

INTERIM SHORT REPORT

For the six months ended
31 December 2013

Henderson Global Strategic Capital Unit Trust

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Short Report

For the six months ended 31 December 2013

Fund Manager

Paul Craig

Investment objective and policy

To achieve capital growth.

The Fund will invest worldwide principally in a managed portfolio of investment trust shares and other closed-ended vehicles.

The Fund may also invest in exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money-market instruments and deposits.

Risk and reward profile

The Fund currently has 2 unit classes in issue; Accumulation and Class I accumulation. The risk and reward profile is the same for each type of unit and is as follows:



The value of an investment in the Fund can go up or down. When you sell your units, they may be worth less than you paid for them.

The 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:

- The Fund invests in a mix of different asset classes.
- Fluctuations in exchange rates may cause the value of your investment to rise or fall.

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

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

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

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

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

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

Fund Manager's commentary

In the six months to 31 December 2013 the Henderson Global Strategic Capital Unit Trust rose 12.3% while the IMA Flexible sector rose by 6.6%. By comparison, the FTSE All-Share Index Total Return Index rose 11.1%.

Global equity markets performed well in the second half of the calendar year, the Fund's reporting period. Interestingly, performance attribution was not dissimilar in the fourth quarter (Q4) to the third quarter (Q3) with the FTSE All-Share Index, for example, gaining 5.6% in Q3 and 5.5% in Q4, meaning that investors generally benefited from a positive sustained trend rather than an isolated bout of strong performance. There were, however, some anomalies. For example, developed markets continued to outperform emerging markets. More

notable was the striking difference in the quarterly performance of US equities, which fell 1.4% in Q3 but gained 8.1% in Q4. This was driven by the US Federal Reserve's decision to provide forward guidance on monetary policy, which should provide a clear distinction between the tapering of quantitative easing and the future direction of interest rates and clearly highlights that government and monetary policy continue to influence investors' decision making.

Against this positive backdrop, it is still pleasing to report that the Fund performed well in both absolute terms and relative to the peer group average.

In terms of performance attribution, the Fund's holdings in developed market equities provided the greatest contribution to investment returns. Furthermore, holdings in smaller company specialists and/or managers with flexible market capitalisation mandates were among the strongest performers. Formerly a significant contributor to returns, the Fund's holdings in private equity were of little help to performance as share prices paused for breath while investors reappraised their expectations for further net asset value performance. That said, news flow at the underlying portfolio company level remained positive, which should bode well for future returns. Similarly, the Fund's holdings in resources did little to support performance, but the wide level of discounts to net asset value and what we view as depressed share prices at the underlying portfolio level should present attractive opportunities for patient investors.

Investment activity was muted, save for general movements in unit-holder activity.

Outlook

Equity markets have been rising as investors have become more optimistic about the outlook for economic growth and interest rates, which has been supported by a gradual improvement in forward looking data together with forward guidance from the US and UK central banks. Going forward, corporate earnings will need to provide the heavy lifting.

There are reasons to be cheerful. A more robust economy could encourage capital spending and business investment, as well as hiring, as corporate leaders see an uptick in customer demand.

Interestingly, several of our underlying managers have noted that 'some' of their portfolio companies are seeing a pick-up in their earnings visibility, ie, increasing orders. But there are also reasons to be careful. The US Federal Reserve could make missteps under its new boss, Janet Yellen, when it begins to remove stimulus from the market. The US equity market, for example, has not suffered a serious setback in nearly two years, having risen 40%. The consensus view is that economic growth should accelerate globally in 2014. If that prediction proves wrong, there is much more downside risk than tapering alone.

Despite these concerns, we do not see a recession in 2014, nor do we see negative equity returns or a third year of 20%-plus gains. Rather, we expect an unremarkable 2014 unfolding for equity markets in aggregate, but with a more marked dispersion of returns. Consequently, we continue to favour our core managers that focus on businesses with quality characteristics but who are cognisant of valuations. This should provide attractive upside potential as well as providing both a fundamental and valuation margin of safety. In addition, we also continue to favour diversification throughout the portfolio, which provides access, in our opinion, to interesting opportunities in a broad range of investment strategies and asset classes including commodities, private equity and property, amongst others.

