

Henderson

Global Strategic Capital

Unit Trust

Short Report

For the year ended 30 June 2013

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Fund Manager

Paul Craig

Investment objective and policy

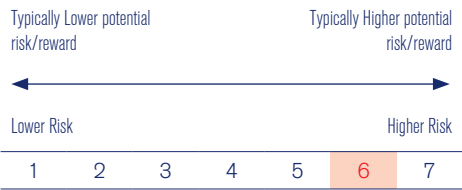
To achieve capital growth.

The Fund will invest worldwide principally in a managed portfolio of investment trust shares and other closed-ended vehicles.

The Fund may also invest in exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money market instruments and deposits.

Risk and reward profile

The Fund currently has 2 types of unit class in issue; Accumulation and Class I accumulation. The risk and reward profile of these share classes is as follows:



The value of an investment in the Fund can go up or down. When you sell your units 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 invests in a mix of different asset classes.
- 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.

Focus risk The Fund's value may fall where it has concentrated exposure to an issuer or type of security that is heavily affected by an adverse event.

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

In the year ended 30 June 2013 the Henderson Global Strategic Capital Fund rose 15.7% while the Morningstar Flexible Investment sector rose by 15.6%. By comparison, the FTSE All-Share Index Total Return Index rose by 17.9%.

Most major equity markets performed well over the review period as investors became convinced that central banks would do whatever it takes to support the financial system and get economic growth back on track. Of course, such a virtuous market cycle could not continue indefinitely, and investors became concerned in May that the US Federal

Reserve would soon end its quantitative easing (QE) programme. This coincided with disappointing economic data from China. Consequently, the FTSE All-Share for example, which had enjoyed 11 consecutive monthly gains, fell 5% in June. The peak to trough decline was even starker with the FTSE All-Share declining by around 12% while cyclical markets and sectors, such as mining, endured an even greater pull-back. By way of an example, the HSBC Global Mining Index fell 23% in the second quarter of 2013.

Against this backdrop, the Fund performed well in absolute returns, and was ever so slightly ahead of the sector average but fell short of the strong return achieved by the FTSE All-Share. The latter was largely the result of the strong performance of FTSE All-Share in the early part of May together with a disappointing period for the Fund's holdings in resources and exposure to emerging markets, which underperformed in 2013. On a positive note, however, the Fund has demonstrated a lower level of volatility than the broader market and the sector average, which has been achieved through diversification of asset classes and investment strategies. For example, compensating for a poor outcome from our resource specialists was a strong performance from managers of smaller companies and healthcare.

Investment activity was muted, save for general movements in unitholder activity. The most notable change in the portfolio was due to the return of capital from Henderson Private Equity, which reduced the holding from 5% to around 1%.

The rally in global equity markets over the past year has been driven by a re-rating, rather than by any improvement in corporate earnings growth. Indeed, FTSE earnings declined in 2012 and only modest growth is expected in 2013.

Consequently, as positive sentiment fired by these events fades, investors will increasingly desire stronger economic and corporate earnings growth to sustain their interest in equities and risk assets in general. As witnessed towards the end of the period, even comments regarding a potential paring back of monetary stimulus can lead to a marked increase in volatility in financial markets.

Despite these concerns, we remain fully invested, but with a preference for diversification and seasoned fund managers rather than a more defensive posture. We believe that equity markets remain attractively valued over the medium to longer-term view, especially when compared to government bonds. For example, the current price-to-earnings ratio of 14x for the FTSE All-Share is not out of line with the long-term average, and the dividend yield of 3.5% compares with a 3% yield on 15-year UK government bonds. Furthermore, central banks appear committed to maintain liquidity through quantitative easing, which suggests the risk of another 2008 style credit crunch is low.

Discrete annual performance

	1 Jul 12- 30 Jun 13 %	1 Jul 11- 30 Jun 12 %	1 Jul 10- 30 Jun 11 %	1 Jul 09- 30 Jun 10 %	1 Jul 08- 30 Jun 09 %
Henderson Global Strategic Capital Unit Trust	15.7	(13.9)	23.0	33.2	(31.1)
Morningstar "Flexible Investment" Sector Average	15.6	(6.3)	17.1	19.1	(15.7)

Source : Morningstar, mid to mid, net revenue reinvested, net of fees, 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* 2013 p	Net asset value* 2012 p	Net asset value % change
Accumulation units	161.09	139.91	15.14
Class I accumulation**	110.17	n/a	n/a

** Class I accumulation was launched on 1 August 2012.

* 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
30 June, 31 December	31 August

Ongoing charge figure

	2013 %	2012 %
Accumulation units	1.50	1.50
Class I accumulation *	0.74	n/a

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 12 months.

The OCF is calculated in accordance with guidelines issued by the Committee of European Securities Regulators (CESR).

* Class I accumulation launched 1 August 2012.

Performance record

Calendar year	Net revenue (pence per unit) p	Highest price (pence per unit) p	Lowest price (pence per unit) p
Accumulation units			
2008	-	179.10	83.33
2009	0.06	138.59	73.06
2010	-	166.24	124.55
2011	-	171.82	131.93
2012	-	156.22	133.46
2013	-	171.41 +	152.45 +
Class I accumulation			
2012**	-	107.02	96.39
2013	0.21 *	119.53 +	108.56 +

* to 30 August

+ to 30 June

** Class I accumulation launched 1 August 2012.

Past performance is not a guide to future performance.

Major holdings

as at 2013	%
Rights & Issues Investment Trust	8.35
North Atlantic Smaller Companies	7.78
HG Capital	7.15
Montanaro European Smaller Companies	5.72
Renewable Energy Generation	4.92
Montanaro UK Smaller Companies	4.89
Worldwide Healthcare Trust	4.55
Terra Capital	4.05
Edinburgh Worldwide	3.94
Hansa 'A'	3.60

Asset allocation

as at 2013	%
United Kingdom smaller companies	19.64
Private Equity	17.21
North America	11.13
United Kingdom general	9.24
Other	8.91
Europe	7.87
Property	7.35
United Kingdom equities	6.65
Emerging markets	5.78
Global Growth	5.17
Corporate bonds	1.20
Japan	1.07
China	0.01
Net other liabilities	(1.23)
Total	100.00

Major holdings

as at 2012	%
Henderson Private Equity Investment Trust	8.26
Worldwide Healthcare	6.53
Rights & Issues Investment Trust	6.49
HG Capital	5.96
North Atlantic Smaller Companies	5.81
City Natural Resources High Yield	5.04
Montanaro UK Smaller Companies	4.59
Montanaro European Smaller Companies	4.37
Terra Capital	4.26
Prosperity Voskhod	3.68

Asset allocation

as at 2012	%
Private equity	24.32
United Kingdom smaller companies	15.65
Other	13.33
United Kingdom general	9.42
North America	8.71
Property	8.53
Emerging markets	7.49
Europe	5.96
Global growth	4.55
United Kingdom equities	3.82
Corporate bonds	1.10
Japan	0.89
China	0.23
Net other liabilities	(4.00)
Total	100.00

Report and accounts

This document is a short report of the Henderson Global Strategic Capital Unit Trust for the year ended 30 June 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.

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

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 year it covers and the results of those activities at the end of the year.

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

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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 30 June 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 Global Strategic Capital 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

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

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