

ANNUAL REPORT & ACCOUNTS

For the year ended
31 March 2014

Henderson Global Care Funds

Who are Henderson Global Investors?

Established in 1934 to administer the estates of Alexander Henderson, the first Lord Faringdon, Henderson Global Investors (Henderson) is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. With its principal place of business in London, Henderson is one of Europe's largest investment managers, with £79.2[†] billion assets under management (as at 31 March 2014) and employs around 1,000 people worldwide.

Henderson's principal place of business is in London and the majority of Henderson's investment and operational activities are conducted here. Additional offices are located in Chicago, Hartford, Philadelphia, Edinburgh, Dublin, Paris, Madrid, Zurich, Luxembourg, Amsterdam, Frankfurt, Milan, Vienna, Stockholm, New Delhi, Singapore, Beijing, Hong Kong, Tokyo and Sydney. The main Asia/Pacific operations are conducted out of Singapore and the US operations out of Chicago and Hartford. Equity investment professionals are also located in Edinburgh and Singapore and additional fixed income investment professionals are located in Philadelphia. Distribution is conducted out of the majority of offices world-wide.

Henderson Group plc acquired New Star Asset Management Group PLC in April 2009 and Gartmore Group Limited in April 2011, increasing the firm's UK retail presence and reinforcing Henderson's position as a diversified fund management group with product strength in traditional long only and absolute return offerings. In 2013, Henderson expanded its global product offering with the acquisition of H3 Global Advisers in Australia, as well as a 30% stake in 90 West Asset Management (also in Australia) and a 50% stake in Northern Pines Capital LLC in the US. On 1 April 2014, Henderson and Teachers Insurance and Annuity Association – College Retirement Equities Fund ("TIAA-CREF") combined their European and Asian real estate businesses to form a leading real estate venture, TIAA Henderson Global Real Estate ("TH Real Estate"). In a related sale, Henderson also sold its North American real estate business to TIAA-CREF. Henderson owns 40% of TH Real Estate.

With investment expertise across every asset class, Henderson's skillful investment managers invest in every major market around the globe. They are supported by a global team of researchers and economists who have a keen understanding of the economic forces driving the security markets and who undertake rigorous sector and theme analysis. Underpinning this process is a comprehensive risk-control framework to ensure that investment views are translated into portfolios managed in line with investors risk and return requirements.

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.

What do we do?

At Henderson Global Investors we do one thing and we do it really well – investment management. As a company, we are totally focused on this core activity and it underpins everything we do.

We do this by providing a range of investment products and services including:

- Open ended funds – offshore funds, unit trusts, OEICs
- Investment trusts
- Individual Savings Accounts
- Pension fund management
- Management of portfolios for UK and international institutional clients

[†] Source: Henderson Global Investors.

Contents

Authorised Corporate Director's (ACD) Report	Page 1
Statement of Authorised Corporate Director's responsibilities	Page 3
Report of the Depositary to the shareholders	Page 3
Independent Auditors' report to the shareholders	Page 4
Henderson Global Care Funds aggregated financial statements	Page 6
Certification of Financial Statements by directors of the ACD	Page 7
Financial statements	
Henderson Global Care Growth Fund	Page 18
Henderson Global Care UK Income Fund	Page 36
Henderson Institutional Global Care Managed Fund	Page 52

Authorised Corporate Director's report

We are pleased to present the Annual Report and Financial Statements for Henderson Global Care Funds for the year ended 31 March 2014.

Authorised status

Henderson Global Care Funds ("the Company") is an open ended investment company (OEIC) with variable capital authorised, under regulation 12 (Authorisation) of the OEIC regulations, by the Financial Conduct Authority on 14 October 1998. It is UCITS Scheme structured as an umbrella company, comprising various Funds. The Growth and Income Funds were launched on 22 January 1999 and the Institutional Managed Fund was launched on 13 April 2002. Each Fund is operated as a distinct fund with its own portfolio of investments. Each Fund has its own clear investment objective. The investment objective for each Fund and the policy for achieving that objective is given in the 'Investment Objective' section of each Fund's report. The investment activities of each Fund are given in the Investment Manager's Report section of each Fund's report. The portfolio statement of each Fund is given in the "Portfolio statement" section of each Fund's report. The synthetic risk and reward indicator for each fund is given in the 'Synthetic Risk and Reward' section of each Fund's report. Shareholders are not liable for the debts of the company.

Other information

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

Fund liabilities

Each Fund is treated as a separate entity, and is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund.

Advisers

	Name	Address	Regulator
Authorised Corporate Director and Dealing	Henderson Investment Funds Limited which is the sole Director Member of IMA The Ultimate Holding company is Henderson Group Plc.	Registered Office: 201 Bishopsgate, London EC2M 3AE. Registered in England No 2678531. Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Investment Manager	Henderson Global Investors Limited The Ultimate Holding company is Henderson Group Plc.	201 Bishopsgate, London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Shareholder Register	International Financial Data Services (UK) Limited	IFDS House St Nicholas House Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depository	National Westminster Bank Plc The Ultimate Holding company is the Royal Bank of Scotland Group Plc.	135 Bishopsgate London EC2M 3UR	Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
Independent Auditor	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds LLP	One Wood Street London EC2V 7WS	The Law Society

Developed equity markets rose strongly over the period as confidence returned amid global economic recovery and an upturn in corporate profits. In the US, the recovery became sufficiently robust for the Federal Reserve to introduce the concept of 'tapering' (reducing) its quantitative easing (QE; asset purchases) programme. This initially led to markets falling as concerns focused on the impact that a reduction in QE would have on the global economy and, in particular, emerging markets. Developed markets subsequently recovered as investors realised that tapering would be gradual and dependent upon the US economy remaining sufficiently robust. The process finally started in December and, if it continues at a regular pace, is expected to be complete by the end of 2014. Asian and emerging markets followed a different path to developed markets and many ended significantly lower as investors were unable to shrug off their worries about QE tapering and its effect on market liquidity in these areas.

The UK economy made steady progress over the period. Gross domestic product (GDP) growth in 2013 was 1.7%, compared to 0.3% in 2012, and data is expected to show that growth continued apace in the first quarter of 2014. The recovery has been increasingly broad-based, with the manufacturing, services, and housing segments all showing improvement. The result is that the unemployment rate has declined much sooner than expected, falling to 6.9% in the three months to February 2014. The Bank of England's Monetary Policy Committee (MPC) had previously said that it would not start to consider increasing interest rates until unemployment had fallen to 7%, which had been expected to be in 2016. The committee will now focus on a broader array of data in order to gauge when interest rates should rise.

The period saw economic growth return to the eurozone following six consecutive quarters of contraction. GDP grew by 0.1% in the third quarter of 2013 and by 0.2% in the fourth quarter. However, this growth was far from evenly spread and while Germany continued on an upward path, France remained weak, as did the peripheral countries of Spain, Portugal, Italy and Greece. Recognising that there still remained significant downside risks, the European Central Bank (ECB) took the decision to reduce interest rates further in November, from 0.5% to 0.25%. As economic activity improved in the latter part of the year, and concerns over the eurozone debt crisis receded further, European equities outperformed their global peers.

The US economy made good progress over the period, with GDP growth reaching 4.1% (annualised) in the third quarter of 2013, its fastest rate of growth for two years, and unemployment settling at 6.7%, its lowest level in five years. Growth slowed in the first few months of 2014, but this was not surprising given the unusually harsh winter weather, known as the 'polar vortex'. US equities performed well, and shrugged off the start of QE 'tapering' as the economy was considered sufficiently robust to withstand a reduction in monetary stimulus. The market was also reassured by the Federal Reserve's confirmation that interest rates would stay low for some time yet.

Asian equity markets were generally weak over the period, suffering a particularly steep fall following the announcement of QE 'tapering' in May 2013, and renewed weakness in the New Year. Investors were particularly concerned about the impact of the withdrawal of US QE on emerging economies with large current-account deficits, such as Brazil, India and Indonesia; these had benefited significantly from loose monetary policy in the US and were therefore perceived as being most vulnerable to its withdrawal. Another concern was the slowing rate of growth in China. Chinese GDP growth was 7.7% in 2013, which while still exceptionally fast, was the same rate of growth as in 2012. Figures show that growth subsequently slowed to 7.4% year-on-year in the first quarter of 2014, its weakest pace for 18 months.

In Japan, the equity market rose strongly until the end of 2013, underpinned by Prime Minister Abe's programme of fiscal, monetary and structural support ('Abenomics'). A result of this expansionary policy was a significant fall in the yen, which lasted for much of the period, supporting the rally in Japanese equities, particularly shares in exporters. However, the first quarter of 2014 saw a reversal in this strength, Japanese equities falling sharply as investors began to doubt whether the 'Abenomics' programme was working, focused instead on the risks that still lingered in the Japanese economy.

Against a backdrop of improving global growth and the announcement of QE 'tapering', developed market government bond yields rose (prices fell) over much of the period. Government bonds in the eurozone performed better than US Treasuries and UK gilts, because of weaker economic data in the region prolonging a low interest rate environment. The core (US, UK, German) government bond markets did recoup some of their price weakness at the start of 2014, supported by weaker data in the US and by investor flows into perceived safe havens following Russia's occupation and annexation of Crimea. Overall, corporate bonds and high yield bonds performed better than government bonds as investors sought higher-yielding assets.

Statement of Authorised Corporate Director's responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the Authorised Corporate Director ("ACD") to prepare Financial Statements for each annual accounting period which give a true and fair view of the financial affairs of the Company and of its revenue for the period. In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the Financial Statements, as prepared, comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Regulations. The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Depositary's responsibilities in respect of the Henderson Global Care Funds and report of the Depositary to the shareholders of the Company

for the year ended 31 March 2014

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended ('the OEIC Regulations'), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material aspects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with COLL and, where applicable, the OEIC regulations, the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
London
29 May 2014

Independent Auditors' Report to the Shareholders of Henderson Global Care Funds ('the Company') for the year ended 31 March 2014

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the financial position of the Company as at 31 March 2014 and of the net revenue and the net capital gains of the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes sourcebook and the Prospectus.

This opinion is to be read in the context of what we say the remainder of this report.

What we have audited

The financial statements, which are prepared by Henderson Investment Funds Ltd, the ACD for Henderson Global Care Funds (the "Company"), comprise:

- the balance sheet of the Company as at 31 March 2014;
- the statement of total return of the Company for the year then ended;
- the statement of change in net assets attributable to shareholders of the Company for the year then ended;
- the notes to the Company's financial statements, which include a summary of significant accounting policies and other explanatory information; and
- the distribution tables

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Shareholders of Henderson Global Care Funds ('the Company') (continued)

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 3, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

29 May 2014

Aggregated statement of total return for the year ended 31 March 2014

	Notes	2014 £000	2013 £000
Income			
Net capital gains	4	76,838	76,585
Revenue	6	12,200	11,726
Expenses	7	(5,213)	(4,220)
Finance costs: Interest	9	-	(1)
Net revenue before taxation		(6,987)	7,505
Taxation	8	(560)	(540)
Net revenue after taxation		6,427	6,965
Total return before distributions		83,265	83,550
Finance costs: Distributions	9	(8,484)	(8,615)
Change in net assets attributable to shareholders from investment activities		74,781	74,935

Aggregated statement of change in net assets attributable to shareholders

for the year ended 31 March 2014

	2014 £000	2013 £000
Opening net assets attributable to shareholders	537,593	466,926
Amounts receivable on issue of shares	44,150	14,635
Amounts receivable on mergers*	-	79,336
Amounts payable on cancellation of shares	(63,611)	(103,638)
	(19,461)	(9,667)
Stamp duty reserve tax	(66)	(39)
Unclaimed distributions	6	2
Change in net assets attributable to shareholders from investment activities (see above)	74,781	74,935
Retained distributions on accumulation shares	4,761	5,436
Closing net assets attributable to shareholders	597,614	537,593

* Details on mergers can be found in the financial statements of each sub-Fund.

Aggregated balance sheet as at 31 March 2014

		2014		2013	
	Notes	£000	£000	£000	£000
Assets					
Investment assets			579,811		524,254
Debtors	10	3,522		3,693	
Cash and bank balances	11	17,865		15,735	
Total other assets			21,387		19,428
Total assets			601,198		543,682
Liabilities					
Investment liabilities			18		-
Creditors	12	1,650		4,056	
Bank overdrafts		548		1,022	
Distribution payable on income shares		1,368		1,011	
Total other liabilities			3,566		6,089
Total liabilities			3,584		6,089
Net assets attributable to shareholders			597,614		537,593

Certification of financial statements by Directors of the ACD

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



Lesley Cairney
(Director)

29 May 2014

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association (IMA) in October 2010.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of fixed interest securities, at close of business on the last valuation day of the accounting period in accordance with the provisions of the scheme particulars.

Delisted, illiquid, suspended or manually priced securities are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length.

Derivatives assets and liabilities are valued at the price to close out the contract at the balance sheet date.

Where applicable, investment valuations exclude any element of accrued revenue.

(c) Revenue recognition

Dividends receivable from quoted equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Interest on debt securities has been accounted for on an effective yield basis. Effective yield is a calculation that reflects the amount of amortisation of any discount or premium on the purchase price over the remaining life of a security.

Bank interest, interest on margin and revenue earned on other securities are recognised on an accruals basis.

Income distributions from Real Estate Investment Trusts (UK REITs) will be split into two parts, a Property Income Distribution (PID) made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to Corporation Tax as schedule A revenue, while the UK dividend will be treated as franked revenue.

Revenue derived from the gains/losses on hedged class forward currency contracts is allocated to both the capital and revenue of the share class based upon the prior day capital/revenue split.

If any revenue receivable at the balance sheet date is not considered recoverable, a provision is made for the relevant amount.