Performance summary

	30 Jun 13- 31 Dec 13 %	30 Jun 12- 31 Dec 12 %	30 Jun 11- 31 Dec 11 %	30 Jun 10- 31 Dec 10 %	30 Jun 09- 31 Dec 09 %
Henderson Global Strategic Capital Unit Trust	12.3	12.7	(16.8)	20.2	27.9
IMA 'Flexible Investment' Sector Average	6.6	7.4	(8.8)	16.8	21.1

Source: Morningstar - bid to bid, 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

Unit class	Net asset value* 31/12/13 p	Net asset value* 30/06/13 p	Net asset value % change
Accumulation units	175.58	161.09	8.99
Class I accumulation	120.56	110.17	9.43

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

Fund facts

Accounting dates	Payment dates
30 June, 31 December	31 August

Ongoing charge figure

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. Ongoing charges are all expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/13 %	30/06/13 %
Accumulation units	1.46*	1.50
Class I accumulation	0.72**	0.74

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%.

** from 0.10% to 0.075%.

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest price (pence per unit)
Accumulation units			
2008	-	179.10	83.33
2009	0.06	138.59	73.06
2010	-	166.24	124.55
2011	-	171.82	131.93
2012	-	156.22	133.46
2013	-*	190.99+	152.45+
Class I accumulation			
2012**	-	107.02	96.39
2013	0.21*	124.78+	103.92+

* 28 February 2014

+ to 31 December 2013

** Class I accumulation launched 1 August 2012

Past performance is not a guide to future performance.

Major holdings

as at 31/12/13	%
Rights & Issues Investment Trust	9.70
North Atlantic Smaller Companies	7.83
HG Capital	6.16
Montanaro UK Smaller Companies	5.39
Renewable Energy Generation	5.12
Edinburgh Worldwide	4.84
Oryx International Growth	3.98
Terra Capital	3.93
Henderson Smaller Companies Investment Trust*	3.82
Hansa 'A'	3.72

* A related party to the Fund.

Major holdings

as at 30/06/13	%
Rights & Issues Investment Trust	8.35
North Atlantic Smaller Companies	7.78
HG Capital	7.15
Montanaro European Smaller Companies	5.72
Renewable Energy Generation	4.92
Montanaro UK Smaller Companies	4.89
Worldwide Healthcare Trust	4.55
Terra Capital	4.05
Edinburgh Worldwide	3.94
Hansa 'A'	3.60

Asset allocation

as at 31/12/13	%
United Kingdom smaller companies	22.89
Private Equity	14.19
North America	11.18
United Kingdom general	8.13
Property	7.12
United Kingdom equities	7.11
Other	6.49
Global growth	6.15
Europe	5.77
Emerging markets	4.80
Corporate bonds	1.18
Japan	1.07
Net other assets	3.92
Total	100.00

Asset allocation

as at 30/06/13	%
United Kingdom smaller companies	19.64
Private Equity	17.21
North America	11.13
United Kingdom general	9.24
Other	8.91
Europe	7.87
Property	7.35
United Kingdom equities	6.65
Emerging markets	5.78
Global Growth	5.17
Corporate bonds	1.20
Japan	1.07
China	0.01
Net other liabilities	(1.23)
Total	100.00

Report and accounts

This document is a short report of the Henderson Global Strategic Capital Unit Trust for the six months ended 31 December 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 period it covers and the results of those activities at the end of the period.

Issued by:

Henderson Investment Funds Limited

Registered office:

201 Bishopsgate,
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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 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.

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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 31 December 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 Strategic Capital Unit Trust at any time by logging on to www.henderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

Any questions?

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

Important Information

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

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