

# ANNUAL SHORT REPORT

for the year ended  
30 November 2013

**Henderson Global Growth Fund**

# Henderson Global Growth Fund

## Short Report

for the year ended 30 November 2013

### Fund Manager

Ian Warmerdam

### Investment objective and policy

To achieve above average long term capital growth.

The Fund will invest principally in a concentrated portfolio of global securities with a bias to those securities where innovation drives competitive advantage and where the Manager considers them to be under appreciated and which offer sustainably high levels of growth.

The Fund may also invest in other transferable securities, money market instruments, deposits and cash and near cash, units in collective investment schemes and forward foreign exchange contracts.

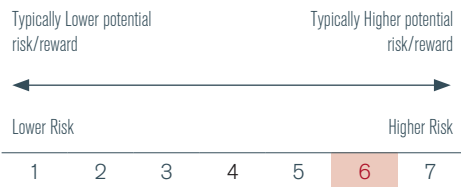
Derivatives and foreign exchange contracts may be used for the purposes of efficient portfolio management only and cash and near cash will be used for the purposes of redemptions and efficient management only. It is not anticipated that the use of derivatives for these purposes will alter the risk profile of the Fund.

### Other information

With effect from 1 April 2013, the Financial Services Authority (FSA) was replaced by the Financial Conduct Authority (FCA).

### Risk and reward profile

The Fund currently has 2 unit classes in issue; Accumulation and class I. Each unit class has the same risk and reward profile which is as follows:



The synthetic risk and reward indicator (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 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:

- 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.

**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 Factors" section of the Fund's prospectus.

### Fund Manager's commentary

Equity markets began 2013 brightly, with the S&P 500 posting its best January in a decade. Japan performed well as investors speculated that the incumbent prime minister would implement radical labour market reforms and influence a more dovish central bank policy stance. Elsewhere, Europe lagged for most of the period but regained ground recently

as economic data purported to a pickup in demand. The Henderson Global Growth Fund outperformed its benchmark, the MSCI AC World Index, returning 29.2% versus 21.4% respectively.

At the sector level, the consumer discretionary and industrial sectors were the largest positive contributors to performance, whilst financials and information technology were the largest detractors from performance.

At the stock level, Fleetcor, a stock in our Paperless Payment theme, was the largest positive contributor to performance. The specialised payment provider continued to deliver strong organic growth whilst also executing on its merger and acquisition (M&A) strategy. Proto Labs performed well. The prototype manufacturer continued to benefit from owning proprietary software, which allows for a quicker turnaround at a lower production cost than what its competitors can offer. Priceline, the largest US online travel agency by market value, rose as the company reported strong international bookings with Europe being a standout performer during the period. Rightmove also performed well in what capped off a strong period for stocks within our Online Advertising theme. The UK property listing website has been a beneficiary of the continued shift from offline to online real estate marketing. AmerisourceBergen, a stock within our Healthcare Efficiency theme, also benefited performance. The US pharmaceutical distributor outperformed as Alliance Boots and Walgreen agreed to have the company handle their distribution needs.

AZ Electronic Materials was the largest detractor from performance. The specialty chemical maker, whose products are used in the manufacture of integrated circuits, fell as the company reported order visibility below market expectations. Apple also underperformed through the end of last year as the market feared weaker than expected iPhone sales. Verifone Systems, which makes credit and debit card accepting terminals fell after pre-announcing disappointing results, which surprised the market. The stock was subsequently exited. Nuance Communications, a manufacturer of speech recognition software, detracted from performance as the company lowered its full year sales and earnings forecast due to weaker demand and the impact of a transition in their sales model. Elsewhere, the gold miner Agnico Eagle Mines, fell as gold miners experienced a broader sell-off in-line with a falling gold spot price. The stock has since been exited.

Our Fund remains orientated towards a number of secular growth themes that we believe remain underappreciated by the market. These include Cleaner Energy, Global Consumer Brands, Online

Advertising, E-Commerce, Social Media, Health Efficiency and Resource Management.

Over the course of the year we exited a number of stocks after strong performance led them to rise to in excess of our price targets – these included Wirecard (the German payment technology company), Tencent (the large Chinese internet player) and Opentable (the restaurant reservation website). Additionally several stocks were exited as a result of corporate activity – including Kabel Deutschland (which is being acquired by Vodafone), and Vodafone itself after news of the sale of their Verizon wireless stake (which released significant value).

Elsewhere we exited a small basket of gold miners (including Newmont mining) on concern that rising costs were eroding the benefit they might otherwise have achieved from a high gold price. We also sold several companies where we had growing fundamental concerns. These included Intuitive Surgical (where demand trends have suddenly deteriorated) and Fresenius (as competition escalates and health revenues are threatened by lowered reimbursement rates in the USA).

