

Henderson

Asian Dividend Income

Unit Trust

Short Report

For the six months ended 31 July 2013

Henderson

Asian Dividend Income Unit Trust

Short Report

For the six months ended 31 July 2013

Fund Manager

Michael Kerley

Investment objective and policy

To seek an above-benchmark (MSCI All Countries Asia Pacific ex Japan Index) dividend yield from a portfolio of Asian stocks with a focus on value and long-term capital appreciation.

At least two-thirds of the Fund's total assets (after deduction of cash) will be invested in Asian equity securities and equity instruments which in the view of the Investment Manager offer prospects for above average dividends or reflect such prospects.

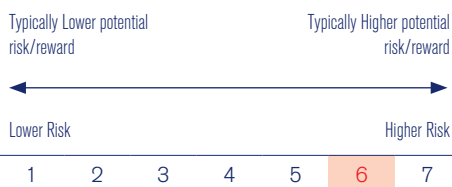
The Fund may make use of one or a combination of the following instruments/strategies in order to achieve the Fund's objective: asset and mortgage-backed securities, convertible bonds, government bonds, structured notes, options, futures and forwards on stocks, indices, bonds and interest rates, contracts for difference, warrants, OTC swaps including equity swaps, asset swaps and credit default swaps, warrants, equity linked notes and currency forwards.

The Investment Manager may from time-to-time consider hedging currency and interest rate exposure, but will not generally enter into contracts involving a speculative position in any currency or interest rate.

The Fund may also invest in other transferable securities, other derivatives and forwards transactions, money market instruments, deposits and cash and near cash.

Risk and reward profile

The Fund currently has 4 types of unit class: Income, Accumulation, I income and I accumulation. Each type of unit class has the same risk and reward profile which is as follows:



The SRRI is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the Fund can go up or down. When you sell your shares, they may be worth less than you paid for them. The risk/reward rating above is based on medium-term volatility. In the future, the Fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The lowest category does not mean risk free.

The Fund's risk level reflects the following:

- The Fund focuses on a single region
- As a category, shares are more volatile than either bonds or money market instruments
- Fluctuations in exchange rates may cause the value of your investment to rise or fall

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks such as:

Counterparty risk The Fund could lose money if an entity with which it interacts becomes unwilling or unable to meet its obligations to the Fund.

Default risk The issuers of certain bonds could become unable to make payments on their bonds.

Derivatives risk Certain derivatives could behave

unexpectedly or could expose the Fund to losses that are significantly greater than the cost of the derivative.

Liquidity risk Certain securities could become hard to value or sell at a desired time and price.

Management risk Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

The full list of the Fund's risks are contained in the "Risk Warnings" section of the Fund's prospectus.

Manager's commentary

Asian markets fell 1.9% on a sterling total return basis in the period under review as equity markets failed to hold on to the gains posted in the first quarter of 2013. Volatility increased in the last few months of the review period as higher bond yields driven by the so-called 'tapering' of the US Federal Reserve's quantitative easing (QE) programme, and emerging market outflows weighed heavily on sentiment.

The first half of the period under review benefited from further quantitative easing in Japan, the US and Europe, a more stable growth environment in China and the tentative signs of recovery in the US as property and employment data surprised positively. Sentiment turned, however, in March 2013 as eurozone uncertainty returned as a banking crisis in Cyprus was only averted by a bailout from the European Union (EU) and the International Monetary Fund (IMF). A brief relief rally ensued in April before markets tumbled again as a spike in interbank rates and weaker data in China prompted fears of a credit crunch and a hard landing. The final nail in the coffin was administered by Ben Bernanke in May 2013 when the earlier-than-expected suggestion of the end of QE caused widespread market volatility as investors reassessed their positioning.

Despite the uncertainty created by global and regional macroeconomic factors company earnings across Asia Pacific have remained resilient, especially in domestically focused areas. There has been disappointment in some export areas namely technology and materials but companies exposed to consumer areas have continued to post solid numbers.

