

Henderson

Multi-Manager Distribution

Fund

Short Report

For the six months ended 23 May 2013

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Fund Manager

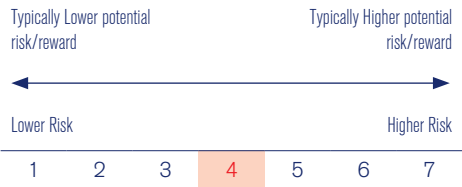
Bill McQuaker

Investment objective and policy

The investment objective of the Henderson Multi-Manager Distribution Fund is to aim to provide an income significantly in excess of the yield of the FTSE All Share Index with the prospect for some capital growth mainly through investment in a spread of authorised unit trusts and/or authorised companies which may be selected from those available in the whole market. The Scheme may invest in funds investing outside the UK, while maintaining a core exposure to funds investing in the UK. The Scheme may also invest in transferable securities including investment trusts, money market instruments, deposits, derivatives and forward transactions and unregulated collective investment schemes.

Synthetic risk and reward profile

The Fund currently has 2 unit classes in issue; A Income and I Income. The risk and reward profile 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 risk/reward rating above is based on medium-term volatility. In the future, the Fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The lowest category does not mean risk free.

The Fund's risk level reflects the following:

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

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

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

Default risk The issuers of certain bonds could become unable to make payments on their bonds.

Derivatives risk Certain derivatives could behave unexpectedly or could expose the Fund to losses that are significantly greater than the cost of the derivative.

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

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

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

Manager's commentary

European and UK equities delivered the best asset class returns over the period with key underlying fund contributions received from BlackRock Continental European Income, Cazenove European Income, Schroder Income Maximiser and Threadneedle UK Monthly Income. Elsewhere, within Japan equities the CF Morant Wright Nippon Yield performed strongly over the period as did the

M&G Global Dividend within Specialist equities. The detractors included ETFS Physical Gold, Royal London Index Linked and M&G Corporate Bond.

During December we fully redeemed the holding in Franklin Templeton UK Mid Cap initiating a new position in CF Miton UK Multi Cap Income.

In January we sold the M&G Corporate Bond and Royal London Index Linked and re-allocated into the Royal London Global Index Linked along with initiating a new holding in PIMCO US Dollar Short Maturity Source ETF; this was in order to add exposure to the US dollar and lower duration.

In February we sold the full holding in Pictet Emerging Local Currency Debt, trimmed the exposure to ETFS Physical Gold and also increased US dollar exposure by adding to the holding in PIMCO US Dollar Short Maturity Source ETF.

During March we increased UK and Japan equity exposure by adding to the existing holdings in CF Lindsell Train UK Equity Income, CF Miton UK Multi Cap Income, CF Morant Wright Nippon Yield and Nikkei 225 index futures. We also introduced physical property exposure to the portfolio via a new holding in the Henderson UK Property Unit Trust.

In April we subsequently closed out the position in Nikkei 225 Index futures and re-allocated exposure into the existing position in Cullen North American High Dividend Value Equity.

Finally, during May we switched the full position from Schroder Income Maximiser into a new holding in RWC Enhanced Income. We reduced the position in AXA US Short Duration High Yield Income to fund a new position in PIMCO GIS Income Fund, a multi-sector bond fund that targets a high consistent level of income; the Fund currently has a large exposure to Mortgage Backed Securities benefiting from the US housing recovery. Elsewhere, the weighting in ETFS Physical Gold was also reduced.

Outlook

The rally in global equities over the last six to nine months has been driven primarily by liquidity. That said, we need to see a pick-up in growth for the rally to be sustained. Better economic data and new policies in the US and Japan, respectively, may be possible precursors to an improving growth outlook. A key concern for the second half of the year is the premature withdrawal of central bank liquidity before the economy is strong enough to support itself, which may continue to cause market volatility in the short term.

Performance summary

	24 May 12- 23 May 13 %	24 May 11- 23 May 12 %	24 May 10- 23 May 11 %	24 May 09- 23 May 10 %	24 May 08- 23 May 09 %
Henderson Multi-Manager Distribution Fund	20.1	(5.1)	8.8	19.0	(2.5)
IMA Mixed Investment 20-60% shares	17.3	(2.6)	9.4	16.6	(12.9)

Source: Morningstar, bid to bid, with 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* 23/05/13 p	Net asset value* 23/11/12 p	Net asset value % change
Class A income	128.88	115.35	11.73
Class I income**	113.01	100.78	12.14

*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.