Purchases in the year include Disney, who we see as a long-term beneficiary of global expansion due to a very strong consumer brand, Continental and BorgWarner, high quality auto components companies skewed towards growth areas such as energy efficiency and safety, and Andritz, the Austrian provider of hydropower equipment and installation. We also built out our Online Advertising theme with the addition of Yandex (the Russian search engine), 51Job (online recruitment consulting in China) and Pandora (the internet radio service).

We claim no ability to predict the short-term direction of the markets; however, by positioning our Fund towards what we believe are undervalued securities that are exposed to strong secular tailwinds of growth, we are confident in our ability to generate strong absolute and relative returns over the long term. The long-term secular trends influencing our strategy are Ageing Population, Globalisation, Population Growth, Connectivity, Moore's Law and Sedentary Lifestyle. We seek our themes where these trends intersect with competitive differentiation and attractive valuation. Current themes include Cleaner Energy, Global Consumer Brands, Online Advertising, E-Commerce, Social Media, Health Efficiency and Resource Management.

Our strategy remains to not make any major macroeconomic calls, but to focus on companies with underappreciated growth or barriers to entry at attractive valuations.

## Performance summary

	30 Nov 12- 30 Nov 13 %	30 Nov 11- 30 Nov 12 %	30 Nov 10- 30 Nov 11 %	30 Nov 09- 30 Nov 10 %	30 Nov 08- 30 Nov 09 %
Henderson Global Growth Fund	29.2	14.5	(6.9)	32.9	37.2
MSCI AC World Index	21.4	11.9	(0.8)	20.1	44.0

Source: Morningstar, mid to mid, net income 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 income 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	1,674.56	1,299.19	28.89
Class I accumulation	136.08	104.20	30.60

\*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 May, 30 November	31 January

### Ongoing charge figure

	2013 %	2012 %
Accumulation	2.22*	2.38
Class I	0.87**	0.87

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

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

From 10 August 2013 the General Administration Charge:

\* decreased from 0.75% to 0.57%

\*\* decreased from 0.10% to 0.075%

## Performance record

Calendar year	Net revenue (pence per unit)	Highest offer price (pence per unit)	Lowest bid price (pence per unit)
<b>Accumulation</b>	-	1,019.09	622.44
2008	-	1,016.89	652.79
2009	-	1,286.42	926.99
2010	-	1,358.05	1,050.70
2011	-	1,347.39	1,161.58
2012	-*	1,685.34+	1,291.31+
2013			
<b>Class I accumulation</b>			
2012 #	0.07	106.31	100.05
2013	0.31*	136.94+	103.72+

\* to 31 January 2014

+ to 30 November 2013

# Class I accumulation launched 27 July 2012

## Net revenue distribution

Unit class	2013 p	2012 p
Class I accumulation	0.31	0.07

Total dividend distributions for the year ended 30 November 2013, comparison is for the same period last year.

**Past performance is not a guide to future performance.**

## Major holdings

as at 2013	%
AmerisourceBergen	3.68
Continental AG	3.53
Icon	3.19
Nike	3.19
Comcast	3.05
Samsung Electronics	2.94
Proto Labs	2.53
Tripadvisor	2.09
Google	2.08
Time Warner Cable	2.05

## Major holdings

as at 2012	%
Apple	5.10
Samsung Electronics	3.51
Mastercard	3.27
Nike	2.60
Roper Industries	2.30
Hargreaves Lansdown	2.27
AZ Electronic Materials	2.12
Wirecard	2.07
Virgin Media	2.00
Fleetcor Technologies	1.94

## Asset allocation

as at 2013	%
United States	69.86
United Kingdom	7.13
Germany	4.93
Republic of Korea	2.94
Japan	1.95
Turkey	1.71
Spain	1.69
Switzerland	1.50
Austria	1.28
Netherlands	1.25
Hong Kong	0.76
Net other assets	5.00
<b>Total</b>	<b>100.00</b>

## Asset allocation

as at 2012	%
United States	69.81
United Kingdom	7.46
Germany	5.34
Republic of Korea	3.51
Cayman Islands	2.80
Japan	1.60
Canada	1.55
Spain	1.51
Belgium	1.43
Switzerland	1.35
Brazil	0.87
Net other assets	2.77
<b>Total</b>	<b>100.00</b>

## Report and accounts

This document is a short report of the Henderson Global Growth Fund for the year ended 30 November 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](http://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 year it covers and the results of those activities at the end of the year.

### 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  
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20 Castle Terrace  
Edinburgh EH1 2EG

# Contact us

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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 November 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 Growth Fund at any time by logging on to [www.henderson.com](http://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](mailto:support@henderson.com).

## Important Information

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

H006152/1213