(d) Treatment of expenses (including ACD expenses)

All expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax arising on sales and repurchases of shares in the Fund) are charged against revenue on an accruals basis.

The investment objective of the Henderson Global Care UK Income Fund concentrates on the generation of revenue as a higher priority than capital growth. The ACD and Depositary have agreed that 100% of the ACD's Periodic Charge for the Henderson Global Care UK Income Fund is to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax credit.

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management charge out of each Fund. The annual management charge is calculated and accrued on a daily basis by reference to the Net Asset Value of the Fund on the previous Dealing Day and the amount due for each month is payable on the last working day of the month.

General Administration Charge

All fees with the exception of the ACD's periodic charge, Depositary and Safe Custody fees, have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods.

Allocation of revenue and expenses to multiple share classes

With the exception of the ACD's periodic charge and the GAC, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

For further details please refer to the Prospectus.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(e) Treatment of stock dividends

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution.

In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

(f) Special dividends

These are recognised as either revenue or capital depending on the nature and circumstances of the dividend receivable.

(g) Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the accounting period.

Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions.

Exchange differences on such transactions follow the same treatment as the principal amounts.

(h) Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

In general, the tax accounting treatment follows that of the principal amount.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent it is regarded as more likely than not that there will be taxable profits against which the future reversal of underlying timing differences can be offset.

(i) Aggregation

The aggregated accounts represent the sum of the individual sub-Funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-Funds.

(j) Cash flow statement

After analysis of the sub-Funds, there is no requirement to produce cash flow statements.

(k) Hedged share class on Global Care Growth Fund

Hedging transactions may be entered into if the Euro is declining or increasing in value relative to Sterling. Where such hedging is undertaken it may substantially protect investors in the relevant class against a decrease in the value of Sterling relative to the Euro but it may also preclude investors from benefiting from an increase in the value of Sterling. The full value of a share class will be hedged, containing both capital & revenue elements.

The gains or losses from the hedge are calculated on a daily basis, and are allocated to both the capital and revenue of the share class based upon the relationship of the prior day capital/revenue split, with the revenue element impacting upon that class's potential distributable revenue.

(l) Treatment of derivatives

In pursuing its investment objectives, each of the sub-Funds may hold a number of financial instruments.

Forward foreign exchange contracts

Open forward currency contracts which are all covered are shown in the Portfolio Statement at fair value and the net gains/(losses) are reflected within hedged class forward currency contracts in net capital gains/(losses) on investments.

Derivative transactions are accounted for on a trade date basis. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived there from are included in 'Revenue' in the Statement of total return on an accruals basis. Where such transactions are used to protect or enhance capital, the gains and losses derived there from are included in 'Net capital gains/losses' in the Statement of total return.

Aggregated notes to the financial statements (continued)

2 Distribution Policy

The distribution policy of the Funds is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any of the ACD's periodic charge or other expense which may currently be transferred to capital. All Funds pay dividend distributions.

For the purpose of calculating the distribution, interest on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements as modified by the revaluation of investments.

When the revenue from investments exceeds the expenses, a distribution will be made. Should expenses exceed revenue there will be no distribution and the shortfall will be transferred to capital at the period end. The ACD fee on the Henderson Global Care UK Income Fund is paid from capital.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

Revenue attributed to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

The policy of the Funds is to make annual (pay date being 31 May) and interim (pay date being 30 November) distributions to shareholders.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Funds.

Equalisation

Income equalisation currently only applies to the Henderson Global Care UK Income Fund.

Income equalisation ensures that part of the price on purchase of a share reflects the relevant share of accrued income received or to be received by the Fund. This capital sum is returned to a shareholder (or where accumulation shares are held, it will be accumulated) with the first allocation of income in respect of a share issued during an accounting period. The amount representing the income equalisation in the share's price is a return of capital, and is not itself taxable in the hands of shareholders but must be deducted by them from the price of the shares for the purpose of calculating any liability to capital gains tax.

Equalisation on a distribution applies only to shares purchased during that distribution period (group 2 shares). It differs from equalisation on creations/cancellations as the amount of revenue included in the purchase price of group 2 shares is averaged over the distribution period and refunded to the holders of these shares as a return of capital.

3 Risk

In pursuing its investment objective each sub-Fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the sub-Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue. The sub-Funds may also enter into derivative transactions solely for the purposes of hedging in accordance with Efficient Portfolio Management. The main risks arising from financial instruments are market, liquidity and credit risk.

(a) Market risk

Market risk is the risk that the value of the sub-Funds' investments or the benefits arising thereon will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk, and other price risk.

Foreign currency risk

Foreign currency risk is the risk that the value of the sub-Funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

For the Henderson Global Care Growth Fund and the Henderson Institutional Global Care Managed Fund, which have a proportion of their net assets denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

The revenue and capital value of the Henderson Global Care UK Income Fund are mainly denominated in sterling, the Fund's functional currency. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

The foreign currency profile for the sub-Funds is shown in their notes to the financial statements.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

Hedged share class on Global Care Growth Fund

While the ACD may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the relevant sub-Fund and the relevant hedged share class. As there is no segregation of liabilities between share classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a share class could result in liabilities which might affect the Net Asset Value of other share classes of the same sub-Fund.

Interest rate risk

Interest rate risk is the risk that the value of the Funds' investments and revenue may fluctuate as a result of interest rate changes. Certain Funds invest in debt securities. The revenue of the Funds may be affected by changes to the interest rates relevant to particular securities or as a result of the Fund manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future.

Bond yields (and, as a consequence bond prices) are determined mainly by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons.

Returns from bonds are fixed – at the time of purchase the fixed coupon payment is known as the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

The interest rate profile for the sub-Funds is shown in their notes to the financial statements.

Other price risk

Other price risk is the risk that the value of the sub-Funds' investment will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Other price risk arises mainly from uncertainty about future prices of financial instruments the sub-Funds might hold. It represents the potential loss the sub-Funds might suffer through holding market positions in the face of price movements.

The sub-Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of their investment objectives and policies as set out in the Prospectus. The ACD has the responsibility for monitoring the existing portfolio selection in accordance with the Funds' investment objectives and seeks to ensure that individual securities meet an acceptable risk reward profile.

(b) Liquidity risk

Liquidity risk is the risk that the sub-Funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the sub-Funds will remain close to fully invested. However, where circumstances require, for example because of illiquid securities markets or high levels of redemptions in the sub-Funds, the Funds may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the sub-Funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the sub-Funds' portfolio in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on the FRN market, where relevant, seeking to ensure the sub-Funds maintain sufficient liquidity to meet known and potential redemption activity. The sub-Funds' cash balances are monitored daily by the ACD and Administrator. Where investments cannot be realised in time to meet any potential liability, the sub-Funds may borrow up to 10% of its value to ensure settlement. All of the sub-Funds' financial liabilities are payable on demand or in less than one year.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(c) Credit risk

Credit risk arises from three main sources. Firstly, the possibility that an issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning the Funds may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-Funds have fulfilled their responsibilities, which could result in the sub-Funds suffering a loss.

In order to manage credit risk the sub-Funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the sub-Funds will only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Henderson Credit Risk Committee along with set limits and new counterparty approval.

The Funds' assets held with banks and with the depositary are also exposed to credit risk. Assets held with the depositary are ring fenced. The banks used by the Funds and the ACD are subject to regular reviews.

Only counterparties that have been approved by Henderson's Credit Risk Committee are used for derivatives transactions. The continuing credit worthiness of other counterparties is monitored on a daily basis

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Analysis of the risk profile of each Fund's portfolio is set out in the financial statements of each Fund.

Aggregated notes to the financial statements (continued)

4 Net capital gains

Net capital gains on investments during the year comprise:

	2014	2013
	£000	£000
Hedged class forward currency contracts	(18)	588
Non-derivative securities	76,983	76,000
Other currency (losses)/gains	(110)	22
Transaction costs	(17)	(25)
Net capital gains	76,838	76,585

5 Portfolio transaction costs

	2014	2013
	£000	£000
Purchases in year before transaction costs	161,879	209,183
Commissions	210	174
Other costs	1	-
Taxes	63	58
Total purchase transaction costs	274	232
Purchases including transaction costs	162,153	209,415
Sales in year before transaction costs	182,276	219,747
Commissions	(217)	(238)
Taxes	(4)	(8)
Total sale transaction costs	(221)	(246)
Total sales net of transaction costs	182,055	219,501
Transaction handling charges*	17	25

* These amounts have been deducted in determining net capital gains.

6 Revenue

	2014	2013
	£000	£000
Bank interest	44	37
Hedged class revenue	(4)	(4)
Interest on debt securities	4,622	1,085
Revaluation of WHT	(2)	-
Overseas dividends	1,716	5,010
UK dividends	5,695	5,564
UK REIT revenue	129	34
Total revenue	12,200	11,726

Aggregated notes to the financial statements (continued)

7 Expenses

	2014	2013
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,417	3,460
General administration charge*	702	676
	<u>5,119</u>	<u>4,136</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	59	55
Safe custody fees	35	29
	<u>94</u>	<u>84</u>
Total expenses	<u>5,212</u>	<u>4,220</u>

Irrecoverable VAT is included in the above expenses where relevant.

*The GAC charge includes the sum of £22,080 (2013: £30,006) in respect of audit fees.

8 Taxation

(a) Analysis of charge in the year

The tax charge comprises:

	2014	2013*
	£000	£000
UK corporation tax	115	155
Double tax relief	(4)	-
Overseas tax reclaims	(28)	-
Overseas withholding tax	476	386
Total current tax (note 8b)	<u>559</u>	<u>541</u>
Deferred tax (note 8c)	1	(1)
Total taxation	<u>560</u>	<u>540</u>

* Prior year comparative figure has been restated.

Aggregated notes to the financial statements (continued)

8 Taxation (continued)

b) Factors affecting current tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICs) of 20%. The differences are explained below:

	2014	2013
	£000	£000
Net revenue before taxation	6,987	7,505
Corporation tax at 20% (2013: 20%)	1,398	1,501
Effects of:		
Irrecoverable overseas tax	444	386
Non-taxable overseas dividends**	(1,061)	(998)
UK dividends*	(1,140)	(1,108)
Unused management expenses	918	760
Current tax charge for the year (note 8a)	559	541

* As an OEIC this item is not subject to corporation tax.

** Overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred tax

Provision at start of year	1	2
Deferred tax charge for year (note 8a)	1	(1)
Provision at end of year	2	1

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £5,867,921 (2013: £4,949,958) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

Aggregated notes to the financial statements (continued)

9 Finance costs

Distributions and interest

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	2014	2013
	£000	£000
Interim income	2,396	2,124
Interim accumulation	3,060	3,666
Final income	1,368	1,011
Final accumulation	1,701	1,770
	<u>8,525</u>	<u>8,571</u>
Amounts deducted on cancellation of shares	76	88
Amounts received on issue of shares	(117)	(44)
	<u>8,484</u>	<u>8,615</u>
Finance costs: Distributions	8,484	8,615
Finance costs: Interest	-	1
	<u>8,484</u>	<u>8,616</u>
Total finance cost	8,484	8,616
Net revenue after taxation	6,427	6,965
Authorised Corporate Director's periodic charge paid from capital	1,241	1,045
Revenue shortfall	816	605
	<u>8,484</u>	<u>8,615</u>
Finance cost: Distributions	8,484	8,615

10 Debtors

	2014	2013
	£000	£000
Accrued revenue	1,645	1,460
Amounts receivable for issue of shares	1,657	296
Currency transactions awaiting settlement	88	425
Overseas withholding tax reclaimable	113	117
Sales awaiting settlement	19	1,395
	<u>3,522</u>	<u>3,693</u>
Total debtors	3,522	3,693

11 Cash and bank balances

	2014	2013
	£000	£000
Cash and bank balances	17,865	15,735
	<u>17,865</u>	<u>15,735</u>
Total cash and bank balances	17,865	15,735

Aggregated notes to the financial statements (continued)

12 Creditors

	2014	2013
	£000	£000
Accrued ACD's periodic charge	395	350
Accrued Depository's fees	6	6
Accrued other expenses	66	76
Amounts payable for cancellation of shares	1,044	1,103
Corporation tax payable	49	69
Currency transactions awaiting settlement	88	426
Deferred taxation	2	1
Purchases awaiting settlement	-	2,025
Total creditors	1,650	4,056

13 Related party transactions

The Financial Reporting Standard number 8 (FRS 8) on 'Related Party Disclosures' requires the disclosure of details of material transactions between the Fund and any related parties. Under the FRS the ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', 'Statement of change in net assets attributable to Shareholders' and the 'Balance sheet' on pages 6 and 7 and notes 7, 10 and 12 on pages 14 to 17 including all creations and cancellations where the ACD acted as principal.

Details of material unitholders of each sub-Fund are set out in each sub-Fund's report.

14 Risk disclosures

Details of the portfolio of each Fund and its exposure to risks are set out in the financial statements of each sub-Fund.

Henderson Global Care Growth Fund

Authorised Corporate Director's report

Fund Manager

Nick Anderson

Investment objective and policy

To provide long term capital growth and increasing income by investment in a spread of equities, convertibles and fixed interest stocks worldwide. Investment will only be made in those companies whose products and practices are considered by the ACD to enhance the environment and life of the community.

Performance summary

	31 Mar 13 - 31 Mar 14	31 Mar 12 - 31 Mar 13	31 Mar 11 - 31 Mar 12	31 Mar 10 - 31 Mar 11	31 Mar 09 - 31 Mar 10
	%	%	%	%	%
Henderson Global Care Growth Fund	16.1	13.8	(3.6)	5.2	44.1
MSCI World Index	9.0	18.4	1.5	7.9	44.8

Source: Henderson Global Investors – bid to bid, net revenue reinvested, net of fees, GBP, based on annualised returns.
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.

