

Henderson

Global Equity Income

Fund

Short Report

For the year ended 31 August 2013

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Fund Managers

Andrew Jones and Ben Lofthouse

Investment objective and policy

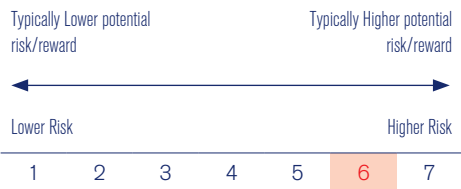
To achieve an income in excess of that of the MSCI World Index with the potential for long-term capital growth.

The Fund will invest principally in global equities. In addition to ordinary shares, the Fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments, cash and new cash and deposits.

Risk and reward profile

The Fund currently has 12 types of share class in issue;

A income, A accumulation, A Euro accumulation, A Euro Income, A US Dollar accumulation, A US Dollar income, I income, I Euro accumulation, I Euro Income, I US Dollar accumulation, I US Dollar income and S income. Each share 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 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:

- 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.

Fund Managers' commentary

During the twelve months to 31 August 2013 the Fund returned 21.2%, outperforming the IMA Global Equity Income sector average return of 17.3% while marginally underperforming the MSCI World Total Return Index gain of 21.5%.

Global equity markets continued to make significant gains over the review period with the MSCI World Index up 21.5%. In the US, investors took comfort from the view that the Federal Reserve (Fed) would only start the process of tapering asset purchases if the economy was showing sustained improvement. Japanese equities rose strongly after the Bank of Japan announced that they would double the monetary base in order to try to achieve their 2% inflation target. The UK responded well to new Bank of England Governor Carney's forward interest rate guidance, while European markets performed strongly as sovereign debt fears subsided. Emerging markets generally lagged developed markets over the period as investors worried about the growth rates of a variety of countries, including China.

Against the positive market backdrop, the Fund's holdings in financial companies aided performance. The positions in stock exchange groups proved beneficial as NYSE Euronext received a bid from Intercontinental Exchange Group, and London Stock Exchange performed strongly following good results and the attractively-priced acquisition of a controlling stake in clearing house, LCH Clearnet. The holding in life insurance group Prudential was also a positive contributor to the Fund's performance as the company continued to deliver good growth across its businesses, most notably in Asia. Meanwhile, leading US bank Wells Fargo performed strongly as they announced good figures over the year and grew dividends by a fifth.

The holdings in a number of cyclical companies also added to performance as economic data gradually improved over the year. Texas Instruments announced robust results and importantly raised their dividend by a third at the start of 2013; Home Depot continued to perform strongly as they benefited from the improvement in the US housing market, and GKN rose significantly as they delivered good results, which demonstrated the robustness of their automotive businesses as well as the growth potential of their aerospace division.

Besides industrial and financial companies, the portfolio continues to have exposure to more defensive areas such as pharmaceuticals. Despite the strong beta (market) rally the holdings in Pfizer, Roche and

Novartis all performed well over the last twelve months. These companies have attractive dividend yields that should grow in real terms, strong balance sheets and relatively resilient earnings streams.

Elsewhere, the Fund's positions in Statoil, ENI and Imperial Tobacco detracted from returns. Statoil and ENI were both weak despite the oil price remaining at relatively high levels. Both companies had disappointing results over the year, with production growth behind expectations and relatively lacklustre cash flow generation as a result of large capital expenditure commitments. Imperial Tobacco was a poor performer as the company announced results throughout the year, which showed disappointing volume trends in a number of very important markets.

During the last year we initiated positions in Swedbank, Sanofi, Las Vegas Sands and SJM. Swedbank is a strongly capitalised bank with operations in Sweden, Estonia, Latvia and Lithuania. Having navigated the financial downturn well, it is now in a position to significantly increase distributions to shareholders via dividends and share buybacks. Sanofi is a leading pharmaceutical company, which has a well balanced portfolio, is expected to deliver good growth and is attractively valued on an earnings and yield basis. Las Vegas Sands is a global casino operator, which earns the majority of its profits from casinos in Macau and Singapore. As well as growing earnings strongly the company also has a strong commitment to distribute cash flow to holders via dividends and buybacks. SJM is a Macau-based casino operator benefiting from continued strong growth in visitor numbers, with an attractive dividend yield, a good balance sheet and the potential for special dividends in the future. These positions were funded by exiting the holdings in Mondelez, Johnson & Johnson, Merck and Crown as we believed these companies' prospects were fully reflected in share prices.

Outlook

Despite the strong performance of equity markets over the last twelve months, stock valuations remain attractive and in particular continue to look good value relative to bonds. The economic environment appears to be gradually improving, corporate balance sheets are strong and the outlook for cash flow generation and distributions to shareholders is supportive. The Fund has increased its exposure to more economically-sensitive companies while still retaining some exposure to more defensive areas. With this balanced approach the portfolio should perform well in a variety of market conditions.

Discrete annual performance

	31 Aug 12- 31 Aug 13 %	31 Aug 11- 31 Aug 12 %	31 Aug 10- 31 Aug 11 %	31 Aug 09- 31 Aug 10 %	31 Aug 08- 31 Aug 09 %
Henderson Global Equity Income Fund	21.2	15.2	5.9	10.0	(18.9)
MSCI World Index	21.5	10.8	7.3	10.6	(8.2)

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 income derived 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* 2013 p	Net asset value* 2012 p	Net asset value* % change
Class A income	44.84	38.47	16.56
Class A accumulation	224.02	185.43	20.81
Class I income	92.27	78.57	17.44
Class S income	91.26	77.12	18.34
Class A USD income	31.73	n/a	n/a
Class A USD accumulation	289.00	239.51	20.66
Class A EUR income	41.60	n/a	n/a
Class A EUR accumulation	41.60	n/a	n/a
Class I USD income	63.50	n/a	n/a
Class I USD accumulation	63.50	n/a	n/a
Class I EUR income	83.20	n/a	n/a
Class I EUR accumulation	83.20	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	2013 p	2012 p
Class A income	1.60	1.55
Class A accumulation	7.81	7.28
Class I income	3.44	3.33
Class S income	3.42	3.25

Total dividend distributions for the year ended 31 August 2012, comparison is for the same period last year.

