

Henderson

Global Financials

Fund

Short Report

For the year ended 30 September 2013

Henderson Global Financials Fund

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Fund Manager

Henderson Global Equities Team

Investment objective and policy

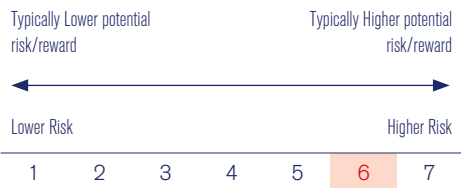
To achieve long term capital growth by investing principally in the securities of financial services companies both in the UK and internationally. In addition to ordinary shares, the Fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments and deposits.

Other information

On 17 December 2012 the Henderson Global Equities Team took over management of the Henderson Global Financials Fund from Simon Peters.

Risk and reward profile

The Fund currently has 5 types of share class in issue; A (accumulation & income), Euro A accumulation, I accumulation and USD A accumulation. Each share class has the same risk and reward profile which is as follows:



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 synthetic risk and reward indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is

an indicator and may not accurately reflect future volatility and market conditions. The risk/reward rating above is based on medium-term volatility. In the future, the Fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The lowest category does not mean risk free.

The Fund's risk level reflects the following:

- As a category, shares are more volatile than either bonds or money market instruments
- Fluctuations in exchange rates may cause the value of your investment to rise or fall

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks such as:

Counterparty risk The Fund could lose money if an entity with which it interacts becomes unwilling or unable to meet its obligations to the Fund.

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

Liquidity risk Certain securities could become hard to value or sell at a desired time and price.

Management risk Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

The full list of the Fund's risks are contained in the "Risk Warnings" section of the Fund's prospectus.

Fund Manager's commentary

Overview

The past twelve months have seen developed market equities deliver healthy returns, with help coming in no small way from the support of central bank policies. Accommodative monetary policy has continued in the US and Europe, with Japan entering the fray following a change in leadership in late 2012. While the talk in mid-2013, of a slowdown in asset purchases by the US Federal Reserve, pushed interest rates higher, developed market equities have remained resilient. This is due to the fact that investor inflows and economic strength have taken up some of the slack left by expectations of a slowdown in quantitative easing. In contrast, emerging market equities have underperformed this year as slowing Chinese growth and rising US interest rates have depressed the outlook for the region. This environment has been generally supportive of developed market financials and the sector has outperformed the broader market, particularly in Europe, the US and Japan. At the company level, stricter regulations in the financial sector have prompted a change in many institutions' business models with the focus shifting to the core businesses of attracting deposits as a funding source, boosting capital ratios and curbing excessive lending practices.

Performance

The Fund outperformed the benchmark FTSE World Financials Total Return Index over the reporting period, returning 30.3% versus the benchmark's 26.6%. At the stock level, leading UK retail bank, Lloyds, was a standout performer returning close to 90% over the period. Our view has been that many investors have underappreciated the bank's earnings power; and as Lloyds continues to execute its cost cutting measures, with the strengthening UK economy providing a tailwind, we have witnessed this coming to fruition. Key to our investment thesis was

an understanding that expectations for loan losses were overly conservative. Recent quarters have shown this to be true as Lloyds reports ever lower impairment charges. Likewise, Belgian bank KBC Groep enjoyed a year of solid consensus beating earnings, again thanks to rising revenues, lower costs and falling impairment charges. While the bank is still in debt to the Flemish state over aid provided during the financial crisis, KBC's solid capital adequacy and earnings power means the bank should be well on track to make this repayment ahead of schedule. Success this year was not confined to European banks, however, with alternative asset manager Blackstone outperforming as the US firm reported solid growth in assets under management and fee revenue. Additionally, conditions are ripe in the real estate and private equity markets for Blackstone to realise profits in many of their investments. On the negative side, emerging markets holdings detracted from returns this period. With US interest rates rising over the past year, so too has the cost of funding for banks in countries such as Turkey and Indonesia, this led to a sell-off in shares in Türkiye Halkbank and Bank Mandiri in May of this year. Likewise, rising rates in Brazil have put pressure on earnings expectations for shopping mall operator BR Malls.