As interest rates remained low, the market continued to reward defensive names with high yield or evidence of dividend growth. Financials, in particular the high yielding Australian banks, healthcare and telecommunications were the top performing sectors. At the opposite end of the scale, materials and energy were weak. At a country level, Philippines, Taiwan and

Malaysia led the way, whilst China, India and Australia disappointed.

Throughout most of the period high yielding equities continued to perform strongly with only the last few months seeing weakness as fears of a normalisation of global interest rates created uncertainty. In some cases valuations have become stretched, which has led to a shift away from increasingly compressed yields into new positions favouring dividend growth opportunities at more compelling valuations. For example, we have moved away from some of the defensive, bond like sectors such as utilities and real estate investment trusts (REITs) where valuations have become excessive. Names such as Link REIT and Stockland were disposed of in favour of more compelling ideas such as Spreadtrum Communications and Hyundai Motor. In addition, there were opportunities for attractively valued stocks with yield in Australia; with Myer, Suncorp and Seven West Media added to the portfolio.

The Fund's performance was flat over the period under review against the MSCI AC Asia Pacific ex Japan Index return of -1.9%. The outperformance was generated from strong stock picking in Korea and China, overweight allocations to telecommunications, and underweight positions in some of the worst performing sectors, namely energy and materials. The Fund also benefited from a significant underweight in India, which was the region's worst performing market. At the stock level Spreadtrum Communications, Hyundai Motor, SK Telecom and Advanced Info were the biggest positive contributors while Digital China, Asustek and CP Foods proved disappointing.

The focus of the portfolio remains towards domestic sectors and away from those exposed to the global cycle. Financials, consumer discretionary, telecoms and property are favoured owing to cheap valuations and attractive dividend prospects. The Fund retains a low weighting in energy and materials over concerns of an anaemic global growth outlook and is underweight defensive yielding sectors such as utilities, healthcare and consumer staples where valuations are stretched.

The long-term outlook for Asian economies and equity markets remains attractive as underlying growth remains strong and valuations are compelling relative to their history. The Fund continues to invest in attractively valued companies with sustainable and growing dividends. With the yield from some traditional sources compressed to unattractive levels, we believe that dividend growth will become an increasingly important driver for income strategies.

Performance summary

	31 Jan 13- 31 Jul 13 %	31 Jan 12- 31 Jul 12 %	31 Jan 11- 31 Jul 11 %	31 Jan 10- 31 Jul 10 %	31 Jan 09- 31 Jul 09 %
Henderson Asian Dividend Income Unit Trust	0.0	5.3	(0.2)	9.8	37.2
MSCI AC Pacific ex Japan Index	(1.9)	0.1	1.2	9.2	40.8

Source: Morningstar, mid to mid, basic tax rate, GBP

Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Summary of Fund performance

Unit class	Net asset value* 31/07/13 p	Net asset value* 31/01/13 p	Net asset value % change
Income	96.14	99.22	(3.10)
Accumulation	115.19	116.67	(1.27)
Class I income	112.54	115.91	(2.91)
Class I accumulation	133.60	134.95	(1.00)

*The net asset value is calculated as at close of business on the last business day of the accounting period. The investments are valued at fair value which is generally deemed to be the bid market price.

Fund facts

Accounting dates	Payment dates	
31 January, 31 July	31 March, 30 June, 30 September, 31 December	
Ongoing charge figure*		
	31/07/13	31/01/13
	%	%
Income	1.54	1.55
Accumulation	1.54	1.55
Class I	0.90+	1.02

The annualised ongoing charge figure (OCF) of the Fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months.

+ From 1 August 2012, the annual management charge decreased from 1% to 0.75% and the general administration charge increased from 0.06% to 0.10%.

