



ANNUAL SHORT REPORT

For the year ended
31 January 2014

Henderson
GLOBAL INVESTORS

**Henderson Multi-Manager
Managed Fund**

Henderson Multi-Manager Managed Fund

Short Report

For the year ended 31 January 2014

Fund Manager

Henderson Multi-Asset Team

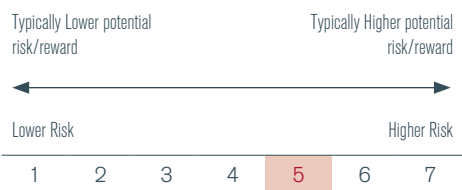
With effect from 20 January 2014
PricewaterhouseCoopers LLP replaced KPMG
Audit Plc as the Auditors of the Fund.

Investment objective and policy

To achieve capital growth through exposure to UK and overseas equities and fixed interest securities. The Fund may invest in collective investment schemes, exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money-market instruments and deposits. Investment will not be confined to any particular sector.

Risk and reward profile

The Fund currently has 6 types of share: A income, A accumulation, B accumulation, B income, Y accumulation and I accumulation. The risk and reward profile of each type of share 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 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 invests in, or otherwise gains exposure to, 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.

Fund Manager's commentary

The Fund returned 9.4% over the 12-month period under review, outperforming the IMA Mixed Investment 40-85% Shares Sector Average by 2.1%.

Developed markets performed well over the review period, as an improving economic picture counteracted concerns about the impact of the eventual reduction in the scale of US quantitative easing (QE). Throughout the course of the year, the extent of the developed market economic recovery became clear as the US and then the UK housing markets showed signs of life, which translated into improved consumer confidence and then increased corporate hiring and industrial activity. However, the picture was not so positive for emerging market asset

classes (bonds, currencies and equities); emerging market equities were the weakest performers.

Overall it was a subdued period for fixed income assets. Government bond returns were generally in negative territory as the economic backdrop improved and markets began to look towards the withdrawal of extraordinary monetary policy, and ultimately interest rate rises. There was positive news for peripheral European sovereign bonds as investors sought yield and viewed eurozone break-up risks as being diminished.

Overall, the Fund benefited from being overweight developed market equities (specifically US and Japan) versus being underweight Asian and emerging market equities. Key positive performance contributions were received from underlying holdings in Cazenove UK Smaller Companies Fund, Old Mutual UK Dynamic Equity Fund, Artemis European Growth Fund, Findlay Park American Fund, GLG Japan CoreAlpha Fund and Henderson Global Growth Fund.

Detractors to the Fund's performance were holdings in ETFS Physical Gold, Old Mutual Global Strategic Bond Fund, First State Global Emerging Market Leaders Fund and JPM Emerging Markets Income Fund.

We were initially overweight European equities in early 2013, maintaining the position established in July 2012 following European Central Bank president Mario Draghi's outright monetary transactions (OMTs) speech. However, it became clear as we moved into spring 2013 that exposure to European equities was increasingly a consensus view as investors chased the rally that had begun the previous year. As Europe became a crowded trade, the economic fundamentals did not appear to be improving in line with the growing enthusiasm for European equities. We therefore took profits from our holdings and moved underweight, a position that we maintained into the end of 2013.

The managers' negative views of sovereign bonds extended to investment grade credit in 2013 given the compression in spreads and flows into the asset class. However, our team was not universally

bearish about fixed income and retained exposure to areas of the high yield market through directional mandates and also strategic bond funds. Areas of the high yield market appeared to represent better value than their sovereign and investment grade counterparts, although the scale of the positions in high yield meant that we recognised the potential for the asset class to experience a liquidity withdrawal sell-off similar to that observed in emerging market debt.

Given our fears about 'crowded' trades in bonds offering a degree of yield but also an asymmetric pay-off, UK commercial property was identified as an alternative yielding asset class. Over the course of the year we built a sizeable exposure to UK property through directly invested mutual funds, while maintaining a cautious eye on liquidity given the heterogeneous nature of the asset class. We have chosen to focus on primary property, particularly in London and the South East, which offers a stable attractive yield, without taking exposure to what we feel are riskier secondary markets.

During the period under review we fully divested positions in Schroder UK Alpha Plus Fund, Thesis Australian Natural Resources Fund, BlackRock Gold & General Fund and Royal London Global Index Linked. We introduced new positions in Majedie UK Equity Fund, JPM Emerging Markets Income Fund, Veritas Global Equity Income Fund, Henderson UK Property Fund, iShares \$ TIPS ETF and PIMCO USD Short Maturity Source ETF.

The arrival of the Federal Reserve's 'tapering' (reduction of monthly bond purchases) and strengthened forward guidance has removed some uncertainty hanging over the markets. US QE tapering will be highly data dependent, meaning markets will likely experience short bouts of volatility around data releases that beat or miss expectations. We retain a cautious outlook on risk assets as investors appear complacent and markets continue to rally. Given this background, we maintain our preference for equities over bonds with a bias towards less market sensitive equity exposure.