Outlook

Throughout the past five years we have witnessed companies in the financial sector restructure and improve efficiency in order to operate and survive in an environment of lower economic growth and stricter regulatory pressure. Most recently we have witnessed this in southern European banks, prompting us to increase our position in Italy's UniCredit. Economic data globally has been improving and business and consumer sentiment indicators are also upbeat. As such, while political and macroeconomic factors are continuing to drive markets and investor sentiment, there are many stock-specific opportunities for bottom-up fund managers to add value.

Performance summary

	30 Sep 12- 30 Sep 13 %	30 Sep 11- 30 Sep 12 %	30 Sep 10- 30 Sep 11 %	30 Sep 09- 30 Sep 10 %	30 Sep 08- 30 Sep 09 %
Henderson Global Financials Fund	30.3	13.0	(18.9)	(4.8)	25.5
FTSE World Financials Total Return Index	26.6	20.3	(15.9)	(1.0)	3.0

Source: Morningstar, mid to mid, net revenue reinvested, net of fees, GBP.

Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Summary of Fund performance

Share class	Net asset value* 2013 p	Net asset value* 2012 p	Net asset value % change
Class A income	51.89	40.51	28.09
Class A accumulation	269.14	206.56	30.30
Class I accumulation	300.20	228.75	31.23
Class Euro A accumulation	382.60	293.67	30.28
Class USD A accumulation	305.70	234.66	30.27

*The net asset value is calculated as at close of business on the last business day of the accounting period. The investments are valued at fair value which is generally deemed to be the bid market price.

Fund facts

Accounting dates

31 March, 30 September

Payment dates

31 May*, 30 November*, 31 January**

* Only applies to A income classes.

** All classes except A income.

Ongoing charge figure

	2013 %	2012 %
Class A	1.77*	1.77
Class I	1.10**	1.09
Class Euro A	1.77*	1.77
Class USD A	1.77*	1.77

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

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

* from 0.24% to 0.18%.

** from 0.06% to 0.045%.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A income			
2010	0.44	51.59	41.75
2011	1.34	51.97	34.38
2012	1.06	44.65	36.08
2013	1.23*	55.22+	44.76+
Class A accumulation			
2008	3.97	291.10	159.90
2009	1.07	249.00	144.80
2010	0.70	246.30	197.60
2011	3.08	247.90	169.80
2012	2.61	226.10	180.30
2013	2.60**	281.90+	226.70+
Class I accumulation			
2008	9.23	314.20	173.40
2009	1.73	271.40	157.30
2010	-	270.00	216.00
2011	5.82	272.10	187.30
2012	6.03	250.80	199.50
2013	2.30**	314.10+	251.50+
Calendar year	Net revenue (EUR cents per share)	Highest price (EUR cents per share)	Lowest price (EUR cents per share)
Class Euro A accumulation			
2008	10.35	5.59	2.46
2009	2.06	3.86	2.27
2010	2.29	4.10	3.28
2011	5.58	4.21	2.83
2012	4.36	3.94	3.18
2013	2.27**	4.73+	3.96+
Class Euro I accumulation			
2008	8.19	5.01	2.69
2009	4.13	4.25	2.49
2010	-	4.21	3.77#

Performance record

Calendar year	Net revenue (USD cents per share)	Highest price (USD cents per share)	Lowest price (USD cents per share)
Class USD A accumulation			
2008	9.39	6.58	2.68
2009	0.43	4.59	2.29
2010	3.20	4.35	3.30
2011	5.67	4.60	2.99
2012	6.43	4.16	3.20
2013	4.72**	5.12+	4.20+
Class USD I accumulation			
2008	5.57	5.09	2.42
2009	2.50	4.17	2.07
2010	-	3.87	3.27#

* to 29 November

** to 31 January 2014

+ to 30 September 2013

Closed on 12 February 2010

Net revenue distribution

Share class	2013 p	2012 p
Class A income	1.23	1.06
Class A accumulation	2.60	2.61
Class I accumulation	2.30	6.03
	EUR cents per share	EUR cents per share
Class Euro A accumulation	2.27	4.36
	USD cents per share	USD cents per share
Class USD A accumulation	4.72	6.43

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

Past performance is not a guide to future performance.