Significant portfolio changes for the year ended 31 March 2014

Largest purchases	£000	Largest sales	£000
Towers Watson	9,891	LKQ	7,257
Delphi Automotive	5,830	Acuity Brands	6,856
eBay	5,766	ABB	6,355
Aon	5,559	Towers Watson	6,351
Unicredit	5,389	Continental	5,923
Sirona Dental	5,350	Hunt (J.B.) Transport	5,750
Western Digital	5,107	Sirona Dental	5,163
McKesson	5,097	Experian	4,900
Volvo 'B'	4,796	Union Pacific	4,857
Charles Schwab	4,795	Bank Mandiri	4,445
Total purchases	109,841	Total sales	120,075

Fund Manager's commentary

Developed equity markets, broadly speaking, performed well over the 12-month period, with the MSCI World Index returning 9% in sterling terms. In sharp contrast emerging markets significantly underperformed, dropping almost 10%, reflecting concerns about slowing Chinese economic growth and a reduction in the US Federal Reserve's bond-buying programme. Looking more closely at sustainable and responsible investment (SRI) issues, the latest report from the Intergovernmental Panel on Climate Change (IPCC) brought to the fore the dangers of current climate forecasts and the importance of a low carbon emissions future. The IPCC warned that "increasing magnitudes of warming increase the likelihood of severe, pervasive and irreversible impacts". As a major contributor to global emissions, China has an important role to play in this future and the government look to be heeding the warnings. Speaking to the National People's Congress in March, Chinese Premier Li Keqiang declared a "war on pollution". The recent announcement that Shanghai would be the second city after Beijing to introduce the China V emissions standard for new vehicles lends some support to this rhetoric. Environmental concerns in China have resulted in favourable business conditions for some of the Fund's investments despite the weaker macroeconomic data. Demand for Schneider's energy efficiency products and services remained robust, while BorgWarner is reporting growing demand for its fuel efficient technology. We think this highlights the attractiveness of thematic investing – identifying long-term trends that persist throughout the macroeconomic cycle.

We were pleased by the breadth of themes that contributed to outperformance over the review period. In the Environmental Services theme DS Smith, the recycled packaging manufacturer, continued to report productivity gains and better than expected earnings following the transformational acquisition of SCA. Pentair (Water Management theme) reported strong organic revenue growth across the US, Europe, and China driven by its valves and controls business. In the Health theme we have found attractive investments in the US healthcare sector, where President Obama's healthcare reforms have resulted in much change. McKesson and Towers Watson (both new positions) contributed significantly to performance over the period. McKesson is a distributor of pharmaceuticals and medical supplies. It is a beneficiary of US healthcare reforms and demographic trends and it is expanding overseas. Towers Watson is a global professional services company and over the next few years its emerging healthcare exchange business is expected to be the main driver of profit growth.

The past 12 months have seen strong outperformance of stocks in the solar sector as unsubsidised solar power is on the cusp of becoming an economically viable energy source in many countries. Subsequent expectations for sustained demand growth in solar technology have helped two of the Fund's clean energy positions outperform. The Fund's investment in First Solar reached its price target and we sold the position as per our investment process. German designer and manufacturer of photovoltaic inverters SMA Solar was a new position for the Fund during the period. Traditionally focused on Europe, further growth opportunities are available to SMA Solar through international expansion. Detracting from performance were positions in Regal Beloit, Citrix Systems, and East Japan Railway Company.

Through investing in companies that provide environmental and social benefits to consumers, businesses and governments, the Henderson Global Care Growth Fund gains exposure to sustainable themes that the team believes have the potential to provide attractive returns. These themes are based around the long-term trends of population growth, changing demographics, constrained resources and climate change and reflect the delicate balance between environmental and social sustainability. The team's thorough fundamental investment process is focused on identifying companies that they feel should be best positioned to deliver these goals.

Comparative tables as at 31 March 2014

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class A income				
31/03/2012	204,572,681	85,644,852	62,416,218	137.22
31/03/2013	279,101,276	154,174,247	98,817,389	156.02
31/03/2014	317,773,796	160,888,118	88,250,936	182.31
Class I income				
31/03/2012	204,572,681	20,031,215	14,052,831	142.54
31/03/2013	279,101,276	20,467,684	12,585,568	162.63
31/03/2014	317,773,796	33,638,043	17,603,632	191.09
Class I accumulation				
31/03/2013*	279,101,276	1,087,103	664,264	163.66
31/03/2014	317,773,796	6,638,860	3,434,765	193.28
Class Z accumulation				
31/03/2012	204,572,681	81,466,243	43,938,142	185.41
31/03/2013	279,101,276	87,156,686	40,605,368	214.64
31/03/2014	317,773,796	94,612,950	37,075,121	255.19
Class I Euro (hedged) accumulation				
31/03/2012	204,572,681	17,430,371	2,001,000	871.08
31/03/2013	279,101,276	1,506	150	1,004.06
31/03/2014	317,773,796	1,258,217	108,877	1,155.63
Class A Euro (unhedged) accumulation				
31/03/2013**	279,101,276	16,212,616	117,301	13,821.38
31/03/2014	317,773,796	20,735,932	128,318	16,159.80
Class I Euro (unhedged) accumulation				
31/03/2013***	279,101,276	1,434	1,500	95.60
31/03/2014	317,773,796	1,676	1,500	111.73

* Class I accumulation launched 19 July 2012.

** Class A Euro (unhedged) accumulation launched 19 July 2012.

*** Class I Euro (unhedged) accumulation launched 19 July 2012.

Comparative tables as at 31 March 2014

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2009	-	123.70	85.97
2010**	-	123.90	120.00
Class A income			
2009	0.21	126.10	87.42
2010	0.05	143.30	118.00
2011	0.12	146.50	114.40
2012	0.17	139.90	122.40
2013	0.12	177.20	135.01
2014	++	183.40+	170.20+
Class I income			
2009	0.51	129.60	89.49
2010	0.68	147.90	122.00
2011	0.76	152.00	118.30
2012	0.89	145.30	127.30
2013	0.88	185.40	140.50
2014	++	192.10+	178.20+
Class I accumulation			
2012***	0.86	142.90	130.00
2013	0.89	187.50	141.41
2014	++	194.30+	180.20+
Class Z accumulation			
2009	1.36	163.80	112.00
2010	2.04	189.20	155.00
2011	2.33	195.40	153.10
2012	2.70	188.90	165.80
2013	2.96	247.10	185.00
2014	0.92+	256.40+	237.60+

	Net revenue (EUR cents per share)	Highest price (EUR cents per share)	Lowest price (EUR cents per share)
Class I Euro (hedged) accumulation			
2010 #	2.61	1,083.89	892.50
2011	5.22	1,113.19	870.83
2012	7.34	1,065.15	932.56
2013	4.37	1,356.68	1,031.42
2014	++	1,405.49+	1,303.74+
Class A Euro (unhedged) accumulation			
2012 # #	-	15,120.00	14,090.00
2013	6.58	18,830.00	14,874.10
2014	++	19,710.00+	18,220.00+
Class I Euro (unhedged) accumulation			
2012 ****	0.11	103.00	95.80
2013	0.62	130.00	100.10
2014	0.05+	136.00+	126.00+

+ to 31 March

Class I Euro (hedged) accumulation launched 7 May 2010.

Class A Euro (unhedged) accumulation launched 19 July 2012.

** X Share class merged with A share class on 11 January 2010.

*** Class I accumulation launched 19 July 2012.

**** Class I Euro (unhedged) accumulation launched 19 July 2012.

Ongoing charge figure

The annualised ongoing charge figure (OCF) of the Fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the Fund during the year, except for expenses that are explicitly excluded by regulation.

	2014	2013
	%	%
Class A	1.72*	1.76
Class I	0.85**	0.86
Class Z	0.07***	0.08
Class I Euro (hedged)	0.82***	0.83
Class A Euro (unhedged)	1.72*	1.76
Class I Euro (unhedged)	0.82***	0.83

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

From 10 August 2013:

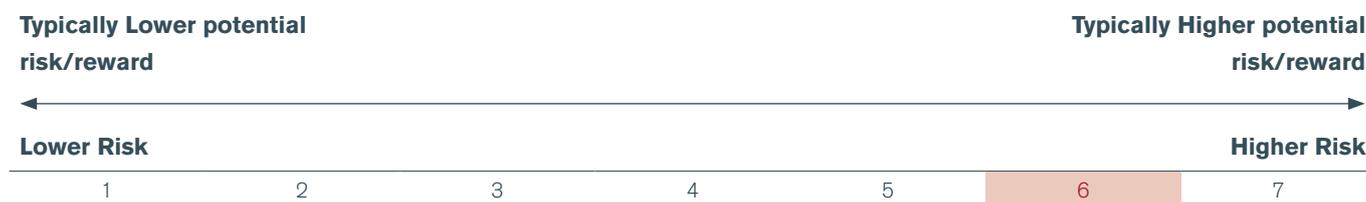
* The General Administration Charge (GAC) decreased from 0.24% to 0.18%.

** The General Administration Charge (GAC) decreased from 0.10% to 0.075%.

*** The General Administration Charge (GAC) decreased from 0.06% to 0.045%.

Risk and reward profile

The Fund currently has 7 types of share class in issue; A income, I income, I accumulation, Z accumulation, I Euro (hedged) accumulation, A Euro (unhedged) accumulation and I Euro (unhedged) accumulation. Each type of share class has the same risk and reward profile which is as follows:



The synthetic risk and reward indicator (SRRRI) 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 SRRRI level. The SRRRI 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.
- The Fund's social screens eliminate many potential investments.
- 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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The SRRRI conforms to the CESR guidelines for the calculation of the SRRRI.

Portfolio statement as at 31 March 2014

Holding	Investment	Market value £000	Percentage of total net assets %
Equities 98.40% (2013: 98.46%)			
Austria 0.00% (2013: 0.36%)			
Brazil 1.19% (2013: 0.00%)			
419,673	Banco Itau Financeira Preference	3,778	1.19
Canada 1.42% (2013: 1.48%)			
123,530	Stantec	4,499	1.42
France 7.39% (2013: 4.74%)			
609,034	Groupe Eurotunnel	4,666	1.47
190,400	Legrand	7,098	2.23
125,171	Schneider Electric	6,659	2.10
414,801	Suez Environment	5,057	1.59
		<u>23,480</u>	<u>7.39</u>
Germany 4.20% (2013: 4.40%)			
41,225	Continental	5,928	1.87
753,542	Infineon Technologies	5,396	1.70
63,000	SMA Solar Technology	2,003	0.63
		<u>13,327</u>	<u>4.20</u>
Hong Kong 1.55% (2013: 1.79%)			
1,735,600	AIA	4,932	1.55
Indonesia 0.00% (2013: 1.61%)			
Italy 3.61% (2013: 1.28%)			
608,559	Ansaldo	4,276	1.35
1,313,200	Unicredit	7,193	2.26
		<u>11,469</u>	<u>3.61</u>
Japan 8.13% (2013: 9.79%)			
87,900	East Japan Railway	3,893	1.23
840,000	Ebara	3,161	0.99
1,000,000	Leopalace	2,883	0.91
140,800	Secom	4,870	1.53
85,000	Shimano	5,124	1.61
230,300	Sumitomo	5,913	1.86
		<u>25,844</u>	<u>8.13</u>
Netherlands 1.57% (2013: 1.41%)			
216,187	Arcadis	4,983	1.57
Singapore 1.80% (2013: 2.21%)			
6,047,877	Comfortdelgro	5,712	1.80
Sweden 1.61% (2013: 0.00%)			
538,446	Volvo 'B'	5,121	1.61

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Switzerland 1.73% (2013: 3.19%)			
152,200	TE Connectivity	5,497	1.73
United Kingdom 13.31% (2013: 11.71%)			
117,797	Aon	5,955	1.87
159,623	Delphi Automotive	6,496	2.04
845,457	Informa	4,468	1.41
126,582	Intertek	3,889	1.22
1,593,441	Plant Health Care	940	0.30
776,702	Reed Elsevier	7,115	2.24
2,248,846	Smith (DS)	7,297	2.30
444,316	Synergy Healthcare	6,132	1.93
		<u>42,292</u>	<u>13.31</u>
United States 50.89% (2013: 54.49%)			
14,767	Acuity Brands	1,174	0.37
152,000	Adobe Systems	5,994	1.89
140,044	Agilent Technologies	4,697	1.48
130,534	American Public Education	2,744	0.86
293,023	ARRIS	4,951	1.56
134,700	BorgWarner	4,967	1.56
63,378	Cepheid	1,961	0.62
324,804	Charles Schwab	5,323	1.68
161,800	CVS Caremark	7,267	2.29
76,372	Davita	3,155	0.99
98,899	Deere	5,387	1.70
179,732	eBay	5,954	1.87
48,100	Fair Isaac	1,596	0.50
89,301	Henry Schein	6,394	2.01
89,600	Hubbell	6,440	2.03
72,828	IPC The Hospitalist	2,141	0.67
83,000	IPG Photonics	3,536	1.11
198,272	Informatica	4,493	1.41
56,900	McKesson	6,026	1.90
112,000	Medassets	1,659	0.52
213,360	Mednax	7,932	2.50
213,800	Microsoft	5,258	1.65
120,600	Motorola Solutions	4,651	1.46
75,809	Ocean Power Technologies	169	0.05
135,509	Pentair	6,450	2.03
1,095,621	Polyfuel *	-	-
320,896	Quanta Services	7,103	2.24
84,897	Regal Beloit	3,702	1.16
81,700	Towers Watson	5,588	1.76
274,524	Trimble Navigation	6,401	2.01
250,654	Tyco International	6,373	2.01
35,029	Visa 'A'	4,532	1.43
137,923	Wabtec	6,418	2.02
94,078	Western Digital	5,181	1.63
280,000	Xylem	6,115	1.92
		<u>161,732</u>	<u>50.89</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward foreign exchange contracts on hedged share class (0.01%) (2013: 0.00%)		
	Buy EUR 1,482,442: Sell GBP 1,243,839 April 2014	(18)	(0.01)
	Buy EUR 26,953: Sell GBP 22,615 April 2014 +	-	-
	Buy EUR 18,045: Sell GBP 15,080 April 2014 +	-	-
	Buy GBP 18,861: Sell EUR 22,872 April 2014 +	-	-
		<u>(18)</u>	<u>(0.01)</u>
	Investment assets including derivative liabilities	312,648	98.39
	Net other assets	<u>5,126</u>	<u>1.61</u>
	Net assets	<u>317,774</u>	<u>100.00</u>

* Manually priced

+ Market value less than £500

Statement of total return for the year ended 31 March 2014

	Notes	2014		2013	
		£000	£000	£000	£000
Income					
Net capital gains	2		47,958		41,331
Revenue	4	4,296		3,947	
Expenses	5	(3,372)		(2,628)	
Finance costs: Interest	7	-		-	
Net revenue before taxation		924		1,319	
Taxation	6	(351)		(286)	
Net revenue after taxation			573		1,033
Total return before distributions			48,531		42,364
Finance costs: Distributions	7		(1,389)		(1,638)
Change in net assets attributable to shareholders from investment activities			47,142		40,726

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2014

	2014		2013	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		279,101		204,573
Amounts receivable on issue of shares	23,093		7,825	
Amounts receivable on mergers *	-		79,336	
Amounts payable on cancellation of shares	(32,721)		(54,684)	
		(9,628)		32,477
Stamp duty reserve tax		(12)		(5)
Unclaimed distributions		3		-
Change in net assets attributable to shareholders from investment activities (see above)		47,142		40,726
Retained distribution on accumulation shares		1,168		1,330
Closing net assets attributable to shareholders		317,774		279,101

* Relating to the merger of the Henderson Industries of the Future Fund on 19 July 2012.