Performance summary

	31 Jan 13- 31 Jan 14 %	31 Jan 12- 31 Jan 13 %	31 Jan 11- 31 Jan 12 %	31 Jan 10- 31 Jan 11 %	31 Jan 09- 31 Jan 10 %
Henderson Multi-Manager Managed Fund	9.4	12.0	(6.0)	13.6	14.1
IMA Mixed Investment 40-85% Shares sector average	7.3	11.9	(1.5)	14.0	21.5

Source : Morningstar, mid to mid basic 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

Share class	Net asset value* 2014 p	Net asset value* 2013 p	Net asset value % change
Class A income	208.88	190.85	9.45
Class A accumulation	211.93	193.58	9.48
Class B income	208.76	190.74	9.45
Class B accumulation	211.08	192.77	9.50
Class Y accumulation	556.95	506.38	9.99
Class I accumulation	106.38	n/a	n/a

*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.

Net revenue distribution

Share class	2014 p	2013 p
Class A income	-	0.67
Class A accumulation	-	0.74
Class B income	-	0.73
Class B accumulation	0.02	0.62
Class Y accumulation	2.64	4.22
Class I accumulation	0.36	-

Total dividend distributions for the year ended 31 January 2014, comparison is for the same period last year.

Fund facts

Accounting dates	Payment dates
31 July, 31 January	31 May

Ongoing charge figure

	2014 %	2013 %
Class A	2.42*	2.43
Class B^	2.42*	2.43
Class Y	1.92*	1.94
Class I	1.60**	n/a***

The OCF includes a synthetic element of 0.75% (2013: 1.03%) to incorporate the OCF of underlying funds.

This Fund is a non-UCITS retail fund and we have adopted this disclosure to enable comparison across our Fund range.

^ Class B accumulation was formerly class I accumulation

From the 10 August 2013 the General Administration Charge (GAC)

* decreased from 0.18% to 0.14%

** decreased from 0.10% to 0.075%

*** I share class was launched on 8 April 2013

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2009	0.49	167.30	133.30
2010	-	186.40	158.90
2011	-	188.80	160.50
2012	-	181.50	165.50
2013	0.67	213.50	181.40
2014	-*	217.00+	208.90+
Class A accumulation			
2009	0.54	165.60	132.10
2010	-	188.40	160.60
2011	-	190.80	162.20
2012	0.08	183.50	167.20
2013	0.74	216.60	183.30
2014	-*	220.10+	211.80+
Class B income**			
2009	0.53	166.60	132.80
2010	-	186.40	158.90
2011	-	188.70	160.40
2012	-	181.50	165.40
2013	0.73	213.40	181.30
2014	-*	216.90+	208.70+
Class B accumulation***			
2009	0.55	165.70	132.20
2010	-	187.80	160.00
2011	-	190.10	161.60
2012	-	183.40	166.60
2013	0.62	215.80	183.30
2014	0.02*	219.30+	211.10+

Performance record (continued)

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class Y accumulation			
2011****	-	495.20	420.90
2012	1.80	479.90	436.00
2013	4.22	569.10	479.60
2014	2.64*	578.50+	556.90+
Class I accumulation			
2013*****	-	108.70	98.34
2014	0.36*	110.50+	106.40+

* to 30 May

+ to 31 January

** B income share class, formerly I income

*** B accumulation share class, formerly I accumulation

**** Y accumulation share class was launched on 12 May 2011

***** I accumulation share class was launched on 8 April 2013

Past performance is not a guide to future performance.

Major holdings

as at 2014	%
Findlay Park American	7.35
Majedie UK Equity	6.36
Artemis Income	5.70
Cazenove UK Smaller Companies Fund	5.34
Old Mutual UK Dynamic Equity Fund	5.26
Brown Advisory US Equity Value	5.19
BlackRock European Dynamic	5.16
JO Hambro UK Opportunities	5.16
Artemis European Growth	5.09
CF Lindsell Train UK Equity Income	5.06

Major holdings

as at 2013	%
Findlay Park American	6.24
Schroders International Selection Asian Total Return	5.74
Old Mutual UK Dynamic Equity Fund	5.35
Kames High Yield Bond	5.34
CF Lindsell Train UK Equity Income	5.10
Schroder UK Alpha Plus	4.91
Cazenove UK Smaller Companies Fund	4.48
Artemis European Growth	4.31
Polar Capital Global Insurance	4.20
GLG Partners Japan CoreAlpha	4.10

Asset allocation

as at 2014	%
United Kingdom	32.88
North America	17.40
Europe	13.77
Specialist	10.02
Other	8.04
Global bond	5.35
Japan	5.03
Asia Pacific ex Japan	4.15
Emerging markets	2.79
Forward foreign exchange contracts	0.09
Futures	0.02
Net other assets	0.46
Total	100.00

Asset allocation

as at 2013	%
United Kingdom	26.40
Europe	14.80
Global bond	12.52
North America	12.18
Other	7.57
Specialist	7.26
Japan	7.14
Asia Pacific ex Japan	6.48
Emerging markets	2.77
Forward foreign exchange contracts	0.43
Futures	(0.03)
Net other assets	2.48
Total	100.00

Report and accounts

This document is a short report of the Henderson Multi-Manager Managed Fund for the year ended 31 January 2014.

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 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

Depositary

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

From 20 January 2014
PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

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 January 2014. 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 Multi-Manager Managed Fund 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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