
  - Strong performance as 3 year track record approaches
  - David Whitten awarded 'Comeback Manager of the Year' by Sauren Golden Awards in Frankfurt in September 2014
- £160m (A\$310m) in AUM, predominantly institutional
- Strong global pipeline

### Global Natural Resources strategy

Global Natural Resources strategy		
<b>Inception date</b>	July 2012	
<b>Style</b>	Long Only Global Natural Resource Sector	
<b>Portfolio manager</b>	David Whitten	
<b>Investment performance<sup>1</sup></b>	<b>1 year</b>	<b>Since incep.</b>
Global Natural Resources	9.4%	11.8%
Benchmark	6.1%	9.7%
Net excess return	<b>3.3%</b>	<b>2.1%</b>

<sup>1</sup> Annualised net performance to 31 March 2015.

# Progress consistent with April 2014 roadmap<sup>1</sup>

## Spotlight on Australia

Create local  
business  
infrastructure

- Local team, full RE licence, local transactions
- Approach shows long-term commitment
- Build on positive brand perception

Introduce  
key  
capabilities  
to market

- 'Import' rated and relevant capabilities – global
- Local deals with local and global appeal ('export')
- Demonstrate commitment to the market

Build brand  
presence  
and grow  
AUM

- Develop a strong institutional brand
- Build a diversified book of AUM – dominated by global capabilities
- Become a solid contributor to Group

<sup>1</sup> Global Distribution Strategy presentation: 30 April 2014, Sydney

**Roger Thompson**  
**Chief Financial Officer**

# Financial considerations

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- Transactions structured to incentivise key individuals to grow their business as part of Henderson
- 90 West acquisition closed 29 May 2015
- Perennial acquisitions expected to close 4Q15
- One-off transaction and integration cost of £4m
- Net capital improvement of c.£40m from sale of 40% holding in TH Real Estate and these three transactions

**Andrew Formica**  
**Chief Executive**



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# Summary

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- Material acceleration of Pan Asia growth plan
- Strong cultural and commercial fit with all three teams
- Broader platform for future growth in Australia
- Advances our corporate strategy whilst retaining capital flexibility

**Important information**

This presentation issued by Henderson Group plc (or the “Group”) is a summary of certain information contained in the stock exchange announcements dated 2 June 2015 (relating to the Group’s acquisition of Perennial Fixed Interest, Perennial Growth Management and 90 West Asset Management) and should be read in conjunction with, and subject to, the full text of the announcement.

This presentation contains forward-looking statements with respect to the financial condition, results and business of the Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that may or may not occur in the future. There are a number of factors that could cause the Group’s actual future performance and results to differ materially from the results expressed or implied in these forward-looking statements. The forward-looking statements are based on the Directors’ current view and information available to them at the date of this presentation. The Group makes no undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a profit forecast.