Balance sheet as at 31 March 2014

		2014		2013	
	Notes	£000	£000	£000	£000
Assets					
Investment assets			312,666		274,807
Debtors	8	1,030		1,238	
Cash and bank balances	9	5,535		5,469	
Total other assets			6,565		6,707
Total assets			<u>319,231</u>		<u>281,514</u>
Liabilities					
Investment liabilities			18		-
Creditors	10	891		2,026	
Bank overdrafts		548		374	
Distribution payable on income shares		-		13	
Total other liabilities			1,439		2,413
Total liabilities			1,457		2,413
Net assets attributable to shareholders			<u>317,774</u>		<u>279,101</u>

Notes to the financial statements as at 31 March 2014

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the aggregated financial statements on pages 8 to 12.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2014	2013
	£000	£000
Hedged class forward currency contracts	(18)	588
Non-derivative securities	48,099	40,729
Other currency (losses)/gains	(117)	24
Transaction costs	(6)	(10)
Net capital gains	47,958	41,331

3 Portfolio transaction costs

	2014	2013
	£000	£000
Purchases in year before transaction costs	109,689	149,222
Commissions	151	117
Taxes	1	7
Total purchase transaction costs*	152	124
Purchases including transaction costs	109,841	149,346
Sales in year before transaction costs	120,238	118,172
Commissions	(162)	(164)
Taxes	(1)	(5)
Total sale transaction costs*	(163)	(169)
Sales net of transaction costs	120,075	118,003
Transaction handling charges*	6	10

* These amounts have been deducted in determining net capital gains.

4 Revenue

	2014	2013
	£000	£000
Bank interest	14	11
Hedged class revenue	(4)	(4)
Overseas dividends	3,696	3,420
Revaluation of WHT	(2)	-
UK dividends	592	520
Total revenue	4,296	3,947

Notes to the financial statements (continued)

5 Expenses

	2014	2013
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,892	2,201
General administration charge*	427	384
	<u>3,319</u>	<u>2,585</u>
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository fees	30	25
Safe custody fees	23	18
	<u>53</u>	<u>43</u>
Total expenses	<u>3,372</u>	<u>2,628</u>

Irrecoverable VAT is included in the above expenses where relevant.

*The current audit fee is, which is levied through GAC, is £7,980 (2013: £10,686).

6 Taxation

(a) Analysis of charge in the year

The tax charge comprises:

	2014	2013
	£000	£000
Overseas tax reclaims	(28)	-
Overseas withholding tax	379	286
Total current tax (note 6b)	<u>351</u>	<u>286</u>

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICs) of 20%. The differences are explained below:

	2014	2013
	£000	£000
Net revenue before taxation	<u>924</u>	<u>1,319</u>
Corporation tax at 20% (2013: 20%)	185	264
Effects of:		
Irrecoverable overseas tax	351	286
Non-taxable overseas dividends **	(717)	(683)
UK dividends*	(119)	(104)
Unused management expenses	651	523
Current tax charge for the year (note 6a)	<u>351</u>	<u>286</u>

* As an OEIC this item is not subject to corporation tax.

** Overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

Notes to the financial statements (continued)

6 Taxation (continued)

(c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2013: nil).

(d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £2,672,252 (2013: £2,021,301) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

7 Finance costs

Distributions and interest

	2014	2013
	£000	£000
Interim income	221	295
Interim accumulation	825	966
Final income	-	13
Final accumulation	343	364
Total finance costs: Distributions	1,389	1,638
Net revenue after taxation	573	1,033
Revenue shortfall	816	605
Finance cost: Distributions	1,389	1,638

Details of the distribution per share are set out in the distribution table on page 35.

8 Debtors

	2014	2013
	£000	£000
Accrued revenue	310	378
Amounts receivable for issue of shares	545	164
Currency transactions awaiting settlement	88	367
Other assets	19	-
Overseas withholding tax reclaimable	68	89
Sales awaiting settlement	-	240
Total debtors	1,030	1,238

9 Cash and bank balances

	2014	2013
	£000	£000
Cash and bank balances	5,535	5,469
Total cash and bank balances	5,535	5,469

Notes to the financial statements (continued)

10 Creditors

	2014	2013
	£000	£000
Accrued ACD's periodic charge	257	231
Accrued Depositary's fees	3	3
Accrued other expenses	36	44
Amounts payable for cancellation of shares	507	840
Currency transactions awaiting settlement	88	368
Purchases awaiting settlement	-	540
Total creditors	891	2,026

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

The Financial Reporting Standard number 8 (FRS 8) on 'Related Party Disclosures' requires the disclosure of details of material transactions between the Fund and any related parties. Under the FRS the ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', 'Statement of change in net assets attributable to Shareholders' and the 'Balance sheet' on pages 27 and 28 and notes 5, 8 and 10 on pages 30 to 32 including all creations and cancellations where the ACD acted as principal.

State Street Nominees Limited, as a prior year material shareholder, was a related party holding shares comprising 31.37% of the total net assets of the Fund as at 31 March 2013.

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 29.79% (2013: nil) of the total net assets of the Fund as at 31 March 2014.

Material transactions throughout the year such as creations and cancellations for these shareholders are included in the Statement of change in net assets attributable to shareholders.

13 Shareholder funds

The Fund currently has 6 share classes available; Class A (Retail with front-end charges), Class A Euro, Class I (Institutional), Class I Euro (Hedged), Class I Euro and Class Z (Institutional). The annual management charge on each share class is as follows:

Class A	1.50%
Class I	0.75%
Class Z	0.00%*
Class A Euro (unhedged)	1.50%
Class I Euro (unhedged)	0.75%
Class I Euro (hedged)	0.75%

* Charges for managing Z class shares are levied outside the Fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative table on page 20. The distribution per share class is given in the distribution table on page 35. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

14 Financial derivatives

The Fund has used financial derivatives for efficient portfolio management.

The use of derivatives can create additional counterparty risks. Details of the ACD's policies for managing counterparty and other risks are set out in note 3 to the aggregated financial statements on pages 10 to 12.

The types of derivatives held at the year-end were forward foreign currency contracts. Details of individual contracts are shown in the portfolio statement on page 26, and the total position by counterparty at the year-end is summarised below:

The underlying exposure for each category of derivatives at 31 March 2014 and 31 March 2013 was as follows:

	2014	2013
	£	£
Forward foreign currency contracts	18,659	100

The underlying exposure for each counterparty as at 31 March 2014 and 31 March 2013 is shown below:

	2014	2013
	£	£

Forward foreign currency contracts

Counterparty:

Chase Manhattan	18,659	100
-----------------	--------	-----

Eligible collateral types are approved by the Investment Manager and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 31 March 2014 no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

Notes to the financial statements (continued)

15 Risk

Risks in respect of financial assets and liabilities are set out in note 3 of the aggregated financial statements on pages 10 to 12.

Currency risk

Net currency monetary assets and liabilities consist of:

Currency	Investment assets including investment liabilities £000	Net other assets £000	Net assets £000
2014			
Brazilian real	3,778	2	3,780
Canadian dollar	4,499	11	4,510
Euro	54,504	55	54,559
Hong Kong dollar	4,932	-	4,932
Indonesian rupiah	-	2	2
Japanese yen	25,844	217	26,061
Norwegian krone	-	6	6
Singapore dollar	5,712	-	5,712
Swedish krona	5,121	-	5,121
Swiss franc	-	12	12
UK sterling	28,578	4,738	33,316
US dollar	179,680	83	179,763
Total	312,648	5,126	317,774
2013			
Canadian dollar	4,120	11	4,131
Euro	34,023	19	34,042
Hong Kong dollar	4,992	-	4,992
Indonesian rupiah	4,485	-	4,485
Japanese yen	27,334	282	27,616
Norwegian krone	-	5	5
Singapore dollar	6,157	-	6,157
Swiss franc	8,908	12	8,920
Taiwan dollar	-	19	19
UK sterling	32,711	3,861	36,572
US dollar	152,077	85	152,162
Total	274,807	4,294	279,101

Interest rate risk

The Fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Sensitivity analysis

A sensitivity analysis has not been provided as no significant derivative activity has been undertaken during the year.

Distribution tables for the year ended 31 March 2014 (in pence per unit)

Interim dividend distribution (accounting date 30 September 2013, paid on 29 November 2013)

	Net revenue	Distribution paid 29/11/2013	Distribution paid 30/11/2012
Class A income	0.1195	0.1195	0.1749
Class I income	0.7767	0.7767	0.8585
Class I accumulation	0.7821	0.7821	0.8585
Class Z accumulation	2.0673	2.0673	1.9952
Class I Euro (hedged) accumulation*	4.3679	4.3679	7.1067
Class A Euro (unhedged) accumulation*	6.5828	6.5828	-
Class I Euro (unhedged) accumulation*	0.6247	0.6247	0.1103

* in Euro cents per share

Final dividend distribution (accounting date 31 March 2014, paid on 30 May 2014)

	Net revenue	Distribution paid 30/05/2014	Distribution paid 31/05/2013
Class A income	-	-	-
Class I income	-	-	0.1039
Class I accumulation	-	-	0.1045
Class Z accumulation	0.9242	0.9242	0.8960
Class I Euro (hedged) accumulation*	-	-	-
Class A Euro (unhedged) accumulation*	-	-	-
Class I Euro (unhedged) accumulation*	0.0479	0.0479	-

* in Euro cents per share

Henderson Global Care UK Income Fund

Authorised Corporate Director's report

Fund Manager

Andrew Jones

Investment objective and policy

To provide income with the prospects of capital growth by investing in companies contributing to social well being and the protection and wise use of the natural environment. The ACD's investment policy to achieve these objectives is to primarily invest in UK companies.

Performance summary

	31 Mar 13 - 31 Mar 14	31 Mar 12 - 31 Mar 13	31 Mar 11 - 31 Mar 12	31 Mar 10 - 31 Mar 11	31 Mar 09 - 31 Mar 10
	%	%	%	%	%
Henderson Global Care UK Income Fund	15.7	21.6	4.8	14.3	47.0
FTSE All Share Index	8.8	16.8	1.4	8.7	52.3

Source: Henderson Global Investors – bid to bid, net revenue reinvested, net of fees, GBP, based on annualised returns.

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.

Significant portfolio changes for the year ended 31 March 2014

Largest purchases	£000	Largest sales	£000
HSBC	1,640	Shire	1,030
National Grid	1,276	RSA Insurance	949
ITV	1,211	Aviva	663
GlaxoSmithKline	954	BG	635
Amlin	853	Halma	381
AstraZeneca	716	Intertek	288
Standard Life	583	Spectris	287
Resolution	580	Pennon	279
Phoenix	504	Cable & Wireless Communications	256
Vodafone	466	Reed Elsevier	209
Total purchases	9,990	Total sales	6,981

Fund Manager's commentary

During the period under review the Fund returned 15.7%, outperforming the FTSE All Share Index rise of 8.8% and the IMA UK Equity Income sector increase of 13.9%.

The UK equity market performed well over the year as the global economy continued on its gradual path to normalisation. In the US, economic conditions improved sufficiently for the Federal Reserve to start the process of tapering asset purchases, although policymakers were keen to stress that interest rate rises were unlikely for some time. European economies finally appeared to stabilise, although growth is expected to be slow for a prolonged period. Meanwhile economic growth in the UK surpassed all expectations over the last twelve months, with the housing market and consumer segments showing particular strength.

Against the positive market background the Fund's holdings in the financial services sector proved especially beneficial for performance. The London Stock Exchange (LSE) was able to deliver strong results over the year with all divisions of the group showing positive underlying growth. The company also made good progress integrating clearing house, LCH Clearnet, which became part of the group in 2013. Performance was also aided by the holding in 3i Group, which as a result of the recovery in the UK and European economies was able to dispose of a number of assets at a significant premium to book value. Asset management companies continued to see good share price gains, with Schroders and Jupiter outperforming the market. Both of these holdings benefited from positive fund flows over the year, and were able to meaningfully increase distributions to shareholders.