**Class I income launched 1 August 2012

Fund facts

Accounting dates	Payment dates
23 November, 23 May	23 January, 23 April, 23 July, 23 October

Ongoing charge figure*

	23/05/13 %	23/11/12 %
Class A	2.46	2.29
Class I	1.63	1.49

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

* This Fund is a non-UCITS retail fund and we have adopted this disclosure to enable comparison across our fund range. The OCF includes a synthetic element of 1.00% (2012: 0.98%) to incorporate the OCF of the underlying funds.

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest bid (pence per unit)
Class A income			
2008	4.66	110.50	88.71
2009	3.35	113.70	87.00
2010	3.02	121.40	109.90
2011	3.22	122.10	108.50
2012	3.14	118.20	110.80
2013	2.45*	131.10+	117.70+
Class I income			
2012**	0.13	103.40	99.90
2013	2.23*	114.90+	103.00+

* to 23 July

+ to 23 May

Net revenue distribution

Unit class	23/05/13 p	23/05/12 p
Class A income	1.65	1.50
Class I income**	1.47	n/a

Total dividend distributions for the period ended 23 May 2013, comparison is for the same period last year.

** Class I income launched 1 August 2012

Past performance is not a guide to future performance.

Major holdings

as at 23/05/13	%
RWC Enhanced Income	6.20
M&G Global Dividend	5.15
BlackRock Continental European Income	5.13
Cazenove European Income	5.11
Threadneedle UK Monthly Income	4.99
Kames High Yield Bond	4.93
Jupiter Strategic Bond II	4.79
Capita Morant Wright Nippon Yield	4.73
Henderson Strategic Bond +	4.64
Veritas Global Equity Income	4.57

+ A related party to the Fund.

Major holdings

as at 23/11/12	%
Schroder Income Maximiser	6.09
Veritas Global Equity Income D	5.38
Threadneedle UK Monthly Income	5.18
AXA US Short Duration High Yield Income	5.10
Jupiter Strategic Bond II	5.10
M&G Global Dividend	5.08
Cazenove European Income	4.78
BlackRock Continental European Income	4.67
Old Mutual Global Strategic Bond B	4.50
Brown Advisory US Equity Value	4.40

Asset allocation

as at 23/05/13	%
United Kingdom	25.18
Global bonds	20.12
Specialist	11.80
Europe	11.44
UK Fixed Interest	9.43
North America	7.06
Other	5.36
Japan	4.73
Asia	3.01
Derivatives	(0.13)
Net other assets	2.00
Total	100.00

Asset allocation

as at 23/11/12	%
United Kingdom	24.54
Global bonds	24.28
Specialist	13.11
Europe	9.45
UK Fixed Interest	9.07
North America	7.29
Asia	4.21
Other	4.09
Japan	3.21
Cash	0.16
Derivatives	0.10
Net other assets	0.49
Total	100.00

Report and accounts

This document is a short report of the Henderson Multi-Manager Distribution Fund for the period ended 23 May 2013.

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

Other information

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

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.

Issued by:

Henderson Investment Funds Limited

Registered office:

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Member of the IMA and authorised and regulated
by the Financial Services Authority.
Registered in England No 2678531

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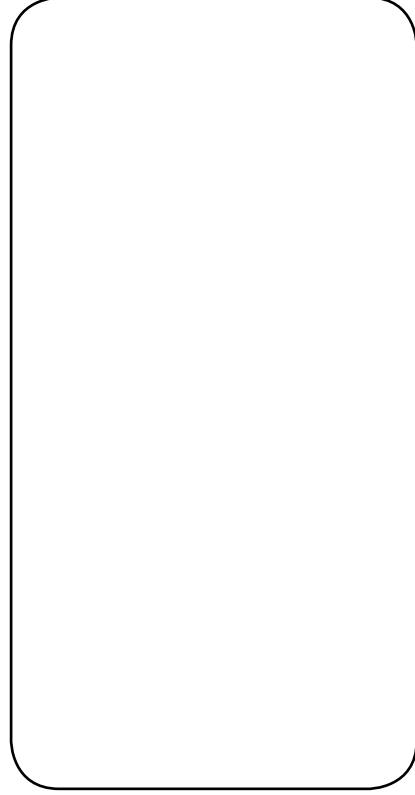
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Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 23 May 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 Multi-Manager Distribution 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

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

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