Henderson
GLOBAL INVESTORS

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01/000255

May 2015

Changes to the FCA's Client Asset and Client Money Rules

Dear Investor,

You may be aware that the Financial Conduct Authority (FCA) has recently proposed changes to its Client Asset and Client Money Rules to afford investors greater protection.

As an FCA authorised firm, we are required to comply with the FCA Client Money Rules when handling money belonging to our clients. This requires us to open a separate client money account with a bank on behalf of our clients and ensure that their money is placed in that account separately from our own money. If we become insolvent, the money held in a client money account will be protected. We are also required to comply with the FCA's Client Asset Rules when we handle your securities or investments.

This letter explains the main changes which will affect your holdings in Henderson funds and updates the terms of your investment with effect from the **11th of May 2015**.

Delivery versus Payment Exemption

Currently, where you give us money to invest in our authorised funds, the FCA exempts us from putting that money in a client money bank account for up to four days. This is also the case where you ask us to redeem your holding and pay money to you. This exemption is known as the "Delivery versus Payment" or "DvP" Exemption.

As a result of the FCA's changes, the DvP Exemption period will be shortened from up to four days to one day, which will offer further protection for clients. This means that we will have a one day window when you invest to convert your money into shares or units (by passing it to the depositary or trustee of the fund) and, if you redeem, to return money to you once the depositary or trustee has passed the proceeds to us. If we do not take these steps within this one day period, we must place the money in a client money bank account as described above.

Although our reliance on the DvP Exemption requires your consent, you do not need to take any further action in this regard as we will rely on our current terms and relevant FCA rules, which allow us to make changes to your terms which result from regulatory change and are not detrimental to you.

Transfer of your money or assets to another manager

We have no current intention of transferring our business to another manager or third party, but the changes to the Client Money Rules now allow us to transfer any of your client money which we hold to another manager or third party in that event without seeking your specific consent at that time, provided that we comply with our duties under the Client Money Rules at the time of the transfer.

Payment of unclaimed money and assets to charity

Additionally, as a result of the changes, if client money is unclaimed for a period of six years (or client assets are unclaimed for a period of 12 years) we may give them to a registered charity of our choice. An example of this would be where a client does not cash a cheque which we send to them for a period of six years or more. We will be able to do this only where we have taken all necessary steps to trace clients and return the money or assets. Payment of any unclaimed monies to charity will not prevent clients from claiming the money in the future.

Your terms and conditions

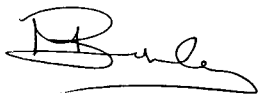
We have made a number of other small changes to the documents which govern your agreement with us to reflect other minor changes to the rules.

These updated documents will be effective from the **11th of May 2015** and will be available from this date at www.henderson.com/ukpi/documents-finder or you can call us on 0800 832 832 to request hard copies.

You are reminded that you may redeem your investments with us at any time.

If you require any further information or have any questions on any aspects of this letter, please call our Client Services team on 0800 832 832 between 9am and 5.30pm Monday to Friday.

Yours sincerely,



Martyn Bailey
Head of Client Service