The Fund's holdings in DS Smith, BT Group, Bellway and Berkeley also aided performance. DS Smith announced excellent results over the year, with the company benefiting from its strategic shift to be closer to its customers in the fast moving consumer goods (FMCG) area and also from the improved scale that the SCA Packaging acquisition has given the company. BT Group continued to outperform expectations on cash flow and profit growth, and also made bold moves into TV content after winning the rights to show certain Premier League football matches and from next year, all Champions League football in the UK. Meanwhile housebuilding groups Bellway and Berkeley both benefited from the strength of the UK housing market, with prices and transactions increasing over the year.

On the negative side, the Fund's long standing positions in UK specialist engineers proved detrimental to performance over the last year. These companies have performed extremely well over time and have been good holdings for the portfolio. Nonetheless, Spectris, Rotork and Oxford Instruments all released marginally disappointing results by their high standards, with growth proving slightly harder to come by. The Fund has retained its holdings in these companies as the valuations are attractive given the likelihood that trading will strengthen as economies recover.

During the year the Fund initiated positions in ITV and Amlin, as well as increasing its exposure to Vodafone. ITV's management have done an excellent job in lowering the company's indebtedness, finding efficiency savings across the business, and lowering the exposure to advertising revenues by growing the more stable production division. At the time of purchase the company traded at a large discount to international peers, which appeared unwarranted, especially when the potential for further special capital returns to shareholders was taken into account. Amlin is a specialist Lloyds insurance company, which should be able to improve its return on equity (ROE) and also become a more diverse business over time. Offering a 6% dividend yield, the valuation was very attractive given the likely improvement in earnings and cash flow.

Outlook

As a result of the gradual improvement in the global economy over the last couple of years, equity markets have performed strongly. Despite this stock valuations are still reasonable on a long term basis, and continue to look very attractively valued compared to bonds. The Fund has retained its balance between well financed, cyclical sectors and some higher yielding defensive sectors, which should continue to serve investors well in the future.

Comparative tables as at 31 March 2014

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class A income				
31/03/2012	78,959,517	63,226,560	71,532,408	88.39
31/03/2013	86,888,292	69,281,687	66,705,156	103.86
31/03/2014	102,300,204	73,561,558	63,550,118	115.75
Class I income				
31/03/2012	78,959,517	13,217,626	13,461,191	98.19
31/03/2013	86,888,292	14,971,367	12,876,900	116.26
31/03/2014	102,300,204	26,054,733	19,955,447	130.56
Class Z accumulation				
31/03/2012	78,959,517	2,515,331	1,437,451	174.99
31/03/2013	86,888,292	2,635,238	1,216,541	216.62
31/03/2014	102,300,204	2,683,913	1,053,615	254.73

Comparative tables as at 31 March 2014

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2009	2.92	88.60	66.50
2010 [^]	-	89.50	88.10
Class A income			
2009	2.91	78.90	51.82
2010	2.97	87.01	64.57
2011	3.20	93.07	74.99
2012	3.52	94.31	81.36
2013	3.87	117.80	95.10
2014	1.57+	121.20+	114.10+
Class I income			
2009	3.16	86.00	56.25
2010	3.36	95.78	70.77
2011	3.70	102.90	83.00
2012	4.08	105.20	90.53
2013	4.46	132.70	106.30
2014	1.86+	136.80+	128.60+
Class Z accumulation			
2009	4.88	136.90	85.50
2010	5.42	159.70	112.70
2011	6.24	175.00	145.00
2012	7.24	193.20	158.90
2013	8.43	254.80	195.30
2014	3.55+	262.90+	247.00+

+ to 31 March

[^] X share class merged with A share class on 11 January 2010.

Ongoing charge figure

The annualised ongoing charge figure (OCF) of the Fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the Fund during the year, except for expenses that are explicitly excluded by regulation.

	2014	2013
	%	%
Class A	1.72*	1.76
Class I	0.85**	0.86
Class Z	0.07***	0.08

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

From 10 August 2013:

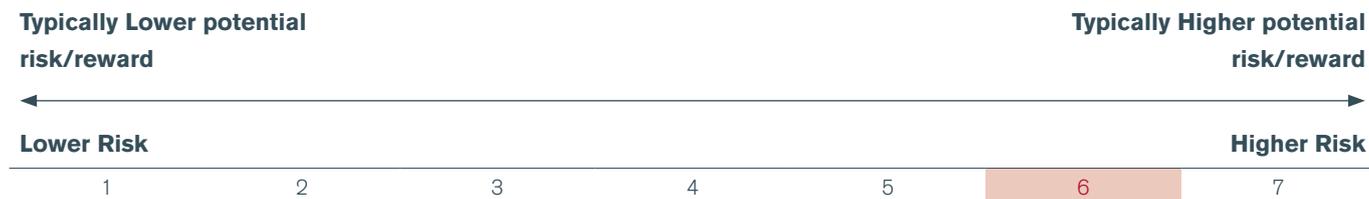
* The General Administration Charge (GAC) decreased from 0.24% to 0.18%.

** The General Administration Charge (GAC) decreased from 0.10% to 0.075%.

*** The General Administration Charge (GAC) decreased from 0.06% to 0.045%.

Risk and reward profile

The Fund currently has 3 types of share class in issue; A income, I income and Z accumulation shares. Each type of share class has the same risk and reward profile which is as follows:



The synthetic risk and reward indicator (SRRRI) 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 SRRRI level. The SRRRI 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 country
- As a category, shares are more volatile than either bonds or money market instruments
- The Fund's social screens eliminate many potential investments.

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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The SRRRI conforms to the CESR guidelines for the calculation of the SRRRI.

Portfolio statement as at 31 March 2014

Holding	Investment	Market value £000	Percentage of total net assets %
Equities 99.11% (2013: 100.91%)			
United Kingdom 99.04% (2013: 100.87%)			
Banks 6.33% (2013: 7.05%)			
827,384	HSBC	5,026	4.91
115,760	Standard Chartered	1,451	1.42
		<u>6,477</u>	<u>6.33</u>
Chemicals 1.51% (2013: 2.13%)			
31,725	Johnson Matthey	1,038	1.01
25,458	Victrex	511	0.50
		<u>1,549</u>	<u>1.51</u>
Construction & materials 0.00% (2013: 0.05%)			
Electricity 3.32% (2013: 3.82%)			
794,970	Greencoat UK Wind	835	0.81
174,640	SSE	2,565	2.51
		<u>3,400</u>	<u>3.32</u>
Electronic & electrical equipment 3.96% (2013: 5.87%)			
260,951	Halma	1,503	1.47
73,568	Oxford Instruments	932	0.90
70,083	Spectris	1,625	1.59
		<u>4,060</u>	<u>3.96</u>
Financial services 6.95% (2013: 6.48%)			
414,035	3i	1,647	1.61
246,401	Investec	1,195	1.16
250,632	Jupiter	1,005	0.98
90,299	London Stock Exchange	1,779	1.74
57,345	Schroders	1,490	1.46
		<u>7,116</u>	<u>6.95</u>
Fixed line telecommunications 5.64% (2013: 3.80%)			
1,086,323	BT	4,123	4.03
57,480	Verizon Communications	1,644	1.61
		<u>5,767</u>	<u>5.64</u>
Gas, water and multiutilities 5.98% (2013: 5.40%)			
468,341	National Grid	3,850	3.76
81,093	Pennon	602	0.59
91,255	Severn Trent	1,664	1.63
		<u>6,116</u>	<u>5.98</u>
General industrials 4.74% (2013: 3.77%)			
156,329	AZ Electronic Materials	630	0.62
238,283	Rexam	1,160	1.13
942,611	Smith (DS)	3,059	2.99
		<u>4,849</u>	<u>4.74</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
General retailers 2.41% (2013: 2.18%)			
309,639	Kingfisher	1,305	1.28
256,333	Marks & Spencer	1,157	1.13
		<u>2,462</u>	<u>2.41</u>
Health care equipment & services 1.61% (2013: 1.58%)			
95,427	Smith & Nephew	867	0.85
596,656	Southern Cross Healthcare*	-	-
56,185	Synergy Healthcare	775	0.76
		<u>1,642</u>	<u>1.61</u>
Household goods & home construction 3.22% (2013: 2.74%)			
93,577	Bellway	1,553	1.52
66,200	Berkeley	1,734	1.70
		<u>3,287</u>	<u>3.22</u>
Industrial engineering 2.43% (2013: 3.27%)			
41,356	Rotork	1,095	1.07
48,128	Spirax-Sarco Engineering	1,391	1.36
		<u>2,486</u>	<u>2.43</u>
Life insurance 10.93% (2013: 10.50%)			
1,499,978	Legal & General	3,070	3.00
173,112	Phoenix	1,142	1.12
272,879	Prudential	3,461	3.38
559,036	Resolution	1,670	1.63
487,104	Standard Life	1,839	1.80
		<u>11,182</u>	<u>10.93</u>
Media 7.12% (2013: 6.32%)			
308,129	Informa	1,629	1.59
853,944	ITV	1,635	1.60
119,998	Pearson	1,276	1.25
299,118	Reed Elsevier	2,740	2.68
		<u>7,280</u>	<u>7.12</u>
Mobile telecommunications 2.57% (2013: 4.17%)			
1,192,121	Vodafone	2,626	2.57
Non-life insurance 2.64% (2013: 3.15%)			
193,666	Amlin	938	0.92
350,197	Direct Line	832	0.81
135,788	Hiscox	926	0.91
		<u>2,696</u>	<u>2.64</u>
Oil & gas 2.00% (2013: 3.13%)			
183,302	BG	2,048	2.00
Pharmaceuticals 8.79% (2013: 8.86%)			
100,360	AstraZeneca	3,890	3.80
320,649	GlaxoSmithKline	5,103	4.99
		<u>8,993</u>	<u>8.79</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Real estate investment and services 1.40% (2013: 1.20%)			
1,439,781	Assura	616	0.60
188,700	Ethical Property*	71	0.07
185,806	St Modwen Properties	743	0.73
		<u>1,430</u>	<u>1.40</u>
Real estate investment trusts 2.74% (2013: 2.65%)			
212,959	Hammerson	1,180	1.15
113,454	Land Securities	1,158	1.13
135,072	Primary Health Properties	466	0.46
		<u>2,804</u>	<u>2.74</u>
Software & computer services 2.22% (2013: 2.08%)			
418,818	RM	622	0.61
394,650	Sage	1,650	1.61
		<u>2,272</u>	<u>2.22</u>
Support services 8.81% (2013: 9.29%)			
93,599	Atkins WS	1,302	1.27
440,578	Augean#	194	0.19
121,534	Experian	1,314	1.28
211,800	Interserve	1,546	1.51
23,727	Intertek Testing Services	729	0.71
894,972	Johnson Service#	519	0.51
322,470	Premier Farnell	754	0.74
88,420	RPS	276	0.27
339,813	SIG	683	0.67
484,998	Tribal	970	0.95
658,769	WYG	725	0.71
		<u>9,012</u>	<u>8.81</u>
Technology hardware & equipment 0.04% (2013: 0.02%)			
14,550,000	Emerald Bio Energy*	-	-
121,631	Promethean World	39	0.04
		<u>39</u>	<u>0.04</u>
Travel & leisure 1.68% (2013: 1.36%)			
67,185	Go-Ahead	1,252	1.22
207,481	Goals Soccer Centres#	467	0.46
		<u>1,719</u>	<u>1.68</u>
United States 0.07% (2013: 0.04%)			
33,452	Ocean Power Technologies	74	0.07
		<u>74</u>	<u>0.07</u>
Investment assets		101,386	99.11
Net other assets		914	0.89
Net assets		102,300	100.00

* Manually priced

Alternative Investment Market

Statement of total return for the year ended 31 March 2014

	Notes	2014 £000	2013 £000
Income			
Net capital gains	2	11,436	14,222
Revenue	4	3,782	3,139
Expenses	5	(1,420)	(1,221)
Finance costs: Interest	7	-	(1)
Net revenue before taxation		2,362	1,917
Taxation	6	-	-
Net revenue after taxation		2,362	1,917
Total return before distributions		13,798	16,139
Finance costs: Distributions	7	(3,603)	(2,962)
Change in net assets attributable to shareholders from investment activities		10,195	13,177

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2014

	2014 £000	2013 £000
Opening net assets attributable to shareholders	86,888	78,960
Amounts receivable on issue of shares	10,472	4,557
Amounts payable on cancellation of shares	(5,317)	(9,869)
	5,155	(5,312)
Stamp duty reserve tax	(42)	(29)
Unclaimed distributions	3	1
Change in net assets attributable to shareholders from investment activities (see above)	10,195	13,177
Retained distribution on accumulation shares	101	91
Closing net assets attributable to shareholders	102,300	86,888

Balance sheet as at 31 March 2014

		2014		2013	
	Notes	£000	£000	£000	£000
Assets					
Investment assets			101,386		87,678
Debtors	8	957		815	
Cash and bank balances	9	1,645		644	
Total other assets			2,602		1,459
Total assets			<u>103,988</u>		<u>89,137</u>
Liabilities					
Creditors	10	320		603	
Bank overdrafts		-		648	
Distribution payable on income shares		1,368		998	
Total other liabilities			1,688		2,249
Total liabilities			1,688		2,249
Net assets attributable to shareholders			<u>102,300</u>		<u>86,888</u>

Notes to the financial statements as at 31 March 2014

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the aggregated financial statements on pages 8 to 12.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2014	2013
	£000	£000
Non-derivative securities	11,442	14,227
Other currency losses	(1)	-
Transaction costs	(5)	(5)
Net capital gains	11,436	14,222

3 Portfolio transaction costs

	2014	2013
	£000	£000
Purchases in year before transaction costs	9,934	8,054
Commissions	12	10
Other expenses	1	-
Taxes	43	19
Total purchase transaction costs*	56	29
Purchases including transaction costs	9,990	8,083
Sales in year before transaction costs	6,990	14,484
Commissions	(9)	(18)
Total sale transaction costs*	(9)	(18)
Sales net of transaction costs	6,981	14,466
Transaction handling charges*	5	5

* These amounts have been deducted in determining net capital gains.