Asset allocation

as at 2013	%
United States	36.91
United Kingdom	13.36
Japan	9.05
France	5.73
Australia	5.30
Canada	4.71
Germany	2.64
China	2.58
Belgium	2.54
Switzerland	2.29
Other countries	13.17
Net other assets	1.72
Total	100.00

Asset allocation

as at 2012	%
United States	39.38
United Kingdom	10.61
Australia	7.33
Japan	6.87
Canada	5.70
Switzerland	4.53
China	3.25
Brazil	3.14
France	2.78
Germany	2.30
Other countries	12.74
Net other assets	1.37
Total	100.00

Major holdings

as at 2013	%
Lloyds Banking	4.28
JP Morgan Chase	2.54
KBC	2.54
Sumitomo Mitsui Trust	2.11
Bank of America	2.06
Mitsubishi	1.96
HSBC	1.95
Citigroup	1.83
BNP Paribas	1.73
Crédit Agricole	1.73

Major holdings

as at 2012	%
JP Morgan Chase	3.50
Wells Fargo	3.23
Citigroup	2.92
Zurich Financial Services	2.26
Westpac Bank	2.07
Lloyds Banking	2.02
HSBC	1.99
Visa	1.98
Mastercard	1.95
BR Malls	1.87

Report and accounts

This document is a short report of the Henderson Global Financials Fund for the year ended 30 September 2013.

Copies of the annual and half yearly long form report and financial statements of this Fund are available on our website www.henderson.com or contact investor services on the telephone number provided.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the year it covers and the results of those activities at the end of the year.

Issued by:

Henderson Investment Funds Limited
Registered office:
201 Bishopsgate,
London EC2M 3AE
Member of the IMA and authorised and regulated
by the Financial Conduct Authority.
Registered in England No 2678531

Risk warning

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.

Auditor

KPMG Audit plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

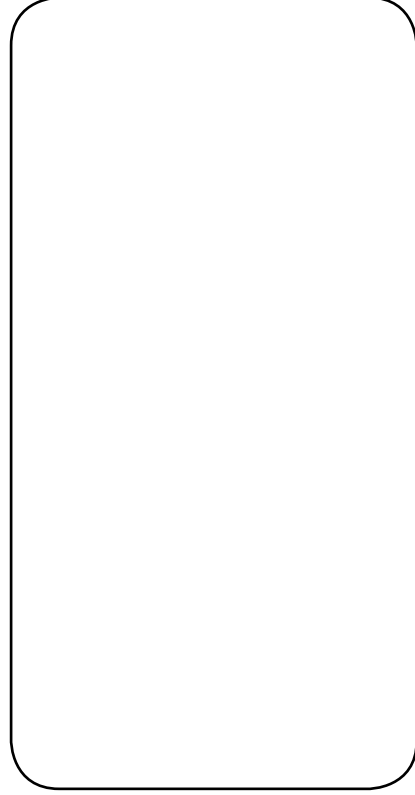
Depository

National Westminster Bank Plc
135 Bishopsgate
London EC2M 3UR

Contact us

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Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 30 September 2013. If you have confirmed a change of address with us since that date we will ensure all future correspondence will be sent to your new address.

Online valuations

You can value your Henderson Global Financials Fund at any time by logging on to www.henderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

Any questions?

Further information about the activities and performance of the Fund for this and previous periods can be obtained from the Investment Manager. If you have any questions please call our Client Services Team on 0800 832 832 or email support@henderson.com.

Important Information

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 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.

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