Net revenue distribution

	2013 USD cents	2012 USD cents
Class A USD income	0.29	n/a
Class A USD accumulation	15.72	2.40
Class I USD income	0.37	n/a
Class I USD accumulation	0.37	n/a
Share class	2013 Euro cents	2012 Euro cents
Class A EUR income	0.18	n/a
Class A EUR accumulation	0.18	n/a
Class I EUR income	0.37	n/a
Class I EUR accumulation	0.37	n/a

Total dividend distributions for the year ended 31 August 2013, comparison is for the same period last year.

Fund facts

Accounting dates	Payment dates
28 February, 31 August	31 January, 30 April, 31 July, 31 October

Ongoing charge figure*

	2013 %	2012 %
Class A	1.80*	1.79
Class I	0.86****	1.05†
Class S	0.08**	0.07
Class A USD	1.79***	1.79
Class A EUR	1.75***	n/a
Class I USD	0.86****	n/a
Class I EUR	0.86****	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 twelve months.

† From 1 August 2012, the annual management charge decreased from 1.00% to 0.75% and the general administration charge (GAC) increased from 0.06% to 0.10%.

From 10 August 2013, the general administration charge (GAC):

* decreased from 0.28% to 0.215%

** decreased from 0.06% to 0.045%

*** decreased from 0.28% to 0.18%

**** decreased from 0.10% to 0.075%

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A income			
2008	3.19	60.21	27.01
2009	2.11	35.40	22.67
2010	1.55	38.88	32.57
2011	1.49	39.89	32.85
2012	1.55	39.95	35.22
2013	1.60*	47.94+	39.53+
Class A accumulation			
2009^	1.38	151.50	136.70
2010	6.77	173.60	142.70
2011	6.89	180.50	151.00
2012	7.28	193.40	168.10
2013	7.81*	235.30+	191.40+
Class I income			
2008	6.45	120.40	54.24
2009	4.15	71.40	45.43
2010	3.19	78.73	65.88
2011	3.19	80.95	66.78
2012	3.33	81.75	71.82
2013	3.44*	98.48+	80.95+
Class I accumulation			
2008	5.77	106.90	51.67
2009	3.70	71.40	45.43
2010**	1.41	73.91	67.96
Class S income			
2008	6.04	112.60	51.18
2009	3.72	68.10	42.83
2010	2.93	76.00	63.16
2011	3.08	78.45	65.36
2012	3.25	80.44	70.36
2013	3.42*	97.21+	80.63+
Class S accumulation			
2008++	4.86	89.49	43.53

Performance record

Calendar year	Net revenue (USD cents per share)	Highest price (USD cents per share)	Lowest price (USD cents per share)
Class A USD income			
2013^^^	0.29*	51.00+	49.40+
Class A USD accumulation			
2012^^	2.40	404.00	356.90
2013	15.72*	464.41+	439.77+
Class I USD income			
2013^^^	0.37*	102.00+	98.90+
Class I USD accumulation			
2013^^^	0.37*	102.00+	98.90+
Calendar year	Net revenue (EUR cents per share)	Highest offer price (EUR cents per share)	Lowest bid price (EUR cents per share)
Class A EUR income			
2013^^^	0.18*	50.40+	48.50+
Class A EUR accumulation			
2013^^^	0.18*	50.40+	48.50+
Class I EUR income			
2013^^^	0.37*	100.80+	97.10+
Class I EUR accumulation			
2013^^^	0.37*	100.80+	97.10+

* to 31 October

+ to 31 August

++ Closed 6 March 2009

** Closed 3 March 2010

^ Launched on 20 August 2009

^^ Launched on 19 July 2012

^^^ Launched on 19 July 2013

Past performance is not a guide to future performance.

Major holdings

as at 2013	%
Pfizer	3.28
Roche	3.17
Microsoft	3.15
BASF	2.79
Reed Elsevier	2.72
Deutsche Post	2.44
Novartis	2.30
GKN	2.26
General Electric	2.25
Vodafone	2.22

Asset allocation

as at 2013	%
United States	26.89
United Kingdom	24.83
Netherlands	8.58
Switzerland	8.55
France	6.23
Germany	6.09
Sweden	3.62
Australia	3.27
Norway	2.78
Hong Kong	2.63
Canada	2.39
Italy	1.94
Taiwan	1.27
Japan	1.13
Net other liabilities	(0.20)
Total	100.00

Major holdings

as at 2012	%
Kraft Foods	3.08
BASF	3.07
Pfizer	3.02
Royal Dutch Shell 'A'	2.71
Vodafone	2.60
Statoil	2.53
Diageo	2.44
GKN	2.41
Taiwan Semiconductor Manufacturing	2.41
General Electric	2.19

Asset allocation

as at 2012	%
United Kingdom	32.12
United States	28.86
Switzerland	5.50
Netherlands	4.95
Germany	4.88
Australia	4.13
Singapore	3.73
Canada	2.56
Norway	2.53
Bermuda	2.48
Taiwan	2.41
Sweden	1.87
Italy	1.64
Hong Kong	1.14
France	1.03
Net other assets	0.17
Total	100.00

Report and accounts

This document is a short report of the Henderson Global Equity Income Fund for the year ended 31 August 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 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

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 August 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 Equity Income 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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