4 Revenue

	2014	2013
	£000	£000
Bank interest	2	2
Overseas dividends	464	214
UK dividends	3,234	2,889
UK REIT revenue	82	34
Total revenue	3,782	3,139

Notes to the financial statements (continued)

5 Expenses

	2014	2013
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,241	1,045
General administration charge*	164	164
	<u>1,405</u>	<u>1,209</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	12	10
Safe custody fees	3	2
	<u>15</u>	<u>12</u>
Total expenses	<u>1,420</u>	<u>1,221</u>

Irrecoverable VAT is included in the above expenses where relevant.

*The GAC charge includes the sum of £6,120 in respect of audit fees (2013: £9,660).

6 Taxation

(a) Analysis of charge in the year

There is no tax charge for the year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICs) of 20%. The differences are explained below:

	2014	2013
	£000	£000
Net revenue before taxation	<u>2,363</u>	<u>1,917</u>
Corporation tax at 20% (2013: 20%)	473	383
Effects of:		
Non-taxable overseas dividends **	(93)	(43)
UK dividends*	(647)	(577)
Unused management expenses	267	237
Current tax charge for the year (note 6a)	<u>-</u>	<u>-</u>

* As an OEIC this item is not subject to corporation tax.

** Overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2013: nil).

(d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £3,195,669 (2013: £2,928,657) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

Notes to the financial statements (continued)

7 Finance costs

Distributions and interest

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	2014	2013
	£000	£000
Interim income	2,175	1,829
Interim accumulation	64	58
Final income	1,368	998
Final accumulation	37	33
	<u>3,644</u>	<u>2,918</u>
Amounts deducted on cancellation of shares	76	88
Amounts received on issue of shares	(117)	(44)
	<u>3,603</u>	<u>2,962</u>
Finance costs: Distributions	3,603	2,962
Finance costs: Interest	-	1
Total finance cost	<u>3,603</u>	<u>2,963</u>
Net revenue after taxation	2,362	1,917
Authorised Corporate Director's periodic charge paid from capital	1,241	1,045
Finance cost: Distributions	<u>3,603</u>	<u>2,962</u>

Details of the distribution per share are set out in the distribution table on page 51.

8 Debtors

	2014	2013
	£000	£000
Accrued revenue	583	403
Amounts receivable for issue of shares	374	62
Sales awaiting settlement	-	350
	<u>957</u>	<u>815</u>
Total debtors	<u>957</u>	<u>815</u>

9 Cash and bank balances

	2014	2013
	£000	£000
Cash and bank balances	1,645	644
	<u>1,645</u>	<u>644</u>
Total cash and bank balances	<u>1,645</u>	<u>644</u>

Notes to the financial statements (continued)

10 Creditors

	2014	2013
	£000	£000
Accrued ACD's periodic charge	113	98
Accrued Depositary's fees	1	1
Accrued other expenses	18	19
Amounts payable for cancellation of shares	188	50
Purchases awaiting settlement	-	435
Total creditors	320	603

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

The Financial Reporting Standard number 8 (FRS 8) on 'Related Party Disclosures' requires the disclosure of details of material transactions between the Fund and any related parties. Under the FRS the ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 45 and 46 and notes 5, 8 and 10 on pages 48 to 50 including all creations and cancellations where the ACD acted as principal.

Related parties, such as other authorised Funds managed by Henderson Investment Funds Limited, may hold shares in the Fund via a nominee company, Harewood Nominees Limited. Harewood Nominees Limited holds shares comprising 12.02% (2013: 12.61%) of the total net assets of the Fund as at 31 March 2014.

Material transactions throughout the year such as creations and cancellations for these shareholders are included in the Statement of change in net assets attributable to shareholders.

13 Shareholder funds

The Fund currently has 3 share classes available; Class A (Retail with front-end charges), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

Class A	1.50%
Class I	0.75%
Class Z	0.00%*

* Charges for managing Z class shares are levied outside the Fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative table on page 38. The distribution per share class is given in the distribution table on page 51. All share classes have the same rights on winding up.

14 Risk

Risks in respect of financial assets and liabilities are set out in note 3 of the aggregated financial statements on pages 10 to 12.

Sensitivity analysis

A sensitivity analysis has not been provided as no derivative activity has been undertaken during the year.

Distribution tables for the year ended 31 March 2014 (in pence per unit)

Interim dividend distribution (accounting date 30 September 2013, paid on 29 November 2013)

Group 1: shares purchased prior to 1 April 2013

Group 2: shares purchased on or after 1 April 2013

	Net revenue	Equalisation	Distribution paid 29/11/2013	Distribution paid 30/11/2012
Class A income				
Group 1	2.6524		2.6524	2.1704
Group 2	1.2066	1.4458	2.6524	2.1704
Class I income				
Group 1	3.0256		3.0256	2.4974
Group 2	1.0234	2.0022	3.0256	2.4974
Class Z accumulation				
Group 1	5.7502	-	5.7502	4.4705
Group 2	2.2257	3.5245	5.7502	4.4705

Final dividend distribution (accounting date 31 March 2014, paid on 30 May 2014)

Group 1: shares purchased prior to 1 October 2013

Group 2: shares purchased on or after 1 October 2013

	Net revenue	Equalisation	Distribution paid 30/05/2014	Distribution paid 31/05/2013
Class A income				
Group 1	1.5687	-	1.5687	1.2183
Group 2	0.9557	0.6130	1.5687	1.2183
Class I income				
Group 1	1.8614	-	1.8614	1.4364
Group 2	0.9184	0.9430	1.8614	1.4364
Class Z accumulation				
Group 1	3.5504	-	3.5504	2.6779
Group 2	1.1747	2.3757	3.5504	2.6779

Henderson Institutional Global Care Managed Fund

Authorised Corporate Director's report

Fund Manager

Nick Anderson

Investment objective and policy

To achieve above average long-term capital growth by investing in a mix of assets including UK and overseas equities and fixed interest stocks. Individual companies are chosen for their social and environmental leadership in the area within which they operate.

Performance summary

	31 Mar 13 - 31 Mar 14	31 Mar 12 - 31 Mar 13	31 Mar 11 - 31 Mar 12	31 Mar 10 - 31 Mar 11	31 Mar 09 - 31 Mar 10
	%	%	%	%	%
Henderson Institutional Global Care Managed Fund	11.8	14.7	1.4	7.5	35.7
IMA OE Mixed Investment 40-85% Shares	5.7	12.8	0.1	6.7	36.2

Source: Henderson Global Investors - bid to bid, net revenue reinvested, net of fees, GBP, based on annualised returns.

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.

Significant portfolio changes for the year ended 31 March 2014

Largest purchases	£000	Largest sales	£000
Towers Watson	2,836	LKQ	2,182
Aon	1,578	Towers Watson	1,891
Sirona	1,568	ABB	1,719
eBay	1,547	Acuity	1,681
Charles Schwab	1,474	CSL	1,661
Delphi Automotive	1,465	Hunt (J.B.) Transport	1,655
Unicredit	1,445	Sirona	1,512
McKesson	1,424	Continental	1,498
Western Digital	1,394	Union Pacific	1,386
Volvo	1,310	ADT	1,278
Total purchases	42,322	Total sales	54,999

Fund Manager's commentary

Developed equity markets, broadly speaking, performed well over the 12-month period, with the MSCI World Index returning 9% in sterling terms, and the MSCI UK Index returning over 6%. In sharp contrast emerging markets significantly underperformed, dropping almost 10%, reflecting concerns about slowing Chinese economic growth and a reduction in the US Federal Reserve (Fed)'s bond-buying programme. The Fed's actions have also led to rising interest rate expectations globally and, consequently, UK government bonds produced a negative return over the period.

Looking more closely at sustainable and responsible investment (SRI) issues, the latest report from the Intergovernmental Panel on Climate Change (IPCC) brought to the fore the dangers of current climate forecasts and the importance of a low carbon emissions future. The IPCC warned that "increasing magnitudes of warming increase the likelihood of severe, pervasive and irreversible impacts". As a major contributor to global emissions, China has an important role to play in this future and the government looks to be heeding the warnings. Speaking to the National People's Congress in March, Chinese Premier Li Keqiang declared a "war on pollution". The recent announcement that Shanghai would be the second city after Beijing to introduce the China V emissions standard for new vehicles lends some support to this rhetoric. Environmental concerns in China have resulted in favourable business conditions for some of the Fund's investments despite the weaker macroeconomic data. Demand for Schneider's energy efficiency products and services remained robust over the period, while BorgWarner is reporting growing demand for its fuel efficient technology. This highlights the attractiveness of thematic investing – identifying long-term trends that persist throughout the macroeconomic cycle.

Asset allocation was a positive source of relative performance as the Fund was overweight equities and underweight bonds versus the sector benchmark. Security selection, however, was a greater source of outperformance. Within the Fund's international positions, we were pleased by the breadth of themes that contributed to outperformance over the period. Pentair (Water Management theme) reported strong organic revenue growth across the US, Europe, and China driven by its valves and controls business. In the Health theme we have found attractive investments in the US healthcare sector, where President Obama's healthcare reforms have resulted in significant change. McKesson and Towers Watson (both new positions) contributed significantly to performance over the 12 months. McKesson is a distributor of medical supplies and is a beneficiary of US healthcare reforms and demographic trends and it is expanding overseas. Towers Watson is a global professional services company and over the next few years its emerging healthcare exchange business is expected to be the main driver of profit growth.

The past 12 months has seen strong outperformance of stocks in the solar sector as unsubsidised solar power is on the cusp of becoming an economically viable energy source in many countries. Subsequent expectations for sustained demand growth in solar technology have helped two of the Fund's clean energy positions outperform. The Fund's investment in First Solar reached its price target and we sold the position as per our investment process. German designer and manufacturer of photovoltaic inverters SMA Solar was a new position for the Fund during the period. Traditionally focused on Europe, further growth opportunities are available to SMA Solar through international expansion. In the UK, DS Smith, the recycled packaging manufacturer, contributed to performance as it continued to report productivity gains and better than expected earnings following the transformational acquisition of SCA. Detracting from performance were positions in Regal Beloit, Citrix Systems, and East Japan Railway Company.

Through investing in global companies that provide environmental and social benefits to consumers, businesses and governments, the Henderson Institutional Global Care Managed Fund gains exposure to sustainable themes that the team believes have the potential to provide attractive returns. These themes are based around the long-term trends of population growth, changing demographics, constrained resources, and climate change and reflect the delicate balance between environmental and social sustainability. This is balanced against a portfolio of bonds and UK equities aimed at generating income. The team's thorough fundamental investment process is focused on identifying companies that they feel should be best positioned to deliver these goals.

Comparative tables as at 31 March 2014

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class A accumulation				
31/03/2012	183,393,292	12,462,737	11,321,428	110.08
31/03/2013	171,603,689	14,947,215	11,831,159	126.34
31/03/2014	177,540,162	17,779,169	12,544,286	141.73
Class I accumulation				
31/03/2012	183,393,292	2,717,385	2,293,583	118.48
31/03/2013	171,603,689	3,343,206	2,440,829	136.97
31/03/2014	177,540,162	10,536,789	6,809,650	154.73
Class Z accumulation				
31/03/2012	183,393,292	168,213,170	93,295,737	180.30
31/03/2013	171,603,689	153,313,268	73,104,509	209.72
31/03/2014	177,540,162	149,224,204	62,593,291	238.40

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2009	0.86	88.63	66.57
2010**	-	89.54	88.10
Class A accumulation			
2009	1.20	95.74	70.92
2010	0.96	107.80	92.90
2011	1.02	113.10	95.70
2012	1.14	114.20	102.60
2013	1.12	139.20	114.60
2014	0.28+	143.40+	135.80+
Class I accumulation			
2009	1.21	101.30	74.66
2010	1.33	114.90	98.40
2011	2.02	121.10	102.50
2012	2.08	123.60	110.50
2013	1.95	151.70	124.00
2014	0.60+	156.40+	148.10+
Class Z accumulation			
2009	3.66	152.10	111.60
2010	3.87	173.60	147.90
2011	4.34	183.50	155.40
2012	4.35	188.90	168.30
2013	4.98	233.40	189.60
2014	1.99+	241.00+	228.00+

+ to 31 March

**X share class merged with A share class on 11 January 2010.

Ongoing charge figure

The annualised ongoing charge figure (OCF) of the Fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	2014	2013
	%	%
Class A	1.72*	1.77
Class I	0.85**	0.87
Class Z	0.08***	0.09

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

From 10 August 2013:

* The General Administration Charge (GAC) decreased from 0.24% to 0.18%.

** The General Administration Charge (GAC) decreased from 0.10% to 0.075%.

*** The General Administration Charge (GAC) decreased from 0.06% to 0.045%.

Risk and reward profile

The Fund currently has 3 types of share class in issue; A accumulation, I accumulation and Z accumulation shares. Each type of share class has the same risk and reward profile which is as follows:

Typically Lower potential risk/reward

Typically Higher potential risk/reward

Lower Risk

Higher Risk

1	2	3	4	5	6	7
---	---	---	---	---	---	---

The synthetic risk and reward indicator (SRRRI) 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 SRRRI level. The SRRRI 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
- The Fund's social screens eliminate many potential investments
- 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.