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest price (pence per unit)
Income			
2008	0.29	112.00	71.50
2009	0.88	104.74	45.78
2010	5.05	104.50	82.65
2011	4.71	105.64	74.29
2012	4.90	99.34	81.77
2013	3.78*	108.82+	91.53+
Accumulation			
2009 #	-	91.26	50.39
2010	5.15	110.45	82.41
2011	5.09	111.66	81.37
2012	5.56	109.38	90.99
2013	4.50*	130.39+	109.67+
Class I income			
2010	4.41	115.62	94.75
2011	5.66	117.19	86.04
2012	5.90	110.75	90.99
2013	4.58*	126.86+	106.69+
Class I accumulation			
2010 ##	4.47	120.59	94.75
2011	6.04	122.23	93.10
2012	6.62	128.74	96.32
2013	5.39*	150.60+	126.65+

* to 30 September

+ to 31 July

Accumulation was launched on 9 November 2009

Class I was launched on 22 February 2010

Past performance is not a guide to future performance.

Net revenue distribution

	31/07/13 p	31/07/12 p
Unit class		
Income	3.26	3.06
Accumulation	3.88	3.45
Class I income	3.94	3.66
Class I accumulation	4.65	4.08

Dividend distributions for the period ended 31 July 2013, comparison is for the same period last year.

Major holdings

as at 31/07/13	%
Advanced Information Services	2.71
China Mobile	2.61
Telecom Corporation of New Zealand	2.61
Hyundai Motor	2.45
Taiwan Semiconductor Manufacturing	2.45
Malayan Banking	2.42
SK Telecom	2.42
Taiwan Cement	2.35
Bank of China	2.31
Cheung Kong	2.27

Major holdings

as at 31/01/13	%
Bank of China	2.98
Charoen Pokphand Foods	2.95
Digital China	2.57
Krung Thai Bank	2.55
SK Telecom	2.55
MGM China	2.53
Shanghai Industrial	2.53
Telecom Corporation of New Zealand	2.52
Myer Holdings	2.43
NWS	2.38

Asset allocation

as at 31/07/13	%
Hong Kong / China	26.45
Australasia	19.29
Taiwan	16.45
Singapore	10.84
Korea	10.31
Thailand	7.67
Malaysia	2.42
Philippines	2.05
Indonesia	1.96
India	1.79
Derivatives	(0.17)
Net other assets	0.94
Total	100.00

Asset allocation

as at 31/01/13	%
Hong Kong / China	30.30
Australasia	18.46
Korea	11.28
Singapore	11.00
Taiwan	10.02
Thailand	9.41
Indonesia	3.77
Philippines	2.00
Malaysia	1.93
India	1.67
Derivatives	(0.03)
Net other assets	0.19
Total	100.00

Report and accounts

This document is a short report of the Henderson Asian Dividend Income Unit Trust for the six months ended 31 July 2013.

Copies of the annual and half yearly long form report and financial statements of this Fund are available on our website www.henderson.com or contact client services on the telephone number provided.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Issued by:

Henderson Investment Funds Limited

Registered office:

201 Bishopsgate,
London EC2M 3AE

Member of the IMA and authorised and regulated
by the Financial Conduct Authority.

Registered in England No 2678531

Trustee

National Westminster Bank Plc

135 Bishopsgate

London EC2M 3UR

Risk warning

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Auditor

KPMG Audit Plc

Saltire Court

20 Castle Terrace

Edinburgh EH1 2EG

Contact us

Client Services 0800 832 832
www.henderson.com

Head Office address:
201 Bishopsgate, London EC2M 3AE

Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 31 July 2013. If you have confirmed a change of address with us since that date we will ensure all future correspondence will be sent to your new address.

Online valuations

You can value your Henderson Asian Dividend Income Unit Trust at any time by logging on to www.henderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the Fund you hold and enter the appropriate number of shares.

Any questions?

Further information about the activities and performance of the Fund for this and previous periods can be obtained from the Investment Manager. If you have any questions please call our Client Services Team on 0800 832 832 or email support@henderson.com.

Important Information

Issued in the UK by Henderson Global Investors. Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 9063355), Henderson Fund Management Limited (reg. no. 2607112), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), Henderson Alternative Investment Advisor Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Ref: 34V.

Unless otherwise stated, all data is sourced by Henderson Global Investors.

H003383/0913