Since the issue of the KIID there has been a change to the risk rating from 6 to 5 as of June 2012.

The SRRRI conforms to the CESR guidelines for the calculation of the SRRRI.

Portfolio statement as at 31 March 2014

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 15.03% (2013: 16.85%)			
Government bonds 9.57% (2013: 10.86%)			
GBP 370,000	UK Treasury 1% 07/09/2017	365	0.21
GBP 290,000	UK Treasury 1.25% 22/07/2018	285	0.16
GBP 421,000	UK Treasury 1.875% 22/11/2022	627	0.35
GBP 340,000	UK Treasury 2.25% 07/09/2023	326	0.18
GBP 160,000	UK Treasury 2.75% 22/01/2015	163	0.09
GBP 229,000	UK Treasury 3.25% 22/01/2044	218	0.12
GBP 908,000	UK Treasury 3.75% 07/09/2019	992	0.56
GBP 154,000	UK Treasury 3.75% 07/09/2020	168	0.10
GBP 691,000	UK Treasury 3.75% 07/09/2021	756	0.43
GBP 48,000	UK Treasury 3.75% 22/07/2052	51	0.03
GBP 1,420,000	UK Treasury 4% 07/09/2016	1,526	0.86
GBP 29,000	UK Treasury 4% 07/03/2022	32	0.02
GBP 361,000	UK Treasury 4% 22/01/2060	407	0.23
GBP 514,000	UK Treasury 4.25% 07/12/2027	581	0.33
GBP 1,352,000	UK Treasury 4.25% 07/06/2032	1,526	0.86
GBP 575,000	UK Treasury 4.25% 07/03/2036	649	0.37
GBP 313,000	UK Treasury 4.25% 07/09/2039	355	0.20
GBP 551,000	UK Treasury 4.25% 07/12/2040	625	0.35
GBP 712,000	UK Treasury 4.25% 07/12/2046	818	0.46
GBP 46,000	UK Treasury 4.25% Perpetual	53	0.03
GBP 637,000	UK Treasury 4.5% 07/03/2019	717	0.40
GBP 479,000	UK Treasury 4.5% 07/09/2034	558	0.31
GBP 194,000	UK Treasury 4.5% 07/12/2042	230	0.13
GBP 300,000	UK Treasury 4.75% 07/09/2015	318	0.18
GBP 1,025,000	UK Treasury 4.75% 07/03/2020	1,178	0.66
GBP 490,000	UK Treasury 4.75% 07/12/2030	585	0.33
GBP 816,000	UK Treasury 4.75% 07/12/2038	995	0.56
GBP 370,000	UK Treasury 5% 07/03/2018	419	0.24
GBP 588,000	UK Treasury 5% 07/03/2025	707	0.40
GBP 562,000	UK Treasury 6% 07/12/2028	753	0.42
		16,983	9.57
European corporate bonds 5.35% (2013: 5.87%)			
GBP 100,000	Anglian Water Service Finance 4.5% 22/02/2026	97	0.05
GBP 260,000	Anglian Water Service Finance 5.25% 30/10/2015	276	0.16
GBP 68,000	Aviva 5.9021% Perpetual	69	0.04
GBP 10,000	Aviva 6.125% 14/11/2036	11	0.01
GBP 250,000	Bank of America 6.125% 15/09/2021	292	0.16
GBP 120,000	Barclays 4.25% 12/01/2022	129	0.07
GBP 185,000	Barclays 6.75% 16/01/2023	204	0.11
GBP 43,000	Barclays Bank 9.5% 07/08/2021	55	0.03
GBP 141,000	BG Energy Capital 5.125% 07/12/2017	156	0.09
GBP 200,000	BG Energy Capital 6.5% 30/11/2072	217	0.12
GBP 65,000	British Telecom 6.625% 23/06/2017	74	0.04
GBP 120,000	Broadgate 4.821% 05/07/2036	131	0.07
GBP 35,883	Canary Wharf Finance 6.455% 22/10/2033	44	0.02
GBP 60,000	Comcast 5.5% 23/11/2029	68	0.04
GBP 130,000	Cooperative Bank 5.625% 08/07/2020	134	0.08
GBP 85,000	DWR Cymru Financing 6.015% 31/03/2028	101	0.06
GBP 100,000	EMH Treasury 4.5% 29/01/2044	99	0.06
GBP 200,000	Experian Finance 4.75% 23/11/2018	220	0.12
GBP 100,000	FirstGroup 5.25% 29/11/2022	106	0.06
GBP 105,000	FirstGroup 8.125% 19/09/2018	125	0.07

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
European corporate bonds (continued)			
GBP 100,000	Freshwater Finance 5.182% 20/04/2035	106	0.06
GBP 120,000	Friends Provident 8.25% 21/04/2022	133	0.07
GBP 290,000	GlaxoSmithKline Capital 5.25% 19/12/2033	330	0.19
GBP 100,000	High Speed Rail Finance 4.375% 01/11/2038	101	0.06
GBP 36,000	HSBC 5.375% 04/11/2030	38	0.02
GBP 250,000	HSBC 6.375% 18/10/2022	275	0.15
GBP 15,000	HSBC 6.5% 07/07/2023	17	0.01
GBP 50,000	HSBC 6.75% 11/09/2028	58	0.03
GBP 100,000	Intu (SGS) Finance 3.875% 17/03/2023	98	0.06
GBP 100,000	Intu (SGS) Finance 4.125% 06/12/2023	100	0.06
GBP 141,792	Juturna 5.0636% 10/08/2033	157	0.09
GBP 435,000	KFW 5.5% 07/12/2015	469	0.26
GBP 150,000	Land Securities 5.391% 27/02/2026	172	0.10
GBP 40,000	LCR Finance 4.5% 07/12/2028	44	0.02
GBP 150,000	Lloyds Banking Group 7.625% 22/04/2025	182	0.10
GBP 160,000	Motability Operations 5.625% 29/11/2030	187	0.11
GBP 100,000	Munich Ruckversicher 6.625% 26/05/2042	114	0.06
GBP 65,000	National Grid 6% 13/05/2038	79	0.04
GBP 150,000	National Grid 6.125% 15/04/2014	150	0.08
GBP 205,000	Nationwide Building Society 5.625% 28/01/2026	245	0.14
GBP 100,000	Nationwide Building Society 8.625% 29/03/2018	117	0.07
GBP 330,000	Northumbrian Water Finance 6% 11/10/2017	372	0.21
GBP 110,000	Notting Hill Housing Trust 4.375% 20/02/2054	108	0.06
GBP 140,000	Peabody Capital 4.625% 12/12/2053	144	0.08
GBP 110,000	PostNL 7.5% 14/08/2018	129	0.07
GBP 100,000	Prudential 5.7% Perpetual	100	0.06
GBP 20,000	Royal & Sun Alliance 8.5% Perpetual	21	0.01
GBP 124,000	RSA Insurance 9.375% Perpetual	150	0.08
GBP 100,000	Scottish Widows 7% 16/06/2043	112	0.06
GBP 200,000	Silverstone Master Issuer 5.063% 21/01/2055	216	0.12
GBP 100,000	Skandinaviska Enskilda 3% 18/12/2020	100	0.06
GBP 100,000	Standard Life 5.5% 04/12/2042	104	0.06
GBP 100,000	Svenska Handelsbanken 2.75% 05/12/2022	95	0.05
GBP 136,844	Telereal Securitisation 4.01% 10/12/2033	134	0.08
GBP 100,000	Together Housing Finance 4.5% 17/12/2042	99	0.06
GBP 220,000	Transport for London 2.25% 09/08/2022	206	0.12
GBP 100,000	Transport for London 4% 12/09/2033	101	0.06
GBP 225,000	United Utilities Water 6.125% 29/12/2015	243	0.14
GBP 100,000	University of Cambridge 3.75% 17/10/2052	97	0.06
GBP 150,000	Virgin Media Secured Finance 7% 15/01/2018	155	0.09
GBP 45,000	Vodafone 4.625% 08/09/2014	46	0.03
GBP 100,000	Wales & West Utilities 4.625% 13/12/2023	106	0.06
GBP 260,000	Wellcome Trust Finance 4.75% 28/05/2021	288	0.16
GBP 100,000	Wells Fargo 3.5% 12/09/2029	93	0.05
GBP 110,000	Wessex Water 4% 24/09/2021	113	0.06
GBP 100,000	WM Treasury 4.625% 03/12/2042	100	0.06
GBP 100,000	Yorkshire Water Services 3.625% 01/08/2029	92	0.05
GBP 150,000	Yorkshire Water Services 6% 24/04/2025	163	0.09
GBP 30,000	Zurich Finance (UK) 6.625% Perpetual	33	0.02
		9,500	5.35

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
US corporate bonds 0.11% (2013: 0.12%)			
GBP 100,000	Pepsico 2.5% 01/11/2022	94	0.05
GBP 100,000	Verizon Communications 4.75% 17/02/2034	100	0.06
		194	0.11
Equities 78.33% (2013: 77.42%)			
Austria 0.00% (2013: 0.14%)			
Australia 0.00% (2013: 1.09%)			
Brazil 0.58% (2013: 0.00%)			
114,487	Itau Unibanco (Preference)	1,031	0.58
Canada 0.55% (2013: 0.57%)			
26,968	Stantec	982	0.55
France 3.51% (2013: 2.31%)			
147,552	Groupe Eurotunnel	1,130	0.64
51,090	Legrand	1,905	1.07
34,041	Schneider Electric	1,811	1.02
113,867	Suez Environmental	1,388	0.78
		6,234	3.51
Guernsey 0.52% (2013: 0.52%)			
658,743	Low Carbon Accelerator	6	-
305,172	Resolution	912	0.52
		918	0.52
Germany 2.06% (2013: 1.91%)			
10,091	Continental	1,451	0.82
212,626	Infineon Technologies	1,523	0.86
21,300	SMA Solar Technology	677	0.38
		3,651	2.06
Hong Kong 0.73% (2013: 0.83%)			
454,000	AIA	1,290	0.73
Indonesia 0.00% (2013: 0.75%)			
Ireland 1.08% (2013: 1.19%)			
93,792	Experian	1,014	0.57
30,780	Shire	906	0.51
		1,920	1.08
Italy 1.61% (2013: 0.49%)			
132,195	Ansaldo	929	0.52
352,800	Unicredit	1,932	1.09
		2,861	1.61

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Japan 3.79% (2013: 4.16%)			
25,000	East Japan Railway	1,107	0.62
220,000	Ebara	828	0.47
240,000	Leopalace	692	0.39
32,200	Secom	1,114	0.63
22,900	Shimano	1,380	0.78
62,400	Sumitomo Mitsui Financial	1,602	0.90
		<u>6,723</u>	<u>3.79</u>
Netherlands 0.66% (2013: 0.59%)			
50,891	Arcadis	1,173	0.66
Singapore 0.88% (2013: 0.97%)			
1,664,000	Comfortdelgro	1,572	0.88
Sweden 0.78% (2013: 0.00%)			
145,792	Volvo	1,387	0.78
Switzerland 0.00% (2013: 1.54%)			
United Kingdom 32.74% (2013: 34.23%)			
285,985	3i	1,138	0.64
1,116,812	Assura	477	0.27
45,577	AstraZeneca	1,767	1.00
65,190	Atkins	907	0.51
573,409	Augean#	252	0.14
157,192	AZ Electronic Materials	633	0.36
81,076	Bellway	1,346	0.76
50,534	Berkeley	1,324	0.75
113,980	BG	1,274	0.72
870,881	Bglobal	52	0.03
501,252	BT	1,902	1.07
225,854	Direct Line Insurance	536	0.30
124,927	Ethical Property^	47	0.03
148,930	GlaxoSmithKline	2,370	1.33
19,938	Go-Ahead	371	0.21
138,474	Goals Soccer Centres#	312	0.18
529,980	Greencoat UK Wind	556	0.31
209,319	Halma	1,206	0.68
139,559	Hammerson REIT	773	0.44
82,792	Hiscox	565	0.32
359,908	HSBC	2,186	1.23
222,744	Informa	1,177	0.66
26,090	Intercontinental Hotels	503	0.28
97,470	Interserve	712	0.40
31,965	Intertek	982	0.55
130,477	Investec	633	0.36
519,209	ITV	994	0.56
28,343	Johnson Matthey	927	0.52
772,298	Johnson Service#	448	0.25
171,398	Jupiter Fund Management	687	0.39
199,467	Kingfisher	841	0.47
81,486	Land Securities REIT	832	0.47
458,718	Leaf Clean Energy	238	0.13
879,231	Legal & General	1,800	1.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United Kingdom (continued)			
59,540	London Stock Exchange	1,173	0.66
151,250	Marks & Spencer	683	0.38
170,161	National Grid	1,399	0.79
52,299	Oxford Instruments	663	0.37
61,535	Pearson	654	0.37
51,144	Pennon	380	0.21
96,981	Phoenix	640	0.36
270,619	Plant Health Care	160	0.09
212,408	Premier Farnell	497	0.28
57,459	Primary Health Properties	198	0.11
233,680	Promethean World	75	0.04
125,610	Prudential	1,593	0.90
190,657	Reed Elsevier	1,746	0.98
411,755	Renewable Energy Generation	321	0.18
138,235	Rexam	673	0.38
440,857	RM	655	0.37
26,180	Rotork	693	0.39
286,628	Sage	1,198	0.67
31,801	Schroders	826	0.47
32,508	Severn Trent	593	0.33
201,214	SIG	405	0.23
110,966	Smith & Nephew	1,009	0.57
582,356	Smith (DS)	1,890	1.06
482,716	Southern Cross Healthcare*	-	-
60,247	Spectris	1,396	0.79
92,492	SSE	1,359	0.77
117,931	St Modwen Properties	472	0.27
65,489	Standard Chartered	821	0.46
243,441	Standard Life	919	0.52
54,605	Synergy Healthcare	753	0.43
10,507	Synety Power	32	0.02
573,169	Trading Emissions	79	0.04
479,951	Tribal	960	0.54
16,098	Victrex	323	0.18
707,701	Vodafone	1,559	0.88
511,385	WYG	562	0.32
		58,127	32.74
United States 28.84% (2013: 26.13%)			
3,605	Acuity	287	0.16
41,278	Adobe Systems	1,628	0.92
41,950	Agilent	1,407	0.79
36,024	American Public Education	757	0.43
33,430	Aon	1,690	0.95
84,992	ARRIS Group	1,436	0.81
31,968	BorgWarner	1,179	0.66
46,011	Caremark	2,067	1.16
16,944	Cepheid	524	0.30
20,274	Charles Schwab	1,614	0.91
26,074	Davita	838	0.47
40,129	Deere	1,420	0.80
48,251	Delphi Automotive	1,633	0.92
243,200	eBay	1,598	0.90

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United States (continued)			
15,487	Enova Systems	7	-
24,873	Fair Isaac	514	0.29
23,445	Henry Schein	1,781	1.00
48,201	Hubbell	1,685	0.95
3,808	Informatica	1,092	0.62
18,187	Intuitive Surgical	1,000	0.56
21,000	IPC The Hospitalist	535	0.30
16,000	IPG Photonics	895	0.50
33,000	McKesson	1,695	0.96
64,172	Medassets	489	0.28
58,696	Mednax	2,386	1.34
30,350	Microsoft	1,443	0.81
80,125	Motorola Solutions	1,170	0.66
32,880	Ocean Power Technologies	178	0.10
1,026,671	Pentair	1,565	0.88
83,637	Polyfuel*	-	-
22,106	Quanta	1,851	1.04
98,515	Regal Beloit	964	0.54
41,776	TE Connectivity	1,509	0.85
22,500	Towers Watson	1,539	0.87
85,962	Trimble Navigation	2,004	1.13
68,023	Tyco	1,729	0.97
10,184	Verizon Communications	976	0.55
34,123	Visa	1,318	0.74
35,370	Wabtec	1,646	0.93
25,680	Western Digital	1,414	0.80
80,125	Xylem	1,750	0.99
		51,213	28.84
		165,759	93.36
	Investment assets		
	Net other assets	11,781	6.64
	Net assets	177,540	100.00

* Manually priced

Alternative Investment Market

+ Market value under £500

^ Unquoted security

Credit ratings[#]

Investment	Market value £000	Percentage of total net assets %
Above investment grade (AAA - BBB)	25,405	14.31
Below investment grade (BB and below)	289	0.16
Unrated	983	0.56
Total bonds	26,677	15.03
Total equities	139,082	78.33
Net other assets	11,781	6.64
Net assets	177,540	100.00

Source: Standard & Poor's

Statement of total return for the year ended 31 March 2014

	Notes	2014		2013	
		£000	£000	£000	£000
Income					
Net capital gains	2		17,444		21,032
Revenue	4	4,122		4,640	
Expenses	5	(421)		(371)	
Finance costs: Interest	7	-		-	
Net revenue before taxation		3,701		4,269	
Taxation	6	(209)		(254)	
Net revenue after taxation			3,492		4,015
Total return before distributions			20,936		25,047
Finance costs: Distributions	7		(3,492)		(4,015)
Change in net assets attributable to shareholders from investment activities			17,444		21,032

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2014

	2014		2013	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		171,604		183,393
Amounts receivable on issue of shares	10,585		2,253	
Amounts payable on cancellation of shares	(25,573)		(39,085)	
		(14,988)		(36,832)
Stamp duty reserve tax		(12)		(5)
Unclaimed distributions		-		1
Change in net assets attributable to shareholders from investment activities (see above)		17,444		21,032
Retained distribution on accumulation shares		3,492		4,015
Closing net assets attributable to shareholders		177,540		171,604

Balance sheet as at 31 March 2014

		2014		2013	
	Notes	£000	£000	£000	£000
Assets					
Investment assets			165,759		161,769
Debtors	8	1,535		1,640	
Cash and bank balances	9	10,685		9,622	
Total other assets			12,220		11,262
Total assets			<u>177,979</u>		<u>173,031</u>
Liabilities					
Creditors	10	439		1,427	
Total other liabilities			439		1,427
Total liabilities			439		1,427
Net assets attributable to shareholders			<u>177,540</u>		<u>171,604</u>

Notes to the financial statements as at 31 March 2014

1 Accounting and distribution policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the aggregated financial statements on pages 8 to 12.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2014	2013
	£000	£000
Non-derivative securities	17,442	21,044
Other currency (losses)/gains	8	(2)
Transaction costs	(6)	(10)
Net capital gains	17,444	21,032

3 Portfolio transaction costs

	2014	2013
	£000	£000
Purchases in year before transaction costs	42,256	51,907
Commissions	47	47
Taxes	19	32
Total purchase transaction costs*	66	79
Purchases including transaction costs	42,322	51,986
Sales in year before transaction costs	55,048	87,091
Commissions	(46)	(56)
Taxes	(3)	(3)
Total sale transaction costs*	(49)	(59)
Sales net of transaction costs	54,999	87,032
Transaction handling charges*	6	10

* These amounts have been deducted in determining net capital gains.

4 Revenue

	2014	2013
	£000	£000
Bank interest	28	24
Interest on debt securities	926	1,085
Overseas dividends	1,252	1,376
UK dividends	1,869	2,155
UK REIT revenue	47	-
Total revenue	4,122	4,640

Notes to the financial statements (continued)

5 Expenses

	2014	2013
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	284	214
General administration charge*	111	128
	<u>395</u>	<u>342</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	17	20
Safe custody fees	9	9
	<u>26</u>	<u>29</u>
Total expenses	<u>421</u>	<u>371</u>

Irrecoverable VAT is included in the above expenses where relevant.

*The current audit fee is, which is levied through GAC, is £7,980 (2013: £9,660).

6 Taxation

(a) Analysis of charge in the year

The tax charge comprises:	2014	2013
	£000	£000
UK corporation tax	115	155
Double tax relief	(4)	-
Overseas withholding tax	97	100
Total current tax (note 6b)	<u>208</u>	<u>255</u>
Deferred tax (note 6c)	1	(1)
Total taxation	<u>209</u>	<u>254</u>

b) Factors affecting current tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICs) of 20%. The differences are explained below:

	2014	2013
	£000	£000
Net revenue before taxation	<u>3,701</u>	<u>4,269</u>
Corporation tax at 20% (2013: 20%)	740	854
Effects of:		
Irrecoverable overseas tax	93	100
Non-taxable overseas dividends **	(251)	(272)
UK dividends*	(374)	(427)
Current tax charge for the year (note 6a)	<u>208</u>	<u>255</u>

* As an OEIC this item is not subject to corporation tax.

** Overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

Notes to the financial statements (continued)

6 Taxation (continued)

(c) Deferred tax

Provision at start of year	1	2
Deferred tax charge for year (note 6a)	1	(1)
Provision at end of year	2	1

(d) Factors that may affect future tax charges

There were no factors that may affect future tax charges at the current or prior accounting year end.

7 Finance costs

Distributions and interest

	2014	2013
	£000	£000
Interim accumulation	2,171	2,642
Final accumulation	1,321	1,373
	<u>3,492</u>	<u>4,015</u>
Finance costs: Distributions	<u>3,492</u>	<u>4,015</u>
Total finance cost	<u>3,492</u>	<u>4,015</u>

Details of the distribution per share are set out in the distribution table on page 74.

8 Debtors

	2014	2013
	£000	£000
Accrued revenue	752	679
Amounts receivable for issue of shares	738	70
Currency transactions awaiting settlement	-	58
Overseas withholding tax reclaimable	45	28
Sales awaiting settlement	-	805
Total debtors	<u>1,535</u>	<u>1,640</u>

9 Cash and bank balances

	2014	2013
	£000	£000
Cash and bank balances	10,685	9,622
Total cash and bank balances	<u>10,685</u>	<u>9,622</u>

Notes to the financial statements (continued)

10 Creditors

	2014	2013
	£000	£000
Accrued ACD's periodic charge	25	21
Accrued Depositary's fees	2	2
Accrued other expenses	12	13
Amounts payable for cancellation of shares	349	213
Corporation tax payable	49	69
Currency transactions awaiting settlement	-	58
Deferred taxation	2	1
Purchases awaiting settlement	-	1,050
Total creditors	439	1,427

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

The Financial Reporting Standard number 8 (FRS 8) on 'Related Party Disclosures' requires the disclosure of details of material transactions between the Fund and any related parties. Under the FRS the ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', 'Statement of change in net assets attributable to Shareholders' and the 'Balance sheet' on pages 65 and 66 and notes 5, 8 and 10 on pages 68 to 70 including all creations and cancellations where the ACD acted as principal.

Material transactions throughout the year such as creations and cancellations for these shareholders are included in the Statement of change in net assets attributable to shareholders.

State Street Nominees Limited, as a prior year material shareholder, was a related party holding shares comprising 89.34% of the total net assets of the Fund as at 31 March 2013.

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 84.05% (2013: nil) of the total net assets of the Fund as at 31 March 2014.

13 Shareholder funds

The Fund currently has 3 share classes available; Class A (Retail with front-end charges), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

Class A	1.50%
Class I	0.75%
Class Z	0.00%*

* Charges for managing Z class shares are levied outside the Fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative table on page 54. The distribution per share class is given in the distribution table on page 74. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

14 Risk

Risks in respect of financial assets and liabilities are set out in note 3 of the aggregated financial statements on pages 10 to 12.

Currency risk

Net currency monetary assets and liabilities consist of:

Currency	Investment assets including investment liabilities £000	Net other assets £000	Net assets £000
2014			
Brazilian real	1,031	1	1,032
Canadian dollar	982	2	984
Euro	13,919	44	13,963
Hong Kong dollar	1,290	-	1,290
Japanese yen	6,723	55	6,778
Singapore dollar	1,572	-	1,572
Swedish krona	1,387	-	1,387
UK sterling	87,642	11,593	99,235
US dollar	51,213	86	51,299
Total	165,759	11,781	177,540
2013			
Australian dollar	1,868	15	1,883
Canadian dollar	984	3	987
Euro	9,343	28	9,371
Hong Kong dollar	1,419	-	1,419
Indonesian rupiah	1,282	-	1,282
Japanese yen	7,139	74	7,213
Singapore dollar	1,673	-	1,673
Swiss franc	2,638	-	2,638
Taiwan dollar	-	13	13
UK sterling	90,577	9,605	100,182
US dollar	44,846	97	44,943
Total	161,769	9,835	171,604

Notes to the financial statements (continued)

14 Risk (continued)

Interest rate risk

The interest rate risk profile of the Fund's financial assets and liabilities at the year end is set out in the following table.

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency				
2014				
Brazilian real	-	-	1,031	1,031
Canadian dollar	-	-	985	985
Euro	-	-	13,963	13,963
Hong Kong dollar	-	-	1,290	1,290
Japanese yen	-	-	6,778	6,778
Singapore dollar	-	-	1,572	1,572
Swedish krona	-	-	1,387	1,387
UK sterling	10,685	26,677	62,312	99,674
US dollar	-	-	51,299	51,299
Total	10,685	26,677	140,617	177,979
Currency				
2013				
Australian dollar	-	-	1,883	1,883
Canadian dollar	-	-	987	987
Euro	-	-	9,371	9,371
Hong Kong dollar	-	-	1,419	1,419
Indonesian rupiah	-	-	1,282	1,282
Japanese yen	-	-	7,213	7,213
Singapore dollar	-	-	1,673	1,673
Swiss franc	-	-	2,696	2,696
Taiwan dollar	13	-	-	13
UK sterling	10,570	27,714	63,038	101,322
US dollar	229	-	44,943	45,172
Total	10,812	27,714	134,505	173,031
Currency				
2014				
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
UK sterling	-	-	439	439
Total	-	-	439	439
Currency				
2013				
Swiss franc	-	-	58	58
UK sterling	-	-	1,140	1,140
US dollar	-	-	229	229
Total	-	-	1,427	1,427

Notes to the financial statements (continued)

14 Risk (continued)

Fixed rate financial assets	Weighted average interest rate	Weighted average period for which rate is fixed (years)
Currency	%	%
2014		
UK sterling	3.53	14.15
Currency		
2013		
UK sterling	3.20	13.94

The 'weighted average interest rate' is based on the redemption yield of each asset, weighted by their market value.

Sensitivity analysis

A sensitivity analysis has not been provided as no derivative activity has been undertaken during the year.

Distribution tables for the year ended 31 March 2014 (in pence per share)

Interim dividend distribution (accounting date 30 September 2013, paid on 29 November 2013)

	Net revenue	Distribution paid 29/11/2013	Distribution paid 30/11/2012
Class A accumulation	0.8813	0.8813	0.9167
Class I accumulation	1.2753	1.2753	1.4158
Class Z accumulation	3.1624	3.1624	2.8086

Final dividend distribution (accounting date 31 March 2014, paid on 30 May 2014)

	Net revenue	Distribution paid 30/05/2014	Distribution paid 31/05/2013
Class A accumulation	0.2790	0.2790	0.2402
Class I accumulation	0.6030	0.6030	0.6773
Class Z accumulation	1.9900	1.9900	1.8164

Further information

Shareholder enquiries

If you have any queries about your Fund holding, either contact your professional adviser or telephone us on one of the numbers below:

For dealing enquiries including buying and selling units please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **support@henderson.com**

We may record telephone calls for our mutual protection and to improve customer service.

Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), 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. Telephone calls may be recorded and monitored. Ref 34V.

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